HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-THIRD PARLIAMENT

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VOLUME V, 1985

COMPRISING THE PERIOD FROM THE NINTH DAY OF SEPTEMBER, 1985
TO THE TWENTY-FIFTH DAY OF OCTOBER, 1985

INDEX ISSUED IN A SEPARATE VOLUME

Published under authority of the Speaker of the House of Commons by the Queen's Printer for Canada

Available from Canadian Government Publishing Centre, Supply and Services Canada, Ottawa, Canada K1A 0S9.

HOUSE OF COMMONS

Monday, September 9, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Wednesday, June 26, consideration of the motion of Mr. Crosbie that Bill C-49, an Act to amend the Criminal Code (prostitution) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. First, let me welcome you and other Members back to the House of Commons for the fall sitting. It is nice to be back and see everyone, after they have had an opportunity to spend the summer in consultation with their constituents.

The first item of business deals with Bill C-49. Consultations have taken place with respect to this legislation. As you know, today is the first day we are proceeding with the change in our rules and these rules, among other things, contemplate the existence of legislative committees.

You will also be aware of the fact that as Bill C-49 now stands on the Order Paper, the motion will refer the legislation on second reading to a standing committee, in this case the Standing Committee on Justice and Legal Affairs.

In order to proceed in the spirit and indeed in line with the new rules, I have discussed this matter with Opposition House Leaders and we have agreed that legislation now at second reading stage will be moved after second reading to legislative committees.

Accordingly, I believe you will find there is disposition to accept the following motion and give it unanimous consent:

That all the words after the word "That" be deleted and the following being substituted therefor, Bill C-49, an Act to amend the Criminal Code (Prostitution) be now read a second time and referred to a legislative committee.

Mr. Deans: Mr. Speaker, we did in fact have the kind of consultation which the Government House Leader indicates. This will be a matter that will arise from time to time over the course of the next few weeks as we deal with legislation that is presently on the Order Paper.

It may well be that with unanimous consent we can agree today to make the appropriate changes to all the legislation that now stands on the Notice Paper, to refer each piece to a legislative committee rather than go through the process on each occasion that arises.

Mr. Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition we would not only be willing to accept the motion just proposed but also to agree that this motion apply to the other legislation on the Order Paper that has not yet received second reading. However, I believe it should be clear that we are not changing the existing references to standing committees so that their work will not be disrupted.

Mr. Hnatyshyn: Mr. Speaker, I think the points brought up by the Opposition House Leaders are germane and valid. I thought we would discuss the matter at a subsequent date. There may be instances when we may want to talk about grouping certain similar Bills to one legislative committee rather than two.

Accordingly, I took my usual cautionary position of only dealing only with the legislation before us at the present time.

Mr. Speaker: The House has heard the terms of the motion. Is there unanimous consent for the introduction of the amendment?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Speaker: Resuming debate.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to continue the debate on second reading of Bill C-49, entitled an Act to amend the Criminal Code (prostitution). The purpose of this Bill is to help the citizens of this country who live in certain of our major urban areas and the police forces of the country to regain the streets because they have lost control of the streets and neighbourhoods in certain urban areas of this country.

The Bill was introduced first on May 2. I spoke briefly to it on the evening of June 26. I might also say that I have been under tremendous pressure from the Member for Vancouver Centre, the Minister of Energy, Mines and Resources (Miss Carney), in this matter. She has been very much concerned with the problem that this Bill deals with and has been a constant source of pressure for some action to be taken so that

the Criminal Code would be more effective in dealing with this problem.

The legislation does not attempt to deal with all of the problems that prostitution creates or with the problems of prostitution generally, which of course is the sale of sexual favours or sexual services for pay. It only purports to deal with one aspect of the problems that prostitution can create, which is the nuisance to others created by street soliciting not only by the prostitute but by the customer of the prostitute.

As Members will recall, several years ago the Government of the day appointed a committee to look into the question of pornorgraphy and prostitution in Canada. The committee was headed by Mr. Paul Fraser, former President of the Canadian Bar Association. We received the report some months ago.

Let me quote from Volume II of that report because it deals with the same question. At page 540 of Volume II of the report of the Special Committee on Pornography and Prostitution in Canada, the commission said:

> Furthermore, it is clear that as long as street prostitution exists, annoyance and interference will accrue to others, whether members of the public using the streets or other public places, or residents or occupants of adjacent properties. The Committee is of the view that those who are adversely affected by street prostitution are entitled both to consideration by the law, but more than that, to forms of legal protection which can be effectively enforced.

I might insert there that that is the problem. The form of legal protection which has been in the Criminal Code since 1972 is not a form of legal protection which can be enforced effectively. It cannot be enforced effectively because, through the interpretation of that provision by the courts and, in particular, by the Supreme Court of Canada, it is no longer possible to secure a conviction under that section for violation of the section. I will explain how that came about in a few moments.

● (1110)

The commissioners went on:

> There is to our minds no justification for ignoring the disturbance and interference with the peace and quiet of citizens which is associated with street prostitution.

Let me emphasize, no justification. One has to wonder why our predecessor Government left this matter as it did for so long in view of that. The commissionners went on:

> Few, if any, of those who are not currently affected by the nuisance caused by street prostitution would be ready to ignore its negative impact on them, if suddenly and consistently confronted by it. Although doubts were expressed to us in the course of our study about the necessity and merit of using the criminal law to deal with this problem, we have concluded that it must continue to have application.

The committee approved the course of action that we are taking now, and it found that street soliciting must be dealt with because of the nuisance it creates for others.

The commissioners went on in the next paragraph of their report to state:

> In the opinion of the Committee, it is the nuisance caused to citizens, whether by harassment or obstruction on the street, or by unreasonable interference with their use and enjoyment of property, which is the ill to be addressed. This means that some perceptible interference with members of the public or neighboring occupiers must be proven. There is no justification, in the minds of Committee members, for reviving the old status offence of being a streetwalker unable to give a good account of herself.

The committee itself suggested certain amendments to deal with the problem, but we do not think the amendments, which the committee suggested, would be effective in dealing with the problem. Therefore, we have come up with the amendment that we are now proposing to the House.

What do we propose, Mr. Speaker? The wording of the amendment is before you. We have new Section 195.1. It will read:

> Every person who in a public place or in any place open to public view
>
> (*a*) stops or attempts to stop any motor vehicle,
>
> (*b*) impedes the free flow of pedestrian or vehicular traffic or ingress to or egress from premises adjacent to that place, or
>
> (*c*) stops or attempts to stop any person or in any manner communicates or attempts to communicate with any person
>
> for the purpose of engaging in prostitution or of obtaining the services of a prostitute is guilty of an offence punishable on summary conviction.

It will be quite clear, if the House passes this amendment, that it will be an offence to propose to engage in prostitution or to propose to obtain the services of a prostitute. Therefore, the customer of a prostitute will be just as liable to conviction under this section as the prostitute herself or himself. We have to realize that prostitutes are male as well as female.

Subsection (2) of the new Section 195.1 deals with the question of "public place". There is some doubt as to what a public place is. It reads:

> (2) In this section, "public place" includes any place to which the public have access as of right or by invitation, express or implied, and any motor vehicle located in a public place or in any place open to public view.

This is necessary because it has been held that a motor vehicle located in a public place is not a public place. Any activity taking place in it is not taking place in public, even though anyone passing by can look into the motor vehicle and see what kind of activity is taking place.

You will notice from these provisions that repeated conduct is not a requirement, that one act can be sufficient to violate this section. The weakness of the section we are replacing is that the courts have held—and I will go into that in a little more detail shortly—that repeated conduct is required. The weakness of the amendment suggested by the Fraser Committee is the same weakness which, in the formulation it developed, require repeated conduct. By the way, we must not forget that in any conviction under this section, the Crown would require proof beyond a reasonable doubt, as is the case with respect to any particular criminal conduct.

● (1115)

Another feature of the amendment which we are proposing is that in Subsection (2) we propose that within three years after the Act comes into force there will be a comprehensive review of the operation of the new Section 195.1 by a committee of the House of Commons, designated or established for that purpose. The committee will have a year thereafter to complete its review and to submit a report to the House, including a statement on any changes which the committee

recommends. I think this is an extremely healthy provision. I am sure concerns will be raised as to what effect this section might have and what dangers there might be in how it is interpreted by the courts or how the police act in connection with enforcing it. Within three years, if the Bill is accepted, we will have a committee of the House review the experience during that three-year period to see how the section has worked and to see whether or not any amendments are needed.

The problems with the present Section 195.1 really commenced in 1978 as a result of interpretations of that section by our courts, the Supreme Court of Canada and the appellate courts across the country. As I mentioned earlier, that section was passed in 1972 to replace the old vagrancy offence of being a street-walker unable to give a good account of herself. That was a status offence, and it was recommended by the Royal Commission on the Status of Women that that section be removed. However, court decisions since Section 195.1 was enacted limited the effectiveness of the section and of course the instances of street soliciting in Canada have increased dramatically since 1978. In that year the Supreme Court of Canada held that behaviour must be "pressing or persistent" to constitute soliciting.

As you know, Mr. Speaker, with your encyclopaedic knowledge of legislation passed by the House, the present section reads as follows:

Every person who solicits any person in a public place for the purpose of prostitution is guilty of an offence punishable on summary conviction.

Thus, the courts had to determine what the word "solicit" meant. The courts decided that to be guilty of an offence under that section, the behaviour of the prostitute had to be pressing or persistent. In other words, the prostitute involved had to accost someone or a series of persons in a pressing or persistent way to constitute soliciting. Then, in later judgment, the court held that there had to be not just pressing or persistent conduct but repeated solicitations with respect to one individual, that it was not an offence if one person was accosted by a prostitute once with an invitation to engage in a sexual act for payment. There had to be repeated solicitations of this one individual by the prostitute concerned. Therefore, if there was a sequence of non-pressing approaches by a single prostitute to a series of individuals, it did not constitute the act or offence of soliciting. The result of these decisions was that it became impossible to enforce this particular section of the Criminal Code. We have really had that problem since 1978.

In addition, the Supreme Court indicated in what is known by the lawyers as *obiter dicta* that the interior of a motor vehicle was not a public place but was a private place for the purposes of the section. That caused confusion as to whether or not soliciting which takes place in a car parked in a public place or in a place open to public view fell within the soliciting provision.

● (1120)

There was a third problem with the present legislation, Mr. Speaker. There were conflicting decisions at the level of the provincial appellate courts. Some of those decisions held that a customer who accosts a person while looking for the services of a prostitute in a public place could be prosecuted while in other provinces, decisions held that the customer was not liable to prosecution. That, of course, is an imbalance in the application of the law, an imbalance that we do not wish to allow to continue. Therefore, in the proposed legislation, it will be an offence for either a prostitute or a customer to seek one another out in a public place.

The problems that arise with soliciting do not arise only from the presence of prostitutes and customers in public locations but from the conduct in which they engage while they are there. Our proposals are intended to remove the opportunity for them to carry out their business in public and to prevent such conduct from occurring in public. Therefore, in addition to making it clear that customers as well as prostitutes are liable to criminal sanctions for negotiating sex in a public place, the amendment specifies that if the activity takes place inside a motor vehicle in any public place or place open to public view, it is still an offence. The penalties that we are attaching to this new offence are identical to those that can be imposed at the present time under Section 195.1 of the Code. The court can impose a fine of not more than $500 or imprisonment for six months or both. When Bill C-18 which was enacted by this House earlier in the year becomes law, the maximum fine for a summary conviction offence will be increased to $2,000.

What are some of the problems the public feels that we must resolve for them in connection with street soliciting? These problems range from the slowing down or blockage of motor vehicle traffic as can be observed in Halifax, Vancouver, Calgary, Niagara Falls and Toronto as well as the slowing down or blockage of pedestrian movement on the sidewalks to active behaviour in connection with the selling of drugs, with pimping and with being accosted while walking down the street by persons who ask if a pedestrian wants sex or is prepared to sell sex. The residents of neighbourhoods into which street soliciting has moved complain that their property values are lowered, they are harassed by prostitutes or customers, there is noise and confusion and their children are exposed to the practice of the buying and selling of sex as part of their daily routine. These are the incidents of nuisance from which we must protect the public and this is why we are asking the House to deal with this Bill. As I indicated earlier, the Fraser Report verified the proportions of the problem which this behaviour has caused in some communities and it recommended that action be taken to correct this.

In interpreting the present provision, when the courts in effect emasculated the provision as an effective piece of enforcement machinery to deal with this problem—of course, we do not ascribe any blame to the courts in doing that as they are there to interpret the laws that this House enacts—municipalities attempted to get around what appeared to be a lacuna in the law, and they attempted to deal with street soliciting by initiating approaches of their own. They passed by-laws prohibiting street soliciting for the purposes of prostitution. However, in 1983, the Calgary by-law was struck down

by the Supreme Court of Canada on the basis that the real character of that by-law was an attempt to control prostitution and that this was a function of criminal law that falls exclusively under federal jurisdiction. Montreal has passed a similar by-law which was also quashed by the Supreme Court of Canada. Montreal then imposed a further by-law which was directed at the sale of any service on public streets and that by-law withstood challenges in the lower courts. The City of Vancouver took a different approach and it eventually got an interim injunction to prevent street soliciting in certain areas. However, in Halifax, the same solution was attempted, but the court there rejected the attempt of the Province of Nova Scotia to obtain an injunction such as that which was obtained in Vancouver. Thus, it is a consensus of officials who are responsible for law enforcement, the mayors of the major cities and many community groups in the country that changes to the Criminal Code are required. Of course, the Fraser Committee has agreed in that respect as well.

• (1125)

This is an area in which there appears to be consensus in the minds of the public. The Fraser Committee had a national population survey conducted in 1984 to do with prostitution. This public opinion survey showed that 84 per cent of those surveyed found street prostitution unacceptable and that 71 per cent believed the police should be given more power to control adult street prostitution. I think it is clear that the Canadian public wants action taken in connection with street soliciting.

We know, and I acknowledge, that prostitution will not disappear as a result of these amendments. The amendments are not designed to attempt to make prostitution disappear. Prostitution is something that has been with us in society for as long as we have had organized societies. I suppose that is thousands of years. The prostitute has been with us just about as long as the judge has been with us. These are probably the world's two oldest professions. I am not suggesting we are dealing with other problems of prostitution. Later this fall, hopefully, we propose to introduce other legislation which will deal with different aspects of the prostitution problem, pornography and the like.

We have received two very complicated reports which deal with sensitive areas of human life. They are the Badgley Report and the Fraser Report. Both deal with areas not just of federal jurisdiction but areas of provincial jurisdiction. We have to consult with the provinces and many other interested groups across the country, which is why it is taking some time to formulate a response to those two reports and all the very sensitive and complicated matters with which they deal.

The Bill before us is here to remedy a specific problem which the public in our major cities wants dealt with. They want it dealt with now. They have been waiting far too long to have it dealt with. In fact, they have been waiting since 1978 and they do not propose to wait any longer. Since we have Hon. Members who are intensely interested in seeing this matter resolved, such as the Hon. Member for Vancouver Centre the Hon. Member for Niagara Falls (Mr. Nicholson), and other Members from our large city constituencies, we are dealing with it. I hope that the House will deal with it quickly at this stage.

We believe that the public should be able to use the streets free from harassment, not only by prostitutes, but by their customers. We think residential neighbourhoods should be protected from the problems associated with street prostitution, which certainly diminishes the quality of life in these areas.

One of the principal purposes of the Bill is to preserve and protect the urban environment from this blight. However, I suggest it will also have the benefit of reducing the opportunites available to young people to become involved in prostitution. We all know that the street life attracts new participants. The number of prostitutes engaged in the trade, and their customers, when you see them on the streets of Toronto, Vancouver, Halifax, or wherever, is visible evidence of the fact that there is money to be made in pursuing these activities with relatively little effort. One who may be a runaway, or whatever can easily see where this activity can be engaged in and how he or she can engage in it so long as street soliciting is allowed to continue unimpeded, as it is at the present time. The number of prostitures in the street will continue to incease as long as there is a sufficient supply of customers. More customers are attracted to the street scene because of the availability of prostitutes. The cycle can be broken, I suggest, if the law provides an effective deterrent to both the customer and the prostitute. The customer who is faced with the prospect of arrest and prosecution is certainly going to be less likely to drive downtown to seek out a prostitute. A diminshed supply of customers is going to make the business less attractive to those who now make their living from it.

• (1130)

Some people argue, Mr. Speaker, that if the prostitute is forced to conduct his or her business elsewhere than on the street, they are going to be unprotected from the exploitation and violence of customers and pimps. I cannot see the connection, Mr. Speaker. The prostitute today is relatively unprotected from violence and exploitation by customers and pimps whether or not he or she solicits on the street. That is the terrible risk that anyone takes who engages in the business of being a prostitute. One never knows when there will be a customer who will turn out to be a monster and the fact that one solicits a customer on the street or privately somewhere else is not going to do away with that danger. The pimp is not there because there is soliciting being carried out on the streets. The pimp is there because of the nature of prostitution, because of the loneliness and the desperate state of many of the women who engage in prostitution and who feel they need protection, companionship or whatever. It is not because they are soliciting on the street that they feel they need a pimp, nor is the pimp there because the prostitute is on the street. He is there because he is a vicious and depraved type who is going to prey on whoever he can whether it happens to be a prostitute

on the street or in some other place. They will find a victim to prey on as long as there is prostitution.

As we all know, Mr. Speaker, we have always had prostitution. Therefore, I do not think the argument is sound that if we pass this Bill the dangers which arise from pimps and customers will increase. That danger is always there.

I mentioned previously, Mr. Speaker, that we do not propose to pass this legislation and then to forget it. We must all be concerned about the rights of free speech and association, the right to be on the street and all of the other rights about which we are concerned. It is a delicate area and no one can be sure just how the legislation will be interpreted. That is why we have a provision for a review after three years.

Some people have suggested, and I believe wrongly, that this Bill will infringe upon the rights of free speech and association which are guaranteed in the Charter. We all know that the rights of free speech and association are not absolute. They are constrained by limits which are imposed in order to ensure that the freedom of one person does not violate that of another. I do not think we can argue that just because one person has the right to be on the street it gives them the right to violate the rights of others. No one has an inalienable right to offer to sell or purchase sex on the streets. There is certainly no such inalienable right in the Charter of Rights and it is not marked anywhere that I have ever seen. There is no inalienable right to sell sex on the streets of this country and if this Bill is passed, Mr. Speaker, it will be positive proof that there is no such right. When the consequences of that kind of conduct becomes intolerable to the community, then parliament has a responsibility to act. We have a responsibility to the people who are affected in Vancouver, Calgary, Toronto, Halifax and Niagara Falls. They have a right to have us act on their behalf, and that is why this legislation is before the House.

I touched on the question of juvenile prostitution. I believe this Bill may be of some assistance in doing away with the high visibility of juvenile prostitution which attracts troubled youths to that practice. I believe that rather than increase the dangers from pimps and the like, it will have the other effect with respect to juvenile prostitution and should be of some help in making prostitution less attractive to those youths who may be heading in that direction. The new law, we hope, will help to salvage young prostitutes by removing them from the streets. Second, if they are removed from the strets, they no longer will be role models for other troubled young people who might view that kind of lifestyle as an acceptable and easy way to make a living.

I mentioned earlier, Mr. Speaker, that the customers who solicit in public will be committing an offence under this Bill. The customer who solicits the services of a juvenile prostitute will, of course, be subject to prosecution. I think the knowledge that they can be charged themselves with attempting to pick up a young prostitute on the street will discourage those who have such propensities. It will certainly make it a less attractive proposition.

In 1983, the Standing Committee of the House of Commons on Justice and Legal Affairs in its report on street soliciting for the purpose of prostitution did recommend the creation of a new offence of offering or accepting an offer to engage in prostitution with a person under 18 years of age. However, we did not think that this approach would be a workable one. The Fraser Commission also adopted this type of approach. However the Badgley Commission went even further. It suggested that it be an offence for a young person to be a prostitute whether or not he or she solicits for the purpose of prostitution in a public place. That proposal would raise problems, Mr. Speaker, because it might offend the equality provisions of Section 15 of the Charter that guarantees every individual equality before and under the law and equal protection and benefit of the law without discrimination based on age. However, that can be discussed at a later time. The Badgley Commission recommendation on juvenile prostitution was not adopted by the Fraser Commission.

I have not yet heard any argument against this proposed legislation that is convincing in any way. This is a serious problem which has not been dealt with for too long. I will not mention who might have to accept any blame in that connection. Our Party has been in office now for a year. We introduced this legislation on May 2 last following receipt of the Fraser Commission on Badgley Commission Reports. We did attempt to come forward with this legislation last June but—and I do not believe I am over-emphasizing when I say this—the official critic of the New Democratic Party was not keen on this legislation. It may be that he will even be in opposition to it today. But I hope will have a reasonable debate which I feel could be completed in a day or two at the most. The Bill would then go to a committee which would hold hearings, representations would be received and, hopefully, we could have this piece of legislation passed in the next several weeks.

When this legislation goes to committee, I would not like the committee to, as we say in Newfoundland, "get into the fat". In Newfoundland when they go to a seal hunt, they "get into the fat" and they stay in the fat for many weeks or months. I hope that if this suggested legislation goes to committee, the legislative committee will deal very promptly with it and report back, because that is what is wanted by the citizens of Vancouver, the Niagara Peninsula and Toronto and all those who want to see their streets given back to the law-abiding citizens.

• (1140)

Those who want to see their neighbourhood cease to be despoiled, those who no longer want the traffic jams, the leering, the sneering and the soliciting, expect this Bill to be dealt with in all stages and passed over the next few weeks. The police have that hope and expectation as well because their hands have been tied in dealing with this problem certainly for the last five or six years, and really since 1978. I hope there will not be any attempt by the Opposition to straddle the issue by supporting second reading of the Bill and then coming up with a thousand equivocations and disputes in the committee stage, trying to hold up the Bill by way of the threat of a filibuster or the like.

I visited Vancouver a month or so ago and I was delighted to be able to explain to the people of Vancouver what and who had held up the Bill last June. I delighted in explaining to them the ferocity of the reaction of the Minister of Energy, Mines and Resources who was extremely angry because I could not get the Bill before the House and passed last June. She is a formidable woman, I can assure you, and I believe she is going to speak today.

I hope we will have a constructive debate. It is a specific problem, one of nuisance. We all know that we are doing today will not resolve the problem of prostitution as a whole, but it will protect ordinary law-abiding citizens. It will enable those who represent our citizens, particularly in our metropolitan areas, to regain control of the streets. It is not a Bill which affects us in Newfoundland. Of course, we do not have this kind of activity in Newfoundland. But I am glad to be here on behalf of the people of Newfoundland to help the mainlanders resolve this pressing problem.

Some Hon. Members: Hear, hear!

Hon. Bob Kaplan (York Centre): Mr. Speaker, I believe it is appropriate for us to begin with this Bill as we return from the summer break. It is an important subject and it is certainly time for Parliament to deal with it. The municipalities have tried to cope with the problem but they do not have the constitutional authority to do so. This is the place for that and I am glad that now is the time for Parliament to address the subject.

On behalf of my Party I can say that we are looking forward to a short debate. We certainly do not intend to prolong it. We are looking forward to the committee hearings and to action being taken; however, as I will indicate in a moment, we have some extremely grave reservations about the way the Government proposes to deal with the problem of street soliciting. I was astonished, I confess, to hear the Minister say that he has not heard any valid reservations over this legislation. I would remind him that this past weekend at the meeting in Yellowknife of the Canadian Federation of Municipalities practically the whole of the time was spent discussing the Minister's Bill. The municipalities are in the front line, they are more aware of the problem than anyone else, and they expressed their reservations about the solution the Government has put forward.

I would like now to say a word about the background of this Bill and the deteriorating situation in the streets of our cities which has led to the necessity for legislative action. The Minister outlined very well the legal developments since the Hutt decision in the Supreme Court of Canada which found that pressing and persistent behaviour was required in order to obtain a conviction under Section 195.1 of the Criminal Code. Since 1978 there has been a problem in our streets, one which has been steadily deteriorating. When the former Government established the Fraser Commission, it did so after a lot of national debate about how serious the problem was. When the Commission was established, the problem had become very serious and something had to be done about it. This was confirmed by the public opinion polls to which the Minister referred.

What were some aspects of the problem? The issue on which the Minister focused almost exclusively was that of the nuisance in the streets. That is not the whole of the problem but it is certainly a very serious part. The Minister is right, our communities are entitled to legislation which removes street prostitution from being the visible nuisance, humiliation, harassment and embarrassment which it represents. The Official Opposition agrees with that. We also agree that the spectacle of street prostitution has increased the volume of prostitution in our society. There is no doubt about it; people, young people in particular, when they see this activity, can find role models and apparent solutions to the problem of earning a living and establishing a lifestyle. I believe that if we can find a method of reducing or removing street prostitution, we will also reduce the absolute amount of prostitution and save many young people who would otherwise, by the dynamics which have been described, be attracted to and sustained by prostitution. Furthermore, the street prostitute is exploited, and this is a serious factor. The domination and exploitation of women and young people has been increased by the fall-out from the Hutt decision in the years since 1978. As well, drugs have been infiltrated into this picture and organized crime has exploited the situation. All in all, there is, to the minds of those in the Official Opposition, a serious problem which needs to be addressed by Parliament now, and we are pleased that the Government is taking the opportunity to do so.

The Minister summarized the state of public opinion very well by reading from page 540 of the Fraser Commission Report. I will not read it again, but the fact that he read from it shows that he is aware of the report, and I hope that when the Bill goes to committee we can attract members of that commission to come forward and give us the benefit of their experience in analysing the problem. But to those who appreciate the Minister's recognition of the Fraser Report, it is worth pointing out that he overrides and rejects totally all of the important insights that the members of that Commission developed about the problem. In reading the report carefully, I have the feeling that they will be the first to attack and condemn the so-called solution which the Minister has put forward, and I hope he will take their concerns as seriously as he took their observation that the public deserves to be protected from street prostitution.

Given the Government's recognition of the problem, I would say that the solution proposed is a bankrupt and hypocritical one. It can be characterized almost literally as a band-aid solution. It is like putting a band-aid over a very serious social problem. People who look at it from their houses, their front porches, will see that the problem disappears from sight, but it will not disappear in fact. Anyone who considers this legislation carefully can predict that the problem of prostitution will become much worse. I recognize that the total amount will be reduced, and that will be a good thing, but the prostitution which will continue will be pushed into a much worse situation. It is not satisfactory for the Minister to tell us that we

will consider this matter in the fall because the band-aid solution which the Minister is proposing will lead to more serious crimes. It will condemn those who practise prostitution, much as we would like to encourage them to find other ways of making a living. It will make their lives for worse. I think it will lead to more corruption in police departments, to more power held by pimps, and to greater opportunity for organized crime.

• (1150)

The direct interface between the prostitute and the customer in the public place is being removed, but since, as the Minister admits, prostitution will continue, prostitutes will be far more at the mercy of the underworld and of the corrupt participant in the drug scene who will find them their clients. While we are not taking the brief for prostitutes, it is very difficult to ask us to support legislation which will create more crimes and put prostitutes in a more difficult, precarious, dangerous, and vulnerable situation.

Therefore, we cannot agree with the solutions proposed by the Government for that very reason. We must look behind the band-aid. The Fraser Commission proposed solutions in some areas to deal with those serious vices which will become worse if the Minister's Bill is accepted in its present form.

The Official Opposition has another very serious objection to this legislation. Most of the media that have commented on this Bill have expressed this objection most of the editorials condemning this Bill have emphasized it, that is, the civil liberties dimension. When one reads the language of Bill C-49 one sees that it vastly increases the power of the police in this country to arrest citizens.

I am concerned about the definition of "communication". It includes very minor gestures by an individual which can hardly be considered a street nuisance. Such gestures would not interfere with other members of the public on the street. I do not feel that such unobtrusive activities as that should attract police attention. As well, there is much more room for mistakes. The police are in a position to interpret activities which they see on the street in a way that can impede non soliciting activities in the street.

There must be better answers than those proposed by the Minister. Fraser has proposed some better answers. Although we want to see the problem addressed by legislation quickly, this legislation must bear the study of a parliamentary committee. It must bear the review of all the various groups in society that have been appalled to hear that a political Party which paraded itself as being civil libertarian before the election would bring forward as Draconian a measure as this. It not only removes street nuisance, which is a very desirable goal, but it inhibits a tremendous number of innocent activities which in no sense of the word constitute anything that could be called a nuisance by rate payers, as sympathetic as we are with their concerns, and as willing as we are to have the Criminal Code address those concerns and remove the problem of street prostitution.

I indicated, Mr. Speaker, that it would not be the position of Her Majesty's Official Opposition to prolong this debate. A number of my colleagues have been very concerned about the problem of street prostitution for years. They have been outspoken proponents of various solutions for dealing with the problem. We encourage them all to speak. After dealing with the issue of support in principle we look forward to serious legislation dealing with the nuisance of street prostitution. We hope that the Government, which claims to have other plans for later in the fall, will bring those plans forward and allow us to hear the whole package dealing with this problem. In addition to making the problem disappear from the view of the front porch, we must deal in a humane and realistic way with the problem of prostitution which the Minister himself admits, and which we all know, will continue even after legislation is passed dealing with the problems created by the Hutt decision.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am very pleased to be able to rise to speak on behalf of my colleagues in the New Democratic Party on this very important Bill. I would like to indicate clearly at the outset that we believe that the approach taken in this Bill is fundamentally wrong. It is wrong from the perspective of the victims of this crime, from the perspective of the communities in which soliciting takes place, and indeed from the perspective of a society which values the freedom of speech and civil liberties. It is an approach which reeks of hypocrisy. It is a sledge hammer approach which will, in the long run, do nothing other than aggravate the problem with which it purports to deal.

Before dealing with the substance of the legislation I would like to respond briefly to the suggestion made by the Minister of Justice (Mr. Crosbie) in the House today and recently in British Columbia that members of this Party—and I believe he went so far as to suggest that I in particular—sought to obstruct, delay, and refuse him the right to bring this Bill before the House of Commons. He suggested that he and his 210 Conservative colleagues were being single handedly thwarted by the Hon. Member for Burnaby. Mr. Speaker, I think the record makes clear that that is patent nonsense. The record and the reality is that it was not until the evening of Wednesday, June 26, two days before the House rose, that the Minister even attempted to bring this Bill before the House for second reading.

Not until June 26, at ten o'clock in the evening, did the Minister stand up to introduce the Bill for second reading. Any delay in the introduction of this Bill must rest squarely on the head of the Minister of Justice himself who did not even bother to bring the Bill forward until a couple of days before the House rose.

Having brought the Bill forward on Wednesday evening, did the Minister come back to the House on Thursday morning to move forward with this important legislation? We were prepared to debate this Bill recognizing the serious concerns of residents of Mount Pleasant and other residential communities who are victimized by this problem. No, Mr. Speaker, he made one feeble, gasping effort at ten o'clock on Wednesday evening and then dropped it. He did not come back to the House on

Thursday to try again. He did not return to the House on Friday. He then went rushing off to British Columbia and bitterly attacked the Member for Burnaby because he did not co-operate with the Government. What horse feathers, what absolute nonsense on the part of the Minister of Justice. He and he alone must accept responsibility for the fact that this Bill was not brought forward until two days before the House rose this summer.

I said that the approach taken in this Bill is wrong. I would like to indicate why we in the New Democratic Party believe that this approach is wrong, but before I do so I want to indicate very clearly that all of my colleagues are gravely concerned about the reality in residential communities across the country. No one has worked harder and spoken out more eloquently on behalf of the concerns of residents of the Mount Pleasant area than my colleague, the Member of Parliament for that area, the Member for Vancouver East (Ms. Mitchell). My colleague will be speaking later in the course of this debate. We are aware of the fact that these residential communities are in an intolerable situation at the present time.

• (1200)

I received a letter from a woman who lives in an apartment on 23rd Avenue in Vancouver. She talked about the fact that she recently discovered a prostitute conducting business in the laundry room of her apartment building and her son being woken up at 3 a.m. on several occasions by arguments and fighting taking place outside his window at 8th and Fraser as well as cars screeching throughout the neighbourhood and fights taking place in the street between customers and clients.

No Member of the House is prepared to accept that kind of activity in residential communities, whether it be Mount Pleasant, the west end of Vancouver or anywhere else in the country. However, the question that arises is, what is the appropriate response? While there must be a response, of course, what is the appropriate response to this serious problem? More important, what about the Bill that is before the House at this time? Does it in fact constitute a measure that is an appropriate response to what is a serious problem in residential communities?

As has been stated, the Fraser Commission conducted an extensive study into the question of pornography and prostitution and examined a series of proposals, both short-term and long-term. It was a comprehensive package for dealing with what all of us recognize is the degrading practice of prostitution. It is a practice which depersonalizes sexual relations. However, when one examines the approach taken by the Fraser Commission, it becomes immediately clear that the Bill before the House today fundamentally rejects the entire thrust of the recommendations of the Fraser Commission. I say that for several reasons. First, let us deal with the short-term, specific elements of the Fraser Commission's response to the concerns of residential communities that they want to be able to live in peace and quiet. The Minister quoted extensively from page 540 of the Fraser Commission's Report. I believe he went so far as to say that the Fraser Commission has approved the course of action that the Government is taking now. That is nonsense. In fact, the Fraser Commission has explicitly rejected the approach which the Government is taking in this legislation.

The Minister read about two-thirds of the way through page 540 but he did not read the following sentence:

> We also believe that it should not be sufficient basis for attaching criminal responsibility that a prostitute or a customer offer to engage in prostitution. Apart from the fact that it is difficult to characterize this as an intolerable interference, the methods which would be employed by the police to secure convictions are unacceptable. While undercover and decoy work may be necessary in certain cases to provide a basis for prosecution in the case of serious crime, we see no justification for its use in dealing with this relatively minor form of criminality.

In other words, in dealing with a nuisance.

Interestingly enough, the Minister of Justice did not bother to read that provision of the Fraser Commission Report. Had he done so, it would have been immediately obvious that the Fraser Commission rejects the approach taken by the Government, even on the short-term provisions with respect to nuisance.

What does the Government's Bill actually do? First, it provides that those who impede or molest individuals and attempt to solicit for the purpose of prostitution in public places will be subject to a criminal sanction. It is a sanction of six months in jail or a fine of $2,000 to those who impede, molest or harass people on the sidewalks.

The Bill does not just deal with those who harass people on sidewalks or the streets. It could be argued that there is a legitimate concern which may have to be addressed by Criminal Code provisions if existing laws are inadequate to deal with those concerns.

However, the Bill goes far beyond that. The Bill states that every person who, in a public place or in any place open to public view, in any manner communicates or attempts to communicate with any person for the purpose of engaging in prostitution or of obtaining the services of a prostitute, is guilty of an offence punishable on summary conviction. I referred to a sledge hammer approach to the nuisance problem. Think of the implications of this particular clause as it deals with any form of communication whatsoever in any public place anywhere in Canada. What does it mean? What does it do for freedom of speech and civil liberties in this country? Does this include a nod in a crowded bar? Does it include a wink on the street? The answer is yes. Clearly, both of those are forms of communication, and as of the date of passage of this Bill those forms of communication will be branded criminal in this country. If that is not an assault on freedom of speech, if that is not an attack on civil liberties in this country, I do not know what is.

The Minister, in purporting to deal with the acknowledged nuisance in residential communities of those who would impede and harass individuals, goes far beyond that to deal with any form of communication, not just on the street or in alleyways but any form of communication in any public place. What possible justification can there be for that kind of attack on freedom of speech in Canada?

Certainly, no resident of Mount Pleasant, Niagara Falls, Toronto, Halifax or the west end has suggested in his or her representations to the House that those forms of communication in a public place anywhere in Canada should subject one to a sentence of six months in prison. It is absolutely unbelievable.

In fact, that is what the Bill does. The question we must ask is, what should have been done to respond to the genuine concerns of the residents of communities such as Mount Pleasant? Let me come to what we in the New Democratic Party propose as an alternative—I emphasize alternative—to the short-term problem of nuisance and harassment.

As well as dealing with the question of the over reaching aspects of this Bill in terms of freedom of speech, I want to look at some of the other implications of the Bill. We, as Members of Parliament can sit here in the Chamber and feel very proud of ourselves that we are sweeping the prostitutes off the streets. We will sleep well at night, knowing that that low life is gone.

Well, the implications of this Bill do not deal with just residential concerns. They go far beyond that. As pointed out by one member of the Fraser Commission, while it is all well and good to sweep prostitutes off the street and out of sight, under the existing laws, where do they go? According to this Bill, not only are they swept off the street, they are swept out of any public place anywhere in the country. We are not just dealing with the nuisance of street soliciting, we are dealing with any form of communication for the purpose of prostitution in any public place, anywhere in Canada. Under existing laws, under bawdy house laws in particular and other laws, any activity in a private place involving prostitution on more than a couple of occasions makes that private place a bawdy house.

What the Government believes it is doing is eradicating prostitution from all public places. It is already a criminal activity in all private places. The Government is saying that it is prepared to eliminate prostitution in Canada. That is the effect of this Bill, Mr. Speaker. One has to state only the proposition to recognize how ludicrous it is.

• (1210)

I am sure all of us would seek the eradication of prostitution as our objective. It is a practice that degrades and exploits women and young people. The reality is, as was clearly recognized by the Fraser Commission, that social and economic changes, and those changes alone, have any hope of ending the scourge of prostitution, and until we come to grips with them we will not eliminate prostitution in Canada. What this Bill will do, in concert with the existing bawdy house laws which must be repealed, is to drive prostitutes directly underground.

Let us think of the implications of that for a moment. It will not be that much of a problem for the wealthy, for the call-girls, for the Wendy Kings whose clients are the wealthy, the establishment, the lawyers, the judges, the doctors and those who can afford to pick up the phone and phone the Wendy Kings, the call-girls. Their business will carry on as usual. But what about the others, Mr. Speaker? What about the kids on the street? What will this Bill do about the problem of young boys and girls on the streets? Not only does the Bill not address the problem of kids on the street, but it makes their plight worse. It means that kids can be charged as prostitutes and be thrown in jail or fined. Is that really the answer to the social tragedy of juvenile prostitution? Is that really what this Government is proposing as a serious response to the tragedy in our communities of kids who sell their bodies to survive?

No other answer has been put forward by this Government. Indeed, we see the spectre of provincial Governments shutting down existing services for juvenile prostitutes. The Senator Hotel in Vancouver at least gave kids a roof over their heads and got them off the streets and the people tried to train them for jobs. But what did the Social Credit Government do in British Columbia? It shut the project down.

This Bill does nothing whatsoever to deal with the problem of juvenile prostitution. In 1983, when we studied this problem, if there was one unanimous recommendation by the House of Commons Justice Committee, it was to take tough and effective measures to deal not with juveniles, kids, not to throw them in jail, but to deal with the customers of juvenile prostitution. Where in this Bill put forward by the Government is there any attempt to deal with the customers of juvenile prostitutes? Nowhere, Mr. Speaker. Instead, the effect of this Bill would throw kids in jail.

Mr. Crosbie: And their customers.

Mr. Robinson: For over a year the Government has been studying the recommendations of a major commission that dealt with the sexual abuse of children in Canada. I speak of the Badgley Commission Report. That report should have been acted on long ago. Only in this month is the Department of Justice finally sending out a series of questions and discussion papers asking for comment on the report. Where has the Government been for the last year? Why was that process of discussion and consultation not started immediately after the Badgley Commission Report was tabled? If the Government is serious about dealing with prostitution of young people, it should start dealing with some of the social and economic causes, including the taking of effective measures to deal with the sexual abuse of young people.

It has been argued that this Bill will be equal in that it will be applied to both customers and prostitutes. That is on paper, Mr. Speaker. The reality has been, I venture to suggest, very different.

In Ontario, for example, the police can charge both customers and prostitutes. The experience has shown clearly that prostitutes are charged overwhelmingly. In 80 per cent of the cases prostitutes, and not customers, are charged, despite the fact that the law is supposedly equal in its application.

What are some of the other effects of this sledge-hammer approach to prostitution put forward by the Government? In effect, it will put prostitutes through the old revolving door of arrests, fines, jail for those unable to pay fines, and then it will

be back to the street for them, working that much harder or back to the seedy hotels to pay off their fines, and being in jail exposes them that much more to criminal influence. There will be a few who will not go to jail, because we all know that the police use prostitutes, in many cases, as a very effective means of surveillance of the community within which they work. Deals will be made because the police will have their club if this Bill passes. Certainly the police will use it and they will use it with a vengeance.

The Government has brought this Bill forward because the police have thrown up their hands and said, "We are powerless to act. We have no tools. We need this change in the criminal law".

It might be one thing for the police to come before Parliament if they had tried to use the existing tools but they have not done that. I speak of the existing nuisance provisions of the Criminal Code and of other provisions of the Criminal Code, of provincial highway traffic legislation, of by-laws, not those rejected by the Supreme Court but by-laws which were carefully drafted by local municipalities to respond to the concern of those municipalities about nuisances in residential communities.

Where by-laws have been carefully drawn, they have been upheld by the courts. The Minister himself conceded that the Montreal by-law was upheld by the courts. Surely it is within the constitutional jurisidction of a local community to say that it is not prepared to accept that kind of harassment and nuisance in its community. Indeed, I want to commend the Mayor of Ottawa, Marion Dewar, for the sensitive approach that she has taken on this question. She recognized that it is not acceptable in her community, just as it is not acceptable in any other community, for soliciting to take place in residential areas. Therefore, as a result of a combination of community policing and other measures which she has been prepared to take, prostitution and soliciting have not been problems in residential communities. In fact there are alternatives. I very much regret that in my view it is residents of areas such as Mount Pleasant and of the west end of Vancouver, until the injunction, who have been manipulated and used to a certain extent as guinea pigs in the fight by police forces for this repressive legislation.

● (1220)

We will see the revolving door syndrome. In fact, this Bill will make prostitutes more reliant on pimps to obtain customers for them. If they cannot solicit in a public place and if any place where they are acting in private is considered a bawdy house, the only way they will be able to obtain customers is through reliance on pimps. Certainly that means increased violence and the possibility of more organized criminal involvement in prostitution.

By adopting this Criminal Code approach, prostitutes will be given criminal records, which, once again, makes it that much harder for them to get off the streets and out of prostitution. It condemns them to remain in that vicious cycle of arrest, fine, back to prostitution, more violence and ultimately, in many cases, death.

I have mentioned the problem in terms of threat to civil liberties. In that context I want to mention as well the very real threat to women who in fact are lawfully going about their business in our communities. Under the provisions of this Bill, those women can be harassed as well by the police as they go shopping or as they wave at someone they recognize in the street. This Bill opens up tremendous possibilities of abuse with respect to women who are not in any way engaged in prostitution but will be subject to harassment under the provisions of the legislation. The approach is a piecemeal one. It is an approach which has been explicitly rejected by the Fraser Commission. Certainly it is one to which we in the New Democratic Party are strongly opposed.

I have mentioned the rejection by the Fraser Commission of both the short-term response of the Government and of its failure to move forward in terms of meaningful social and economic programs. The Fraser Commission indicated that it saw no virtue in replacing the present system with a more repressive regime. It indicated that there was no evidence in the history of this country or of those countries such as the United States which retain a Draconian system that the results of such a move would justify it. Indeed, we are inclined to think that a move in that direction would subvert any attempt to treat prostitution sensibly as a major social problem. Despite that, the Government insists upon proceeding with this legislation.

I have mentioned that in fact there are alternatives. What are those alternatives for residential communities? I have talked about the possibility of the Criminal Code provisions already in effect being used—the nuisance provisions of the Criminal Code. For example, Section 171 of the Criminal Code makes very clear reference to a number of the acts which are going on in residential communities and which we recognize as unacceptable. There are other provisions of the Criminal Code as well which could be used. I am not convinced that where conduct is aggravating and pressing the police could not move forward even under the existing provisions of Section 195 of the Criminal Code. They do not have to rely on that in residential communities. As I said, there are the existing provisions of the Criminal Code. There are provincial laws with respect to traffic—highway traffic and impeding traffic. There is a whole series of municipal laws and indeed the possibility of municipal by-laws. It is argued that a municipal by-law is like a ticket. However, the reality is that the greatest risk for a customer is exposure. A customer does not care whether he is charged under a traffic by-law in the City of Vancouver or under the Criminal Code of Canada. A customer is afraid of public exposure of his name. I suggest that a name can be exposed just as effectively under a traffic by-law as it can under the Criminal Code of Canada.

There are alternatives. I have mentioned the alternatives within the legal framework. Certainly there are alternatives within the social framework in terms of greater community policing and collective community action to deal with these

problems. In particular, I comend the residents of Mount Pleasant who have addressed a number of these community proposals for dealing with what is a community problem. However, in looking at this Bill, I think it is also important to look at the objectives not only of the Government but of the police themselves. I could do no better than quote Staff Inspector William Donaldson of the morality branch of the Metro Toronto Police who said:

> We are the last people in the world to believe we can stamp out prostitution but . . . we can force it into the several seedy motels and hotels and rooming houses downtown and knock those once in a while to keep it under control.

Is that really the answer, which the Government is suggesting is appropriate, to the serious problem of prostitution? I suggest that it is a pretty cynical cop-out to what is a serious problem.

I have dealt with some of the short-term problems in terms of nuisance and so on. We as a community or a society have to come to grips with the fact that this is a fundamental social and economic problem, a problem which reflects the broader sense of exploitation and degradation of women in our society. It is a problem which ultimately relfects the sexist nature of our society, in that women continue to be dealt with unequally, economically and socially. Women continue to be victims of sexism in advertising. Women continue to be victims of violence, whether it be wife battering, which we know is a problem that touches all levels of our communities, sexual harassment, rape or other forms of violence. As well, they continue to be victims of pornography. It is only when we come to grips with these things that we will be able to deal with the underlying causes of prostitution. It is about time that we started to come to grips with these problems.

Also I commend the Fraser Commission for recognizing that there is a number of concrete steps which could and should be taken to deal with these concerns. For example, it recommended a series of measures to deal with the economic and social concerns in this area. It dealt with the whole question of improved child care facilities, retraining programs for women to assist them to get out of prostitution, extension of benefits to part-time workers and changes to social benefits legislation in order to allow women to support their families adequately. Indeed, recommendations were made by a group in Vancouver, the Alliance for the Safety of Prostitutes in Vancouver. They were concrete steps to assist women to get out of the vicious treadmill of prostitution. For example, it proposed the establishment of drop-in storefront centres to provide health care, family planning information, legal services, court advocacy and welfare appeals. It went on to point out that the instances of prostitution could be reduced if some or all of the following services were available to ease the financial burden for single women and sole support mothers: day care, which I mentioned earlier, so that single parent prostitutes could obtain regular jobs; student grants to allow prostitutes to improve their education or job skills; co-operative housing to reduce the cost of living of single parents or single women; an increase in welfare payments so that welfare women would not have to resort to prostitution on the last few days before their next cheque arrives; an increase in the minimum wage so that low-income women would not have to resort to prostitution to make ends meet; and special training for social workers and police who do not presently know how to deal with prostitutes.

• (1230)

In this connection, before closing, Mr. Speaker, perhaps I could quote from the words of a young woman who is in fact a prostitute about the nature of that life. Those words lead me to ask why on earth we should be further victimizing these individuals. What kind of society is it that further victimizes women who are already victims and in many cases have suffered from sexual abuse as children? Studies have shown that as many as 80 per cent of these women suffered from sexual abuse and violence. The overwhelming number of these women would, given the choice, want to get off the streets and out of the life of prostitution. A recent study carried out in Winnipeg, Manitoba, by the YWCA and the Elizabeth Fry Society revealed that over 90 per cent of the city's prostitutes wanted to get out of the business. That is not surprising given the levels of violence, assault, degradation, humiliation and depersonalization that exist. However, these women need support. They need job-training skills and education upgrading.

We can sit comfortably here in Parliament and pass laws which sweep this problem out of sight. It is very easy for us to do that. However, by doing that, we are failing the people we should be representing. We are failing our communities because we are doing nothing whatsoever to deal with the underlying causes of prostitution. I spoke of the hypocrisy of hearing the Attorney General of British Columbia calling for tough new sanctions against prostitutes while his Government hammers single women, makes it impossible for them to survive and shuts down hostels for juvenile prostitutes. That is hypocrisy of the worst sort.

With whom are we dealing? One young woman has spoken about her life. She has said the following:

> Why do we turn so much away from the straight life? Because we're not even considered part of society. For example, to rent a place, you need to put down your occupation. You can't get a bank loan, buy a car . . . You need to come up with stories. So you live in a world that is strictly cash . . . When you leave the business, you have to start at the bottom again. People ask what you've been doing the last five years. Society is what shapes how girls get out of the business. The minute you try to do anything like open a busines with money, the government is down your back. You have to fight the whole world. You try to make it back into the system, get fired, and then people ask, 'Why didn't you make it.'
>
> For years I had a very low self esteem. Society's attitudes makes one feel different about themself. The reinforcement that you're a whore, that you're nothing, that you're a low life does have an impact on how you feel about yourself. If you're constantly being told that, given the same message for years and years and years by society, by the social agencies, by the police force, by your family, you can't help but have a low self esteem and it's only in the last couple of years that I've started feeling good about myself. For years I didn't.

We as parliamentarians are being asked to respond to a crisis in residential communities. However, I suggest that the response of this Government is profoundly mistaken. I would hope that when this Bill goes to committee, we will give the opportunity to speak to those who do have serious concerns

about the Bill. I hope we give the opportunity to speak to representatives of the Canadian Advisory Council on the Status of Women who have spoken out strongly against this Bill, representatives of the National Association of Women and the Law and representatives of many other women's groups. I hope we will give this opportunity to civil liberties groups as well as encourage members of the Fraser Commission and representatives of the communities affected to come before the committee. It is my ultimate hope that this Parliament will recognize that it is not by taking a sledge-hammer to civil liberties, and not by this assault on women that we will deal with this nuisance. We will deal with it in the short term, only by taking the kinds of measures to which I referred earlier in terms of community responses and, in the longer term, by recognizing that we as a community must deal with social and economic causes of prostitution. Only in this way will we begin to recognize the nature of this problem.

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, it is an honour for me to participate in this debate. It is one of which I am very appreciative in view of the particular concerns of the people of my riding. I am also pleased that this Bill is the first matter on Parliament's agenda for the fall sitting of the thirty-third session of Parliament.

Many of the subjects of debate in this Chamber come and go in our communities and very little notice is taken of them. I can tell Hon. Members that this debate will be watched very carefully by the people of Niagara Falls. This is a problem that concerns them and it is a problem that has concerned me for some time. It is a matter on which I have spoken with the Minister of Justice (Mr. Crosbie) and my colleagues on the Justice Committee. Indeed, I believe the first words that I spoke as a Member of Parliament in this Chamber urged the House to deal with this very serious problem of solicitation for the purposes of prostitution.

I would like to give the House a bit of the background of this problem and in particular mention how it affects the community of Niagara Falls. I think we all know, and it is conceded by Members on all sides of the House, that the problem of prostitution will never disappear. However, I think it is incumbent upon us as Parliamentarians and indeed upon all members of society to do what we can to control and reduce this problem, and, as the Hon. Minister of Justice has indicated, to decrease its attractiveness to misguided young people.

In my community, the problem of prostitution increased dramatically after the Supreme Court of Canada in 1978 in the case entitled *Regina versus Hutt*. As Members of the House are aware, that case indicated that for a conviction under the present soliciting Section of the Criminal Code, the solicitation must be pressing and persistent. To all intents and purposes, at that point and in subsequent cases, that Section of the Criminal Code became useless when trying to control and deal with this problem. It made the buying and selling of sex on our streets legal for all intents and purposes. At that time and since, it has constituted a problem for many of the major communities, some of which were enumerated by the Minister of Justice in his remarks. It became a particular problem in the City of Niagara Falls for a number of reasons.

Niagara Falls, as I am sure all Members are aware, is a border city. On the American side of the border there are a number of large communities, the largest of which is Buffalo, New York. Shortly after the 1978 Supreme Court decision, there was a crackdown on prostitution in New York State. Tougher laws and regulations were enacted and these were particularly useful and successful in the City of Buffalo. Niagara Falls, because of its proximity and even because of its warm climate, became very attractive. It is a fact, a fact of which I am sure most Members are aware, that the streets of a place like Niagara Falls are much safer for every kind of business, legal or illegal, than the streets of a large American city like Buffalo.

Niagara Falls was and remains to this day for the most part a quiet, middle-class community with safe streets. However, therein lies the problem. According to various estimates, as this problem increased after 1978, there were on any given night approximately 100 prostitutes crossing the Canadian border to do business in the City of Niagara Falls. As the representative of that community, I should be very careful to make sure that parliamentarians understand that this problem is basically confined to one area of Niagara Falls. It is not the tourist area which is affected. Niagara Falls remains the primary family tourist destination on this continent. That has not changed. Millions of tourists come and go and are never exposed to the problem. It is the residents of the city who have suffered since 1978. The quality of life in that particular area of town has deteriorated in a number of ways.

● (1240)

During the election campaign last summer when I was knocking on doors, as many other Members of Parliament did, the problem of soliciting was put forward to me time and time again. Home-owners asked me who would buy their homes when there is this problem out their front doors. It is there all the time—day and night. I was told by home-owners that no one wants to buy their houses and that property values are declining. The houses that they have worked all their lives to buy cannot be sold.

It was not just home-owners who were concerned about property values who voiced their concerns about this problem. I heard all types of stories from people who told me that their wives could not go to the store any more. If they attempted to go to the local confectionary they would be bothered by people who know of the prostitution problem in that part of the city. People in their cars slow down and blow their horns at women who are legitimately going to the stores to shop. They are being harassed and insulted.

The shopkeepers also suffer as a result of this problem. They all tell me the same story. They ask me why anyone would want to come to this part of the city to shop. There are many other places where people can go to shop in the city. Areas of Niagara Falls in which commercial stores have been located

since long before the turn of the century are feeling the pinch. These are the people who have been talking to me.

However, there is an even more sinister element to the problem. The Fraser Report, and others, have indicated that prostitution is not the only result of the problem. There are many other types of associated problems which come with it. It is estimated that approximately 60 per cent of the individuals engaged in prostitution are also heavily engaged in the drug trade. I found this summer that not only were there crimes involving drugs but other crimes as well. I am speaking of crimes of violence involving prostitutes, pimps and the customers of this business. It has come to the point where words cannot describe how seriously the people of this particular area feel.

A couple of weeks ago the employees of the largest department store in this area of town, Rosbergs Department Store, asked me if I could meet with them. They told me story after story of how they were scared to go into parking lots to get their cars no matter what time of the day or night. They told me of how they were treatened with beatings by pimps who felt that they may be trying to infringe on the territory of the prostitutes under their charge. These are the people who are looking to Parliament to do something about this problem. We have heard a number of solutions. The City of Niagara Falls tried a number of them. A number of years ago we adopted what has been referred to as the Calgary by-law. However, quite correctly, that by-law was struck down by the courts as being unconstitutional. Judge Hubert Oliver described the by-law in this way:

> The Aldermen may not like hookers on Calgary streets but it is Parliament that must provide solutions. Municipalities must not assume that function by the enactment of what is, in essence, criminal law.

I say to the Members of this House that that stand is exactly correct. It is not for the regional municipalities or the provinces to find the solution. The solution should be found here in Parliament. Any suggestion to the contrary is simply passing the buck. What we are dealing with is Criminal Code legislation. It is unfair to say to the municipalities: "Take a go at it. See if you can skirt the criminal law." It is unfair to allow them to spend the money litigating and paying the lawyers' bills in the hope that one day they will make it and have their solution approved by the Supreme Court in the process. The responses taken by municipalities were taken because Members of Parliament did not come to grips with their responsibilities. This is why I am pleased that after seven years we have Bill C-49, a Bill which finally addresses the problem.

The Fraser Report was recently released. It has been referred to by my colleagues. As I have said, it is of particular interest to me because of my involvement with the problem. It was an exhaustive and extremely thorough study. I believe it points out the complexities and difficulties of dealing with the subject of prostitution, as well as with the subject of pornography. However, I believe the amendments which it asks us to make to the Criminal Code would not be as effective as the ones proposed in Bill C-49. It bothers me when I see the suggestion proposed by the Fraser Commission to amend Section 171(1). I see words which state that it becomes an offence for everyone to stand, stop, wander about in or drive through a public place for purposes of offering to engage in prostitution or of employing the services of a prostitute or prostitutes and on more than one occasion to beckon to, et cetera. This is part of the problem we have before us. The problem with the present legislation is the "pressing and persistent" aspect of it. I do not want to see any reference to that in the legislation which is before Parliament.

In addition, I have serious reservations about one of the other recommendations found in the Fraser Report. It states that it becomes an offence for everyone to disturb the peace and quiet of the occupants of a dwelling by engaging in certain forms of conduct, including prostitution, et cetera. I see potential difficulties with that suggestion as well. The people who are bothered by the problem of prostitution in my communities are not bothered by one prostitute on one occasion who disturbs the enjoyment of the dwelling. It is a cumulative process. It is a problem which continues day and night, and one which continues over a long period of time. I ask Members of this House what dwelling owner will say that, yes, a particular woman or man on a particular occasion has unnecessarily disturbed the peace and quiet of his home? My guess is that the courts would make very short work of that. It is something which would have to come before Parliament again. We would have to make other changes in order to make the law effective. This is why I believe the Bill before us provides the solution we are looking for.

I reject the comments of the member of the Official Opposition and the member of the New Democratic Party who have said that the Bill before us is a Draconian measure and that an innocent nod or wave would somehow land a person before the courts. I believe that the police who are trying to deal with the problem have tried to deal with it responsibly and effectively. I know that the members of the Opposition who have spoken have legal backgrounds. They should know that there are protections provided by the court. As the Minister of Justice has said, every single Criminal Code charge in the country has to be proved beyond a reasonable doubt. All the protections which are built into the Criminal Code in a British justice system will apply to Bill C-49. Thus I reject out of hand any suggestion to the contrary.

I cannot over-state the concerns expressed to me by the Mayor of Niagara Falls and other members of City Council when they heard that Parliament would be dealing with this issue first. The Mayor asked me to express his concerns. I think the Mayor of the City of Niagara Falls put it very succinctly when he wrote, and I quote:

● (1250)

> —the current status quo of the Criminal Code of Canada as it pertains to this problem of street solicitation regarding prostitution is totally unacceptable to our law-abiding citizens. Indeed, it is perceived by many of our citizens that those who will not live within the law and abide by the laws of our municipalities and our country appear to have more rights than our law-abiding citizens. Our Regional Municipal Police Force is most frustrated in that in the practical sense

they cannot keep these incidents of blatant prostitution solicitation under control.

It is my understanding that some Members of Parliament have concerns about the human rights issues related to Bill C-49. May I say to them most strongly: please look at this most important legislation in the broadest sense: The rights of all citizens who live within the law must be protected. Human rights must be relevant to lawfulness. Those who live outside the law should not have rights which take precedence over those who live within the law.

It is signed by William S. Smeaton, Mayor.

Let me say, Mr. Speaker, that many times parliamentarians complain that what goes on in this Chamber does not matter. They feel it is not reported and is of no concern. But I assure them that this is a very important debate. The people of Niagara Falls, Calgary, Halifax, Vancouver and Toronto do not want this debate prolonged. They do not want to see a filibuster on this Bill. Indeed, I will be presenting a petition this afternoon from 2,000 residents of Niagara Falls, who have expressed the sentiments of tens of thousands of residents of my home town. They want Bill C-49 passed immediately by this Parliament. I believe the sentiments expressed in the petition are sentiments which are shared by our citizens right across this country. I believe that parliamentarians would be doing a service to themselves and to everyone in Canada if we expedited the passing of Bill C-49.

Mr. Robinson: Mr. Speaker, I have a brief question for my colleague, the Hon. Member for Niagara Falls (Mr. Nicholson). He has certainly been very eloquent in expressing the concerns of the residents of Niagara Falls with respect to the very serious problem of street soliciting in his community, and I recognize that concern. But why is it that the Hon. Member believes that we should support and in fact immediately pass legislation which does not just deal with the problem of street soliciting? That is the only concern he has addressed, and quite properly so, in his remarks. Why is it that the Hon. Member believes we should in fact pass a piece of legislation which deals with any form of communication in any public place anywhere in Canada?

I suggest that none of the Hon. Member's constitutents have raised as a great concern the possibility that there may be an offer of solicitation in a bar, pub or other public place. The concern raised by the Hon. Member for Niagara Falls is about street soliciting in public places. Section 195.1(1)(a) and (b) deals with stopping or attempting to stop motor vehicles and impeding the free flow of pedestrian and vehicular traffic and so on. Paragraph (c) even refers to stopping or attempting to stop any person. Why does my hon. friend believe it essential that we go beyond the concern of dealing with street soliciting to any form of communication, not just on the streets but in any public place anywhere in Canada?

The Hon. Member referred disapprovingly to the recommendation of the Fraser Commission that the legislation require more than one occasion of standing, stopping, wandering about or driving through a public place. He suggested that that is encoded in the existing law. With respect, that is simply not the case. The Supreme Court of Canada said that repeated approaches to different people are not covered by Section 195(1). That is a problem.

There is no such suggestion in the proposal of the Fraser Commission. Indeed, the proposal of the Fraser Commission explicitly deals with repeated approaches to different individuals. I do not buy the argument of the Hon. Member with respect to more than one approach.

I have in effect a double-barrelled question. Why is there this sweeping extension into any public place anywhere in Canada when the Hon. Member's reported concern is street soliciting? Second, what is the Hon. Member's real concern with the proposal of the Fraser Commission in this area?

Mr. Nicholson (Niagara Falls): Mr. Speaker, the Hon. Member wants to know why I support the proposition that this offence be related to any public place. Why drive it off the streets into the bus stations? We do not want soliciting in the bus stations, in the parks, on the sidewalks, the streets, or any public place. The Hon. Member for Burnaby (Mr. Robinson) is very correct when he says, what sort of behaviour we are trying to control is spelled out very clearly. He mentions a communication anywhere in Canada. Well, it is communication for the purpose of engaging in prostitution or obtaining the services of a prostitute. That is what this legislation is directed towards. I believe that is the problem it will control.

The Hon. Member wants to know why there is an urgency with respect to this particular element of prostitution, street soliciting. The Minister of Justice (Mr. Crosbie) has indicated that this Parliament is prepared to deal with the other aspects of this problem but there is an urgency because the police have lost control of the streets. When the legislative committee meets I hope one of the superintendents of the Niagara Falls police will appear and I believe he will say the same thing. The police cannot control that problem and all the associated problems. In fact, in many cases the prostitutes welcome police surveillance because they feel it makes it even safer to do business. It is basically legal to solicit in Canada and now they will have police protection. Because the police have lost control of the streets it is very appropriate that Parliament comes forward with Bill C-49 which deals directly with a problem which affects so many people in my community, the Hon. Member's community and in hundreds of communities across Canada.

Mr. Nunziata: Mr. Speaker, what causes me considerable concern with respect to Bill C-49 is the civil libertarian aspect and the possible abuse by the police of this particular section. I am concerned about that the powers which would be given to the police forces in the country and the innocent people who might be subjected to harrassment. I would like to ask the Hon. Member first whether he feels that this particular piece of legislation gives too much discretion and power to the police? Would the Hon. Member not agree that this particular piece of legislation could result in innocent persons being harrassed by police officers?

Mr. Nicholson (Niagara Falls): Mr. Speaker, I believe this section will be treated like other sections of the Criminal Code. There is always the possibility with every single section of the Criminal Code that there could be police abuse. I have spoken

to members of the police force in my own community and have read comments made by members of the police in other communities and they indicate that they sincerely want to address the problem. What I said earlier in my remarks I will say again to the Hon. Member. All the protections of our system of justice will apply equally to this amendment to the Criminal Code. The Hon. Member asks if police power could be abused. I suppose it could be abused with respect to every single section of the Criminal Code. There is no doubt about that. If the Hon. Member is asking me whether I believe it will be abused, I can say from my own experience that I do not believe so. The law is specific as to what Parliament is trying to do. I believe it is better worded than many of the sections in the Criminal Code with which the police forces now have to deal. They are sometimes vague and leave too much discretion. But this section is very specific and anyone who is charged, as I have indicated, has all of the protections of our system of justice, and that is a good thing.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

HOUSE OF COMMONS

WELCOME TO NEW PAGES

Mr. Speaker: Order, please. Before proceeding to Standing Order 22, there is a traditional matter I would like to deal with. You will see in front of you a new group of pages. Perhaps the House would join me in welcoming them.

Some Hon. Members: Hear, hear!

Mr. Speaker: I can assure you from my meetings with them that they are at least as good as the group we had last year, and I think they may turn out to be letter. They have as a group successfully passed the recognition test regarding Members more quickly than I did.

Some Hon. Members: Oh, oh!

S.O. 22

STATEMENTS PURSUANT TO S.O. 22

[*English*]

NATIONAL SOVEREIGNTY

CRITICISM OF GOVERNMENT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I rise on a matter of utmost importance to all Canadians, that is, those Canadians who are not part of the federal Conservative Government. This summer we witnessed the passage of the American Coast Guard ice breaker *The Polar Sea* through the Northwest Passage. This was undertaken without requesting the permission of the Canadian Government.

We have also seen the Government take credit for something which was largely the result of a Liberal Government's efforts—the North Warning System. We are constructively spending a great deal of money on this new system for North American air defence and surveillance. We have been told it will greatly improve our position in the North and help increase our claim of sovereignty over the disputed Arctic region. However, within months of announcing the new North Warning agreement with the U.S., the Government severely undermined any claims to sovereignty which would have developed from that system.

The silence of the entire Government, including the Prime Minister (Mr. Mulroney), the Secretary of State for External Affairs (Mr. Clark) and the Minister of National Defence (Mr. Nielsen), has sent a signal to all interested parties that we are not prepared to defend what we think is ours.

The Prime Minister and his Government have once again proven to all Canadians that this is a spineless Government based on reckless rhetoric on the one hand and totally irresponsible silence on the other.

* * *

FAMILY VIOLENCE

RESPONSIBILITY OF PARLIAMENTARIANS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the recent conviction of a Member of Parliament highlights once again the grave problem of wife assault. Canadian women expect their elected representatives to treat this matter very seriously and to be positive examples as public figures. They are disappointed that the Prime Minister (Mr. Mulroney) has not acted on his election promise to provide financial leadership, intervention and co-operation with the provinces. Instead, he has drastically cut transfer payments to the provinces which will curtail services for battered women.

This latest incident symbolizes the seriousness of domestic violence and the responsibility of each MP to speak out against battering, as well as the need for government action. Women in northern communities are at particular risk and have few protections or services, according to recent studies sponsored

by the territorial Government. Communities throughout Canada urgently need funds to establish and maintain shelters.

Constituents in the Western Arctic have called for the resignation of their MP and they will deal with him at the polls. I challenge the Prime Minister not to ignore this incident. He must publicly condemn wife battering and prove his concern by acting now to fulfil his election promises and provide special funding for emergency shelters for battered women and their children.

* * *

HOUSE OF COMMONS

SUPPORT FOR THE SPEAKER

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, this statement refers directly to you so I beg your indulgence.

Over the summer I noticed the combined media at one point came down on you with both muddy feet. You were accused of everything from recommending profligate spending, and heavy-handed treatment of the House, to lacking the confidence of the Members. I want to go on record as one member of this Party, and I suspect I speak for many of my colleagues, in extending my full support to you and your office.

In the first year of your speakership you have added a much needed modicum of wit and humour to one of Canada's most difficult positions. Despite criticism you have dealt fairly with all Members, displaying a patience and courtesy I would not have believed possible. You have presented your rulings firmly, soundly, and with tact and dignity. I congratulate you on your first year in office and I look forward to the year ahead with you in the chair.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member knows that messages of congratulation under Standing Order 22 are out of order.

* * *

[*Translation*]

COMMUNICATIONS

TELEPHONE SERVICE IN GATINEAU AND HULL-AYLMER CONSTITUENCIES

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, residents in the riding of Gatineau and some residents in Hull-Aylmer do not have a telephone system commensurate with their needs. Because of long-distance charges within the municipality of Gatineau, and in some cases this means when calling from one side to the other side of the same street, between the municipalities of Buckingham and Gatineau, and between Gatineau and Aylmer, customers are more likely to do their shopping in Ottawa, where they can call without long-distance charges.

Mr. Speaker, it is not fair that large and small businesses, in Gatineau, Buckingham and Aylmer should suffer this kind of disadvantage compared to businesses in Ottawa, and that families cannot communicate with each other without paying additional charges. On the Ontario side, communities in the suburbs can call locally, except for one community where the problem is the same.

Mr. Speaker, we must have equity, and we ask Bell Canada to finally take a serious look at this aspect of its telephone services in the National Capital Region.

Later on I will be presenting a petition from 10,000 residents in the area who would like to feel that they are really part of the National Capital Region and enjoy the same rights and receive the same services as their fellow citizens.

* * *

[*English*]

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on Saturday, September 7, the Prime Minister (Mr. Mulroney) announced that the Canadian Government would not participate in star wars research but that Canadian business would be free to do so. What kind of double talk is that? Either star wars will escalate the nuclear arms race, or it will not. Either it will destabilize world peace, or it will not. If the Canadian Government has concluded that it will destabilize and lead to escalation, then to condone participation by Canadian business is nonsense. It is an attempt to play both sides of the fence at the same time. In addition, there is considerable opinion that the Prime Minister's decision violates our legal obligations under the non-proliferation and anti-ballistic missile treaties.

When nations disagree with some practice internationally, Mr. Speaker, whether apartheid or the invasion of Afghanistan, the restrictions apply to their nationals and businesses as well as to their Governments. The Prime Minister's decision reminds me of Pontius Pilate who washed his hands and said he would not condemn Christ to death, but left the mob free to do so. Star wars is wrong, not only for the Canadian Government but for Canadian business as well.

* * *

CANADIAN NATIONAL RAILWAYS

RETENTION OF WINNIPEG AS REGIONAL HEADQUARTERS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, on May 2, I asked the Minister of Transport (Mr. Mazankowski) for assurances that there would be no amalgamation of the CN's prairie and mountain regions into one region headquartered in Edmonton. I was given such assurances by the Minister, as reported at page 4341 of *Hansard*: "Yes, I can give the Hon. Member that assurance."

Subsequent to this worthless assurance I learned that just such an amalgamation was quietly going on. Former senior positions in the prairie region were being abolished and new senior positions were being created and filled in Edmonton. I provided the Minister with documentation to that effect this summer, along with a letter outlining what was really going on. All I got back was a know-nothing letter which asked me to be assured by a statement that Dr. LeClair, chairman of the CN, had made a few days before the Minister got around to answering me. That statement, to the effect that CN had no plans to do this, was not reassuring, and was totally contrary to the facts. The only people reassured were the Tory MPs from Manitoba, and Manitoba Tory Leader Gary Filmon, all of whom sat sucking their thumbs through this whole affair, believing everything they were told, or being too afraid to tell the truth.

Finally Mr. LeClair, a Liberal appointee from Quebec, had to do what no Manitoba Tory would do, stick up for Winnipeg. He admitted what was going on—blamed it on someone else, mind you—and said a halt would be called to the senior management transfers. We will come to know in future weeks just how deep a reversal has actually taken place. But no matter how you cut it, Manitoba Tories should hide their faces in shame.

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

* * *

ADMINISTRATION OF JUSTICE

CANADA-UNITED STATES EXTRADITION ARRANGEMENTS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, this past summer Canadians were outraged and shocked to learn of the possibility that Charles Ng and Joseph Kindler might not be extradited to the U.S. for crimes they committed in that country. I believe it is time for the Government to take a long hard look at our extradition process and remove any obstacles which prevent people like Ng and Kindler from facing justice in their home country.

Canadians do not want their country to become a refuge for foreign murderers. We need to send a strong signal to nations around the world that Canada will deal swiftly and expeditiously with any convicted criminal who tries to take refuge in this country.

In the next few days the Minister of Justice (Mr. Crosbie) may be called upon to act in the Kindler case. Mr. Speaker, I believe I speak for millions of Canadians when I say that, in the name of justice and humanity, this murderer should be sent back to the United States without hesitation.

S.O. 22

• (1410)

PROVINCIAL AFFAIRS

ACCESS TO ONTARIO PREMIER

Mr. Gordon Taylor (Bow River): Mr. Speaker, what do you know! For a long time the people of Ontario could rent a car, rent a house, rent a farm, and now they can "rent a Premier". The rent will be $1,000 per hour, which sounds pretty expensive, so advertisements reading "Sixty golden moments with the Premier of Ontario for just $16.60 per minute!" may make it more enticing.

However, most rentals these days are for longer than one hour and since only the very wealthy will be gullible enough to join the "Rent the Premier Club", weekend specials may be arranged for $20,000. If this gimmick catches on, the Premier's Ministers could rent themselves out too, at reduced rates, of course.

What will the renter get for his money? The Premier says "no special favours". Does that mean there will be favours, but not special ones? If the favours are not big enough to cover the rental charges, will the Government reduce the rates, or will the NDP, the Premier's bedmates, have to call for rent controls? This new Liberalism is sure catering to the rich.

Do you know what, Mr. Speaker? I cannot afford luxuries like these so I am heading back to Alberta where I can see the Premier—and a better Premier at that—for nothing.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INTERPARLIAMENTARY UNION'S 74TH CONFERENCE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would like to thank the former Speakers of the House of Commons and the Senate, the Right Hon. Jeanne Sauvé and the Hon. Jean Marchand, and also the Hon. Lloyd Francis and the Hon. Maurice Riel of the Senate for allowing me, when I was Chairman of the Canadian Group of the Inter Parliamentary Union, to invite the union's conference to Canada.

A word of special thanks is due to you, Mr. Speaker, and to the Hon. Speaker of the Senate for renewing permission to hold this conference.

Obviously, the host country, in this case Canada, has to issue entry visas to all delegations accredited by the Union, since otherwise the general assembly cannot take place. I therefore want to thank the Government for authorizing the issuing of entry visas to members of the delegation of the Palestine National Council.

Mr. Speaker, you may be proud of the excellence of our House of Commons staff, and the Hon. President of the Senate also has reason to be satisfied. Both Speakers have every reason to be proud of the success of this conference,

during which this country made a tremendous impression on the 1,000 delegates from more than 90 countries who accepted our invitation. I am sure that the friendliness and helpfulness of the entire conference staff will be long remembered by the delegates.

The fact that, generally, bilingualism was the order of the day was considered quite remarkable by all, and in fact it was an advantage in this case, because the Union's two official languages are French and English.

Finally, a special word of thanks to the security services, and I am thinking of the Royal Canadian Mounted Police, which understoood its role, perfectly that is to provide full and complete security for all—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but his time has expired.

The Hon. Member for Thunder Bay-Nipigon (Mr. Epp).

* * *

[*English*]

MULTICULTURALISM

APPOINTMENT OF HON. LINCOLN ALEXANDER AS LIEUTENANT-GOVERNOR OF ONTARIO

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, another milestone in the multicultural history of Canada has been achieved this month. The appointment of Mr. Lincoln Alexander as the next Lieutenant-Governor of Ontario is an event of historic significance.

Some Hon. Members: Hear, hear!

Mr. Epp (Thunder Bay-Nipigon): It is also of great symbolic importance in Canada's relations with the Third World. The appointment of a black Canadian represents a vital recognition of the ethnocultural diversity of our country. His rise from humble beginnings to service as the Queen's representative in the Province of Ontario crowns a long career of public service and indicates the opportunities that one able member of Canada's visible minorities could find in this country.

The Prime Minister (Mr. Mulroney) deserves commendation for an appointment which is sure to be more than symbolic. At a time of increasing recognition of the need to deal forthrightly with racism in our communities, Lieutenant-Governor Alexander will undoubtedly encourage all Ontarians to develop the sensitivities needed in this area and government to take the actions that appear necessary at the provincial level.

The Government of Canada also needs to take firm action in many areas of federal responsibility and I urge the Prime Minister and his colleagues to meet the challenge. The appointment of Mr. Alexander renews hope for such action in the minds of thousands of our citizens.

HOUSE OF COMMONS

PRESENCE OF PARLIAMENTARY DELEGATION FROM YUGOSLAVIA

Mr. Speaker: May I indicate the presence in our gallery today of a parliamentary delegation from Yugoslavia. Their leader is Mr. Iso Njegovan. They are entirely welcome.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

STATEMENT BY PRIME MINISTER—REQUEST FOR WITHDRAWAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Particularly in recent days, the bumbling incompetence of the Government and the Ministers of the Government is eroding confidence in our country and certainly in its financial stability. The climate of confidence was not helped by the Prime Minister's statement on Friday that Canada is broke, that Canada is bankrupt. Nothing is better calculated to destroy confidence, both at home and abroad, than for the Prime Minister to make such an irresponsible and indeed false statement.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Will the Prime Minister withdraw that statement in the House of Commons and attempt to repair some of the damage he has done to the financial stability of the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would first like to welcome the Leader of the Opposition and all Members of the House of Commons back after the summer recess and wish them all well.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I extend a special welcome to the Yugoslavs who are here today. I can assure them that Canadian Yugoslavs are making a tremendous contribution to the growth of our country.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Irish—so, so.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Mr. Speaker, the reference that I made on Friday was really to draw attention to the rather excellent state of affairs that Canada enjoyed when my right hon. friend was Minister of Finance as compared with the dramatic historic deterioration over the subsequent 12 years. Where I

come from, if you have a debt so large that you are reduced to borrowing *ad vitam aeternam* to pay interest on the debt, then you are not in a healthy situation at all.

Unfortunately, Mr. Speaker, that is the state of affairs which we were left by the Liberal Party. I think my right hon. friend would agree that it is of grave consequence and must be dealt with.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That statement won't help.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let us get down to specifics and talk about the demise of the Canadian Commercial Bank which has added to the deficit by an unknown amount. Was it a $1 billion screw-up by the Minister of Finance? $1.5 billion? $2 billion? Would the Prime Minister tell us what the loss to the taxpayers will be in the estimate of the Government? Will he assure us that the whole matter will be brought before a parliamentary committee and that the Auditor General will have an independent scrutiny of the whole matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already indicated, as the Government has through the excellent representations and statements made by the Minister of State for Finance, that this matter will indeed be referred to a House committee as quickly as possible. All Members of the House will be able to examine every aspect of this transaction as they should.

● (1420)

I can tell my right hon. friend that the Government was confronted with a situation where two fledgling western based corporations were in need of assistance, and a value judgment was made. He can interrogate people about that at an appropriate time.

However, there can be no doubt at all that these two western institutions, along with other areas of western Canada, suffered in a very catastrophic way from the implementation, unilaterally, of the National Energy Program. That is one of the things we will examine as well.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The question really relates to the fact that the House was misled, including this side of the House, when we supported the Minister of Finance in the original bail-out for that purpose. That is what it gets down to—the question of incompetence and the House being misled by the Prime Minister, the Minister of Finance, and, indeed, the Governor of the Bank of Canada.

[*Translation*]

PENSION FUND DEPOSITS OF AIR CANADA AND CANADIAN NATIONAL EMPLOYEES—REQUEST FOR CLARIFICATION

Right Hon. John N. Turner (Leader of the Opposition): My supplementary question is in French, Mr. Speaker.

Apparently the bankers had been provided with information in the month of July or the month of August; bankers in Toronto and Montreal knew that the Government was considering the possibility of abandoning the Canadian Commercial Bank to its fate in July. Here is my question to the Prime Minister: Why were the Air Canada pensioners, the CNR pensions, who held shares in this bank not treated the same way as the bankers of those two major cities?

Right Hon. Brian Mulroney (Prime Minister): Indeed, Mr. Speaker, I have already indicated the Government's intention to make sure that the whole matter will come under close examination by a parliamentary committee. I think it goes without saying that such an important incident has to be reviewed and scrutinized by all Hon. Members. The Leader of the Opposition has just made a strong and unusual accusation against the Governor of the Bank of Canada. Unless I am mistaken he is saying that the Governor of the Bank of Canada misled the people. The Governor of the Bank of Canada is a public servant who is not here to defend himself. I think the accusation made by the Leader of the Opposition is extremely serious and, if he cannot substantiate it, he will undoubtedly want to stake his seat on this issue.

[*English*]

OFFICIALS' ACTIONS—GOVERNMENT ASSURANCE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Will he tell the House why his officials were sounding out the financial and banking community about closing the Canadian Commercial Bank in early July when, in late March, after the $255 million bail-out, the Government assured us that the bank would survive and be profitable?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we took our interest in the Canadian Commercial Bank as a great responsibility and in the spring we had put together a package that was intended to make this bank viable. It was up to us to watch the activities in the bank, to watch its role in the economy, and we did that throughout the spring and the summer.

It was a consistent action and a responsible action on behalf of the taxpayers of this country.

Oral Questions

REQUEST FOR LISTS OF DEPOSITORS

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have here a profile of who the bank's depositors were at the time of the bail-out. Will the Minister table in the House lists of the bank's depositors as of July 7 and as of the closing date, September 1, so that we can begin to examine who may have moved their moneys as a result of receiving advance information from the Minister's officials?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have already indicated that there will be a parliamentary committee examining the full process around the Canadian Commercial Bank and the Northland Bank.

All the information that is required to indicate the responsible actions that the Government has taken in connection with a western financial institution, which included many western business people among its depositors and many western credit unions among its depositors, will be available to the parliamentary committee.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State for Finance. In the House on March 25, as reported at page 3312 of *Hansard,* the Minister said the following:

> In consultation with the support group—

namely the chartered banks—

> —we are satisfied that this bank—

that is, the Canadian Commercial Bank—

> —is now a viable bank, that it will be profitable in the future—

She went on to offer her ironclad guarantees about this.

We have now learned that none of the chartered banks did an independent solvency assessment of the Canadian Commercial and since that guarantee was given to the Minister, several similar guarantees have been given to the public by many of her officials, all of whom have turned out to be utterly wrong in their assessment. The people of Canada, the taxpayers, are now being asked to bail out herself and her officials. Considering these facts, will she do the honourable thing in our parliamentary system of government, accept her responsibility and tender her resignation to the Prime Minister?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I said in the spring, and I say it again now, that I do accept the responsibility of my office. My responsibility is to ensure that we have the best possible regulatory system in the banks in the world.

Mr. Broadbent: The Minister has a responsibility to the people of Canada and to the people who she said could rely on her judgment that this bank would be solvent. She turned out to be wrong, and she should acknowledge that and resign.

REQUEST THAT PRIME MINISTER DEMAND MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Prime Minister. Considering that he, as Prime Minister has ultimate responsibility for his Minister's performance, and considering that what this Minister assured the House on March 25 turned out to be completely wrong in its assessment, that she obviously made a quick decision without adequate consultation with the chartered banks, without adequate investigation of this situation by the chartered banks themselves, will the Prime Minister do the correct thing and demand that his Minister resign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have indicated, even prior to today, that this entire matter would quite properly go to a parliamentary committee for exhaustive analysis and review.

I think that my hon. friend, who is a longstanding Member of the House, would acknowledge that fairness would require that, prior to bringing the quick rush to judgment that he suggests today, he may indeed change his mind when he has heard the full evidence. He may conclude, as I have already, that the Minister of State for Finance is one of the most outstanding and competent women in Canada who has acquitted herself very honourably.

Mr. Broadbent: She should try to tell that to the people who have lost money in the bank and see what they think.

MINISTER'S STATEMENT IN MARCH

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister told the House that it was after consultation with the support group—which was the chartered banks—that she was offering the guarantees to the people of Canada that the $255 million package would lead to profitability. That turned out to be completely false. We have learned that none of the chartered banks actually did an assessment of the solvency prospects of the Canadian Commercial. Therefore, would the Prime Minister not agree that what his own Minister was offering to the House was supremely misleading in terms of judgment and is now costing credit unions, municipalities and taxpayers millions of dollars? If he agrees with that, I repeat, why wait until a committee makes a report? Why not do the right thing now and demand that she resign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, these matters will all be gone through, as they should, on a day-to-day basis, event-by-event basis before the proper committee. My hon. friend will have every opportunity to question very carefully all those associated with the decision.

If my hon. friend, as the Leader of the NDP, is saying that it was a mistake for the Government of Canada to come to the assistance of fledgling financial institutions based in western Canada in March, stand up and say it. Stand up and say it now. Those fledgling institutions were devastated by the National Energy Program and the climate that it brought for-

ward. We are going to hear about that as well, at the parliamentary committee.

• (1430)

Some Hon. Members: Hear, hear!

[*Translation*]

NATIONAL ENERGY PROGRAM

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question will be very brief and is directed to the Prime Minister.

How can the Prime Minister say what he just said, considering that when the Canadian Commercial Bank's situation was examined in committee, it was made clear that the problem was caused by loans connected with energy transactions in the United States? How can the Prime Minister say what he just said about the National Energy Policy, when we have proof that the bad loans were the result of loans made in the United States in the energy sector?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the things that happened in Alberta over the last five years are a direct result of the problems of the national energy policy and what had happened to world energy—

Some Hon. Members: Hear, hear!

Mrs. McDougall: —and we are fully prepared to explore that in a parliamentary committee. The financial institutions of western Canada deserve every bit as much support from this Government as the kinds of companies that were given support by the Liberal Government when it was in office.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR DETAILS CONCERNING GOVERNMENT STATEMENTS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I fail to understand the Minister's reply.

In the House, the Official Opposition supported the position the Minister took last March, on the basis of her announcements regarding Bank's financial situation. She can hardly blame us today for asking questions on the subject. We supported her in the past.

What we are asking the Minister today is: How is it that last March, the people of Canada—and the Minister of Finance said this from her seat in the House—were told that the $255 million was adequate and that the Bank's situation would improve?

We are asking the Minister what has changed between March and July, and today? Were we lied to during the whole exercise in March?

Mr. Speaker: Order, order please! I think I heard the Hon. Member use an unparliamentary term, and I must—

Mr. Garneau: —were we lied to?

Mr. Speaker: One may not say indirectly what one cannot say directly

[*English*]

A word that is unparliamentary in its intent cannot be put into the record indirectly. May I simply ask the Hon. Member to rephrase his question?

[*Translation*]

Mr. Garneau: Mr. Speaker, the matter is much too important to spend time debating a point of order. What I said, I said. I am prepared to withdraw what I said, if it serves the purposes of our debate.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, in March this Government faced a decision on a western financial institution in consultation with the chartered banks and two western provinces. Had we closed that bank then the economic impact in Alberta would have been devastating, absolutely devastating. We have been monitoring the situation ever since.

An Hon. Member: Is it any better now?

Mrs. McDougall: We are prepared to take the decision today that we must take today. It is a different decision and circumstances have changed. We have prepared to face that decision today, just as we were prepared to face that one then.

BANK'S LENDING PRACTICES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to say to the Prime Minister when something is wrong it is wrong whether it is in western Canada, central Canada, or eastern Canada.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, my question is for the Minister of State for Finance. After saying in March that she had full confidence in the rescue package, was she aware of the imprudent lending practices of the Canadian Commercial Bank at that time, and the highly questionable accounting practices that described the financial situation, as well as the size of the bank's non-performing loans? When she said she had complete faith in that institution, was she aware of those types of matters?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we were aware that the Canadian Commercial

Bank had problem loans. The package we put together was to deal with those problem loans. It was done in our best judgment, on the advice of the best bankers of the country, and with the advice of two western provinces. We made our decision, and we made it based on the evidence that we had at hand.

ADVICE GIVEN BY PUBLIC OFFICIALS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is for the Prime Minister. At a time when we are all concerned about the stability of the banking system in Canada as well as about the confidence of Canadians and external investors, questions are being asked about other financial institutions.

The Inspector General of Banks said that the Canadian Commercial Bank was sound, as were all the other banks in Canada. The same was said by Governor Bouey of the central bank, the Minister of State for Finance, the Minister of Finance, and the Chairman of the Finance Committee. They were all wrong. Now when people ask us whether there are any other financial institutions in difficulty, to whom is it that we should turn it for real honest advice, Mr. Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): I think, Mr. Speaker, that my hon. friend asks an important but a delicate question. The assets in this unfortunate situation, and we will explore all of the facets of it, amount, as I understand, to less than 1 per cent of the assets of the chartered banks in Canada. I think it is widely known that the chartered banks in Canada are ranked with the strongest in the world. We have that kind of integrity in our banking system, and this Government proposes to maintain it.

DEPOSIT INSURANCE LEVELS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the *Report on Business* of September, 1985, the Minister of State for Finance is quoted as saying "deposit insurance levels will be adhered to religiously if a lending institution fails". In view of that, how can she bring the proposal to us to reimburse uninsured depositors in the Canadian Commercial Bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have a responsibility to those depositors because they are institutions, businesses and credit unions. If the Hon. Member is suggesting that we do not have a responsibility to those people in that economy, I would certainly be interested in knowing it.

POSITION OF SHAREHOLDERS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, perhaps the Minister has changed religions. We have a born-again bail-outer here.

Some Hon. Members: Oh, oh!

Mr. Johnston: The statement is clear and unequivocal in the *Report on Business*. How can the Minister if she is going to reimburse uninsured depositors, at the same time not reimburse the shareholders, many of whom are small pensioners who are seeing their interests in this bank wiped out completely through this exercise?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, once again the Hon. Member is using scare tactics around small pensioners. The amount of assets in those pension funds invested in this bank is very small. I can assure the pensioners whose pension funds are in the CCB bank that their assets and pensions are not at risk.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL SEEK RESIGNATIONS OF GOVERNOR OF BANK OF CANADA AND OF INSPECTOR GENERAL OF BANKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns the Government's confidence in the Bank of Canada and the Inspector General of Banks. Considering the fact that the advice given by these two authorities is going to cost the taxpayer about one billion dollars, do the two public servants concerned still have the Government's confidence? If not, is the Prime Minister going to ask for the resignations of Messrs. Kennett and Bouey?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, after the rather surprising statement . . . the accusation made by the Leader of the Official Opposition concerning the Governor of the Bank of Canada, which was unusual to say the least, I find the Hon. Member's statement even more astonishing.

We have already said there would be a parliamentary commission in order to shed light on this complex affair. Wait! Wait! . . . The Hon. Member will then be able to judge the behaviour of all those involved in this matter, but he should not accuse anyone of bad faith or incompetence before hearing all the evidence. That is all.

[*English*]

FINANCE COMMITTEE REPORT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary question. A first-year finance student in university would have known that the Canadian Commercial Bank was a total disaster if that student had read the report of the Finance Committee in June. The information which that committee found was available to the Governor of the Bank of Canada and to the Inspector General of Banks in March when they advised that the support package be given. How could the Government be prepared to give its confidence when it had such advice which cost taxpayers a billion dollars?

● (1440)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, had the Canadian Commercial Bank failed in March there would have been a cost roughly equivalent to what the cost is now. This has not cost taxpayers a great deal more money.

Some Hon. Members: Oh, oh!

Mrs. McDougall: It was worth taking that step to save that institution. Had we chosen to take the same action then—

Mr. Gauthier: What's a billion!

Mrs. McDougall: If we had closed that bank in March, the over-all cost to the Government and to taxpayers would have been roughly equivalent to what it is now, and the economic impact in western Canada would have been enormous.

* * *

AGRICULTURE

HAIL DAMAGE SUFFERED BY TIMISKAMING FARMERS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Agriculture. As he is very much aware, earlier this summer 38 farms in my riding were affected by severe hail damage. Has the Minister received any correspondence from his provincial counterpart dealing with any type of assistance which may be arranged?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, first of all may I express my appreciation to the Hon. Member for his help and his assistance on behalf of the constituents whom he represents. In addition, he will know that we sent a federal-provincial task force to the scene and that we are dealing with our FCC clients on an individual basis. Of course the province will have to take the initiative and declare the area a disaster area before we can respond to that action.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST FOR EXPLANATION FOR ABSENCE OF FUNDS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister. In its famous Budget of May 23, his Government was asking 3.5 million families with children to make sacrifices and to accept a 3 per cent cut in the indexation of family allowances and the child tax credit. Today, how is this Government going to explain to those millions of families in Canada that it does not have the money, that they will have to make sacrifices while at the same time his Government manages to find one billion dollars to pay rich depositors $60,000 or more in compensation, following this bankruptcy?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I congratulate the Hon. Member on the new-found responsibilities given him by the Leader of the Opposition. He asked a question regarding the family allowance provisions in the Budget. I remind him that the Budget has been passed. I believe it is the intention of the Government to bring forward legislation at a very early date regarding the subject about which he asked.

[*Translation*]

REQUEST FOR DETAILS CONCERNING $1 BILLION EARMARKED TO SAVE BANK DEPOSITS OF THE RICH

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary.

I cannot afford to waste time on polite conversation. What Canadian families want is an answer from the Prime Minister. He showed moral cowardice when dealing with senior citizens and he is doing the same at the beginning of this session with respect to families with children.

How does the Prime Minister intend to explain to those families today who still trust him . . . He asked them to make sacrifices and indeed they are going to lose $22 next year, 1986 . . . how is he going to explain that he found one billion to safeguard the savings of richer Canadians? How is he going to explain that to these families?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I remind the Hon. Member, when he asks that question, that he has not said anything about the increase in the child tax credit for those families with dependent children who receive the lowest incomes. All social agencies which have looked at it feel that that is a better approach. In fact I also remind him that the Macdonald Commission made a suggestion along similar lines. I hope he would be in favour of putting more money into the hands of those families with dependent children who are at the lower end of the scale, rather than the approach which he has taken.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—RESEARCH CONTRACTS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I will turn to another potential bail-out and direct my question to the Prime Minister. He seemed to indicate that although the Canadian Government would not officially participate in star wars research, it would give financial support to private firms which wished to bid on defence research contracts in the star wars area. Would the Prime Minister clarify the following for many Canadians? Is he saying that the Canadian Government would provide the same kind of assist-

ance to firms engaging in star wars research as in other defence fields? Will the Canadian Commercial Corporation be the intermediary, and will the RCMP provide security clearance of the classified materials involved?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Canadian Government has taken a decision with respect to SDI which reflects what we believe to be the national interest in terms of ongoing research activities, as we have been doing over many years. We intend to co-operate with the United States, as we have in the past, and we hope that that research activity will increase. All these projects are subject to a decision-making process which is in place and will be utilized when any new project comes up for consideration.

GOVERNMENT POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I want us all to be very clear. I take it that the Minister of National Defence is saying that the Canadian Government will not give the kind of assistance to star wars related research that it does through the Canadian Commercial Corporation to other defence research projects? Is that explicitly what the Minister of National Defence is saying?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member may take it that we intend to continue our research efforts in co-operation with the United States, and we hope that that activity will grow. We will be consistent in that pursuit, unlike the Hon. Member and her Party with respect to the over-all question of membership in the NATO alliance.

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FINANCIAL INSTITUTIONS

PROTECTION OF PENSION FUND INVESTMENTS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In the light of recent expressions of concern, what progress is being made with respect to setting up a mechanism to protect pension funds, which are really trust retirement funds, from bankruptcies and creditors' claims?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, in answer to my hon. colleague, back in April we set up a consultative committee to study the Bankruptcy Act. As a matter of fact we have already announced that we will look into the matter and make a recommendation in due course.

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—MINISTERIAL RESPONSIBILITY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. Will he give his assurance to the House that neither the Governor of the Bank of Canada nor the Inspector General of Banks will be used by his Government as scapegoats for this billion dollar fiasco, and that the responsibility for this fiasco will rest on the shoulders of the Ministers responsible, namely, the Minister of Finance, and the Minister of State for Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is one of the most interesting questions that I have heard in a long time, inasmuch as why does the Hon. Member not ask his Leader if he will give the assurance that he will not hang the Governor of the Bank of Canada before he has heard the evidence? That is what he wants to do.

Some Hon. Members: Hear, hear!

Mr. Guilbault (Saint-Jacques): That is an interesting answer.

Mr. Mulroney: We will wait for the "blues", but unless I misunderstood my right hon. friend I thought I heard him say that the Governor of the Bank of Canada had misled the House of Commons and misled the Canadian people, deliberately—

Some Hon. Members: You have!

Mr. Mulroney: And that is a grave, grave accusation to make against a senior servant who has served Canada loyally, honourably, and well.

REQUEST FOR INQUIRY BY AUDITOR GENERAL

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, we want to make sure that it is the responsibility of the Ministers for overseeing and recommending this billion dollar fiasco to the people of Canada. That is who is responsible for it.

The Leader of the Opposition asked the Government and the Prime Minister to allow the Auditor General to conduct an independent inquiry into the state of affairs which led to the collapse of the bank. Would the Prime Minister agree to that request?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this gentleman was a member of the Liberal Government, a Government that would not let the Auditor General investigate Petro-Canada.

Some Hon. Members: Oh, oh!

Mr. Mulroney: They absolutely turned him down.

Some Hon. Members: Really?

Mr. Mulroney: And we said absolutely yes. The only thing that we would not do was allow the Auditor General access to the papers of the former Prime Minister and his predecessor because we believe in British parliamentary tradition. That was done in order to protect the papers of the former Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We will refer this matter to a parliamentary committee. We will expect everybody to be heard. Having turned down the Auditor General with regard to Petro-Canada, if my hon. friend wants to go before a committee, the Auditor General will tell him and any Member of the House that the only reticence the Prime Minister had was with regard to the Auditor General digging into the papers of the Right Hon. Leader of the Opposition and of the Right Hon. Pierre Trudeau because I said that that was unacceptable, and I believe it to be unacceptable. The rest the Auditor General can have.

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APARTHEID

SOUTH AFRICA—REQUEST FOR SANCTIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is addressed to the Prime Minister who has been quoted as saying that there are loud voices rejecting sanctions directed against the South African regime, voices to which presumably he is listening. Can the Prime Minister tell us what loud voices he is hearing which would outshout the 77 per cent of black Africans and their most respected leaders who are demanding sanctions in support of their struggle?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the House has noted and would join with me in expressing approval for the statement made by the President of the United States today announcing some sanctions against South Africa. I point out to Members of the House of Commons that the sanctions announced by the United States at noon today were, by and large, sanctions announced by the Government of Canada in early July.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It is the view of this Government that it is now essential for us to do everything that we can to encourage change in an offensive and unacceptable regime in South Africa. For the moment, that involves maintaining steady pressure upon South Africa. Obviously, if we have to resort to the full disruption of economic and diplomatic relations, we are prepared to do so if other measures do not work. However, most of us in this House believe that it is important to keep a door open and to use the influence that we now have, rather than to spend it immediately in a gesture that may be more effective in terms of public relations at home than it would be in ending apartheid in South Africa.

CANADIAN POSITION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, first I would suggest that the Government listen to those who are fighting for their freedom in order to determine what sacrifices they should be making. I would ask the Prime Minister and the Secretary of State for External Affairs when Canada will get leadership. This is ridiculous. Constructive engagement is ending down South while Canada, to whom the world is looking for leadership, is still silent. The Americans are being more forceful than the Canadians.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what is at issue here is what steps Canada can take to end an offensive regime in South Africa. What is at issue here is not how loudly our voices will speak but how loudly our actions will speak.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Clark (Yellowhead): To use the word "leadership", we have already demonstrated leadership in the actions and sanctions that were announced in July. Those Canadian initiatives were followed by similar intitiatives in Australia, Japan, France, and now the United States. We intend to continue to play a leading role. I expect to make a statement on the response not only of this Government but, I hope, of this country to the South African situation later this week in the House.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—RESPONSIBILITY OF MINISTER OF FINANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. I do not believe that it has gone unnoticed that the questions put in the House relating to the Canadian Commercial Bank have been replied to by the Minister of State for Finance. The Minister of State for Finance may have been delegated certain responsibilities. However, the statutory and parliamentary responsibility for the stability of our financial institutions and for the management of this country's economy rests always with the Minister of Finance. I would ask the Prime Minister why it is that the Minister of Finance has not been addressing this question in the House. Would the Prime Minister assure us that he still retains confidence in that Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because it is Day One, I will dignify a frivolous question with an answer.

Ms. Copps: It's not frivolous to the Canadian people.

Mr. Mulroney: My right hon. friend knows full well that the Minister of State for Finance has performed extremely well,

has held a responsibility and acquitted herself well from the beginning.

With regard to the Minister of Finance, on September 17, and even today, we can say that, because of his stewardship of the economy, 284,000 new jobs have been created—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —interest rates are down by almost 3 percentage points, and the economy is growing at a rate of—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. It is indeed Day One.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Mr. Speaker, I will be happy to answer any further questions the Right Hon. Member may have.

* * *

MULTICULTURALISM

ASSISTANCE TO FAMILIES OF AIR-INDIA CRASH VICTIMS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. Last month the federal Government contributed $30,000 to the installation of a toll-free telephone information service for the families of the victims of the Air India disaster. Could the Minister provide the House with an update on this assistance project and other measures that the Government has taken to help these particular families?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Speaker: Beginning now, I am going to try to discourage the waste of time with clapping, if that is all right.

Mr. Jelinek: Mr. Speaker, I would like to advise the Hon. Member that since this project was initiated on July 15 there have been over 1,500 calls for assistance. Some of that assistance included providing information about death certificates, legal referrals, psychiatric help, family reunification and other things. I would like to tell the Hon. Member that, further to that, all federal government Departments are involved in a co-operative and co-ordinated way to help the families in this disastrous situation, and assistance will continue to be provided by the Government after the six-month expiry date.

Mr. Speaker: The Hon. Member for Essex-Windsor. One question.

TRADE

CANADA-UNITED STATES TRADE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this is a question for the Prime Minister. There is great confusion in the country about the Government's intentions regarding free trade moves with the United States. The Prime Minister is saying one week that nothing will happen until after to November discussions with the provinces, and is saying the next week that decisions will be announced by September 17. Would the Prime Minister clearly and unambiguously tell the Canadian people about the Government's plans with respect to this issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sorry that my hon. friend has had difficulty understanding what is a very clear-cut position. When I met with President Reagan in Quebec City we agreed that, within a period of six months, our Governments would send out respective signals as to whether or not it was our intention to embark upon these exploratory conversations that could lead to new trade arrangements.

• (1500)

There are commercial arrangements in which Canada is interested. We are interested in them for two reasons. First, for us, trade means jobs. Second, we are concerned about the growth of protectionist sentiment which is now infesting many areas of American life. A growing percentage of our trade—almost 80 per cent—is with the United States. We want to ensure that those markets are secured for Canadian producers because they mean jobs in British Columbia, Sault Ste Marie, Sydney, and everywhere else across the country.

Thus, at an appropriate time, and on a schedule agreed upon, we will send out a signal, in co-operation, after having consulted with the provinces, and after having discussed it with the House. A parliamentary committee went across the country this summer and it has made its recommendations. It will be done, as with our decision yesterday with respect to SDI, in the national interest of Canada.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of five, presented by Hon. Members on Friday, June 28, 1985, meet the requirements of the Standing Orders as to form.

[*Translation*]

The petitions presented by the Hon. Member for Cochrane-Superior (Mr. Penner) and by the Hon. Member for York West (Mr. Marchi) and certain petitions presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)

do not meet the requirements of the Standing Orders as to form.

[*English*]

The petitions presented by the Hon. Member for Broadview-Greenwood (Ms. McDonald) and the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) by filing with the Clerk of the House also meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

THE GOVERNMENT

TABLING OF FOUR DOCUMENTS

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in accordance with Standing Order 47(2), I have the honour of laying on the Table, in both official languages, the four following documents: First, a new conflict of interest/post-employment code for public office holders. Second, instructions to Ministers imposing specific and strict limitations on the hiring of family members. Third, letters to the Leaders of the Opposition on the subject of ethical conduct for all MPs and Senators. Fourth, advice to Crown corporations concerning their relations with the central Government.

[*English*]

Mr. Speaker, anyone who expected the documents to be tabled with a red ribbon on them knows that my non-partisanship only goes to so many limites.

It is a great principle of public administration—I could even say an imperative—that to function effectively the government and the public service of a democracy must have the trust and confidence of the public they serve. In order to reinforce that trust, the government must be able to provide competent management and, above all, to be guided by the highest standards of conduct. To this end, I am tabling today a set of documents detailing several aspects of a package of major initiatives on public sector ethics undertaken by this Government.

This afternoon I wish to provide my colleagues in the House with some thoughts in explanation of the documents and to acquaint the House with other elements of the package which will soon be placed before the House in documentary form. There are seven components in the over-all program.

First, there is a new conflict of interest/post-employment code for public office holders, which has been tabled. Second, there are instructions to Ministers imposing specific and strict limitations on the hiring of family members, which has also been tabled. Third, there are letters to the Leaders of the Opposition on the subject of ethical conduct for all MPs and Senators, which has been tabled. Fourth, there is a document dealing with an experimental program of parliamentary scrutiny of Governor in Council appointments, which I know we all hope will become a permanent feature of our parliamentary democracy here in Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Fifth, there is a document dealing with the registration of lobbying activity in Ottawa. Sixth, a document dealing with advice to Crown corporations respecting appropriate conduct in their dealings with the Government has been tabled. The seventh document deals with a review of the judicial appointments process.

[*Translation*]

To this end, Mr. Speaker I am tabling today a set of documents detailing several aspects of a package of major initiatives on public sector ethics undertaken by this Government.

This afternoon I wish to provide my colleagues in the House with some thoughts in explanation of the documents and to acquaint the House with other elements of the package which will soon be placed before the House in documentary form.

There are seven components in the over-all program, as I mentioned earlier. First, there is a new conflict of interest/post-employment code for public office holders, which has been tabled.

Second, there are instructions to Ministers imposing specific and strict limitations on the hiring of family members, which has also been tabled.

Third, there are letters to the Leaders of the Opposition on the subject of ethical conduct for all MPs and Senators, which has been tabled.

Fourth, there is a document dealing with an experimental program of parliamentary scrutiny of Governor in Council appointments. At this point, Mr. Speaker, I would like to mention the work done by all Members on the Committee, and especially by the Hon. Member for St. John's East (Mr. McGrath) and the Hon. Member for Papineau (Mr. Ouellet) who did an excellent job.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Fifth, a document dealing with the registration of lobbying activity in Ottawa.

Sixth, a document dealing with advice to Crown corporations respecting appropriate conduct in their dealings with the Government has been tabled.

The seventh document deals with a review of the judicial appointments process.

[*English*]

Mr. Speaker, we have not made final decisions in all of the component areas. However, we are putting forward an authoritative outline of our intentions today. Some elements,

such as the new conflict of interest/post-employment code for public office holders are ready for implementation. The code will take effect on January 1, 1986, once the necessary infrastructure is in place. In the interim, Ministers and Governor in Council appointees will conduct themselves in accordance with its provisions.

Other elements, such as the experimental program of parliamentary scrutiny of Order in Council appointments, will be refined through discussion with Leaders of the Opposition and with the benefit of experience. We would like to consult, again, the distinguished Members, the Chairman and Vice-Chairman of the Committee on the Reform of the House of Commons.

Still others, such as the review of the judicial appointments process, will require more consultation with the Canadian Bar Association before detailed proposals can be advanced.

[*Translation*]

For the first time in this country's history, Mr. Speaker, the government has laid before Parliament a broad program of iniatives concerning public sector ethics.

This is tangible proof that the government is determined to see to it that the affairs of state are conducted according to the very highest standards.

[*English*]

Rather than dealing at some length with each component orally, I have tabled today an open letter to Members of Parliament and Senators which delineates each of the seven components in summary form, highlighting the most important aspects which Members should consider.

[*Translation*]

As indicated in the document I have just tabled, it provides a set of reform measures that reflect the Government's intention, and I would add that of all parliamentarians, to adopt a standard of ethics that will meet with the respect of all Canadians. In this way, we want to strengthen the economic renewal process and enhance the faith of Canadians in our Government institutions.

Many of these measures have been awaited for some time, and sometimes, Mr. Speaker, this Government would have wished that they were already in place. They now are or are about to become so, and we can look forward, in the near future, to a new era of confidence and respect.

• (1510)

[*English*]

The documents, the ideas and the propositions, Mr. Speaker, are placed before all Hon. Members of Parliament today in the genuine belief that they will enhance the respect which Canadians must have for Parliament as a noble institution.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): I believe I just heard the Prime Minister (Mr. Mulroney) at his unctuous best attempting, presumably in a non-partisan fashion, to disguise the most blatant series of partisan appointments over the last year than we have had in the history of our country.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Prime Minister has spoken about civility in this House. I received a copy of the documents which were just tabled and a copy of the statement the Prime Minister has just read at one thirty this afternoon, a half hour before Parliament assembled for Question Period. I do not know whether my friend, the Leader of the New Democratic Party, received earlier communication.

Mr. Hnatyshyn: It was in accordance with our arrangements.

Mr. Turner (Vancouver Quadra): It is absolutely impossible for any member of the Opposition, particularly myself and my colleague, the Leader of the New Democratic Party, with our responsibilities, to respond with some clarity and with some profound appreciation of what is in that pile of documents.

Mr. Cassidy: Never complain and never explain, John.

Mr. Turner (Vancouver Quadra): I will say as well, of course, that I am suspicious. The House Leader may protest but he knows how the business of the House ought to be conducted.

An Hon. Member: He's a dummy, anyway.

Mr. Turner (Vancouver Quadra): He knows.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I am also suspicious of the coincidence of the timing of the tabling of these documents today. The Government is faced with a bank scandal. The Government is faced with a financial Titanic and it hopes that the Prime Minister (Mr. Mulroney) may be able to pre-empt the news and distract the attention of the country and of the media by this little subterfuge.

Some Hon. Members: Oh, oh!

Mr. Chrétien: The Minister of Finance (Mr. Wilson) is running away now.

Ms. Copps: Run away, Mike.

Mr. Chrétien: Bye, bye, Mike.

Mr. Turner (Vancouver Quadra): The Minister of Finance has just left the House shaking his head. We hope he will stand in this House tomorrow and defend the issues for which he has statutory responsibility.

Mr. Chrétien: Right on.

Mr. Turner (Vancouver Quadra): The issues of the guidelines and the conficts of interest, Mr. Speaker, arose in this House several months ago. Why the delay? Why do we have to

wait until the Secretary of State for External Affairs (Mr. Clark)—and he is now leaving—is able to favour his brother? Why do we have to wait until the Minister of Justice (Mr. Crosbie) is able to dispense his largesse to his sons in Newfoundland? Why do we have to wait until the Minister of Finance—who just left the House—has favoured his brother-in-law? Why so late? Are these guideliens retroactive? Will the so-called experimental scrutiny affect the 1,200 appointments which have already been made?

Mr. Chrétien: One every three hours.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I suppose, Mr. Speaker, Hon. Members of the House are entitled to ask the Prime Minister and the Deputy Prime Minister (Mr. Nielsen) if these guidelines are going to be any more enforced than the guidelines which are currently before the House. Are these guidelines going to be breached the way Mr. Trudeau's guidelines which are currently in force were breached by the Minister of Justice, by the Minister of Finance and by the Secretary of State for External Affairs? That is a question we are entitled to ask.

I notice that the Prime Minister, following some of the recommendations of the Hon. Member for St. John's East (Mr. McGrath), on an experimental basis only, will allow some Governor in Council appointments to be scrutinized by a parliamentary committee.

Mr. Hnatyshyn: All.

Mr. Turner (Vancouver Quadra): We will see, and we will see how effective that is. That is not what the Prime Minister said during the election campaign. He said all appointments were going to be scrutinized.

An Hon. Member: And not on an experimental basis.

Mr. Turner (Vancouver Quadra): And not on an experimental basis. We want a commitment—

Mr. Chrétien: And not a year too late.

Mr. Turner (Vancouver Quadra): —and not a year too late, not after the barn door has been closed and the horse has escaped.

Mr. Hnatyshyn: All of them retroactive.

Mr. Turner (Vancouver Quadra): The Prime Minister's supporters, his friends and intimates, have been in the trough for over a year. That is enough time to accomplish the evil. Now we look sanctimonious, we look statesman-like, we look parliamentary and we bring in these guidelines, some of them on an experimental basis.

Mr. Dick: He looks better than you.

Mr. Turner (Vancouver Quadra): During the election campaign the Prime Minister set very high expectations for the performance of this House. He breached those expectations blatantly during the last 12 months. There has been the most consistent patronage, partisan and crony-like appointments in the history of this country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Frankly, when I looked at the Prime Minister closely as he wrapped himself in the cloak of prime ministerial non-partisanship, I said, what a shameless hypocrite after his conduct during the last year.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Stevens: Withdraw.

Mr. Rossi: Bravo.

Mr. Speaker: The Right Hon. Leader of the Opposition (Mr. Turner) is an experienced Member of the House. I think he knows that to accuse someone of being a shameless hypocrite is not terribly parliamentary. I would ask him to withdraw.

Mr. Turner (Vancouver Quadra): Which word, Mr. Speaker, would you like me to withdraw?

Mr. Speaker: The Right Hon. Leader of the Opposition knows the difficulty these situations create. I would simply ask him to do what he knows is the right thing and to withdraw the comment.

Mr. Chrétien: Which one?

Mr. Turner (Vancouver Quadra): Do you want me to withdraw the word "shameless" or the word "hypocrite", Mr. Speaker?

Mr. Dick: You know better, John Turner.

Mr. Speaker: I invite the Right Hon. Leader of the Opposition to do the right honourable thing and withdraw the comment "shameless hypocrite".

Mr. Turner (Vancouver Quadra): If that is your interpretation of the rules then, of course, I accept it, Mr. Speaker. May I say—and I do withdraw those words—that the Prime Minister has been blatlantly cynical over the past year in the way he has treated appointments of the Crown.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I notice that the guidelines, or the package tabled under "blue ribbon" today, does not include contracts awarded by the Crown. I would invite the Prime Minister, the Deputy Prime Minister and the House Leader to review with the Hon. Member for St. John's East whether contracts under the benefit of the Crown also ought to be included within these guidelines because, coincidentally, *The Ottawa Citizen* headline of September 7, reads, "Firm

hires PMs pal, $200,000 job follows". This involves the Prime Minister's pal, Sam Wakim, apparently a former classmate at St. Francis Xavier University. Is this type of thing covered? We had a preliminary review of those documents and we do not see this type of arrangement covered at all.

All I will say, Mr. Speaker, is that we were not given the time to review these documents thoroughly. We will give them a close study. We suspect that they may well be more cosmetic camouflage. In any event, the Government will have the co-operation of this side of the House if there is any sincerity at all on its part.

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, among the many things said by the Hon. Leader of the Official Opposition (Mr. Turner) which were accurate, was the fact that we did not receive advance notice with regard to the tabling of the documents here today. For that reason I am responding on behalf of my leader and my caucus. I would like to begin by saying that at first glance—which is really all we have been able to have—it seems as if the guidelines will go further than the guidelines which previously existed. It seems as if what the Government is intent on doing will provide more restrictive guidelines and will bring about a better code of behavious than existed under the guidelines which are now in place.

The question, of course, will be—as is now the case—will these guidelines be adhered to any more closely than the guidelines which are presently in place? It has been a question asked in the House of Commons for the last five years. The guidelines are interpreted, it seems, to satisfy the mood of the government of the day. I want to say that if in establishing new guidelines we can have some assurance that there will be a common interpretation by everyone in the House of Commons as to how they are to be enforced, then I think we will have gone a long way towards solving what was a very difficult and acrimonious period. And that was from the early part of 1980 into the early part of this administration.

• (1520)

I also want to say that it strikes me, at first glance, that these guidelines may well put in place a regime which will preclude another orgy of patronage such as occurred at the end of the last Liberal Government. I hope that that is the case. I hope that as a result of these guidelines this Government will not be in a position, at the time of its defeat, to appoint any number of its inadequate back-benchers and hangers-on to positions of a permanent nature in the Public Service or government agencies.

I also want to say that the performance of this Government until now in its appointment of friends and cronies and old pals to political patronage positions is not something to be proud of. I admit that there two or three notable exceptions, as the Prime Minister (Mr. Mulroney) frequently points out, but when you compare those to the thousands of appointments made, this is hardly a record to be proud of. Therefore, I was pleased to note that the opportunity will be there in the future for Members of Parliament to review retroactively the qualifications and quality of the appointments made by this Government after it assumed office on September 4, 1984.

Having said that, I hope the House of Commons and the Senate will take seriously, if you will, the request of the Prime Minister and that the Speakers of both Houses will in fact review in consultation whatever is required to be reviewed in order to determine the appropriate behaviour for Members in addition to those who happen to be Ministers of the Crown. However, based on past performance, I am not too optimistic about what the future holds. I look at the Government House Leader (Mr. Hnatyshyn) and the Deputy Prime Minister (Mr. Nielsen) and I remember the long debates we had in the House over what was appropriate behaviour when the Liberals were in government regarding certain of their former Cabinet colleagues who engaged in business after they left Government. I remember the way this Government castigated the previous Government for its despicable abuse of both patronage and entrée to the Civil Service using powers that had been gained while in office.

I am hoping to see an end to this kind of thing. I note that it is referred to but I am not quite sure how it is going to be dealt with. Therefore, I think the proof will lie with the passage of time. Once we see the more definitive description of how we intend to implement and enforce, then perhaps we will have more confidence. However, I say to the Prime Minister that were we to base our confidfence on the performance of the past year, it would be pretty shaky.

* * *

PETITIONS

CALL FOR PASSAGE OF BILL C-49

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, it is my privilege as a Member of Parliament to present a petition signed by almost 2,000 residents of the City of Niagara Falls who, because of the increase in the incidence of prostitution and associated violence, have asked that this House immediately pass Bill C-49.

HIGH WATER LEVELS IN LAKE SUPERIOR

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present a petition signed by 247 of my constituents, including residents of the Township of Shuniah, Amethyst Beach, as well as members of the Island Beach Campers' Association. They are seriously concerned about damage to their property caused by high water levels in Lake Superior. This damage is due in part to unseasonably heavy rainfall, but it is also due to actions by the Board of Control of the International Joint Commission in keeping the water level of Lake Superior high to preserve properties in the lower lakes. Your petitioners humbly pray that the Government of Canada

intervene on their behalf by taking action to prevent the IJC from raising the level of Lake Superior to its maximum height.

[*Translation*]

TELEPHONE COMMUNICATIONS

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I have the honour to present a petition signed by 10,000 residents of the ridings of Gatineau and Hull-Aylmer who exercise their ancient right to present a common grievance to the House.

These residents are complaining about the telephone communication system, in very many cases with long distance rates within the territory of the National Capital Region. They find that Quebecers, men and women alike, are treated unfairly with respect to telephone communications. They suggest as well that everybody should have the same ready access to communication facilities because that is essential to the development of the *esprit de corps* and the feeling of community membership of all residents of the National Capital Region.

[*English*]

SUPPORT FOR BILL C-226

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I have the honour and duty to present to this House a petition signed by Members of the Mennonite Breathren Church in Borden, Saskatchewan, in my constituency. They call upon Parliament to support the Private Members' Bill C-226, coming before the House later this week, which proposes to make abortion in Canada less available.

ILLEGAL DRUGS TRAFFIC

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I am pleased to present a petition on behalf of residents of the MacDonell and Fuller Avenue area of the City of Toronto. They ask this House to provide them with relief from the indignity of the harassment and abuse they have received at the hands of individuals involved in the suspected illegal drugs traffic in their neighbourhood. They ask for police protection from such harassment and urge the responsible federal Ministers to use all powers at their disposal and to initiate appropriate legislation to resolve this problem and return the neighbourhood to a safe environment in which to raise a family.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 334, 351, 354, 375, 383, 388, and 418.

[*Text*]

MEMBERS OF BOARD OF DIRECTORS OF SELECTED CO-OPERATIVES

Question No. 334—**Mr. Hockin:**

What are the names of the present Board of Directors of the (a) Ridgemount/Mountmuir Co-op Housing Corporation, Hamilton (b) Coral Co-op/Barrie Community Credit Union (c) Kenfinch Co-op/Toronto Board of Education Credit Union, Toronto (d) Parkfarm Co-op/IBM Toronto Employee Credit Union, Toronto and do they presently reside in the projects they represent?

Hon. Bill McKnight (Minister of Labour): I am informed by Canada Mortgage and Housing Corporation as follows:

Names of the Board of Directors as of April 19, 1985 were:

(*a*) Mountmuir Co-op, Hamilton. George Harrison—resident of Mountmuir, Bernard Hinkley, Gerald McLean—resident of Mountmuir Co-op, Diane Goodale—resident of Mountmuir Co-op, David Brown—resident of Mountmuir Co-op.

With respect to Mountmuir Co-op, the election of a new board will take place in June, 1985 and CMHC has insisted that it be made up of resident members of the Co-op.

(*b*) Coral Co-op, Orillia. Sandra Taylor—resident of Coral Co-op, Wayne Jordison—resident of Coral Co-op, Daniel Moore—resident of Coral Co-op, Robert Laurence—resident of Coral Co-op, Patrick Fortin—resident of Coal Co-op.

(*c*) Kenfinch Co-op, Toronto. Willis Carter—resident of Kenfinch Co-op, Ken Transon—resident of Kenfinch Co-op, Yvonne McEwan—resident of Kenfinch Co-op, Lorie Mackness—resident of Kenfinch Co-op, Jerry Morincie—resident of Kenfinch Co-op, Charles Busharn—resident of Kenfinch Co-op, Marjorie Taylor—resident of Kenfinch Co-op, Gwenda Botchey—resident of Kenfinch Co-op.

(*d*) Park Farm Co-op, Toronto. Dorothy Ridley, Ariel Forsbrey—resident of Park Farm Co-op, Kimberly Colaccio, Wendy Scott, Clifford Baulch—resident of Park Farm Co-op, Reverend Gerald Loweth.

The project was turned over to the co-op in March, 1985. Over the next six months the full resident board will be elected by the Park Farm Co-op membership.

CBC—BUDGET OF FOREIGN SALES DEPARTMENT

Question No. 351—**Mr. Desrosiers:**

1. What budget was allocated by the Canadian Broadcasting Corporation for its Foreign Sales Department for the 1985-86 fiscal year?

2. On what date was the Department established and what was its annual (a) income (b) expenditures since it was established?

3. How many representatives are there in the Department and does each of them attend one or more festivals throughout the world each year?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. The inquiry concerning the "Foreign Sales Department" refers to the CBC Enterprises operation. The figures below reflect the whole operation and not just foreign sales.

Revenue Projection	$9,594,000
Expenditures	$8,068,000

Order Paper Questions

2. (a) and (b) CBC Enterprises was established as a Corporation-wide exclusive sales operation on April 1, 1983. Incomes and expenditures are as follows:

		1982-83 (English Operation Only)	1983-84 (Both English and French Operations)	1984-85
		(in thousands of dollars)		
(i)	Program Sales			
	Revenues	4985	5787	5689
	Expenditures	3684	4625	4813
	Net Operating Profit	1301	1162	876
(ii)	Consumer Products			
	Revenues	584	1128	2068
	Expenditures	858	1531	1885
	Net Operating Profit	(274)	(403)	183
(iii)	Fixed Administrative Costs	720	768	943
	Net Profit (Loss)	307	(9)	116
	Prior Year's Adjustments*		(105)	(587)
	Total Profit (Loss)	307	(114)	(471)

*Prior Year's Adjustments: Up until the present fiscal year, upon signature of a contract the amount of the contract was entered as revenue for the fiscal year in which it was signed. The value of programs not delivered under the contract during that fiscal year was debited as "Prior Year's Adjustments" in the next fiscal year.

3. TV Program Sales—10. Audio Products—4.

It is important to note that representatives do not attend festivals but rather structured trade fairs or markets. Each representative attends one or more of them each year.

CBC—REQUEST FOR EARLY RETIREMENTS

Question No. 354—**Mr. Desrosiers:**

Did the Canadian Broadcasting Corporation ask some of its executives to take early retirement and, if so (*a*) how many (*b*) did they get a lump sum payment as damages or for any other reason (*c*) did any of the employees sign, since their departure, a contract with the Corporation for a position with the CBC or any of its affiliates?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: Yes. (a) 35 members of the management staff at la Maison de Radio-Canada in Montreal. (b) Yes. (c) Yes. Two of them received short-term contracts to enable them to complete certain projects.

EMPLOYMENT OF OUTSIDE CONSULTANTS

Question No. 375—**Mr. Marchi:**

Since the Minister of State for Fitness and Amateur Sport assumed office, were any outside consultants employed by his department and, if so (a) how many (b) what were their names (c) what was the total amount paid to each (d) for what purpose?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): (a) Yes, two.

(b) (1) Communications Consultants Ltd. (2) Paul McGrattan.

(c) (1) $57,500. (2) $35,000.

(d) (1) Communications Consultants Ltd. were employed for the purpose of promoting National Physical Activity Week. (2) Paul McGrattan was employed for the purpose of promoting the Canada Summer Games throughout Atlantic Canada.

SUPPLEMENTARY RETIREMENT BENEFITS ACCOUNTS

Question No. 383—**Mr. McKinnon:**

1. On March 31 (a) 1981 (b) 1982 (c) 1983 (d) 1984, what total amount was at the credit of the Supplementary Retirement Benefits Accounts for (i) the Public Service (ii) the Armed Forces (iii) the Royal Canadian Mounted Police (iv) Members of Parliament and Senators?

2. During (a) 1981 (b) 1982 (c) 1983 (d) 1984, what rate of interest did the Government pay for the use of this money?

3. What amount of interest was credited to the Accounts during the fiscal year ended March 31 (a) 1981 (b) 1982 (c) 1983 (d) 1984?

4. For each of the above fiscal years, what was the total amount paid into the Fund by (a) public servants (b) armed forces personnel (c) Royal Canadian Mounted Police personnel (d) Members of Parliament and Senators?

5. For each of the above years, what amount was paid from the Accounts to contributors?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): 1. Balance in the Supplementary Retirement Benefits Account for

	(i) Public Service	(ii) Armed Forces	(iii) Royal Canadian Mounted Police	(iv) Members of Parliament and Senators
	($000,000's)			
March 31, 1981	664.4	189.7	43.9	1.4
March 31, 1982	899.6	251.8	60.4	2.0
March 31, 1983	1,156.8	324.0	80.1	2.7
March 31, 1984	1,440.2	399.2	101.0	3.4

2. Average rate of interest credited to the Supplementary Retirement Benefits Account

	Per cent
1980-81	12.4
1981-82	15.4
1982-83	13.6
1983-84	10.8

3. Amount of interest credited to the Supplementary Retirement Benefits Account

	(i) Public Service	(ii) Armed Forces	(iii) Royal Canadian Mounted Police	(iv) Members of Parliament and Senators
	($000,000's)			
1980-81	69.6	20.3	4.3	0.1
1981-82	117.7	32.8	7.7	0.2
1982-83	131.9	37.9	9.0	0.2
1983-84	136.6	38.2	9.4	0.3

4. Contributions to the Supplementary Retirement Benefits Account

	(a) Public Service	(b) Armed Forces	(c) Royal Canadian Mounted Police	(d) Members of Parliament and Senators
		($000,000's)		
1980-81	61.1	14.7	4.1	0.1
1981-82	71.9	17.0	4.8	0.2
1982-83	83.2	19.5	5.6	0.2
1983-84	88.5	21.2	6.0	0.2

5. Payments under the Supplementary Retirement Benefits Act

	(a) Public Service		(b) Armed Forces		(c) Royal Canadian Mounted Police		(d) Members of Parliament and Senators	
				($000,000's)				
	(i)	(ii)	(i)	(ii)	(i)	(ii)	(i)	(ii)
1980-81	31.8	201.6	4.3	108.6	0.5	10.0	0.03	0.7
1981-82	33.2	263.9	4.6	140.5	0.7	12.1	0.07	0.7
1982-83	35.6	332.4	4.8	178.0	0.5	14.7	0.0	1.5
1983-84	30.8	380.0	5.2	207.2	0.5	16.5	0.03	1.6

Note: Benefits paid in respect of a former contributor are charged to the account only until their accumulated total equals the aggregate of all amounts credited to that account in respect of that person. Supplementary benefits paid in excess of that aggregate are then charged to the Consolidated Revenue Fund. These amounts are shown in columns (ii) above.

CHARTERED/LEASED AIRCRAFT

Question No. 388—**Mr. Boudria:**

1. Since September 4, 1984, did the Government lease, charter or obtain the use of any aircraft for the Minister of Consumer and Corporate Affairs and, if so (a) how many times (b) at what cost (c) to which locations and, in each case, what (i) was the name of the air carrier (ii) were the names of the passengers on the trip?

2. What was the reason for chartering rather than utilizing commercial flights in each case?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs):

1. Yes. (a) four.

(b)	(c)	(c)(i)	(d)(ii)
$1,119.00	Ottawa/Quebec/Ottawa	Bonavair	Hon. Michel Côté Jacques Gagnon Diana Monnet Julien Béliveau Alban Garon
$1,200.70	Ottawa/Toronto/Ottawa	Bonavair	Hon. Michel Côté Julien Béliveau John Polak Jacques Gagnon David McLaughlin Dora Koop
$2,183.25	Ottawa/Toronto/Québec/ Montréal/Ottawa	Bonavair	Hon. Michel Côté Julien Béliveau André Garneau
$1,975.00	Gatineau/Québec	Bradley Air	Hon. Michel Côté Jacques Gagnon Louise Dufresne
Québec/Gatineau	Bradley Air	Hon. Harvie Andre René Pelletier Jacques Gagnon Louise Dufresne	

2. Unavailability of commercial flights.

NATIONAL ADVISORY COMMITTEE ON YOUTH

Question No. 418—**Mr. Robichaud:**

1. Did the Minister of State (Youth) select a young English-speaking person to represent New Brunswick on the National Advisory Committee on Youth and, if so (a) did the Minister consult youth organizations in New Brunswick before making her choice (b) did the Minister consider the possibility of recognizing New Brunswick's French speaking community during the selection of the committee's members?

2. Will the Minister change her mind in order to appoint a young French-speaking member to the committee and, if so, on what date?

Hon. Andrée Champagne (Minister of State (Youth)): 1. The Minister of State for Youth selected a group of 24 young people from across Canada to act as her advisors on an International Youth Year Advisory Committee. The committee has a mandate to: attend various International Youth Year events; facilitate the development of the International Youth Year federal youth forums; advise the Minister on matters of interest and concern to Canadian youth which arise during the Year.

The committee members were chosen on an individual basis to reflect the various interests and backgrounds of young men and women as well as the different regions, and linguistic and cultural groups in Canada. The members do not represent a specific region or group. One of the members is from Saint John, New Brunswick. While she is bilingual, her mother tongue is English.

(*a*) The Minister selected these members based on suggestions received from her departmental officials, various groups and individuals from across the country.

(*b*) The possibility of selecting a French-speaking youth from New Brunswick was considered as was the possibility of selecting French-speaking young people from other provinces and other linguistic and cultural groups.

2. There are seven French-speaking committee members, two of whom come from French-speaking communities outside of Quebec (i.e, Ontario and Saskatchewan). At this time, the Minister is not planning to appoint additional members to the committee. However, the Minister has appointed Martin Pitre of Robertville, New Brunswick, as an International Youth Year ambassador.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 368 could be

made an Order for Return, the return would be tabled immediately.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that Question No. 368 be made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

PROJECTS UNDER NATIONAL HOUSING ACT

Question No. 368—**Mr. Heap:**

1. Since January 1, 1985 to date, how many projects were given allocations under Section 56.1 of the National Housing Act and, in each case, what was the name of (a) the project (b) the resource group or developer (c) each person on the Board of Directors?

2. For each such project, what was the (a) number of units to be built and in what city (b) type of housing built (i) co-op (ii) public non-profit (iii) private non-profit (iv) special purpose?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS UNDER S.O. 31

COLLAPSE OF CANADIAN COMMERCIAL BANK

Mr. Speaker: I have received two notices under Standing Order 31. I propose to take them in the order in which I received them. The Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise under the provisions of Standing Order 31. If you make the correct ruling in a few minutes, I would be pleased to move the appropriate motion. This motion would call for a debate concerning the circumstances flowing from the collapse of the Canadian Commercial Bank. At that time the Opposition will present our serious concerns about all those Canadians who are adversely affected by this failure, and we expect the Government of Canada to give a thorough acounting of the lamentable job it has done in dealing with this extremely serious situation.

● (1530)

Mr. Speaker: The Hon. Member has given the Chair the proper notice of his intention to seek leave of the House to move a motion under the provisions of Standing Order 31. The matter that he wishes to debate is, of course, a matter of great interest, not only to the banking community, but I am sure to all Canadians.

Standing Order 31(5) directs the Chair to take account of two main criteria in order to determine whether the request for leave should be granted. First, the Chair must determine that the matter is within the administrative responsibilities of the Government. Second, and more importantly in this case, the Chair must consider the probability of the matter being brought before the House within reasonable time by other means.

In the present circumstances, on April 18, 1975, the House charged the Standing Committee on Finance, Trade and Economic Affairs to inquire into the regulation of Canada's financial institutions and on June 26 last the House instructed the same committee to make its final report by October 30, 1985.

Furthermore, the Finance Committee has scheduled a meeting for 3:30 p.m. this day and the Minister of State for Finance (Mrs. McDougall) is scheduled to appear on that particular order of reference. For the Chair at this time to ignore that Members of the House are considering that matter in committee would not only be a violation of our precedents, but a violation of the very specific limitation imposed on the Chair by Standing Order 31(5). I do not think it proper, therefore, at this time to allow the request for leave while the matter is and can be considered by a committee of the House.

The Hon. Member for Trinity (Miss Nicholson) gave a notice of a similar question. She may wish to make her case.

Miss Aideen Nicholson (Trinity): Mr. Speaker, in accordance with Standing Order 31, I too, ask leave to move that this House do now adjourn for the purpose of discussing a specific and important matter requiring urgent consideration, namely the failure of the Canadian Commercial Bank and the Government activities in relation thereto. Mr. Speaker, I would suggest respectfully that the failure of the Bank, the Government's decision to put it into liquidation in the last few days, is a separate matter from the order of reference previously given and, therefore, I ask you to consider this request.

Mr. Speaker: When the Hon. Member reads what I said in response to the Hon. Member for Oshawa (Mr. Broadbent) she will find that it is a very tight ruling. The Chair is given the power to simply say yes or no to these questions without comment.

An Hon. Member: Hear, hear!

Mr. Speaker: I am not sure whether that was a suggestion that I should say yes without comment or no without comment, but I will take it that it really meant without comment. I am trying to convey to the Hon. Member that the Chair takes extremely seriously the representations made on this question. I invite her to read precisely what I have already said.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-49, an Act to amend the Criminal Code (prostitution), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: I will now advise the House, if I may, that because of the new Standing Order 19(4) the House will sit for an extra 20 minutes this afternoon. Government Orders will be extended for 20 minutes. What is usually five o'clock becomes 5:20, etc. The floor was open at the time of adjournment.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise today to express my confusion, my astonishment and my concern about Bill C-49 to amend the Criminal Code with respect to prostitution.

First I should like to stress that Bill C-49 is not by any means an intelligent response to the Fraser report and the Badgley report. Indeed the commissioners of the Special Committee on Pornography and Prostitution have stated that a global approach taking social aspects into account was necessary to find solutions to the prostitution problem.

Bill C-49 deals only with a minor aspect of the Criminal Code concerning prostitution. It summarily rejects the global approach advocated by the Fraser committee, and Canadian men and women can now see for themselves that the Minister of Justice took a rather short-sighted view of prostitution.

Let us refer to the fact that in a survey made this summer 92 per cent of Canadians said that prostitution ought to be legalized, but indeed that a special effort should be made in cases of juvenile prostitution.

The Bill now under consideration does not contain anything at all concerning young people who prostitute themselves, nor is there any kind of reference to pimps who work with those young people.

This morning I heard the Minister of Justice (Mr. Crosbie) conclude his remarks by saying that there simply would not be any pimps if there were no prostitutes. I would simply add that I am convinced that there would be no pimps if there were no customers, for we know full well that pimps get their money from prostitutes.

In addition, the Bill to amend the Criminal Code now under consideration aims at reinforcing repression against street prostitution. Many organizations, including the Advisory Board and the Women and the Law Group, had already expressed the wish that nuisance related to prostitution be reduced. Commissioner Paul Fraser and his colleagues also agreed on the importance of restricting prostitution-related activities.

We must not think however that criminal law can eliminate the phenomenon we are dealing with today. In my opinion, it could be dangerous to make improper use of our criminal law to solve problems for which global social strategies are better suited. I believe that prostitution is such a problem.

Bill C-49 brings absolutely no change to the sexist view of the Criminal Code sections dealing with prostitution. Indeed, its aim is to define soliciting even more narrowly, which means that the target still remains the prostitute. This reflects a rather hypocritical point of view. The Government turns a blind eye to the customers, the pimps, the touts, and the owners of the premises where prostitution occurs.

The way in which Bill C-49 has been presented today gives us the feeling that only the prostitutes are punished and stigmatized. While it is absurd and unfair to put all the blame for the ills of this complex phenomenon on the prostitutes, these are the conclusions we must now draw from this Bill.

Both the Badgley Report published in September 1984 and the Fraser Report published last spring recognized that the Government should develop special programs to eliminate disparities and economic discrimination. More specifically, recommendation 50 of the report noted the importance for the Government to intensify its moral and financial commitment to eliminate economic and social disparities between the sexes and discrimination based on sexual orientation.

Commissioner Fraser and his colleagues also stated that the Government should see to it that social programs are developed for women and young people in need.

The Special Committee on Pornography and Prostitution very rightly pointed out that prostitution is related to the lack of social and educational programs to help young Canadian men and women to deal confidently and responsibly with the problems of sexism, sexuality and sexual identity.

At the time when the Progressive Conservative Government is closing down the Family Planning Division of the Department of National Health and Welfare, the Fraser Report states that the Government should help finance the development and implementation in schools of educational programs dealing with relevance and tact with the issues of sexuality.

The members of the Special Committee on Pornography and Prostitution also believe the Government should provide joint funding for a national centre on sexuality and training for life in society, with a program to prevail on academics and well-known specialists to do research work and develop teaching programs and models. They also feel federal and provincial governments should commission further research on prostitution and come to grips with that social phenomenon and its impact on those who engage in it.

Bill C-49 is a further step on the road to criminalizing prostitution, although the Fraser Report and a number of groups now recognize that criminalization has fallen short of its goal of reducing prostitution.

Because total elimination of prostitution is altogether unrealistic, it is normal to try to limit it. As I said earlier, prostitution is one of those problems against which criminal law is of no avail. What must be found and implemented is a social strategy rather than the big stick approach which the Minister of Justice is proposing today. In that sense, Mr. Speaker, I personally call for the de-criminalization of prostitution. The actions of people engaging in prostitution should not be considered as offences under the Criminal Code whenever they cause no public nuisance.

Like the members of the Special Committee, the Fraser Committee, I believe that criminal provisions concerning bawdy houses should be rewritten in order not to prohibit small groups of persons, one or two people, from engaging in prostitution in residential premises, nor to prevent provinces from authorizing and regulating small prostitution establishments located on non-residential premises and involving adult people.

I am aware of the dangers of such an attempt to allow the commercialization of prostitution, but it is my view that this is an approach that should be considered and looked into. We should look at foreign experiments, especially in Sweden and the Netherlands.

• (1540)

Make no mistake about it, Mr. Speaker: the idea is not to encourage prostitution but to place it in its proper social and economic context. It would be irrealistic to try to abolish prostitution in view of the inequalities which continue to exist in our society and the place occupied by women within the political and economic pecking order. We would be better advised to try to limit prostitution and reduce its harmful effects.

With an open mind, the Government should take steps to help women involved in prostitution to adopt a different lifestyle, if they want to.

Prostitutes may have a hard time trying to do so. Economic inequalities which women are faced with on the marketplace are not likely to encourage them to adopt massively a lifestyle more consistent with social morality.

A woman who has spent a major part of her adult life in marginal or even illegal activities is not likely to have the knowledge and abilities necessary to carry out most ordinary duties. She will also lack the contacts which would enable her to find a job on the normal labour market.

Any woman outside the labour market should have access to programs where she can learn what qualifications are required to join the paid work force. She should be able to obtain information about jobs offered and the required training.

Mr. Speaker, prostitution is a complex phenomenon and I think it is sad that after the Fraser report the Government is introducing a bill which will solve none of the issues this report has raised. This patchwork approach borders on misunderstanding. I find it quite disconcerting and disappointing that after the Fraser and Badgley reports, the Government should view prostitution from such a narrow angle.

Street soliciting seems to be the major issue for this Progressive Conservative Government and the Minister of Justice. It should be emphasized that soliciting represents only 15 per cent of prostitution. They fail to recognize the fact that for women *de jure* and *de facto* equality is a basic right, as well as the means to achieve it. Prostitution is but one result of social and economic inequalities, and I feel that the Government should deal with these inequalities much more urgently than with street soliciting.

The institution of a truly egalitarian society where all men and women could really be involved in the decision-making process which affects their personal, economic and social lives is one of these prerequisites. The issue of prostitution is one which should be dealt within the broader context of the type of society we want to develop.

We should emphasize, therefore, that in a truly egalitarian world, all exchanges, sexual and otherwise, should neither be bought nor sold.

I strongly encourage the Conservative Government to widen the debate on prostitution. This problem should be considered more from the social point of view than the legal one. I am not alone to hold that view: many groups of women, as well as the Special Committee on Pornography and Prostitution and the Badgley Committee have drawn the same conclusions.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to speak to Bill C-49. As we know, this Bill will amend the Criminal Code to make it a criminal offence, punishable by summary conviction, for persons in a public place to stop or attempt to stop a motor vehicle, impede the flow of traffic, to stop or attempt to communicate with any person for the purpose of engaging in prostitution or obtaining the services of a prostitute. It also provides for a review of the legislation after three years.

As my colleague stated this morning, our Party is opposed to this Bill. However, I also want to say that contrary to the propaganda that some of our Conservative friends have been pushing, we do not intend to unduly delay this Bill. Although my colleague elaborated on this in some detail this morning, let me quickly relate some of our major concerns about Bill C-49. We believe that although much stricter enforcement legislation that affects communities is needed to protect communities and its citizens, this Bill is unlikely to be a quick fix, contrary to a rather common belief held by the public.

There are some serious omissions in this Bill. It ignores the recommendations of the Fraser Commission that would deal with community problems in a more non-criminal way with the strengthening of some nuisance provisions of the Criminal Code. It also ignores major recommendations of the Badgely Report. They are two very important federal reports that involved input from all parts of Canada and considerable study and research.

The fact is that it will be mostly women who will be charged under the Criminal Code. They will be thrown in jail, given a criminal record and returned to the streets to pay their fines. With such a record, it is doubtful that there will be very much chance to move into any kind of occupation in the future.

There is no provision in the Bill to deal with pimps. Although the Bill includes a provision by which customers could be charged, they are less likely to be charged. It is much easier to pick up a woman or young person who is on the street than it is to pick up the fancy customer who is in a car cruising around the neighbourhood. There is no question that past experience shows that it will be women and an increasing number of young people, including young men, who will be the primary victims of this legislation.

I hope the Government will seriously consider addressing our deep concern about the fact that this Bill also criminalizes juveniles and provides no strong sanctions against customers of juveniles. This was one of the most important recommendations of the Fraser Commission. I do not understand why there is no clause in the Bill dealing very strongly with such sanctions.

• (1550)

The Government has no plan to deal with the comprehensive situation that causes and has spin-offs from prostitution. Most of us agree, and the reports I have mentioned underline strongly, that prostitution has a social and an economic cause. Therefore, we must look at social and economic solutions along with protections for neighbourhoods.

We will oppose this Bill. We will present further details in debate and committee. Being the Member for Vancouver East, where this summer there have been intolerable kinds of activities particularly in the Mount Pleasant area of my riding, I wish I could support a Bill that would be a quick fix to solve community problems relating to street soliciting.

I know the Hon. Member for Vancouver Centre (Miss Carney) will agree that as street soliciting is concentrated in one neighbourhood it starts out as a nuisance problem which quickly escalates to include very serious problems leading to violence and intimidation. In one apartment building in my riding a prostitute was murdered and an incident took place involving 13 year-olds on private property. These are but two extreme incidents but they must cease. We cannot tolerate disruption to neighbourhoods. Citizens and communities have rights and it is up to all of us to assist in protecting these rights.

Our party and certainly myself feel that aggressive action must be taken on many fronts to deal with community problems. We feel that not enough has been done to deal with these problems. We would like to see much more aggressive enforcement by police. I have spent a lot of time talking to people regarding specific incidents that involved local people calling police. Much more aggressive enforcement by police must be taken under existing provisions of the Criminal Code as well as under municipal by-laws and provincial laws, all of which have provisions to deal with nuisance, loitering, intimidation, indecent acts, traffic violations, noise, trespassing and the involvement of juveniles. In Vancouver and in some other cities, there has not been a concerted attempt to follow up with concentrated police action, particularly community policing.

My colleague, the Hon. Member for Burnaby (Mr. Robinson) has spoken very eloquently and in great detail about the many reasons we have concerns regarding Bill C-49. Unfortunately, it is impossible to improve this Bill in committee. It would be nice if we could change the focus and modify it in some way to be helpful. Under the existing terms of reference and the purposes of this Bill, it cannot be amended. It is an extremely simplistic Bill which has many serious omissions regarding street soliciting, community problems and prostitution generally.

I want to repeat that while we cannot agree with this Bill, we do not intend to delay it beyond the normal period for debate. We feel it is important to have all views presented in committee, including views of community groups which have considerable expertise in the area. We know in advance that the Bill will be passed by the Conservative Government majority, despite its inadequacies and despite a complete disregard of the Fraser Committee recommendations.

In the New Democratic Party we agree most emphatically with the comments made by the Minister this morning, that the quality of life in residential neighbourhoods and the safety and rights of residents must be protected and of primary concern. Situations have almost destroyed a neighbourhood in my riding which has experienced nuisance problems, harassment, obscenities and violent crimes. Citizens and communities have rights to a safe environment.

Young people are drawn into street prostitution, a point which the Minister stressed. We too are most concerned about this. I have talked to many women who are raising young children on very low incomes and little security. They are forced to take to the streets to increase their incomes. As well we have people on grossly inadequate welfare rates who have to go to food banks and must prostitute at the end of the month to feed their kids.

I want to add my voice to those of my constituents who are demanding an end to this intolerable community disruption experienced in the Mount Pleasant community. Noise and offensive behaviour of customers, prostitutes and pimps has escalated, as I said before. Many women are afraid to go out at night. Parents are rightfully incensed at the obscene behaviour which their children are witnessing. I am very concerned when I hear about calls to police that more often than not are unable to be completed. I have heard about calls being unanswered. Responses are delayed. I am told there is no chance to

follow up and charge people in cases where they should be charged. Residents feel unprotected.

Juvenile prostitution and activities of pimps are largely ignored in this community. They are tolerated. This should not be happening under our existing laws. I am proud to say that residents in the Mount Pleasant community, and I am sure it is an example of other communities, have dealt with the situation in a positive way. People are concerned about the need for alternate jobs and adequate income so that women particularly have an alternative to prostitution, even though we know many are caught in chronic situations. People are demanding stronger police enforcement.

I helped to convene a meeting during the summer. Block representatives were established and a positive program was set up. Many proposals were made, including police task forces, community policing, neighbourhood block programs. Meetings with city hall people were set up to press for more community services. In Ottawa, Mayor Dewar has been successful in curtailing the effects of prostitution in residential neighbourhoods. Montreal has a special by-law which our provincial Government refused to allow in Vancouver. We believe enforcement has been lax. Much more emphasis should be given to this. If the present sections of the Criminal Code that deal with nuisance are inadequate, they should be changed. I hope the committee will take a good look at some of the proposals of the Fraser Commission.

I want to speak as the NDP critic for the status of women and for social policy. Prostitution has always exploited and degraded women, particularly poor women, disadvantaged women and native women, women who are unprotected and who have inadequate income. These are the ones who we find on the streets. Many prostitutes have a history of childhood abuse. Most would have few employment skills to cope in other jobs. It is most important we recognize the root of prostitution, and from that the very many social problems that exist in prostitution-related activities.

We need social and economic approaches as well as a legal approach to deal with problems. There must be an alternative way of life. Young people must be made to realize that this is a dangerous and not a glamorous occupation. To accomplish this, we have to be able to reach them. They are street kids, many of whom are foster children and do not have any home base. They must be reached through Outreach programs. They must have alternative job opportunities. They must have places in which to live with role models. They must have training and community support. I am pleased that our community recognizes these facts and is working on community programs, as well as ridding itself of street prostitution.

● (1600)

Government politicians at all levels have a responsibility. However, I particularly appeal to the federal Government—and I see that the Minister of Employment and Immigration (Miss MacDonald) is with us this afternoon—that it is not enough to have criminal sanctions. We do not agree with the particular approach of the Government. It is not enough just to do that and ignore employment opportunities or ways of ensuring adequate incomes and alternative lifestyles. The New Democratic Party wants stronger enforcements of nuisance laws, both local and federal, to protect citizens and to deal with community problems. Primarily, we feel that they should be directed at customers. Bill C-49, in its application, will be directed more to punitive measures against prostitutes, most of whom are women. I am not convinced that it has a strong method of dealing with customers. Customers provide the demand. If the customers are not there, the prostitutes and the pimps will not be there because they will not have any business. We would like to see the enforcement of nuisance measures strengthened in order to deal with and discourage customers. We also want social and economic solutions so that young people and women will not have to earn their living on the streets. Unfortunately we do not feel that these methods of dealing with a very complex social and economic problem will be met under Bill C-49.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it is with great satisfaction that I am able to participate today in the debate on Bill C-49, an Act to amend the Criminal Code dealing with prostitution. As many Members of the House will know, I am very pleased with the action taken by the Conservative Government and by the Minister of Justice (Mr. Crosbie) to deal with an issue which affects families and neighbourhoods right across the country. It deals with the blight of street soliciting which has invaded residential neighbourhoods, which is helping to destroy juveniles in particular, and which has led to a deterioration of some of the most historic neighbourhoods of Canada.

While I agree with the Hon. Member for Vancouver East (Ms. Mitchell), that there are other issues in the whole field of prostitution which must be addressed, I think this Bill which deals with street soliciting certainly is a major step forward in dealing with the problem. It is particularly a victory for citizens across Canada, because it was the pressure brought by citizens from Vancouver to Halifax who wanted to preserve their neighbourhood which led to the introduction of the Bill by the Conservative Government. It was one of our campaign promises. It is very satisfying to know that we have been able to meet this campaign promise within the first year of our mandate. It is also gratifying to know that it has the support, if only the qualified support, of the Hon. Member for Vancouver East.

I want to point out that the problems which the Hon. Member for Vancouver East now has in her riding are very similar to the ones which I had in my riding when this issue was first raised. I should like to refer to *Hansard* of December 17, 1981, and to quote, with Your Honour's permission, some sentences from the speech I made at that time. I was describing what street soliciting was doing to my riding and to my neighbourhood, and I said:

> It is one of the most historic neighbourhoods in our city. For the last couple of years it has been invaded by prostitutes and pimps who are found on every corner. It is a business well organized by pimps with walkie-talkies— It is organized in relation to territories— It is dangerous for residents. They are not only accosted every time they leave their apartment or home to get a loaf of

bread or to pick up some milk or go to the post office, but there has already been one knifing incident.

Also in that speech I added:

I would like to emphasize, Mr. Speaker, that we are not dealing with the age old problem here of street prostitution . . . we are dealing with the problem of prostitution on people's lawns, by their paper boxes, right in front of their grocery stores, in their churches and in their daycare centres. It is an infestation of a quiet and beautiful neighbourhood.

I made those comments with regard to Vancouver Centre, my riding, but the very same comments can be made right now with regard to Vancouver East, as the Hon. Member indicated. It is another historic neighbourhood, another family neighbourhood, which is being subjected to this blight.

I talked with some of the residents of Mount Pleasant last week and went through some areas in the Vancouver East Riding. I found that the same churches, the same lawns and the same beautiful homes were now afflicted. It is too bad the Hon. Member for Vancouver East could not have supported me in my efforts four years ago to have this problem corrected and that now that it is in her riding she recognizes the problem. When it was in my riding, she ignored it. In the meantime there have been four years of problems in neighbourhoods, a deterioration of neighbourhoods, harassment of ordinary citizens and corruption of juveniles in the four years of delay and procrastination before the Bill was brought before the House for second reading. I urge Opposition Members not to delay unduly this Bill, as they know the injunction which applies in British Columbia could be challenged in October. As they also know, there have already been instances of violence in other ridings. No matter what qualifications the Opposition Members may have about the Bill, we share a common desire to avoid the vigilante type of action which is surfacing in the Vancouver area and in other centres across the country.

I want to review some of the history of this measure and the role which my own constituents played in getting us to this stage, because the Conservative Party has been the only Party which has consistently dealt with the issue of street soliciting in a way that enhances families and neighbourhoods. We have consistently advanced the argument, since I entered the House in 1980, that the preservation of neighbourhoods and the preservation of families require that steps be taken to deal with soliciting. I would like to review some of the steps which got us here today. In Vancouver Centre I first became concerned about this issue in 1979 where, with the help of Denny Boyd of the *Vancouver Sun*, I participated in a well televised and well covered walk through some of the areas of my riding. It was the first time that attention had been focused on what happens to a neighbourhood, a family residential area, when it is invaded by this kind of blight. I can still remember the shock of the people who were with me when they saw little children on the streets soliciting, when they saw young women on the streets soliciting, and when they saw what was happening in terms of the noise and degradation of neighbourhoods. It was the first time that people realized that what happened in Vancouver Centre could and subsequently did happen in other centres across Canada.

In early 1982 I tackled the then Liberal Minister of Justice on the issue. We had just repatriated the Constitution; we just had the Charter of Rights and Freedoms. In response to my continual raising of the issue of what good was the Charter of Rights if residents could not go to church without being hassled by hookers, he finally referred it to the Justice Committee of the House of Commons. About the same time a group was formed in my riding to which I give a lot of credit, the Concerned Residents of the West End, with people like Gordon Price and Jerry Stafford who got together to see what they could do to support myself as their Member of Parliament and other MPs in getting the changes through the House. They lobbied right across Canada and helped form other groups in other cities to focus attention on this issue. This is one of those issues which, if it does not occur in one's own neighbourhood, one tends to ignore it but when it does occur in one's own neighbourhood, one becomes very concerned by what can happen to friends, families and home life.

• (1610)

In 1982, the Justice Committee which, on our side of the table, was spearheaded by the President of the Privy Council (Mr. Hnatyshyn), heard representations from all across the country. Again, since it is now three years later, I would like to read into the record the organizations from which we heard before making our recommendations.

We heard from witnesses who came to Ottawa to appear before us representing the Concerned Residents of the West End; the West End Hotel Association; the West End Businessmen's Association; the Mayor of Vancouver, Mike Harcourt; Gordon Neighbourhood House which is in my riding and deals with the issue of juvenile prostitutes; the National Association of Women and the Law; the Elizabeth Fry Society of Toronto; the Canadian Association of Chiefs of Police; the Vancouver Coalition for a Non-Sexist Criminal Code; the National Action Committee of The Status of Women; the Mayor of Niagara Falls; the Mayor of Calgary; the Metropolitan Toronto Board of Commissioners of Police; the Justice Department; Priscilla Platt, a barrister from Toronto; Professor Gerald Beaudoin of the University of Ottawa; and the Canadian Association of Elizabeth Fry Societies. I have read that list into the record because I want to make the point that in 1982, we were already getting substantial input from citizens across the country regarding this issue. What is now before us is a Bill which can deal with the matter and which should not be unduly delayed.

The results of the Justice Committee hearings were very similar to the legislation that is now before the House. The proposed amendment of the Justice Committee, and all-Party committee, contained in its majority report, dealt with the issue of soliciting for the purposes of prostitution and suggested that it should be banned in public places or any place open to public view including vehicles on the street or in driveways. That was important because today, as then, soliciting does not only take place on the street, it takes place in back lanes, churchyards, shopping plazas and apartment foyers of affected neighbourhoods. The present law does not address this prob-

lem. The majority report also dealt with the issue of public places including automobiles since a great many of these transactions take place in automobiles. As well, it recommended that both the prostitute and the customer may be charged, something which is of course essential and for which there has been general agreement.

The Justice Committee recommendations also dealt with the issue of juvenile prostitution, an issue which, according to the Minister of Justice will be dealt with in a separate Bill after more consultation with the parties affected. We all share the wish to protect these children rather than to penalize them and we wish to ensure that whatever steps are taken are humane and not punitive.

The recommendations of the Justice Committee were ignored and the Liberal Government brought in Bill C-53, a Bill which of course was toothless. The Bill did acknowledge the need to charge clients as well as prostitutes but since we could not charge prostitutes under the old Act, there was no particular point in trying to charge clients under legislation which could not be effectively enforced. At that time, the Fraser Committee was set up and of course there was a delay while its report was being made, during which time the problem spread to other cities.

In 1984, the residents of my riding formed the Shame the Johns Committee. It was a source of some pride to me that the citizens would continue to defend their neighbourhoods but at the same time it was a concern to me because, in the confrontation between the neighbours and the hookers and pimps, there was, of course, an atmosphere conducive to violence and I did not feel that people should have to risk their lives in order to defend their nighbourhoods. However, the Shame the Johns Committee movement spread. I walked with the Shame the Johns Committee in Halifax, a city which had the same problem in a historic neighbourhood, and such committees have been organized in other cities.

The point I would like to make is that this problem is not confined only to Vancouver. It is a problem that has spread across the country. It is a problem which has frustrated people such that they have gone from making complaints to the organization of community groups. What I fear now is that if the House does not deal with this issue, debate the issue, make recommendations and pass the Bill so that we have new laws in place, the formation of vigilante groups could lead to incidents of violence. Last weekend in Vancouver, there was such an incident, an incident which should spread fear among all legislatures regarding what happens when people take bad laws into their own hands.

I am suggesting that we proceed in a lawful manner by processing this legislation. We should examine it. Opposition Members should offer improvements. I beg opposition Members not to filibuster this Bill, to stop its process or to create an environment in which citizens are forced into the streets to defend their neighbourhoods because then anarchy prevails and the faith in legal institutions such as Parliament will break down. Right now what we have is an uncontrolled and unlimited problem. While this legislation will not resolve all the problems, it will deal with the issue of street soliciting in residential neighbourhoods. That will give us a good basis on which we may continue to work together to resolve some of these other issues.

Ms. Copps: Mr. Speaker, I would like to ask the Minister a question regarding a statement which she made in the latter part of her speech. She suggested that we should pass this Bill expeditiously because if we did not do so, we would find people taking the law into their own hands and perpetrating violent acts on society. It would seem to me that if that were the rationale used for the passage of laws across this country, it would in fact lead to anarchy.

Miss Carney: Mr. Speaker, I am not surprised that it is a Liberal Member who has brought that proposition forward because it was the Liberal Government that delayed and delayed on this kind of legislation until what was a fairly small, localized problem had spread right across the country. It is because of the delay in passing this legislation, because of the blight of neighbourhoods, because of daycare centres with little kids playing in the shadow of hookers, and because of all of the activity in the churchyards that people in defence of their own neighbourhoods got together and served notice that if the Government of Canada cannot deal with this problem, they will.

Ms. Copps: Mr. Speaker, I do not understand the Minister's rationale for suggesting to Parliamentarians that we should expeditiously pass this particular Bill for fear that if we did not pass it, society will be taken over by vigilante groups. That is a rationale that I do not understand and I would think that as a Parliamentarian, the Minister would find it very shocking that we should pass laws simply as a response to groups that could potentially become vigilante groups.

Miss Carney: Mr. Speaker, I accept the fact that the Liberal Member does not understand the situation. The Liberal Party never did and the Liberal Government did not either.

Mr. Robinson: Mr. Speaker, I would like to ask the Minister a question with respect to the report of the Fraser Commission to which she has made reference. In dealing with the question of prostitution, the report of the Fraser Commission pointed out that one of the causes of prostitution was economic roots and in particular, and I am now quoting from the report:

> —the discrimination in employment that some gays, and gay males in particular appear to encounter. The latter problem is accentuated in the case of transsexual individuals who may find themselves virtually unemployable.

The Fraser Commission went on to recommend that the Government of Canada in conjunction with the Government of the provinces and Territories should strengthen both their moral and financial commitment to removing the economic and social inequalities between men and women and discrimination on the basis of sexual orientation. The Canadian Human Rights Act should clearly be the appropriate piece of legislation to be amended in order to prevent discrimination against gays and lesbians, discrimination on the basis of sexual orientation. This is a recommendation which has been made

repeatedly by the Canadian Human Rights Commission and one which I myself have made to the House through a Private Member's Bill which is now before the Committee on Equality Rights. Indeed, it is one which the Minister herself, when she was a private Member, made to the House through a Private Member's Bill. Does the Minister continue to support amendments to the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation, and if so, what action is she and the Government taking to ensure that those amendments will in fact be enacted?

• (1620)

Miss Carney: Mr. Speaker, as the Hon. Member for Burnaby (Mr. Robinson) has indicated, I have supported this measure. He did not indicate the fact that I was the first MP ever of any Party to introduce a Private Member's Bill in this House urging a change to the Canadian human rights legislation to include sexual orientation. He did not mention the fact that I supported his Private Member's Bill as, in fact, he supported mine; nor did he mention that when we were of a minority opinion in the House that we both advanced this cause.

When he asks whether I would support any changes in this light, of course, I would. When he asks what our Government is doing about it, I note that the matter is before a committee dealing with equality rights and I am watching the focus of that committee with great interest.

Mr. Robinson: Mr. Speaker, I appreciate the Minister's indication that she has supported this measure in the past and continues to support it. In the event that the sub-committee recommends the inclusion of sexual orientation in the Canadian Human Rights Act, does the Minister intend to press on her colleagues in Cabinet the implementation of this important recommendation, as she has recommended in the past and as the Fraser Commission recommended in its report to the Government?

Miss Carney: The answer to the question, Mr. Speaker, is yes.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am happy to have an opportunity to participate in this debate. I believe there is one issue upon which all members can agree, that is, where we have come to a parting of the ways and, in particular, come to a parting of the ways with this Government, is in the selective application of recommendations emerging from the Fraser Commission. The Hon. Member for Vancouver Centre (Miss Carney) spoke earlier about the specific problem in the city of Vancouver and how a number of community groups, including the Mayor of Vancouver, joined together in an effort to eliminate a problem in an historic neighbourhood of her community. She also outlined the difficulties faced in another community, specifically in an historic neighbourhood in Halifax.

It seems to me that one of the things we must do when we look at the question of prostitution is set aside the issue of whether or not it happens to be occurring in a nice neighbourhood or a not-so-nice neighbourhood. The members of my Party and I believe that every citizen in the country deserves to be free of annoyance and free of any difficulties when it comes to solicitation and prostitution. Of course, everyone would agree that it is not a problem which should only be addressed in nice neighbourhoods.

During the past weekend, I happened to be in Yellowknife in the Northwest Territories. At that time, the Federation of Canadian Municipalities was holding a national meeting on this and other important issues. Included among its members and representatives who attended that particular meeting was, in fact, the Mayor of Vancouver. The Mayor of Vancouver and, presumably, the municipalities across the country, have been directly involved in the implementation of the recommendations of the Fraser Commission.

I would like to bring to the attention of the House the feelings of the Federation of Canadian Municipalities. These are feelings which, in fact, do not concur with the words expressed earlier by the Minister of Justice (Mr. Crosbie) to the effect that no one has disagreed with Bill C-49. I would like to take a few moments to read into the record the serious concerns which have been expressed by the Task Force on Pornography and Prostitution which were unanimously endorsed last weekend in Yellowknife by the Federation of Canadian Municipalities. I realize that the Hon. Member for Vancouver Centre cannot accept the word of a Liberal because she is blinkered by partisanship when it comes to discussing serious and substantial issues. However, she may listen to the words of the Federation of Canadian Municipalities in which they unanimously endorsed a report which states:

> The Task Force has serious concerns about the approach adopted in Bill C-49. First, this approach is not comprehensive. It is like trying to remove the tip of an iceberg and assuming that the rest will disappear. Second, as stated in the Fraser Report, "We see no virtue in replacing the present system with a more repressive regime. There is no evidence in the history of this country, or in those countries like the United States which retain a Draconian system, that the results of such an approach would justify it." In short, we have serious doubts about the likely effectiveness of Bill C-49.

This report was not written by the Liberal Party. It was not written by members of the Opposition about whom the Minister would pretend obstructionism. This report was written by a task force established by the Federation of Canadian Municipalities because that Federation was extremely concerned with the issue of street solicitation, which is one portion—a very small one—of the market of prostitution. This particular report was unanimously supported not only by the task force but by representatives from coast to coast who were at the meeting in Yellowknife.

I know we have a problem. I think the members of the New Democratic Party have also recognized the problem when it comes to the issues of street solicitation. When I look at the recommendation in Bill C-49, which is particularly punitive toward the prostitutes, I would like to ask the Government: Where are the purveyors? Where are the pimps? Where are the customers when it comes to this piece of legislation? The suggestion that the Government will move in with a half measure which targets solicitation without dealing with the

issue of procurement and without dealing with the issue of customers in a very direct way is in and of itself flying in the face of all of the recommendations of the Fraser Report.

Even if the Government is insistent upon adopting a one-tier approach to the problem, and if it refuses to look at the comprehensive recommendations made in the Fraser Commission Report, then, at best, it should introduce amendments to this piece of legislation which would ensure equal treatment of the pimps, the customers and the prostitutes. As long as there is a single piece of legislation which will light out simply on the issue of solicitation against the prostitutes, then we will not reach the root of the problem of prostitution, nor will we deal with the difficulties intrinsic in street solication. I would ask the Hon. Member for Vancouver Centre, who has walked the streets of Vancouver, to tell us how many prostitutes are operating out there without a pimp in the background, without a purveyor or without customers. It takes a trio to operate in this particular situation in dealing with street solicitation. Unfortunately, the Bill before us makes a feeble attempt to deal with only one third of the group involved in this activity.

Again, the task force, in a report which was unanimously endorsed on the weekend by the Federation of Canadian Municipalities, expressed some concerns with respect to the decision of this Government to target legislation toward prostitutes without looking at the entire question. They make certain recommendations. The first is that they have an opportunity to meet directly with the Minister of Justice to address some of the specific concerns related to amendments to this Bill. They do not particularly want Bill C-49 to proceed at this time. However, if it is to proceed, then they are encouraging the Government to at least include recommendations 59 and 60 of the Fraser Commission Report which cover the areas of the purveyors as well as the customers of prostitution. The task force recommends that the effectiveness of Bill C-49 be reviewed in a period of two years following the introduction of the legislation. However, before that happens, the Federation would like to have a chance to meet directly with the Minister of Justice with the intent of developing a more comprehensive approach to the problem of prostitution.

It is clear that prostitution, whether it be street solicitation or other forms of prostitution, is not a unique problem to Vancouver, Halifax, or nice neighbourhoods. If looked at historically, the issue of street solicitation only became an issue when the prostitutes started to move into "nice" neighbourhoods. In many neighbourhoods where the political clout of the residents has not been as strong or as effective over the years, prostitutes have carried on their business for a number of years. Prostitution was not discovered in 1978, 1979 or in the decades previous to that. Recently in my own community in Hamilton a concern was expressed in a neighbourhood which certainly could not be described as an historic neighbourhood. It is a neighbourhood of working people who expressed the same kinds of concerns about the intrusion into their private lives as has occurred in Vancouver and Halifax.

• (1630)

The Hon. Member for Trinity (Miss Nicholson) has often spoken to me about some of the difficulties faced in the Kensington market neighbourhood in Toronto and how she and others would like to find a way of solving the problem in the short and long term. I think it is clear, Mr. Speaker, that this rather piecemeal and in fact discriminatory piece of legislation which deals specifically with prostitution without including in its legislative target the customers, the purveyors and the procurers of sex, does not deal with the problem. I would suggest to the Hon. Member for Vancouver Centre, as well as other Hon. Members who have been involved in this dossier for a number of years, that when we have the kind of strong objection raised by organizations like the Federation of Canadian Municipalities, which has been in the front line of the fight from the moment it became apparent that it was a public problem, there is something intrinsically wrong with this legislation which must be corrected before we can expect to see all-Party support.

I believe it would be wrong and unfair of the Government to suggest that Members of the Liberal and New Democratic Parties were not interested in trying to find meaningful solutions to the problem of prostitution. Organizations like the Federation of Canadian Municipalities unanimously suggested that this particular piece of legislation will not do the job. People like the Mayor of Vancouver who were at that meeting and endorsed this task force recommendation are calling upon the Government not to introduce Bill C-49 without some very specific amendments and have expressed concern that even with amendments, Bill C-49 will not address the basic problem of juvenile prostitution, delinquency and all the other inherent social problems we saw very fully explored in the Fraser commission report. In a sense, the Government is throwing up a smoke screen. It is trying to address a problem through legislation which does not do the job. Across Canada that appears to be an emerging consensus, not only from women's groups and from groups representing, for example, the question of civil liberties for Canadians, but also from the Federation of Canadian Municipalities which has been elected to speak for the major communities across this country which are specifically facing the problem.

I would like to read for the record some of the names of people who were on that task force so we know we are not just speaking about partisan Liberal opposition: Baryl Gaffney from the City of Nepean who was the chairman of the task force; Harold Macdonald from the City of Winnipeg; Donna MacArthur from Prince Edward Island; Jack Layton from the City of Toronto; Larry Gilchrist from the City of Calgary and a staff member from the Federation of Canadian Municipalities. These people are dealing on a daily basis with the direct complaints in their communities, and who are dealing on a very specific basis with the kind of problems which were outlined by the Hon. Member for Niagara Falls (Mr. Nicholson). When they express serious concerns and reservations about Bill C-49, they are echoing the sum and substance of the statements which have been made in this House and outside

this House. I do not think that anyone believes that Bill C-49 is the answer to the question. It is simply a clouding of the facts when the Government and the Minister parade Bill C-49 as a fulfilment of the Conservative promises on the issue of prostitution.

I would suggest, Mr. Speaker, that we on this side of the House will want to work with the Government and with the Federation of Canadian Municipalities to encourage the Government to back off on this particular piece of legislation. We believe it should introduce instead a more comprehensive package which will take into consideration not only the issue of street solicitation, which is 10 per cent of the problem with respect to prostitution, but the over-all difficulties as outlined in the Fraser Commission report. This report begins to address this problem for all Canadians in a way which is not specifically punitive toward the prostitute while in fact allowing the procurers and the customers to go scot free.

Miss Carney: Mr. Speaker, I would like to ask the Hon. Member two questions. She correctly pointed out that prostitution did not begin in 1979, but I would suggest to her that street soliciting did emerge about that time. Since prostitution has been with us for about 4,000 years, is the Hon. Member proposing that we wait another 4,000 years to deal with the over-all problem of prostitution as she seems to infer from her remarks?

Ms. Copps: Mr. Speaker, I am suggesting that the problem of prostitution was dealt with in a very complete and informative way by the Fraser Commission. This piecemeal piece of legislation does absolutely nothing to deal with the over-all social problems which derive from prostitution. Why is the Minister and her Government hiding behind a piece of legislation which is so flimsy that it cannot even get the support of the Federation of Canadian Municipalities?

Miss Carney: Mr. Speaker, that raises my second question. The Minister of Justice (Mr. Crosbie) had indicated that he will be consulting with provincial Governments and other groups before bringing in some of the other legislation which was suggested by the Fraser report. Of course, that would include the Federation of Canadian Municipalities. I would ask the Hon. Member one specific question: since I know that the Mayor of Vancouver totally supported myself and the constituents of Vancouver Centre in backing the measures we took to bring the problem of street soliciting before the House, and totally endorsed the Justice Committee recommendations which are contained in this legislation, is the Hon. Member suggesting that the Mayor of Vancouver does not support this legislation?

Ms. Copps: Mr. Speaker, what I am suggesting is that there was a unanimous recommendation passed on the weekend in Yellowknife at a meeting which was attended by the Mayor of Vancouver. This particular recommendation was endorsed unanimously by all municipalities at a meeting which was attended by the Mayor of Vancouver at which very serious concerns were expressed about the approach adopted in Bill C-49. It is like "trying to remove the tip of an iceberg, assuming the rest will disappear". That particular report was endorsed by, among others, the Mayor of Vancouver, so the Minister can draw whatever conclusion from that.

The Acting Speaker (Mr. Charest): If there are no further questions or comments, we shall resume debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-49. I applaud its intention. I believe all Members of this House and the many people who are concerned with it applaud the intention which seems to be espoused by the Minister of Justice (Mr. Crosbie) and by some Conservative Members. However, I think it is the responsibility of every Member of this House, even if he or she is on the Government side, to take a close look at the way this Bill is drafted because it is dangerous law, Mr. Speaker. It is police law and I intend to expand on that considerably as I speak this afternoon. What this Bill is going to do is force a realignment of prostitution in Canada, as previous speakers have pointed out. The street prostitution is going to be dealt with here but will be at the choice of a municipality or police force or an individual police officer who wants to apply this draconian, steel fisted wording which the Minister of Justice put before us to deal with today.

I come to the House of Commons having been a probation and parole officer in British Columbia. I have dealt on a regular professional basis with both male and female prostitutes, with pimps and with the general grouping of people we find associated with the criminal element. I intend to expand at some length at what the real issue is here, how prostitution should really be dealt with in a Canadian way rather than this typically narrow way which is an attempt to be able to say to a few concerned constituents across the country, "We have brought the legislation in. The Liberals, the New Democratic Party and a few groups across the country did not like it but we have brought it in and we are able to deal with it". If anyone in this country is going to give the highest of all ratings to this Bill it is going to be organized crime, not those community groups which are concerned about street soliciting. It is organized crime which stands to reap the very greatest benefits from the kind of inflation we are going to see in the whole field of prostitution in Canada.

I believe Canadians should take a close look at the wording of this Bill. I am not persuaded, and I do not believe the Minister of Justice has persuaded anyone in his own caucus, that this is the way this problem should be approached. I quote Section 195.1 of the Criminal Code which states as follows:

● (1640)

Every person who in a public place or in any place open to public view

(*a*) stops or attempts to stop any motor vehicle,

(*b*) impedes the free flow of pedestrian or vehicular traffic or ingress to or egress from premises adjacent to that place, or

(*c*) stops or attempts to stop any person or in any manner communicates or attempts to communicate with any person—

Subparagraph (*c*) is really crucial:

(*c*) stops or attempts to stop any person or in any manner communicates or attempts to communicate with any person

for the purpose of engaging in prostitution or of obtaining the services of a prostitute is guilty of an offence punishable on summary conviction.

As we heard from the Minister of Justice that is $2,000 or six months in jail. It goes on to define in Clause (2) a "public place". It says:

In this section, "public place" includes any place to which the public have access as of right or by invitation, express or implied, and any motor vehicle located in a public place or in any place open to public view."

When I opened my remarks this afternoon I said that this is police law. I have watched over the years while I was in corrections the kinds of laws which came out of this House. From time to time I saw police law come from here. It shocked me. Police certainly like to have that kind of law. They can determine at what point they do not like a prostitute or pimp. As you can tell by the wording, this is a guaranteed power to bust. Whether we are talking about Mount Pleasant, Toronto, Halifax, Calgary, certain areas of Vancouver, Prince Rupert, Terrace, Smithers or Atlin, this gives the police the kind of power they really like. The power is incredibly broad and gives police an almost guaranteed bust when they want it, but it does not deal with prostitution per se. I disagree with the Minister of Justice and the Minister of Energy, Mines and Resources (Miss Carney).

This Bill deals with a very narrow part of prostitution and, from my professional experience, it deals with those who are already in the weakest position. I never met a street hooker who wanted to be there. Not one. We heard earlier today about the Government of Manitoba Study which found that 90 per cent of prostitutes did not want to be in that line of work. Well, I never met anyone in the line of street prostitution who wanted to be there. In driving them off the streets, Members of this House had better keep in mind one of the reasons these people are on the streets. In many cases they do not have the kind of organized crime network for personal, physical protection. They are on the streets so they at least have that narrow opportunity to determine whether or not the customer, male or female, is likely to stab them, shoot them, or put them in a sack and dump them off a bridge. In bringing forward this Bill the Minister should keep in mind that these people, particularly the young people, should be dealt with by social workers, probation officers and a more loving and caring support system rather than by the police forces of this country. The police have a unique opportunity with this legislation to not only harass these people while they are on the street but to place them in an even more difficult situation, that of the revolving door of our penal system. As many Canadians know, we have one of the highest rates of incarceration in the world. Canadian taxpayers want to get people out of jail and get that barbaric burden off our back. What this legislation will guarantee is that a lot of these young and underprivileged people, almost all of whom were sexually abused as children, are going back into the correctional system.

Even if they move out of prostitution, where are they going to go? They have to go into either the world of drugs or other forms of crime. As another Member said, if you have been a hooker for five years, what are you going to tell IBM when you apply for a typing job? You cannot say you have been a hooker on Davey Street. If they say that is why you do not get the job, then you may be able to appeal it under the Human Rights Act, but you are not going to get very far.

I think this institution has a responsibility to take a situation like this a little more gravely rather than simply throwing a bone to the police or to organized crime. I will be the first one to admit that I do not like to go into Mount Pleasant and hear people say they are tired of pimps beating on each other in the front yard with saps and knives, hookers all over the streets, screaming tires, and liquor bottles being thrown out the window. No Member of Parliament in his or her right mind would support that kind of activity, but to pass Draconian law is wrong.

We in British Columbia know why there are more juveniles on the street involved in prostitution. It is because the Socreds are interested in restraint. They closed the transition houses and got rid of the probation officers. They got rid of the social workers and all kinds of teams of professionals who go and deal with these people to get them off the street. What is the Socred and Conservative way of dealing with this kind of thing? They say they will give the police all the powers they need. They can pick and choose and we will get the hookers off the street. Brian Mulroney makes the country strong! What a lot of poppycock. Look at the implications for civil rights and human rights. Let us look at what a few newspapers have had to say about it. There are a few people who are willing to stand up and say that even though you are a hooker, you are a Canadian and you have human rights. There should be a few more Members here standing up and saying they will be counted for the human and civil rights of a hooker or pimp. Yes, we will make sure they know the activity they are involved in is criminal and we will get them into other occupations until we reach a state where it is recognized that this kind of activity is inherent in this economic situation.

The Minister of Energy, Mines and Resources says prostitution has been here for 4,000 years. The Minister of Justice says we cannot get rid of it, but do they offer any realistic way of dealing with it? You can suppress it, decriminalize it or legalize it. What they have done is take what I consider to be a totally inappropriate and narrow-minded approach, not supported by the Fraser Commission or the Badgley Commission, and which should not be supported by Members of this House. You have to take a broad and far-ranging approach to these kinds of social problems. An Alberta newspaper says:

Crosbie, then, is rolling up his sleeves to tackle a symptom while ignoring the disease. If he does a good job on the symptoms the disease will probably get worse.

They are absolutely correct. A couple of years from now this House will be dealing with this problem all over again. In a few minutes I will read the chronology of action taken by this House as provided by the parliamentary library. Sure, people in Vancouver and Halifax will be happy; the police can move in and move the hookers and pimps from these residential

areas, and so they should. They have had the capacity to do that all along but they have been waiting, choking Parliament into producing a law we should not be producing. The article goes on to say:

> Whatever one may think of some of its recommendations, the Fraser committee did appreciate the multifaceted nature of prostitution. It suggested a measure which it hoped would reduce or eliminate street soliciting. But, recognizing that if prostitution is driven from the streets it will go elsewhere, it tried to deal with that reality.

Bill C-49 does not deal with reality and people in this House should wake up. We should not keep passing law which is totally unrealistic. It goes on to say:

> Hence its proposals that one or two prostitutes be allowed to carry on business in their own residence and that provinces be allowed to licence non-residential brothels. Hence, also, its recommendation that pimping and living off the avails of prostitution be illegal only if the prostitute concerned is under 18 or if a pimp uses force or the threat of force. Hence, not least, its plea for increased governmental support for efforts to ameliorate the social and economic conditions which often push young women into prostitution and for those aimed at helping and encouraging them to leave that way of life.

We have not heard anything from the Minister of Justice, the Minister of National Health and Welfare (Mr. Epp) or the provinces. As economic conditions get worse, you get more prostitution. Look at places like Mexico City. It is incredible! Anyone who thinks that as economic conditions get worse this kind of law will deal with prostitution is dreaming in Technicolor. The articles goes on to say:

> Essentially, the Fraser committee argues that, street soliciting apart, the criminal law respecting prostitution should be limited to proscribing violence or the threat of force. This is a marked departure from the traditional approach of Canadian government and society. It is pragmatic rather than moralistic. The committee's proposals for legalized places of prostitution underline how radical its thinking is.

Let us see what another newspaper has to say. The Ottawa *Citizen* says: "Crosbie's bill threat to free speech". It says:

> John Crosbie has responded to pressing and persistent pressure to get prostitutes off city streets. But his anti-soliciting bill is a dangerous answer to the wrong problem.
>
> The Justice Minister's new bill would make it a crime to stop a car or impede pedestrians to offer sex for sale. That would be acceptable enough.
>
> In an over-reaching subclause, however, the bill goes much further. In makes a criminal of anyone who "in any manner communicates or attempts to communicate with any person" in public in order to supply or obtain a prostitute's services.

● (1650)

Let us look at a few other implications of Bill C-49 going forward. As I pointed out earlier, it essentially deals with the poorest and most disorganized of those involved in prostitution. Some people may think that is great. However, where are those people going to go? Many of them cannot find other employment. Governments in British Columbia and other areas of the country do not have, or have cut off transition houses and training programs so that these people cannot move into the job market. They will move in with organized crime in "escort services" and the whole gamut of organized crime in relation to prostitution. It is true that it will remove the majority of prostitutes from the areas where people do not like it because when they are reported the police can simply go in with this "easy bust" legislation. If the police are looking for a piece of legislation which they can wave as a guaranteed bust, this is it.

Previous speakers have said that prostitution is a victimless crime but some Canadians have become associated victims to the effects of prostitution in this country. We feel badly about it and everyone in the House wants to do something about it because we do not want that kind of activity. It is very disruptive to have that kind of hassle in the community. It is not anyone's idea of a particularly good time to have a lot of heavies—the pimps—on the streets with batons and knives.

We must look carefully at what the Bill proposes to do and what its effects will be. When I was a probation and parole officer I dealt with hookers from the courts. In the late 1970s they were given probation orders which were very similar to the process of cities and provinces passing by-laws and injunctions to keep people out of certain areas of the community. Those probation or parole orders would stipulate that a prostitute could not be between certain streets or in certain premises where this prostitute was known to have made a living. Part of my job was to find out whether that order was being broken. If it was I would have to breach them and they would go to jail, be fined, or get another order of some kind.

In almost every case where the hookers had some kind of initiative they would get in touch with someone on another echelon of organized crime. If they had simply worked with a pimp before, they would move up into the call girl echelon of prostitution. They then had a more select clientele and less opportunity to have to deal with myself who would bust them, or with a police officier who would recognize them. They moved into another milieu where there is no opportunity for them to come into contact with police. That is how organized crime is starting to operate in the field. If any group in the country will give a ten star rating to this legislation, it will be organized crime. When we come to vote on this legislation we should consider whether we want to guarantee hundreds of millions of dollars to organized crime in this country as a result of the legislation that we would be passing.

The problem of the involvement of juveniles in prostitution has been raised with almost all Members of the House. This Bill does not deal with it. British Columbia now is almost resourceless. There is almost nothing that can be done there any longer because British Columbia has been made resourceless by political decisions. Camping opportunities and even incarcerative facilities are extremely limited and job-training programs have been eliminated. Society should be dealing much more effectively with the source of the disease rather than with symptomatic legislation such as we have before us.

I said I was going to discuss a paper produced by the Library of Parliament, but I do not have a lot of time. I will simply recommend that Members who are interested in this get it from the parliamentary library. It is called "Prostitution" and starts in 1892 with the first vagrancy and bawdy house legislation in the Criminal Code and continues on to the Hutt decision. It includes various attempts made by cities and provinces to deal with this problem.

Let us take a look at what the Canadian Advisory Council on the Status of Women said in May when this Bill was first made public. As my colleague, the Hon. Member for Burnaby (Mr. Robinson) made very clear, the Minister did not actually introduce this Bill until June 26 at 10 o'clock at night. The Minister of Justice cannot go to my province and say that the Opposition is holding up a Bill when he did not introduce it until 10 o'clock at night two days before we rose and then never reintroduced it until today. If anyone stalled on this Bill it was the Government, and it does not deal with the problem.

The Canadian Advisory Council on the Status of Women described this as unimaginative, narrow, and punitive. It said that the Government's new anti-soliciting Bill only addresses half of the problem and it is going to result in more fines, jail sentences and criminal records and does not deal with the disease. Mr. Speaker, I think we should be very careful. Members of the Government should speak to prosecutors, social workers, and the Elizabeth Fry Society to find out the implications of the passage of such a Bill. Otherwise, in 18 months to three years from now we will be dealing with a much more broadly based piece of legislation involving the provinces as the Fraser Commission recommended. It is a sorry day to pass another piece of legislation just like Bill C-51 which had the search and seizure powers without warrant.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised at the time of adjournment are as follows: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—Government expenditures—(*a*) Minister's Middle East visit (*b*) Inquiry whether travel expenses will be made public; The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Energy—(*a*) Announced closure of Cape Breton heavy water plants (*b*) Government's position (*c*) Minister's position; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—(*a*) Storage of lethal gases (*b*) Transportation of lethal gases.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-49, an Act to amend the Criminal Code (prostitution), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Charest): Questions and comments, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I would like to ask a question of the previous speaker. I congratulate him on his excellent speech. I have listened very attentively all day. I am sorry he did not get an opportunity to speak of the customers. Would he share with us some of the information that he has in that regard, thereby enabling us to have the benefit of that information as well.

• (1700)

Mr. Fulton: I thank the Hon. Member for his question. It is intriguing how the Bill is written. It really does not deal with the whole question of customers. I think that Members of the House should remember that the Bill deals with a very narrow band of prostitution in Canada. It is the poorest, least educated, most abused and most violence-prone people who end up having to ply that trade. The customers who are involved, when dealing with street prostitution, are generally a rather rag-tag crowd. By that I mean they are not those who tend to use the more exclusive mechanisms of finding their way to prostitutes. Those in more exclusive lines of work, whether MPs, judges, doctors, or whoever, would tend to be made aware of the exclusivity of prostitution. Here we are talking in terms of street prostitutes.

Let me deal with Vancouver where I worked with the Vancouver Court team which worked out of the corner of Hastings and Main which is the toughest part of Vancouver to say the least. The customers of the female prostitutes tended to be men coming from the mining or logging resource based industry camps who had been away for some time. They tended to be a fairly rough crowd but not violent.

Street prostitutes now must also deal with a more peculiar phenomena. As they move up to the lowest levels of organized crime they will be faced with an even more difficult problem. As they get into the clutches of organized crime they will not be able to make the decision I talked about concerning the protection they get on the street. In that case, when they become involved in transactions with someone on the street, they are at least able to make a superficial judgment about whether they are afraid of that person. Once they become involved with organized crime it will not be that easy. That small protection will disappear.

I believe Parliament must play a bigger role in this respect because it also involves the issue of pornography. The random evolution of violence within human sexuality in the western world is exemplified in much of the pornography available today and street prostitutes will have to deal with this frequently. Prostitutes with whom I dealt professionally were frequently beaten, stabbed and mugged. It was terrifying and most, if not all, wanted to get out of the trade but were in it for very real economic reasons and could not get out.

As some of my colleagues have pointed out, in many cases these might be women with three children at home, living in a hovel. They run out of money and decide that they could use that $50 or $100 for their kids. I have met prostitutes who found themselves in that situation. When I interviewed them in their home and met their children I was flabbergasted that these women were prostitutes. Imagine the effects of this Draconian Bill on a woman, typing out of her home, who occasionally had to become involved in prostitution for economic reasons. She may face 30 days in Oakalla. Subsequently, she has a criminal record and cannot be bonded to do typing at home for students at Simon Fraser University.

We must consider the implications of this Bill more carefully. I want to talk more about the customers. We are beginning to see that there is more violence, as we learned in Vancouver with the murder of young prostitutes. Some of the prostitutes involved are 12, 13 and 14 years old. This Bill does not deal with that fact. The Government is throwing a bone to the police in order to vacuum-clean hookers off the street. While it will make a few people happy, Canadians must be aware of the implications of this legislation.

I suggest that customers may well be far more satisfied in their dealings with organized crime because if they want to beat a hooker once in a while, you can be sure that organized crime at the higher levels will send an unknowing individual into that situation knowing that they will make a lot of money from it. Even under the present law which is inappropriate and inactive, these prostitutes at least have an opportunity not to go back to be beaten by the same person.

Street prostitutes deal with a very different crowd than prostitutes within the more organized levels. It is much more dangerous to push them off the street and into a situation where they must deal with a pimp, operating out of a sleazy hotel. It does not deal with the fact that they are human beings. We cannot sit in the House and say that hookers are no good and have no rights and therefore will be dealt with in this way. As Canadians, even hookers in our society deserve better than this Bill and the customers deserve to be included in some kind of legislation in a more direct way.

Mr. Robinson: Mr. Speaker, I listened to the eloquent remarks of my colleague, the Hon. Member for Skeena (Mr. Fulton). I wish he had more time to speak, given his experience as a parole officer dealing firsthand with many of these problems.

In the limited time which is available, would he indicate some of the background chronology of this particular area of the law? I believe he began to do so and it would be most helpful to all Members to have some sense of the many attempts that have been made in the past to address this important question.

Mr. Fulton: Mr. Speaker, before doing that, I know that this Bill will go to a committee soon and I think we should remember that we are dealing with real human beings who are faced with a real human situation.

There are three options which the Fraser Commission carefully considered. First, we can take the action that is in this Bill, which is suppression legislation. We can decriminalize or we can legalize. I do not believe that that debate has been heard here. Some are worried that this is a controversial issue which will cost votes. However, I believe we must be practical.

Let me point out the serious situation which is developing by relating the chronology of changes in this legislation. It comes from the parliamentary library. In 1892, there was the inclusion of vagrancy, bawdy house and procuring provisions in the first Criminal Code of Canada. These provisions remained essentially unchanged for 80 years. In 1970, the report of the Royal Commission on the Status of Women recommended repeal of the vagrancy provision dealing with prostitution and a study of how best to deal with the activity. One can see that there is an enormous lapse of time before there was any substantive movement in terms of change to the sections we are dealing with.

On July 15, 1972, there was the Criminal Code amendment Bill which repealed Section 175(1)(*c*) of the Code and introduced Section 195.1 on soliciting with which we are dealing today. On February 8, 1978, we begin to see that the action being taken by Parliament is becoming compressed. The decision of the Supreme Court in *Hutt* is handed down, giving a narrow interpretation to "solicit". That is the pressing and persistent ruling that was spoken about earlier today.

On May 1, 1978, the Government introduced the first of three Bills designed to reverse the effect of *Hutt*. In November, 1978, the Law Reform Commission Report on sexual offences recommended making it clear that the word "prostitute" applies to both men and women. It also recommended further study of the law dealing with the practice.

In November, 1979, the Conservative Government indicated that its policy was that no amendments be made to the Criminal Code dealing with soliciting. On May 26, 1980, the City of Montreal passed an anti-prostitution bylaw restricting soliciting on city streets. There was recently an interesting ruling by the courts on that bylaw.

On June 25, 1981, the City of Calgary passed two bylaws.

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member for Skeena (Mr. Fulton) but the time for questions and comments is now over. Resuming debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I wish to speak briefly on this Bill. I have listened to much of the debate today. Again, I want to reiterate my congratulations to the Hon. Member for Skeena (Mr. Fulton) who I

believe contributed much to the debate this afternoon by adding some very new and very interesting points of view. Of course, we recognize that those comments came from someone who had worked as a social worker and has had to deal with this situation in a way that makes him far more knowledgeable about those issues than perhaps many other people would be.

We are dealing, of course, with a very serious problem and I know that the topic is not always dealt with by many people in the serious manner that it deserves. I suppose there are reasons for that. The stigma and so forth attached to the topic we are talking about today creates a situation whereby this happens.

● (1710)

The first thing we should recognize, the Minister himself recognized it today in his opening remarks, is that the problem has been with us since the beginning of time and since the beginnings of society. It is obvious that the problem, in the last 100 years and even more so in recent years, seems to be coming more and more evident. We are experiencing difficult economic times and street solicitation does augment income when people are out of work. Prostitution is a way of making a living, not perhaps an occupation that many of us agree with, but nevertheless it exists. Many do not want to do it for a living but have to because they are unable to do anything else. One must conclude, therefore, that unemployment is not a cause for prostitution to exist but is a reason for its increase, particularly in large metropolitan areas, that are suffering from the terrible effects of unemployment.

We must also recognize that the average salary paid to women is considerably less than that paid to men. We know that women make only 60 per cent of the salary of men. The present inequality is a contributing factor to this situation. We heard the Minister say that in his view if we get the prostitutes off the street, it will eliminate the pimps. At least, he said something to that effect. By the Minister's logic, if there were no prostitutes, there would be no pimps. If you follow that logic to the extreme you can also say that if there were no customers, there would be no need for prostitutes or pimps. I have not heard the Minister address himself to that issue. We have not heard the Minister address himself to any of the other issues involving prostitution, other than what he has chosen as the instrument to remove people from the street, which is to place this burden on the prostitute herself, as opposed to the customer and the pimps. Also absent from the Minister's remarks today, and not in the Government's intentions, at least at the present time, are ways to deal with the pimp or to stop them from doing what they are doing. There is nothing new and significant. There is nothing new to stop or to curtail the activities of the customers on the street, at least nothing major. Even more important, there are no measures for rehabilitation or measures to find employment or other ways in order to assist the prostitute herself or himself as the case may be.

We should all be very concerned as legislators about one aspect of prostitution, namely the age of prostitutes. You would have to be blind not to notice, when walking down the streets of any major city, how young they are. Statistics were given in the House today about the increasing number of juveniles involved. Again, you will recognize, Mr. Speaker, that unemployment among juveniles is higher than in any other age group. We talked earlier about the salary of women being less than men as being a contributing factor to the problem. We can apply that circumstances to young men, and young women particularly, where changes for employment are even less because unemployment is extremely high. The problem is compounded with ever increasing numbers of young women involved in prostitution.

ROUTINE PROCEEDINGS

[*English*]

POINT OF ORDER

TABLING OF NOTICE OF WAYS AND MEANS MOTION

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I apologize to the Hon. Member for disturbing his very interesting and germane remarks on this important legislation.

Before the end of the Government business, pursuant to Standing Order 65, I would like to table in both official languages a notice of Ways and Means motion to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act. I would ask, Mr. Speaker, that you designate an order of the day for consideration of this Ways and Means motion.

Mr. Robinson: Mr. Speaker, I rise on a point of order just to seek clarification. Is it in order to undertake an action of the nature of that undertaken by the President of the Privy Council on a point of order? Certainly if he sought unanimous consent of the House that would be one thing, but surely the nature of this type of motion is such that it cannot be undertaken on a point of order.

The Acting Speaker (Mr. Charest): Standing Order 65(1)(2) indicates that the Government House Leader can do this at any time during a sitting. I, therefore, find it in order.

Mr. Robinson: But he did not have the floor, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Charest): I presume the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is also rising on a point of order?

Mr. Gauthier: Mr. Speaker, I should like to point out to the Chair that this can be done at any time on the orders of the day. However, I think that it is unacceptable to interrupt a member on a point of order which is not a point of order to introduce or table in the House a ways and means motion. I would not want any precedent to be set. I merely want to

suggest to you, Mr. Speaker, that you take into consideration the procedure used by the President of the Privy Council and advise us perhaps tomorrow whether it is appropriate, but I do not think it is.

The Acting Speaker (Mr. Charest): Very well. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-49, an Act to amend the Criminal Code (prostitution), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I will be brief because I want to conclude my remarks today. It has been said by some that prostitution is a victimless crime. I beg to differ with that comment. I believe the prostitute herself is a victim of the crime because the prostitute is generally controlled by others who place the prostitute in a position of quasi and even outright slavery. The attitude of the Minister of Justice (Mr. Crosbie), who has decided to remove the enslaved from the public view and believes that that is somehow a solution to the problem, is very inadequate. I do not think it is right. None of us should be participating in any way to give this Minister the approval of the Bill. I cannot support this kind of legislation.

● (1720)

[*Translation*]

The Acting Speaker (Mr. Charest): Is the House ready for the question? The question is as follows: Mr. Crosbie, seconded by Mr. Hnatyshyn moves that Bill C-49, an Act to amend the Criminal Code (prostitution) be now read a second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Charest): Carried on division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Charest): Since it is 17.20 p.m., the House will now proceed with the consideration of private members' business as indicated on the Order Paper today.

Multiculturalism

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

MULTICULTURALISM

SUGGESTED ESTABLISHMENT OF DEPARTMENT

Mr. Ernie Epp (Thunder Bay-Nipigon) moved:

That, in the opinion of this House, the Government should consider the advisability of establishing a Department of Multiculturalism and a Standing Committee on Multiculturalism.

The Acting Speaker (Mr. Charest): Mr. Epp (Thunder Bay-Nipigon), seconded by Mr. Marchi, moves:

That, in the opinion of this House, the Government should consider the advisability of establishing a Department of Multiculturalism and a Standing Committee on Multiculturalism.

Does the Hon. Member for Thunder Bay-Nipigon have a point of order?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, may I begin to speak to the motion?

The Acting Speaker (Mr. Charest): It was my understanding that the Hon. Member for Thunder Bay-Nipigon had a point of order concerning the motion.

Mr. Marchi: Mr. Speaker, I rise on a point of order. I think Your Honour suggested that I seconded the motion of the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), and I did not, just for the record.

Mr. Epp (Thunder Bay-Nipigon): It is seconded by the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

The Acting Speaker (Mr. Charest): This time we will try to get it correctly. The motion is moved by Mr. Epp (Thunder Bay-Nipigon) and seconded by Mr. Waddell. The Hon. Member for Thunder Bay-Nipigon on a point of order, I believe.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, before I begin to speak to this motion, and recognizing that I am unable to amend it, I would ask for the indulgence of the House to delete the last six words of the motion.

The Acting Speaker (Mr. Charest): Is that agreed, by unanimous consent?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, by way of very brief explanation of that—

The Acting Speaker (Mr. Charest): Just a moment, please. The Hon. Member for Grey-Simcoe (Mr. Mitges).

Mr. Mitges: Mr. Speaker, it has come to my attention that the Government is willing to acept this motion with some possible amendments.

The Acting Speaker (Mr. Charest): It is the understanding of the Chair that by unanimous consent we will drop the six last words in the motion, which read as follows:

—and a Standing Committee on Multiculturalism.

It was already established on June 28, I believe. Is that agreed?

Some Hon. Members: Agreed.

Mr. Epp (Thunder Bay-Nipigon): Thank you, Mr. Speaker, and through you I thank colleagues. By way of brief explanation, I need only say that on June 19, when I put forward this motion, there was no expectation that a Standing Committee on Multiculturalism would be established. On June 28, I had the great pleasure, with other Hon. Members, of seeing the standing committee established. Therefore, that part of the motion is now superfluous.

Before speaking to the motion, I should like to take a moment to recognize the presence in the House of the Minister of State for Multiculturalism (Mr. Jelinek) who has recently assumed these duties. I am honoured to have him present in the House this afternoon to participate in or to listen to this debate.

Mr. Jelinek: Listen.

Mr. Epp (Thunder Bay-Nipigon): Thank you very much. It gives me great pleasure to speak to this motion on the first day of the resumption of sittings of the House of Commons, given the events of recent days which make the motion a most timely matter. The establishment of the standing committee by unanimous consent of the House on June 28, 1985 has already been noted. At that time the following was indicated:

That the Standing Committee on Multiculturalism be empowered to encourage and monitor the implementation of the principles of the federal multiculturalism policy throughout the Government of Canada, and in particular,

(1) to encourage the departments and agencies of the federal government to reflect the multicultural/multiracial diversity of the nation; and

(2) to examine existing and new programs and policies of federal departments and agencies to encourage sensitivity to multicultural concerns and to preserve and enhance the multicultural/multiracial reality of our nation;

Those terms of reference can be found in *Hansard* of June 28, 1985. It is worth having them before us because we do not have them in the Standing Orders of the House where this committee now exists in Standing Order 70.

The establishment of this committee is likely to be—and perhaps is expected to be—of enormous importance to the country and to all Canadians who are concerned that, as Section 27 of the Charter of Rights and Freedoms declares, the Charter be interpreted in a manner consistent with preservation and enhancement of the multicultural heritage of Canadians. Although those words were not included in the permanent terms of reference for this committee or, rather, the section of the Charter for which my Leader, the Hon. Member for Oshawa (Mr. Broadbent), worked hard earlier in this debate to see that included, I am sure the committee will be working in that spirit.

This establishment of a committee, if I may say so, occurred in rather surprising ways at the end of June. I gather that the Minister was not at all sure that the committee would be established. The report of the Parliamentary Reform Committee of the House of Commons did not include this committee in its list of standing committees. Suddenly, on June 28, we were able to give unanimous consent. It is in a context of labours toward that end but limited expectation that it would happen very quickly that I want to deal this afternoon with the question of establishing a Department of Multiculturalism, a full-fledged Ministry of Multiculturalism.

In the past few weeks there have been media reports suggesting that such a Department is under consideration. These media reports, particularly out of Toronto and Winnipeg, suggested that a new Department might be established which would bring together responsibilities for immigration, for multiculturalism and for citizenship affairs. Of course this could be done by splitting immigration off from the Canada Employment and Immigration Commission, by combining it with the present Multiculturalism Directorate and by moving the Citizenship Branch of the Department of the Secretary of State over and constituting that as the core, though perhaps not the sole structure of a new Department of Multiculturalism.

The Government is at work on a White Paper dealing with multiculturalism. That White Paper has been expected for some time and is likely to appear early in the new year, one gathers. Presumably it will be followed by a Multiculturalism Act, which has long been hoped for by persons active in ethnocultural affairs across the country. This suggests that the deliberations of Government may well be involved with this question. That makes it all the more appropriate that the House of Commons, in its advise and consent responsibilities, has this opportunity to consider the question this afternoon.

I would suggest as well, with perhaps a touch of hesitation, that the curious arrangements which exist at present with a part-time Minister of State for Multiculturalism may of course represent an interim arrangement. The former Secretary of State is now the first Minister of State for Immigration in the Canadian Government and has declared that he has a mandate to consider the question of combining these functions which other press reports have suggested were under consideration for inclusion. This makes it all the more timely and topical for us to consider this afternoon what the purpose and structure of a Ministry of Multiculturalism might be, a Ministry which may well materialize some time between 16 months and 18 months hence, if one may speculate about the speed with which Government acts.

• (1730)

In this context, I would like to note briefly the positions that the political Parties of Canada which determine these events have taken on these questions in the past. The Canadian Ethnocultural Council made the effort during the summer of 1984, before and during the election campaign, of consulting with the three political Parties to determine where they stood on a dozen or so questions which were of great importance to

the member organizations of the Canadian Ethnocultural Council. From that effort, we learned that the establishment of a permanent Standing Committee on Multiculturalism was in fact approved by all three of the political Parties with their own nuances, and at that time the now governing Party indicated its support in principle and its promise to give it full consideration. That particular statement was clearly fulfilled by the end of June of this year.

As far as the establishment of a Department of Multiculturalism is concerned, however, there was some considerable difference of view among the three Parties. I may say immediately that only Members of the New Democratic Party were in full support of a Department at that point in time. Members of the Liberal Party were not favouring a full Department at that point although they promised to increase support to the Minister in his advocacy role. I look forward this afternoon to hearing whether or not there has been any development in that position. I do hope that there has been. As far as Members of the Conservative Party were concerned, they felt last summer that they did not favour a full Department at that time but promised to increase Ministerial support after consultation with ethnic groups. Since the process of consultation has been underway for some time and given some of the straws in the wind to which I have already alluded, I would like to conclude this afternoon by indicating that the Government of Canada is inclining toward the establishment of a full-fledged Department of Multiculturalism.

If I may, I will paraphrase a few lines from a speech given by the Leader of the New Democratic Party last June to the Council of National Ethnocultural Organizations. Of the Equality Now Report which had been produced by the Special Committee on the Participation of Visible minorities in Canadian society, he noted that the report called for the immediate creation of Ministry of Multiculturalism with its own Deputy Minister and he added that his Party was the first in Canada to call for that. The fact, of course, is reflected in the work done by the Canadian Ethnocultural Council. I may note that my predecessor in the multiculturalism spokesperson role for this Party, the former Hon. Member for Dauphin-Swan River, was credited by the Leader of the New Democratic Party for the efforts that he had made within the Parliamentary Committee on the Participation of Visible Minorities, the report which led to that particular recommendation.

There was, then, out of a Parliamentary Committee of representatives of all three of the Parties, this particular Recommendation No. 25 which urged the federal Government to immediately introduce in Parliament a multiculturalism Act creating a Ministry of Multiculturalism. Given the importance of that recommendation in placing this matter on the public agenda, I would like to give some attention to what that Parliamentary Committee had to say about this report.

I may perhaps note that the last Government responded in the negative to this report when it issued its response in the spring. After describing various ways in which the multiculturalism directorate would be strengthened, the conclusion was that Multiculturalism Canada within the Department of the Secretary of State would have its visibility increased and be made more accessible to the community both at headquarters and regional levels. That, of course, only underscored the continuation of the directorate within the Department. What has happened, of course, under the present Government, is some further upscaling of the importance of this directorate within the Department by giving it its own Deputy Minister and that augurs well for the development to which I am addressing myself this afternoon.

In the context of institutional evolution, I want to say something about the importance of a Ministry of Multiculturalism in playing a lead role in a number of different areas. I have already referred to the Equality Now Report in which such a Department was called for and that obviously suggests that one important public role of the Ministry would be to play this lead role in ensuring that the participation of visible minorities is enhanced. I would further suggest that the Ministry could continue to play a strengthened lead role in the varied cultural, heritage, language and other concerns that so many of Canada's ethnocultural groups feel and for which they depend on the federal Government as well as provincial Governments across the country to ensure that there are resources to meet these particular cultural needs.

The report of the Special Committee on Visible Minorities is very revealing in emphasizing the importance of having a full-fledged Department. I would suggest parenthetically that at a time when matters of employment equity for a number of groups including visible minorities are so largely on the public agenda, ensuring that a Department is able to play this lead role is of very great importance. Without taking the time to read these paragaphs, I would note particularly that in the paragraph on priority which appears on page 55 of Equality Now, there is a delineation of the difficulties of the directorate. A couple of paragraphs earlier, in a discussion under the heading "Limited" on page 54, it is pointed out the extent to which the existing structure, somewhat enhanced by the present Government, of having a directorate within a Department with limited power and limited authority in the structure of Government impedes the race relations work that is of such importance to the Canadian nation. I would suggest that the same thing could be said of the area of cultural concerns.

I would like to make an impassioned appeal both on the side of the participation of visible minorities and the enhancement and preservation of the multicultural reality of the country that it is of vital importance to have a Ministry that can play a lead role. It is of enormous importance to have such a Ministry with a scope large enough to ensure that all Canadians realize that the very history of our country and the very nature of society is multicultural and that multiculturalism is not a term used to describe only one third of Canadians. In fact, multiculturalism is the recognition of the fact that people of many backgrounds including natives of North America and migrants from other parts of the world than Europe, long before the end of the Second World War, played their own important roles in building this country. There should be recognition by the

federal Government and Canadian institutions generally of the importance of that fact in order to ensure that within our teaching of history and cultivation of culture there is genuine recognition of that. If one looks at Book IV of the Royal Commission on Bilingualism and Biculturalism, one finds an unwillingness to take that step by actually providing recognition.

There is one particular question that is clearly before the Government if one recognizes that which the present Minister of State for Immigration (Mr. McLean) has indicated. That is the question of whether or not immigration should be an important part of this new Government. I would ask the Government to consider that question with particular care.

• (1740)

Eloquent arguments have already been made by certain persons suggesting that to make immigration a part—and it will inevitably be a large part—of such a department will reinforce the unfortunate impression that multiculturalism has to do with immigrants, with new Canadians and with the concerns of those who are still, in a sense, "other" to the country. Of course, in its way, the citizenship branch activities would only underscore the fact that multiculturalism is involved in facilitating the assimilation process which this society is carrying on. That particular impression would be a profoundly unfortunate one because, as I have already suggested, it is recognized that multiculturalism is the very basis of this country. It is recognized that it is the essence of this country which was built by persons from a great variety of backgrounds. Each made their contribution. The Asian contribution was fundamental to the opening of the West, if one considers the Chinese labour which built the transcontinental railway.

It must be recognized that at one place and another we have had diversity building the country. If for too long the life of the country was dominated by those of British background, then it is clear that in the last 15 years that dominance has been shaken. In the Liberal Governments past, and the present Conservative Government, it is obvious that a British dominance is a thing of the past. What many Canadians are calling for these days is a realization that it is not two founding peoples, even with the addition of some recognition of the native peoples who built the country, but that, in fact, people of many colours and many creeds from many parts of the earth worked together in building the country and they play their part in it. The Ministry of Multiculturalism should be one which pulls that fact up bravely and boldly before the Canadian public, which insists that the Department of Multiculturalism must be one which cultivates the diversity and preserves and enhances the multiculturalism, which is the very nature of this country and which makes it genuinely a part of the consciousness of every Canadian.

It is with these comments, Mr. Speaker, that I conclude. I think the establishment of a Department of Multiculturalism is of enormous importance to the cultural, political, social and economic evolution of the country. There are great concerns with respect to employment and other matters which need to be addressed. We need a Department which can play a leading role in pressing these matters on in ensuring that the federal Government itself remains sensitive and becomes still more sensitive. The Department must ensure that the provincial Governments act and that in jurisdictions, both federal and provincial, this country reflect in all of its life the multiculturalism that is the very essence of its history and its stature.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on a point of order. In a bit of confusion, and because of the new timing provisions of the House which we are following for the first time today, I had tried to catch the eye of the Chair when you called Bill C-49.

I wish to say that I had intended to speak on Bill C-49, which is an Act respecting prostitution, since the Mount Pleasant area of my constituency is directly affected, but did not speak in order that there be no delay in passing the Bill, as I promised my constituents this summer. Therefore, I did not speak and the Bill received second reading without a recorded vote in just one day of debate. I would like to bring this matter up as a point of order. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Charest): I do not think it necessary to rule on the point of order.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to speak on the motion put forward by the Hon. Member for Thunder Bay-Nipigon (Mr. Epp). Before proceeding with my remarks, I would like to recognize the new Minister of State for Multiculturalism (Mr. Jelinek). I congratulate him on his new portfolio and I wish him well in the coming weeks, months and, perhaps, years.

I believe that in the last decade and a half multiculturalism has travelling a long and fairly successful journey. It was initiated in 1971 by the then Government of the Right Hon. Pierre Elliott Trudeau. I think a national multiculturalism policy has become a permanent fixture within the Canadian political, social and cultural landscape and that one can point to a number of successful developments which have come about since 1971. However, we on this side of the House cannot and should not point to the list of achievements which have been developed over the last decade and a half with respect to the policy of multiculturalism as an answer to the new and evolving challenges, problems and questions which we will not doubt be facing in the coming years.

It is from this perspective that we on this side of the House are in full concert with the motion as put forward by my hon. friend from Thunder Bay-Nipigon. The Government should consider the motion as a way of enhancing and strenghtening the role that multiculturalism should play in the federal Government and throughout the country from coast to coast.

The initial part of the amendment, as my friend has mentioned, concerns itself with the Standing Committee on Multiculturalism. I, too, am pleased that on the last day which the House sat before the summer recess that we unanimously passed a measure to establish the Standing Committee on

Multiculturalism. I say that I am pleased because we on this side of the House in parliamentary debates, through Standing Orders and in discussions with the former Minister, have been urging that a separate committee should be put in place by this fall. I am fully confident that this new committee will go a long way toward strengthening the role which multiculturalism should be playing in the country through Parliament Hill channels. I say that because all issues affecting multiculturalism used to flow through the Standing Committee on Communications and Culture. The problem with that was that a number of Ministers reported to it, namely, the Secretary of State, the Minister of Communications, as well as the Minister of State for Youth. What I found disconcerting was that multiculturalism was somehow placed on the last rung of the ladder by this committee. In fact, during the course of the last year there has been only one occasion when the Minister of State for Multiculturalism appeared before the committee.

A separate standing committee will certainly aid and enhance the regular dialogue, if you will, which will be taking place between the Minister, his officials and parliamentarians. It will also provide an opportunity to specifically focus on and specialize in a number of areas affecting multiculturalism. One exemple which comes to mind in this regard is the jam which we are presently in with respect to the Japanese Canadian redress issue. I think a separate committee will certainly go a long way in playing an active role in trying to establish a consensus and solution to this most urgent problem.

I think that politically it is a shot in the arm for multiculturalism in terms of the establishment of a separate standing committee. From a perception point of view, I think the committee places multiculturalism in the proper perspective. I think the committee will provide a vehicle for the Minister of State for Multiculturalism in carrying out his role within the House of Commons and within Cabinet.

Finally, with respect to the new committee, I think it is for the public at large since it will provide a permanent platform and resource for people from the ethnocultural communities and organizations, and Canadians in general, to come before the committee and communicate with their Minister and their parliamentarians the aspirations which they feel and the problems they see on a regular basis. I think that the new committee will be a welcome and powerful addition to the committee structure as we see it.

A separate, full-fledged Department would have similar and positive repercussions in the apparatus. First, I think we could be looking at improving the administrative infrastructure of multiculturalism. We are not necessarily talking in terms of spending a great deal of money with respect to implementing a new Department because, as it stands now, there are a number of programs and services closely associated with multiculturalism which exist in other Departments. When we speak of a full-fledged Department, we are trying to gather a number of roles and services which are presently being provided by other Departments under one roof.

On this specific point, I agree with my hon. friend that if we are to take the role of immigration and put it with multiculturalism, then it would be a serious mistake. I say this not only because multiculturalism will again be second on the two-pronged ladder, but because it will fuel the perception that multiculturalism is only for new Canadians or immigrants. If that perception were allowed to travel from coast to coast then it would set multiculturalism back another decade. I believe that on a political level a separate Department speaks for itself. A separate Department and a separate deputy minister would certainly enhance the clout, the feasibility and viability of multiculturalism within the federal Government. I believe there is a danger in the motion before us if it is taken as a limited motion, in other words, if it is perceived by the Government that this is the only way to go to strengthen multiculturalism. I believe the present motion should not be seen as a substitute for political commitment. We should be looking at the political will of this present Government vis-à-vis multiculturalism. I believe that is the real thrust of the matter. That is the real heart of the issue and of the debate. If we are to look at the political will, that is different from looking at the structures or new structures which one may be implementing. I would respectfully submit that we can have all the structures, all of the changes and all of the reforms we like but if we have within those structures a lack of political will and encouragement, then those structures will not service.

• (1750)

When I speak of political will, I mean exactly that. Looking back over the last year with respect to multiculturalism, I for one cannot say that I am terribly heartened by the way in which this Government has dealt with multiculturalism. We could point to a number of issues, for instance, the reduction in the multiculturalism budget, as an example of political priority. At a time when expenditures were at least staying the same, multiculturalism suffered an 8.5 per cent reduction in financial support and resources. That to me does not put it on a level of priority as far as this Government is concerned notwithstanding the fact that the Prime Minister (Mr. Mulroney) back in June of 1984 at the Conservative Party Conference said, "We have seen millions of dollars spent on advertising and promoting our linguistic duality and a mere pittance directed to promoting our cultural diversity". Canadians from that comment, and others, assumed that multiculturalism occupied a greater priority in this Government. I believe it has not from a purely financial point of view.

We can look at the 46 specific multiculturalism promises which were made during the election campaign and then at the follow through and we must come to the conclusion that there are still 46 promises to be kept. We can look at the appointments of nearly 1,500 Canadians to various commissions, boards and committees. If we are to simply look at those appointments from the perspective of a balanced view of Canadians and their various cultures, we have to come to the conclusion that while there are a few appointees from Canada's so-called ethnocultural communities, certainly we are not pleased with the handful of appointments on a global sense considering the 1,500 appointments which were made.

We also cannot take solace in the refusal by the former Minister of Multiculturalism to get involved in a very direct and practical way in the racism which is currently going on in the taxi industry, not only in Montreal but in Toronto and Hamilton. We must look also at the absence of movement on the recommendations in Equality Now and the Abella Commission report. The Equality Now report, it was agreed by all three political Parties, was received with great enthusiasm out in the communities which are still wondering what happened to the many recommendations which have not been implemented.

We also have a lack of concrete results from the First Ministers' Conference on Multiculturalism. Every question I asked in this House of the then Minister of Multiculturalism was answered by saying that this conference was to be the answer to many of the problems. Yet we saw a two-page memorandum which said absolutely nothing. It gave us platitudes but in terms of concrete results, co-operation and eliminating duplication, there were no results. It was a closed door policy as well. It was a conference which was completely void of any input from the communities which that conference was supposed to be addressing. If there was any genuine interest in having a relevant agenda, then there should have been some dialogue with the communities at hand and that was not the case.

We can also look at the recent shuffle. This is not to be meant as a slight against the new Minister, by any means, because he did not make the decision. I feel we are going backwards, to the year 1979 when the former Government of Joe Clark appointed a Minister to be responsible for multiculturalism as well as an additional ministry. If we are talking about political will and a genuine desire to place multiculturalism on a solid footing, I would submit to you, with all due respect, that that is not the road to go. A caucus of 212 members have a lot of able men and women to perhaps dedicate themselves on a full-time basis to a multicultural program without taking the time and energies away from another portfolio. When I talk of political will, I talk of these and other movements we have seen in the last year.

Of course, we cannot overlook the handling of the Japanese-Canadian redress issue. Once again there were tremendous expectations on behalf of the Japanese-Canadian community based on the promises and utterings of the Prime Minister during the last election campaign. He promised that a solution would be forthcoming. Yet we see we are still in a log jam. The community has not been given a genuine opportunity to make proper representations at the proper time. It is fine indeed to talk about reforms and modifications but we also need the political will to make those recommendations viable.

We do not have to stop at the recommendations in this motion which have been already undertaken in the sense of a new committee and in terms of the separate Department. We can also talk about other structures. We can perhaps have a Parliamentary Secretary to the new Minister of State for Multiculturalism. For the last year that Minister was one of the new Ministers without a Parliamentary Secretary. I do not know if things have changed with the new Minister but certainly it would be a welcome addition. Whenever the former Minister was absent in order to fulfil his legitimate responsibilities across the country, we in the Opposition were not able to get an answer from a person who spoke with any sense of authority or in any specific detail. I think perhaps we can start there as a way of reforming these structures as well.

We can look at the Canadian Multicultural Council and make reforms there as well because initially there were a number of ethnocultural communities which complained they were not represented. Specifically the German Canadian and Spanish Canadian communities did not have a representative on that council and that was a problem. There was also the problem that a number of people who were appointed to that 60-person committee did not have their roots in these communitees so there were complaints from these various communities that in fact the representative who was supposed to be speaking for them were unknown. Therefore, I ask myself what use there was in having an advisory committee to the Minister when members of that Committee do not have their grass roots in the communities they are supposed to represent. Why should the Advisory Council only recommend and speak to the Minister directly? Why can it not come to this new committee on multiculturalism and exchange information with Parliamentarians and representatives of communities alike? Why should it only speak to the Minister rather than report back to Parliament directly?

We can talk about a Cabinet committee on multiculturalism. We all know that the major decisions of the day are made by Cabinet and specifically by the Planning and Priorities Committee. We all know that both the former and present Minister of State for Multiculturalism do not belong to that committee. That is not a slight against them, but if we are serious about this we can have a special or separate Cabinet committee to deal with multiculturalism so that aims and objectives of this policy can be put in front of the major decision-makers in Government on a day-to-day basis. We can go a long way toward improving the appointment procedure as I indicated earlier. We can look at the international scene and say why can the Canadian Government not make more use of the natural resource which many Canadians possess, namely a key to the language and culture of the various countries we do business with? Why not employ some of these Canadians in our trade missions abroad, our consulates and our embassies? These, too, are reforms or perhaps modifications to structures which can aid, enhance and strengthen an active and vibrant and bold multiculturalism policy, in addition to the changes announced by the Hon. Member for Thunder Bay-Nipigon.

• (1800)

My point is this. We can have changes in structures, yes. These will be improvements, yes. But if we do not have the political will to make the required changes, then those structures are rendered useless. I look forward to hearing from the Government side on how they would approach this issue.

In the time remaining to me I would like to talk about something which I think is very important to this debate. That is to say, I think it is this Government's responsibility to recognize that perhaps there are aspirations for a second phase, if you will, of multiculturalism. It can be said that the first decade and a half has focused largely on the cultural retention aspect as the foundation for our multiculturalism policy. I think that is fair; it had to go that way for the first decade or so, but I think Canadians, particularly younger Canadians, are saying that multiculturalism must also address the social, political and economic forces and realities at play in this country. They are saying that the colour of your skin or the pronunciation of your name does not matter when it comes to being a full-fledged Canadian. Multiculturalism certainly can advance these aspirations, but it should also tear down what John Porter described 20 years ago as the Canadian reality, namely the vertical mosaic.

I hope that with these words the Government can perhaps reflect on not only this motion but some of the other issues I have raised. I look forward very much this afternoon and in the new Standing Committee on Multiculturalism to pursuing this motion and other ideas which have been put forward.

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I listened with some interest to the remarks of my friends from Thunder Bay-Nipigon and York West. I noted that my friend from York West referred to the long road multiculturalism has travelled over the last 14 years. I also noted that he failed to elaborate on the specifics of that long road. He failed to advise us as to why in 14 years the previous Government had not set up a standing committee, a separate department, or why it had failed to bring Canadians from these very essential cultural groups into the mainstream of Canadian life. He also referred to the track record of this Government in the 12 months it has been in office. Therefore I think it is appropriate for me to refer to that record and in fact set it straight.

This Government has initiated a number of key accomplishments in the field of multiculturalism. One of the highlights of the Government's work in bringing us all on stream with the provinces was the convening last May 14 in Winnipeg of the first ever federal-provincial-territorial conference on multiculturalism. This was the first time we had all sat down together to discuss common goals. I can tell you, Mr. Speaker, that the conference was an unqualified success. It marked an important step forward in sharing ideas and working together to strengthen the rich fabric of Canadian society.

What came out of the meeting was a willingness to work together and mesh federal and provincial programs. You have to remember that this country runs because we all talk together. As I said at the outset, this was the very first time both levels of Government had talked together on multiculturalism and the meeting was long overdue.

Another achievement of this Government was the setting up of the Standing Committee on Multiculturalism. That was one of 80 recommendations made by *Equality Now!*, the report of a special all-Party House of Commons committee on "The Participation of Visible Minorities in Canadian Society." The creation of this committee shows how important the Government viewed the changing patterns of Canadian society which have evolved greatly over the past 30 years.

Canada's ethnocultural population now stands at 7.8 million people, or 31 per cent of the Canadian population. Ethnic minorities are now the majority in several urban centres. As an example, close to half the populations of Toronto, Winnipeg, Vancouver and Edmonton are now members of ethnocultural groups. This gives you an idea of why the Government deemed it imperative that those groups be given a voice and help make them more a part of the democratic process.

Previously, questions dealing with multiculturalism had been dealt with by the Standing Committee on Broadcasting and Culture, so its members did not exactly have a handle on the subject matter at hand. It was one of many issues they had to contend with and therefore was not a satisfactory arrangement. Now that multiculturalism has its very own standing committee, the whole gamut of multiculturalism issues can be examined in depth. The committee's mandate will be to encourage and monitor the implementation of the principles of the federal Government's multiculturalism policy throughout the Government of Canada. This general mandate is subdivided into three specific target areas. The first is to ensure that the Departments and agencies of the federal Government reflect the multicultural-multiracial diversity of the nation. The second is to examine existing and new programs of federal Departments and agencies to encourage sensitivity to multicultural concerns and the multicultural-multiracial reality of our nation. The third is to select and initiate projects for investigation within the jurisdiction of the standing committee and prepare background papers, reports and research in this regard.

Another major step this Government saw fit to implement was to give a higher profile to the Multiculturalism Directorate by moving it from a directorate to that of a sector. One of the moves which came with this upgrading was the appointment earlier this year of an Assistant Undersecretary of State at the Department of the Secretary of State to head the new sector.

• (1810)

Another accomplishment, Mr. Speaker, was the establishment last July of an interdepartmental working group to examine a framework and mandate for a national advisory committee on ethnic broadcasting. The establishment of such a national committee was one of the recommendations of a policy paper on ethnic broadcasting issued this summer by the CRTC. This new working group is an excellent beginning toward encouraging the Canadian broadcasting system to better reflect the cultural and racial diversity of Canada.

Only a few days ago Canada's Association of Police Chiefs representing 250 chiefs of police from across the nation held their eightieth annual meeting in Saint John, New Brunswick. It was an important meeting in that the theme was "Police in a Multicultural Society". As I mentioned a few minutes ago Canada's ethnocultural population is now at 7.8 million people

with 90 per cent of the country's estimated 1.2 million visible minorities concentrated in Canada's major urban centres. This puts a whole new perspective to policing work as police officers have to learn how to deal with Canadians of many races and with many new arrivals who have lived under authoritarian governments where the police are deeply feared and mistrusted. The multiculturalism factor is funding various projects across Canada where representatives from ethnocultural communities are working with their respective police forces, such as in Ottawa and Vancouver, to learn from each other and understand each other better. The Saint John meeting also saw the start of the newly established Police Multicultural Liaison Committee comprised of police chiefs from the nation's seven largest cities. The multiculturalism sector is also co-operating with the Canadian Federation of Municipalities to mount race relations programs in centres across Canada. The multiculturalism sector is assisting immigrant women to gain access to women's organizations and to sensitize these networks to their needs. Effective systems are also being established, Mr. Speaker, to ensure that qualified members of ethnocultural communities gain access to federal appointments to boards and commissions.

This is a necessarily superficial rundown of the accomplishments so far in the multiculturalism sector. In a few days time the Minister of State for Multiculturalism (Mr. Jelinek) will be meeting with Ministers responsible for Human Rights from the Provinces and Territories. At this meeting the Minister will be discussing ways to promote and co-ordinate action to combat racism and discrimination. Our objective is to bring one-third of Canada's population into the mainstream of Canadian life. In the process we must not in any way endanger the right of any group to maintain and expand its cultural traditions. Needless to say, this is a difficult and complex task. Creating a standing committee on multiculturalism was a positive first step. Establishing as full-fledged Ministry could be a positive second step. In the end we must make it pefectly clear by our actions that multiculturalism is synonymous with being Canadian. I am confident that this Government will accomplish exactly that.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am very pleased with this opportunity to speak to the important motion tabled by the Hon. Member for Thunder Bay-Nipigon (Mr. Epp):

That, in the opinion of this House, the government should consider the advisability of establishing a Department of Multiculturalism and a Standing Committee on Multiculturalism.

The creation, on June 28 of this year, of a Standing Committee of the House on Multiculturalism, clearly proves how important the issue of multiculturalism is to this Government. It was a decision that reflects the same concerns as the Hon. Member's motion and constitutes a major milestone in the development of government policy.

The policy on multiculturalism and its programs are the result of post-war developments. Canada has always been a nation of immigrants, but the massive wave of immigrants and refugees after World War II brought new life to the ethno-cultural communities already existing throughout North America. This new wave made it possible for many groups to renew their ties with the culture of their native land. Among the new arrivals, children of immigrants and their grandparents often spoke only their mother tongue, not having had an opportunity to learn English or French. Across Canada, especially in urban areas, it was possible to live in one's own culture.

Through the rising demand for social services, immigrants made their needs known directly to the various levels of government. At this time, around 1953, the first federal-provincial agreement on civic and language training came into being. It was then that established groups started to express to governments and other Canadians the needs of their community.

At the same time, French Canadians and native peoples started organizing and expressing their views more actively and effectively on Canada and their place in this country.

Before our centennial year and throughout the sixties, Canadians were asked to examine their views of the country and of themselves as Canadians. The Royal Commission on Bilingualism and Biculturalism acted as a catalyst, making it possible to clarify many of these issues. It was an incentive to ethno-cultural groups of other than English or French origin to make Canadians aware of their contribution to this country, especially in the West.

Mr. Speaker, according to the 1981 Census eight million Canadians consider themselves to be of other than British or French origin, which means 31 per cent of the population. About six million live in our large cities. For instance, 27 per cent of the population of Montreal belongs to this group, with comparable figures for Toronto, Winnipeg, Regina, Edmonton and Vancouver showing percentages varying between 40 and 50 per cent.

The economic impact of this population is considerable. It is estimated that a large proportion of all small businesses in Canada are owned by persons of other than British or French ethnic origin. In Toronto, the ethnic market is estimated at about $6 billion annually.

Each province has a population that is characteristic in terms of its ethnic origins. In this respect, we would like to stress the contribution of Quebec's cultural communities.

Although the proportion of Quebecers who consider themselves to be of other than French or British ethnic origin is small—11 per cent compared with 37 per cent in Ontario and nearly 50 per cent in Western Canada—their contribution to Quebec society is tremendous.

Montreal is a city with a flourishing mixture of various groups, cultures and races. For instance, there are 166,000 people of Italian origin, 93,000 of Jewish origin, 50,000 of

Greek origin, 51,000 of black origin and 18,000 of Chinese origin.

Many Francophone immigrants arrived in the last 20 years encountering a North American culture often different from that of their country of origin.

Others have made a considerable effort to learn French as a language of work and communication, in addition to adapting to life in North America.

The Government of Quebec has recognized the fact of this cultural diversity in the province. It constitutes a major element of the Quebec Charter of Rights and Freedoms. More recently, legislation on a Quebec Council on Cultural Communities and Immigration has demonstrated a desire to reflect this reality.

Considering the recognition of multiculturalism in the Canadian Charter of Rights and Freedoms, and the importance attached by this Government to multiculturalism in Canada—

The Acting Speaker (Mr. Charest): With respect, I must interrupt the Hon. Parliamentary Secretary and inform the House that the hour provided for the consideration of Private Members' Business has now expired.

• (1820)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

GOVERNMENT EXPENDITURES—(A) MINISTER'S MIDDLE EAST VISIT. (B) INQUIRY WHETHER TRAVEL EXPENSES WILL BE MADE PUBLIC

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to have an opportunity this afternoon to take part in the adjournment debate on a subject I raised in the House on May 3, 1985.

[*English*]

I am sure you will vividly recall that on May 3, 1985, I asked the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen) to account to the House why his colleague, the Minister of Communications (Mr. Masse) spent $57,000 of taxpayer's money to fly himself, his wife and five aides to Algeria, Greece and the Middle East on a government jet to cut a ribbon. I am sure you will agree that this was a terrible waste of taxpayers' money and only Tories would think of such a way to squander the hard earned dollars of the taxpayers of this country. I believe it could be said that the Minister of Communications in so doing has made the whole Cabinet look like a Mickey Mouse outfit. I believe that kind of waste of funds must end.

We see that the Budget of the Prime Minister's Office for staffing and so on increased by 57 per cent over one year and that the salary increases for two Tory losers—and I know this is enough to make most Tory winners cringe and wish they had lost—Lawrence Hannigan and Roy McMurtry whose appointment we will be reviewing shortly under the new process announced by the Prime Minister (Mr. Mulroney) were $38,000 a year. That would have been enough to restore the indexed Old Age Security to all the seniors of my riding. Apparently the Minister of Finance (Mr. Wilson) has found other ways of finding the money to do that. In order to replenish the coffers of money that was squandered, I am sure the Hon. Member for Durvenay (Mr. Della Noce) is aware that the gasoline prices have had to be increased. If that is not enough, let me talk about other instances of government waste.

As I came into the building today I was looking at that used car lot beside the west door, namely the fleet of limousines of the Cabinet Ministers. There are 39 or 40 of those limousines, all idling out there, with the chauffeurs chatting while waiting for their bosses to do whatever it is that Ministers do. The Government bought $173,000 worth of limousines in the first six months it was in office. I know the Hon. Member for Durvenay is hiding his face in shame for being a member of a Party that partakes in that kind of act. No doubt he will cross the floor very shortly after seeing the light when he notes that kind of action perpetrated upon the people of the riding of Durvenay.

Even today in the House of Commons we learned that Cabinet Ministers are not only using government jets that way, they are now chartering private jets. Today in a written response to a question I placed on the Order Paper we learned that the Minister of Consumer and Corporate Affairs (Mr. Côté) one day chartered a jet to go from Ottawa to Toronto. There are about 35 flights a day from Ottawa to Toronto. At some periods of the day there is one every 15 minutes. It seems none of them could accommodate the Minister of Consumer and Corporate Affairs. He must have wanted to go to Toronto at 3:30 a.m. because that is about the only time of the day when there are no commercial flights from Ottawa to Toronto. That trip cost the taxpayers thousands of dollars.

• (1825)

There must be not only the reforms we talked about before, Mr. Speaker, but there has to be some respect for the taxpayers.

During the election campaign, what did we hear from the Conservative Party? I am sure you will recall hearing the Conservatives in the last election campaign talk about the Liberals who were squandering the taxpayers' dollars. In their view it was shameful that the Government would be using funds in a way that they considered was inappropriate.

When I hear of things like $130,000 to wallpaper the offices of six Cabinet Ministers and $22,000 for the office of the

Minister of Health and Welfare (Mr. Epp) and other squandering of funds, responses given by this Government are unsatisfactory. I am sure the Parliamentary Secretary across the way will provide a better explanation today. If not, I am sure he would not be here because he is a good, honest and sincere Member. He would want to provide this House with correct facts.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, it is with great pleasure that I respond to the concerns raised by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). He originally addressed this matter in the House of Commons on May 3, as reported at page 4380 of *Hansard*.

On January 24, 1985, Mr. Brian O'Regan, Vice-President of public affairs at Northern Telecom, requested that Canada undertake an official mission to support Northern Telecom's efforts in securing a $487 million contract with the Algerian Government, representing 7,000 person years of employment for Canadians over a five-year period. This request was supported by officials in both the Department of Communications and External Affairs and was then recommended to the Minister of Communications (Mr. Masse).

The main thrust of this official mission was to support the bid of Northern Telecom. In view of the considerable Canadian business interests in various industries currently under way in northern Africa and the Middle East, it was deemed opportune and useful for the Minister to take advantage of the request from Northern Telecom to show the Government of Canada's support for these additional business endeavors.

These companies included Radio Canada International; Bell Canada International, as well as other Canadian companies with $400 million in projects completed to date in addition to $1 billion in potential contracts.

With the preliminary planning for a visit to Algeria under way, External Affairs requested through the international relations branch in the Department of Communications that the Minister officiate at the opening of the new Canadian embassy complex in Riyadh, Saudi Arabia. In addition to this request, Department of Communications officials informed the Minister that a Montreal-based company was pursuing a major spectrum management contract with the Kingdom of Saudi Arabia. As the responsibility for this contract was in the control of Dr. Kayal, Minister of Post, Telephone and Telecommunications for the kingdom, a meeting was requested between the two Ministers to discuss the contract as well as to renew co-operation between Canada and Saudi Arabia.

As is normal practice, commercial flights for this trip were investigated but, given the commitment of the Minister for April 9 to address the conference of the Canadian Cable and Television Association in Toronto, the requirement for his attendance at the meeting of the Priorities and Planning Committee on April 16, 1985, as well as the religious holidays one must observe when in Moslem countries, the commercial option was impossible.

To demonstrate the logistical problems experienced in travelling to Algeria, it should be noted that the two ministerial assistants, who accompanied the Minister during his visit in the Middle East, travelled to Paris commercially where they experienced a 36-hour delay before available seating on a connecting flight to Algiers could be confirmed.

The Hon. Member also made a number of substantially incorrect statements in a radio interview in April. First, the Minister's trip did not take him to Israel as alleged by the Hon. Member. The stop-over in Greece was a mandatory refuelling stop and maintenance operation in accordance with Department of Transport regulations. It was not a stop requested by the Minister or any of the passengers.

I hope, Mr. Speaker, that this information answers some of the concerns of the Hon. Member. I will be happy to answer any further questions he wishes to place to me at a later date.

• (1830)

ENERGY—ANNOUNCED CLOSURE OF CAPE BRETON HEAVY WATER PLANTS. (B) GOVERNMENT'S POSITION. (C) MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise at this time concerning a question I directed to the Minister of Finance (Mr. Wilson) on May 24, 1985 regarding the announced closure of the Cape Breton heavy water plants in Glace Bay and in Port Hawkesbury, Nova Scotia.

At that time I indicated to the House, and in particular to the Minister of Finance, that certain assurances were given to the workers of those two plants prior to the particular announcement which was made in the Budget. Again I want to quote, for Your Honour's edification, as I am sure you are concerned about the workers and their families in my riding and in the Port Hawkesbury area, the Minister of Energy, Mines and Resources (Miss Carney) who indicated on a couple of occasions that there would be no closure of those plants until alternate employment took place. In fact she indicated that her plans to close the two heavy water plants would not proceed before alternate employment could be found for displaced workers.

Since the closure of the two heavy water plants there have been no new jobs for those workers, absolutely none. There has been an agreement by the union representing the employees and by management representatives in regard to a severance package. That particular severance package goes beyond the collective agreement. It is certainly not a rich package, by any means; it is not rich at all. It fails to address a number of important measures. However, in view of the position of the union, which has attempted to represent those workers to the best of its ability, that was all that management and the Government was prepared to do for those employees. The bigger issue is alternate employment.

The Minister of Finance, the Prime Minister (Mr. Mulroney) and the Minister of Regional Industrial Expansion (Mr. Stevens) gave the impression to many media members that something great and specific would be done forthwith. All

that has been done by the Conservative Government in Ottawa and by the Conservative Government in Nova Scotia has been merely in the area of media news releases. Nothing concrete or specific has been done for that area of Canada by the Tory provincial Government or the Tory federal Government. There are things which they could have done and still could to in terms of relocating and allocating moneys, perhaps for automotive companies, whether it be Hyundai or other foreign manufacturers. There is no concern for the workers in that region of the country. It is the same old story—the theory of trickle down economics practised by the Conservative Government in Ottawa. The thrust of the thesis is very clear, that hopefully at some point in time when the wealthier regions of the country create even more wealth and more jobs, somehow, by some miracle, it will seep down into the less fortunate areas.

My Party and I believe that there is a major national role to be played by the national Government. I suggest to the Parliamentary Secretary that those workers should not be given a plane ticket or free fare on VIA Rail to leave those regions. These workers are highly qualified individuals with families, mortgages and commitments to those communities. By its very actions as a Government, it is suggesting that those well-trained individuals should leave. The Government is exporting competent individuals out of our region of the country. In the long run that does not make good economic sense for those individuals in Atlantic Canada. Nor does it make good economic sense for Canada as a nation as we know it.

It can be argued effectively that the Conservative Government of the Prime Minister is breaching the Canadian Constitution which talks about, in real terms, equal opportunity for all Canadians. Why can the Government not provide the needed jobs for those displaced workers at the heavy water plants? What is so different about that area of Canada? If the Government can afford to provide $1.3 billion to the multinational oil companies and if it can provide billions of dollars to the Canadian Commercial Bank, why can it not deliver on a promise made by the Minister of Energy, Mines and Resources on two specific occasions to the people of Nova Scotia?

• (1835)

The Premier of Nova Scotia ought to resign from office. He has said absolutely nothing with regard to the welfare of those workers. The Premier of the province has acquiesced to this conduct by the Conservative Government. I would ask the Parliamentary Secretary to rise today to make an unequivocal commitment that there will be jobs in place by the end of the year to compensate for the substantial loss of employment in Glace Bay and the surrounding communities, as well as the Town of Port Hawkesbury which has also been delivered a serious economic blow. That is the role the national Government ought to play with regard to economic development in the less prosperous areas of the country.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in reply to the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), the federal Government has clearly stated its position on the closures of these plants on many occasions before various audiences. Indeed, the record shows that we debated this issue with the Hon. Member in the House as recently as June 18. Since then, our position has not changed.

The Hon. Member has been the sitting Member for Cape Breton-East Richmond for a number of years. He has been well aware of the problems related to AECL's heavy water plants on Cape Breton and how governments have long searched for an appropriate solution to these problems. Federal Governments have provided much support to this industry which has been historically plagued with problems linked to international marketing. The Government took decisive action in announcing the closure of these plants. It faced the hard fact that there existed a very major over-capacity in Canada's heavy water industry and that there were no immediate solutions to the marketing difficulties.

Under these circumstances, the Government could not longer justify continuing operations at the plants. It could not, in good conscience, keep these plants open at a cost to taxpayers of $100 million per year when there was not market for the heavy water being produced. We firmly believe that such action would have been irresponsible and it would have been unfair both to the Canadian taxpayer and to heavywater plant workers. Workers have known that these closures were inevitable and that the indefinite perpetuation of operations would only have delayed the time when thee plants could be replaced with viable long-term industrial activity on Cape Breton.

When the federal Government announced these closures in the May 1985 federal Budget, it was made quite clear that it had not abandoned the people of Cape Breton. As outlined in the Budget, workers have been provided with generous severance benefits, retraining and relocation assistance and financial and career counselling together with measures designed to facilitate re-employment. In addition, the impact on the affected communities' property tax revenues will be offset for a specific period. The Budget also introduced a special tax credit instituted to enhance private-sector investment and productive employment on Cape Breton. This will result in no federal income tax being payable by investors for 10 to 15 years.

Announcements made by the Minister of Regional Industrial Expansion (Mr. Stevens) have significantly offset unemployment triggered by the plant closures. The Minister has stated that $1.5 million in federal funding has been designated to rebuild a burned-out fish plant; $4.1 million has been committed for improvements to the Point Tupper pulp and paper mill and $16 million has been earmarked for a new coal mine tunnel.

In addition, the Minister responsible for DRIE appointed an advisory committee on economic development measures for Cape Breton Island which is scheduled to submit its first report this fall. The Minister of Energy, Mines and Resources (Miss Carney) has repeatedly indicated that she is ready to assist in bringing economic renewal to Cape Breton through reliable, sound employment creation.

• (1840)

I would like to conclude by saying that this Government has recognized that a very difficult problem existed and we have taken action to ameliorate it. The Hon. Member is aware that AECL had first recommended the closure of its heavy water plants in 1982. However, the federal Government of the day believed it impolitic to act on such a recommendation. We gave considerable study to the problem and acceptable options before arriving at our decision. We believe that we have made the only sound decision available and have put into place responsible measures which will direct Cape Breton toward ecnomic renewal.

ENVIRONMENTAL AFFAIRS—STORAGE OF LETHAL GASES. (B) TRANSPORTATION OF LETHAL GASES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to ask the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin), whom I welcome back after the summer recess, some questions related to the protection of citizens who live in communities nearby plants or storage sites of lethal gases which are commonly used in the manufacture of pesticides, herbicides or other products. I would also like to ask him a question about the inspection of transportation arrangements for these lethal gases which, as we know, have horrendous consequences on human health.

By way of background, I remind the House that on December 6, 1984, I asked a question of the previous Minister from whom I received a rather inconclusive answer. This makes it necessary for me to pursue the matter further. My question is also intensified by the fact that last August, just south of the border, a spill in West Virginia at a Union Carbide plant occurred. This company was the cause of a very tragic event which occurred in Bhopal, India, in November of last year, where approximately 2,500 people were killed. In the case of Institute, West Virginia, where a Union Carbide plant had a leak of lethal gas, some 135 people were sent to hospital.

What struck me from the newspaper reports of a few days ago is the fact that the Chairman of Union Carbide was quoted as saying that the recent gas leak was "more damaging in a way" than the one that killed more than 2,000 people in Bhopal because it was preventable. When one reads a statement like that, one becomes rather nervous and uneasy.

Since last December, when the question was asked, and since the coming into force of the Transportation of Dangerous Goods Act on July 1, have there been any discussions or meetings with provincial and municipal authorities with respect to inspection services, both at the manufacturing plant and the storage sites of dangerous substances. As well, with regard to inspection procedures in the transportation of these goods when they are not a federal responsibility, have there been any discussions? If such discussions or meetings have taken place, I would like to know by whom they were initiated and what is the present state of achieving protection of communities which could be in potential danger in the case of emergency. Can the Parliamentary Secretary indicate whether or not the inspection staffs in charge of these matters are adequate, both at the plant level, as well as at the transportation level of these goods? I also asked the Parliamentary Secretary how many provinces have on their own brought in or are in the process of bringing in complementary provincial legislation for the protection of Canadians with respect to lethal gases?

• (1845)

There is something very peculiar about this issue, Mr. Speaker, because there are contradictions one can find. I quote from an article in the *New York Times* in January of this year. A company spokesman for the Union Carbide Corporation is quoted as saying:

immediate attention had been given to an internal safety report warning of a possible "runaway reaction" in a tank storing a toxic chemical in West Virginia.

That is the one to which I referred earlier. He continued:

a simple change in operating procedures completely eliminated the concern—

Seven months later, in August, a spill takes place at that same plant despite these declarations on the part of a safety official of that company.

Finally, Mr. Speaker, I am brought to my feet on this matter after reading a report from the Canadian Press here in Ottawa in June wherein a spokesman for the Canadian Association of Chiefs of Police is quoted as saying:

We cannot take on additional duties without dropping something else—

He indicated that the enforcement of the majority of these regulations is best left in the hands of highly qualified and thoroughly trained personnel and that the 258 Ontario inspectors employed across the province are in the same position as the police, they will not be getting any additional personnel. So there seems to be a shortage of people qualified to carry out this very important mandate.

I would like to conclude by saying that we are not talking of a situation which affects communities in Ontario and Quebec alone but in the West as well where we have learned there is a $3.4 billion plan to export Alberta gas—surplus of natural gas—to Japan and that the communities nearby the liquefied natural gas projects will have to be protected. In essence, it boils down to the fact that it is better to anticipate and prevent than to react and cure. I am sure that the Parliamentary Secretary looks at this matter in the same light and I am most anxious to hear his comments.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I would also like to welcome my colleague back from the summer recess. He look like he is in fine form and I can see from his comments that he is carrying on with vigour his usual approach to these important environmental matters. I congratulate him on that.

I believe all Canadians were struck by the tragedy which occurred in Bhopal. It caused the Canadian Government in December of last year to take specific actions which in fact address precisely the points raised by the Hon. Member for

Davenport (Mr. Caccia). At that time, and in the absence of having the information and the kind of perspective we needed, Canada's Minister of the Environment instituted a government-industry task force consisting of a steering committee and three working groups. The working groups were to examine, first, the potential in Canada for Bhopal like incidents and, second, to review the measures taken by industry and Government to date in order to prevent accidents, and third, to evaluate the ability of industry and governments to respond to accidents. Therefore, in fact, we have this task force which was initiated in December of last year, in the absence of the kind of information we needed to precisely answer the questions raised by the Hon. Member.

• (1850)

In July of this year that task force distributed a discussion paper amongst the provincial agencies and industry associations, such as the Canadian Chemical Producers Association, the Petroleum Association for Conservation of the Canadian Environment, the Canadian Labour Congress, and over 25 environmental organizations, including the Friends of the Earth, Pollution Probe, and the Canadian Environmental Law Association, in order to solicit their input on the paper. The final report of the steering committee will be available later in the fall. Follow-up discussions will then take place with agencies responsible for the various jurisdictional aspects of the issue.

I would also like to remind the Hon. Member of an activity which took place in the Department of the Environment over at least the last year. There has been issued what to me is a very important manual for the management of hazardous spills and wastes. I can inform him that there are two very specific papers subsequent to that, one for sulphuric acid and one for oleum, which describe in much greater detail all actions surrounding those two chemicals insofar as possible.

In conclusion, Mr. Speaker, all Canadians can look forward to the final report in the fall and the expansion of the work already done in Environment Canada on this subject. This will not completely replace the experience in other countries, and certainly we can do nothing directly about what has happened there, but it should put us in a position where we can look at the broad range of things involved in handling these materials competently and in a preventable, if you like, protective fashion.

[*Translation*]

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

The House adjourned at 6.52 p.m.

HOUSE OF COMMONS

Tuesday, September 10, 1985

The House met at 11 a.m.

• (1105)

[*Translation*]

POINT OF ORDER

TABLING OF NOTICE OF WAYS AND MEANS MOTION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on a point of order.

Mr. Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, I wish to raise a point of order. I notice that we do not have yesterday's *Hansard*, which is unfortunate because I wanted to refer to something that happened yesterday—

[*English*]

Something happened in the last hour of House business. The Government House Leader on a point of order asked that the House allow him to table a certain document, namely, a notice of Ways and Means motion.

Since yesterday was the first day under our new rules, some of us were uncertain about them, although I did voice some reservations about the Government House Leader's procedure followed at the time. I cannot see how a private Member would be allowed, for example, to adjourn the House on a bootleg by asking the House to be recognized on a point of order.

If the Minister had the floor, I agree he could table documents, but he did not have the floor. He interrupted the Hon. Member for Glengarry-Prescott-Russell who was speaking and when he had the chance during his point of order, the Minister tabled the document.

I know the rules say that a Minister can table such a document at any time but I take it that we underline "at any time when he has the floor". If I cannot move the adjournment of the House at any time in the deliberations, how can a Minister do what he did yesterday?

I just want to refer the whole question to you, Mr. Speaker, so there are no precedents set as a result of what happened yesterday. I would like to point out that motions to adjourn the House were covered under Standing Order 26 under the old rules. Beauchesne's Fifth Edition in Citation 283 reads:

> A Member may not use a point of order to secure the floor in order to move the adjournment of the House.

I submit to you, Mr. Speaker, that a Minister also may not secure the floor on a point of order in order to table documents. To me, that would be contrary to the spirit of our rules. Second, it may be impolite in terms of parliamentary procedure.

I would ask you take this question under advisement and give us a ruling if no such ruling has been made previously.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the point raised by the Hon. Member. All I can say is that this particular tabling of documents is as much in the interests of Hon. Members sitting in the Official Opposition as it is with respect to the Government. What we are doing is simply tabling for future consideration a Ways and Means motion. I explained to the Hon. Member during the course of yesterday's deliberations, that it was near the end of the day and normally I would have discussed the matter in advance, as I have in almost every other instance, but having found myself in this position I took a quick look at the rules. It seemed to me to be quite clear that the Standing Orders do not restrict in any way the method by which these particular documents can be tabled in the House.

Second, that impression I had was confirmed by the Acting Speaker in a ruling made at the time the documents were tabled yesterday. The Speaker in the Chair indicated that the Ways and Means motion was properly before the House in the way in which I had proceeded.

Mr. Speaker: I appreciate the seriousness of the point and the issue. There is a minor dilemma for me. I think the Hon. Member for Ottawa-Vanier (Mr. Gauthier) knows that the only time at which a point of order about the tabling of documents can be raised is at the time of the tabling. I cannot allow the suggestion that today I would take the matter under advisement because in effect the Hon. Member for Ottawa-Vanier is appealing something that happened yesterday. I cannot now go back and re-open the question of whether it was in order to table the documents yesterday. I have no way to do that.

My understanding of what happened yesterday is not that a ruling was made but that a comment was made. I am not about to make a ruling, other than to say that there is nothing to rule on today because what happened happened yesterday.

I have some sense that we may want to consider collectively whether points of order are the way to do such things as opposed to rising to seek consent to revert to tabling of documents. This may be a procedure allowing the result that occurred without potentially—this is not a ruling—creating a situation on which the Speaker might have to rule.

I am afraid that in the existing situation I must find that there is no point of order.

Mr. Gauthier: Mr. Speaker, what is the sense of Members of the House raising questions with the Chair? I said yesterday

that I felt uneasy about this situation immediately after the tabling of the document. I wanted the Chair to look at it attentively because I felt it was not in order. If a Member of the House cannot raise a point at the time, which I did, and be told the next day that because he did not raise it at the time he cannot raise it today, we will all be going around in a circle.

Mr. Speaker: I am sorry, I must have misunderstood the Member. I was not aware that a point of order had been raised yesterday.

Mr. Gauthier: Yes, I raised one.

Mr. Speaker: Today we do not have a *Hansard*. I am not sure why that is and I must find out.

If a point of order was raised yesterday and a decision reserved, then that decision remains reserved. If a point of order was raised yesterday and it was not reserved by the Chair, then nothing remains today. What I shall do is to look into whether a reservation was made yesterday.

I am saying to the Hon. Member that I am in difficulty this morning because I cannot accept the suggestion that the matter be re-opened this morning. I think the Hon. Member knows that. Let me leave it in that obviously clear circumstance, and maybe we can continue with Orders of the Day.

• (1110)

GOVERNMENT ORDERS

[*English*]

CANADA DEVELOPMENT CORPORATION REORGANIZATION ACT

MEASURE TO ENACT

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion) moved that Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. Before my distinguished colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), introduces this matter at second reading, Your Honour will recall that yesterday I brought to the attention of the House the fact that we were operating under new rules with respect to legislative committees. I have consulted with the Opposition House Leaders with respect to this matter, and we have come to an arrangement whereby in each of the instances of motions now on the Order Paper referring Bills to standing committees, the Bills in question would be referred to legislative committees, as contemplated by the Provisional Standing Orders.

Rather than going through this exercise on every occasion when every Bill comes forward, I think there would be a disposition to have an Order of the House to amend each of the motions now standing on the Order Paper for second reading. Rather than having the motions read that the Bills would be referred to specific standing committees, in each instance the motions would be amended as follows:

That all the words after the word "that" be deleted and the following substituted therefor: "and referred to a legislative committee."

For the sake of pro forma, the motion would contain the appropriately numbered Bill, its title, and "be read the second time and referred to a legislative committee." If all existing motions on the Order Paper for second reading were accordingly amended, I think Your Honour would find unanimous consent of the House to accept that suggestion and my motion in each instance. Then we would not have to use the time of the House to make an amendment on each occasion.

Mr. Speaker: For the sake of clarity, do I understand that the Hon. President of the Privy Council (Mr. Hnatyshyn) means government Bills and only government Bills?

Mr. Hnatyshyn: Yes.

Mr. Speaker: Not Private Members' Bills?

Mr. Hnatyshyn: No.

Mr. Deans: Mr. Speaker, I think we will deal with Private Members' Business some time later. I do not think it is necessary to do it today.

Mr. Hnatyshyn: That is right.

Mr. Deans: However, I agree. In the interest of speed, we can give unanimous consent to allow the Orders which now stand on the Order Paper to be changed so as to guarantee that each of the Bills, when referred, would be referred to a legislative committee.

Mr. Gauthier: Mr. Speaker, in the interest of co-operation, this time I give my consent and agree to this suggestion.

Mr. Speaker: Is there unanimous consent for the introduction of the amendment?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the amendment. Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Stevens: Mr. Speaker, it was just three months ago, on June 27, that I introduced Bill C-66 respecting the reorganization of the Canada Development Corporation in the House for first reading.

As Hon. Members will realize, the Bill makes it possible for private investors to buy the majority of government shares in the CDC. It is in fact the first step in the Government's announced intention, indeed its commitment, to turn many of

its business holdings over to the private sector where they properly belong.

• (1115)

We have begun this program with the CDC because, frankly, the corporation fulfils absolutely no governemnt policy objectives and has not done so for a long time. Reducing the Government's stake in the company will benefit not only the corporation and its investors but the Government and above all the people of Canada and, incidentally, will put approximately $250 million back into the country's Consolidated Revenue Fund.

As some Members will recall, there were earlier indications that the Government planned to divest itself of the CDC. Indeed, the previous Liberal administration stated its intention to get out of the corporation when the time was right. That being the case, I fully expect that this Bill will receive support from most parts of the House, and it is support which I would suggest is fully deserved.

As we will recall, the Canada Development Corporation was set up in 1971 as a government-owned corporation to develop Canadian-controlled corporations in the private sector. Initially the Government transferred to CDC ownership of some of its investments in the petrochemical industry. Subsequently, CDC acquired and developed major industry investments in petroleum and sulphur, mining, petrochemicals, office information, life sciences and industrial automation.

The corporation now owns all of Kidd Creek Holdings and Kidd Creek Mines and a majority portion of Canterra Energy Limited. It also owns Polysar Limited, the world's largest manufacturer of synthetic rubber, all of AES Data and most of Savin and has recently expanded into biotechnology with the acquisition of Connaught Laboratories. In fact, the corporation has been acting like a private company for many years. Since it no longer serves Government, we must allow it to continue successfully to serve private industry. Investors now will have an added opportunity to participate in a private company with the potential for tremendous growth.

As the House may be aware, the corporation has, in the past, made issues of voting shares available to the Canadian public, so the Government is now carrying only 47 per cent of the voting rights of the corporation. To divest our shares, we could have simply continued to offer them under the terms of the Canada Development Corporation Act. However, in proposing this legislation, we wish to change the rules governing share issues for several important reasons.

First, under the old Act the Government was obliged to retain at least 10 per cent of the voting shares of the corporation. We wish to permit the Government to divest its entire holdings in CDC, although it must retain a 10 per cent holding for another couple of years. As well, Canadian investors or groups of associated investors could each purchase only 3 per cent of the corporation's interests. We are raising the limit to 25 per cent to permit individual Canadian investors or groups of investors to have a significant stake in the affairs of the company. This is important for two reasons. It permits companies to meet equity accounting provisions with investments larger than 20 per cent and it provides the possibility for a large sponsor to take a direct and active role in the corporation's affairs. This will provide for a check on management, and all shareholders should welcome this move.

Additionally, in the past, non-Canadian investors were excluded from ownership in the corporation. We feel this restriction is no longer necessary and that non-Canadian investment in CDC can be beneficial for the fortunes of the company. As the Prime Minister (Mr. Mulroney) announced when this Government came to power, Canada is open for business.

Some Hon. Members: Hear, hear!

• (1120)

Mr. Stevens: However, we are proposing limits on non-Canadian investment in the Corporation. The Bill provides that any single non-resident investor, or group of investors, can purchase at most 10 per cent of the voting shares. Total foreign investment will be restricted to 25 per cent. In this way, we will still preserve, by a very wide margin, Canadian control of this major corporation.

One Hon. Member has been telling the media that this Bill could allow a non-resident to buy a controlling interest in the corporation. That is simply not so. The provisions limiting non-resident investment are detailed and make it impossible for a non-resident investor or group of investors to acquire a controlling interest.

On August 21, the Government offered for sale 23 million shares of Canada Development Corporation stock at an attractive price and under an innovative and tailor-made approach. I wish to explain that transaction in some detail.

In essence, we sold the shares on the instalment plan. Investors paid one-half of the purchase price by September 6 and received an instalment receipt. The second instalment is due when this legislation is passed and no earlier than one year from September 6. At that time, the investors will exchange the instalment receipts for CDC shares.

It was deemed a good time for the Government to sell its stock. Only a year ago, CDC stock was selling for less than $4 a share. Over the past 10 months the price has steadily moved up and we were able to achieve a price of $11.50 for each of our shares.

We expect to realize approximately $250 million from this sale, which will go to the Consolidated Revenue Fund over the next two years. We have already received our first cheque. Through the sale of the instalment receipts, we have already put in the order of $120 million into the Consolidated Revenue Fund.

Investors have reacted enthusiastically to the issue. They have given a clear indication that they approve of the Government's decision to move the company into the private sector. They like the corporation's mix of natural resources, technology and life sciences. They like its emphasis on long-range and

high technology projects with strong futures. They like its profit and potential.

Frankly, why should they not like the potential of this company? The corporation has turned around from a loss position to a more profitable basis, and its performance continues to improve. Long-term indebtedness has been reduced and the outlook for the future is bright. As a result, the corporation is attractive to investors.

Our share issue has attracted a wide and rather broad base of shareholder support. I think, again, this gives an indication of the wide interest in the company. We are particularly pleased that Noranda Incorporated, a solid Canadian company, purchased receipts totalling 6.5 million shares, or 28 per cent of the issue. Obviously, Noranda sees the potential for tremendous growth in CDC. If the sale had been bound by the 3 per cent limit, Noranda could not have such a large investment in Canadian development.

There is another reason why a new CDC Bill is required to complete divestiture of the company. As some Hon. Members will be aware, the Canada Development Corporation, by virtue of its governing statute, is now an eligible investment for insurance, loan and trust companies under the legislation governing these institutions.

Investors appreciate the fact that under this legislation we will be phasing out the special treatment of CDC shares. The corporation will operate under the Canada Business Corporations Act, with its common shares treated like those of any other company for investment purposes.

Under the current CDC Act, the special provisions for CDC shares were to continue for the life of the corporation. We will remove that protection after a transition period of three years. I might add as well, Mr. Speaker, that CDC shares are also eligible investments for registered retirement savings plans under the Income Tax Act. Investors would not be able to buy up the Government's total interest in the Canada Development Corporation right away. Passage of this Bill will allow the Government eventually to sell its remaining 11.8 per cent interest in the corporation. However, the Government will not sell its remaining interest until after December, 1986. To do so would constitute a default under certain existing loan agreements. We will continue to maintain at least a 10 per cent holding until the CDC repays the loans or arranges to have these agreements amended by the lenders.

• (1125)

The transition period I am talking about is an important middle step. It will allow the corporation to move into the market on an equal footing with other private companies. During the next two years, the Government can still have a presence in the corporation as it will retain its right to appoint up to five directors to the board. In effect, the government will have the role of "watcher of the store". Our investment in the Canada Development Corporation will be properly supervised until the Canada Development Corporation completes its orderly move to private control. If, for any reason, the Government still holds 10 per cent or more of the company's interests after the number of years to which I referred, the directors would remain on the board.

All of these measures in Bill C-66 paved the way for the Canada Development Corporation to change hands, to move from government ownership to private enterprise. Our route toward reducing the Government's stake in the CDC has been carefully planned to ensure the continued success of the company and to retain its objective of offering Canadian solid business opportunities.

In conclusion, Mr. Speaker, may I say that the legislation before the House will provide for the orderly transfer of the Canada Development Corporation to private hands. That is where it should be. That is where it belongs.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, this being my first opportunity to welcome the Minister back to the House after the recess, I want to do so and to congratulate him for showing such great judgment over the summer recess in travelling to Atlantic Canada. I think he ought to do more of that and, hopefully, he will make more visits to my own riding and perhaps have some positive things to say with respect to economic development.

The Minister in his remarks talked about the carefully planned, if you will, transfer from government ownership or involvement to the private sector. The Minister certainly is right. In fact, my Party approves of this transfer to the private sector. If one goes back, Mr. Speaker, and looks at the history of the Canada Development Corporation, one is reminded of statements which were made on February 22, 1971 by the then Minister of Finance, Mr. Edgar Benson. He said, as reported on page 3630 of *Hansard*:

• (1130)

This government believes that there is a role to be played by a new institution, backed by substantial sources of Canadian capital and managed by skilled, experienced Canadian entrepreneurs, to help make possible fuller Canadian participation in the growth and development of Canada. Such an institution will be able to work closely with the other members of the Canadian business and financial community and provide Canadian entrepreneurship with the access to more substantial concentrations of Canadian capital required to ensure a greater Canadian presence in the growth of our own economy.

As the Minister and other Members know, the purpose of the CDC was twofold: To help develop and maintain strong Canadian-controlled and managed corporations in the private sector; and to give Canadians greater opportunities to invest and participate in the economic development of Canada. I suggest, Mr. Speaker, that that has been achieved. However, in addition, the intention of the Government of the day was to have an orderly transfer, if you will, to the private sector of the shares referred to by the Minister in his remarks. It was also anticipated that the corporation would operate throughout the 1970s, as it did, on sound basic principles of good business with the profit motive being one of the primary objectives. Of course, Canadians were to be substantial investors in the initial days of the CDC. However, my Party agrees with what the Minister has just said about the transfer of the shares. It has been stated on numerous occasions that the shares would be sold under two conditions. The first was that they would be

sold at such time as market conditions would permit recovery of the approximate original investment and, second, that they would be sold in such a way as not to damage the company or its shareholders. I think those conditions have been met and it is time to sell the shares.

However, I am a little disappointed that the Minister did not touch on some of the issues I thought would be of some concern to him and his Government. For example, I refer to the comments made in *The Financial Post* by an analyst of First Marathon Securities Ltd. The article says:

> From the $81-million bottom-line figure, he deducted a $49.5-million gain from the sale of certain investments, $136 million of capitalized overhead and financing charges, $50.5 million for the amortization of frontier exploration expenses, and $71 million from the sale of sulphur inventory, which . . . is being drawn down at such a rate that it will be gone within 2½ years.

I had hoped the Minister would perhaps avail himself of this opportunity to put to rest some of these fears, speculation, indeed allegations. It has even been suggested, not by this particular financial institution but by others, that there may be an investigation by the Toronto Stock Exchange regarding the sale of these shares and how they have increased in price. I do not know that to be true but the Minister has information at his fingertips and I had hoped he would shed some light on that. As well, this financial institution suggests that the CDC is understating its debt to the extent of $330 million, because much of it is in U.S. dollars and the company has failed to account for changes in the exchange rate.

I am also a little concerned that the Minister failed to refer to consultations with labour organizations affected by the sale of these shares. Perhaps we will have an opportunity in committee to question him regarding that subject. I hope the information will be readily available from the Minister.

The original Act as legislated in the early 1970s, Mr. Speaker, restricted individual or corporate holdings to a maximum of 3 per cent. It did not permit foreign investors to sell shares. However, this new Bill has dramatically changed those rules. Clauses 5(*a*), 5(*b*) and 5(*c*) limit any Canadian or associated group of Canadians to 25 per cent of the voting shares. Non-residents are limited to 10 per cent of the voting shares. Total foreign investment is limited to 25 per cent of the voting shares. This Government seems to be pro-foreign investment and anti-Canadian investment. This legislation was originally drawn up so as to promote Canadian ownership and management, but the Minister has increased the limit of foreign ownership to 25 per cent. Some people can argue with some substance that 25 per cent is not a substantial amount. Well, it is substantial enough. I can see the point of allowing some foreign investment, but perhaps half that amount would be a more just and equitable figure.

I would like to take a moment to talk about polls. I do not like to put too much faith in Gallup polls for obvious reasons. However, I know the Government does and, in some instances, rightly so. Last July a Gallup poll was taken and it showed that the majority of Canadians polled, 51 per cent or 52 per cent, think we have enough foreign investment in this country. Yet, in the face of that fact, the Government has done the opposite. It is going against the wishes of the Canadian people. I am not suggesting we totally abandon foreign investment. I do not advocate that course of action. However, I do ask the Government and the Minister to be reasonable in the best interests of Canadian ownership and management. Just because one individual or Party wishes to limit foreign investment where practical—and I emphasize the word "practical"—government Members and their friends in the media should not accuse us of being anti-American. We are not anti-American. We are not anti-France, anti-Britain, or anti any other country. When dealing with the best interests of Canada one must examine, in a careful and prudent way, restrictions or lack of restrictions with regard to foreign investment.

• (1140)

I have indicated before in the House, and will indicate again, that Canadians want to own and manage their own companies and they want governments, particularly the national Government, to facilitate that process at every opportunity. I think, and I hope the Minister would agree, that the Canada Development Corporation has done that. I would ask the Minister to step back and examine the provision in this particular Bill with regard to foreign investment. We will have an opportunity to debate this in committee and to hear from the various witnesses which our Parties will want to have at the committee meeting.

In conclusion, Mr. Speaker, I would like to say that the Canada Development Corporation was conceived by a Liberal Government, and implemented by a Liberal Government notwithstanding the objections of the New Democratic and Conservative Parties. We believe very strongly that this transfer from government ownership to the private sector is right. We proposed it in 1972. The Conservatives had an opportunity to divest themselves of this at $16 a share in 1979 but, because of the total incompetence of the Government of the day, they did not avail themselves of that opportunity. I close by saying that I want to have this Bill referred to the legislative committee in order that we can debate its provisions in greater detail.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a pleasure to add my welcome to the Minister to that of my Liberal colleague. I am particularly pleased to see him back after his recent trip because, although I should not want the House to collapse with shock, I have some words of congratulation for the Minister. I hope I can take some credit for aggressively urging him to be a little tougher in his negotiations with the Japanese because he has succeeded in getting commitments from Toyota, which are more important and more significant than the commitments we have had from other Japanese auto producers because Toyota has made it clear that it wishes to produce under the Auto Pact. That will mean a commitment on its part to Canadian content levels, which will create significantly greater employment in this country. I was very pleased about that. I was also very pleased about his success in discussions with Hyundai. Now that the Minister has heard my words of congratulation, it is possible that that will be the extent of them for this session.

I would like to refer the House back to the early days of the establishment of this Bill. The Bill was put in place, the Act passed, and the corporation established at a time when I was a member of the Press Gallery here. I recall my pleasure and pride at that time that efforts were finally being made to deal with the serious matter of the extent of foreign ownership in this country and to try to establish at least one mechanism that would attempt aggressively, in partnership with the private sector, but very much with the influence and support of Government, to do something about that foreign ownership problem. I recall saying at that time that this was a minor step which, like so many things done by the previous Liberal Government, was caught up in contradiction and limited the potential impact step which it could have, but nevertheless represented an important step forward in giving us a series of Canadian corporations that could act effectively, especially in the manufacturing and resource sectors in which levels of foreign ownership were especially high.

It is interesting that the Minister said this morning that the CDC filled absolutely no government objective. I take that as a clear and unambiguous statement with respect to the commitment of the Government to those Canadianization objectives which the CDC has followed and could continue to follow given effective support and an attempt by the Government to make creative use of this instrument of industrial and technological policy. However, the Minister has made clear that these objectives do not exist, and I can therefore understand the logic, from the perspective of the Minister, of doing away with the instrument by passing it off to the private sector because his Government is not concerned with the Canadianization of our economy or with using creatively the industrial policy instruments and the research and technology instruments which exist under the jurisdiction of the Government to achieve social and industrial objectives. The Minister's honesty deserves respect even if his abandonment of those important, indeed crucial, objectives in terms of obtaining jobs for our people in the future merits derision.

I want to spend a few minutes talking about public ownership. That is something which is not popularly done in our country. It has become conventional wisdom that public ownership in this country represents an attempt to prop up bankrupt firms and to stick the Government's nose into places where it does not belong. According to those who propagate this myth, in virtually every case government ownership shows up in inefficiency, losses, and lack of attention to the interests of this country. According to the small "c" conservative view which is shared by both of the other Parties in this House, public ownership is generally a disaster, at best a temporary requirement, and never something which is central to the potential of building our economy. Therefore, it follows again logically that if there is an example of public ownership, control and initiative which is working like the Canada Development Corporation, you had better get rid of it because it is a serious embarrassment when you must face the fact that there is public ownership at work in this country, in living technicolor, presenting reports, indicating profits, demonstrating commitment to research and demonstrating success in export markets. What a disgrace. Let us get rid of it as fast as we can and by all means, get rid of it at a loss, because if it were sold at a profit it might demonstrate to the Canadian people that public ownership can not only succeed while it exists, but can be sold at a profit.

• (1150)

Never fear, the point at which the Government has chosen to get rid of its share in CDC is when it is certain that the $250 million which the Minister talked about would be less than the amount which the public originally put into this corporation.

It is clear that, in the opinion of the Governemnt, public ownership belongs in the realm of bail-outs. Public ownership is charity, taking money from the working people and the poor in this country and using it to subsidize, bail out or forgive institutions like the Canadian Commercial Bank of Canada and the Northland Bank. Public sector in this country, according to the Government, means a drain on the pocket books of Canadians. It is a cost to taxpayers and, therefore, when a public corporation operates successfully and does an excellent job for Canada, the Government must quickly get rid of that corporation and make certain that it cannot survive as an embarrassment to the myths that the Government wishes to propagate.

I must say that the Minister has an aggressive approach toward the sale process of our public sector. I once facetiously suggested to him that perhaps he should display his face on billboards throughout the world with the saying that Canada is once more open for business. I suggested that this may be a less costly way of fulfilling his ideological purpose.

Perhaps the Minister accepted the essence of my remarks because he went to Japan and has been operating there as the greatest salesman since Barnum and Bailey. I am not aware if he carried a sign over his shoulders, rang a bell as he walked down the streets of Tokyo to attract attention to himself or banged cymbals in good Japanese fashion to make certain that this message got across, but he stated, "If you are interested in buying into one or more Crown-owned companies, let us know". I can almost hear the sound of organ music in the background just as in other advertisements. I hope, for the sake of salesmanship, that the Minister at least used triumphant music that reflected the glorious records of many of these companies. However, knowing the Minister's proclivities in talking about public ownership, I fear that the music was probably a funeral dirge. I suspect that the low prices we may receive for these companies will in fact reflect the choice of funeral music. He stated, "We are currently offering two aircraft firms, a uranium company and a state of the art high technology electronics firm that is active in the satellite telecommunications field". He did not talk about a partridge in a pear tree but I am sure that it crossed his mine. He said, "See me later if you are interested".

With respect to his sales technique, I would suggest to the Minister that perhaps "See me later" will be met with a polite

"Indeed" in the case of the Japanese. I suggest that he must be more aggressive. He should change the music of funeral dirges which marks his speeches with respect to public ownership and promote the marvellous success of some of our experiments in public ownership in this country. If he is going to sell these companies, he should do it in a way that will return money to the Canadian people. Therefore, I would expect the Minister to make speeches throughout the world about the glories of public ownership in this country. In fact, since it has been some time since I have visited South Korea and Japan, if the Minister has difficulty delivering that part of the speech, I will do so for him. Perhaps he could let me deliver that part of the speech which talks realistically and honestly about the virtues of public enterprise in our history and our present economy. I would certainy choose the excellent record of the Canada Development Corporation as part of the biblical style lesson we would read to these foreign investors.

It must have been a terrible shock to the Minister to read the ten-year financial summary of the CDC and see that with the exception of two difficult years the company was consistently profitable. It increased its sales level from $470 million in 1975 to $4.079 billion worth of sales in 1984. Faith, hope and charity go together. I hope the Minister's faith will disappear if he is charitable to the real record of the CDC because that record has been superb, with a cash flow before financing charges which has gone up from $57 million in 1975 to almost a billion dollars in 1984. That is a magnificent record which I suggest owes a great deal to the excellent management of Tony Hampson and the team of people whom he brought with him in the CDC.

I also want to say that the CDC is not an exception. We in this country have used public ownership creatively and we have used it to develop our regions. We have used it to take us into new product areas as with the Polysar and its entry into rubber production during World War II. We have used it creatively at the provincial level to try to get us a fair share of revenues from the resource sector. Foreign ownership in this country is something of which we should be proud. It is something which has served the Canadian people and will continue to serve Canadians in the future. It is something which this country should realize is a crucial instrument as we face a much more powerful and extremely aggressive economy to the south of us.

● (1200)

It is not just by chance that the best company in the CDC, namely, Polysar, sells 38 per cent of its output in the U.S. market compared to 36 per cent here in Canada. Public ownership is the instrument that can get us the jobs. As the Prime Minister (Mr. Mulroney) told us yesterday in his amazingly insighful statement, trade leads to jobs. Yes, indeed, trade does create jobs, but you need to have the enterprises that aggressively seek trade opportunities. Public enterprise has done it in Canada and could continue to do so.

There is, a further question that emerges beside the question of whether we should take an ideological approach and get rid of as much public ownership as possible or whether we should take a pragmatic approach and use public ownership where it makes sense. There is a second question. What are we going to do to Canadianize our economy? Every public opinion poll taken demonstrates massive support for greater Canadianization of our economy. The CDC has been a very helpful instrument in achieving those Canadianization objectives. I have only to mention the successful, daring, and quite remarkable raid which CDC undertook on Texas Gulf Sulphur in the United States leading to the transfer to Canadian control of the important Kidd Creek Holdings in northern Ontario.

This Government has perhaps the most sorry, dismal, disappointing record on Canadianization of any Government in recent history. Near the end of the last session we threw five challenges, five ways in which the Minister could demonstrate that he was not totally insensitive to the aspirations of the great majority of people for more Canadian control. We suggested that the Government could take Canadian Porcelain and help its workers realize their dreams of controlling the company and at the same time giving to the community of Hamilton a greater sense of control over its future. The Minister did not accept the challenge. He helped the American company take over Canadian Porcelain, which company had been responsible, at least in part, for driving Canadian Porcelain out of business to start with by dumping in Canada.

We suggested to the Minister that he could assist White Farm. Here was a pretty brave, gutsy Canadian entrepreneur who, I think, had quite successfully started the rebuilding process within White Farm. The company had had a commitment from the Ontario Government. The trade union movement was strongly supportive of him but, once more, Mr. Speaker, this Government refused to move. Something like 600 jobs were lost and the potential for small Canadian enterprise to survive, prosper and make a contribution to this economy was undercut.

We suggested that the Minister could do something about Mitel. Unfortunately, he did not take my advice on Mitel despite the fact that he took my advice on the Japanese auto companies. I gave a warning in our earlier debates that the nature of British Telecom made it quite likely that the matter would be referred to British government authorities, with the potential of the Mitel takeover either being reversed or quite significantly changed from the position he had tried to defend in the House. Once more, the summer has demonstrated that to be the case. Mitel is now hanging in limbo, attacked by the British Monopolies Commission, under scrutiny from British Telephone regulation people, again exactly as we predicted. Again exactly as we predicted, instead of job gains, which the Minister talked about, we have seen over 100 job losses as production has shifted, again exactly as we predicted, to Britain, as a result of that fiasco. I could go on. I could review the case of de Havilland, which is still hanging in the balance. I could review the case of Gulf and Western in the Prentice Hall takeover, a very interesting subject. I have had assurance from the Minister of Communications (Mr. Masse) that this is

one case, by God, where he is going to see that Canadianization objectives are met.

Mr. Riis: Hold your breath.

Mr. Langdon: I have been holding my breath. I must say it is a difficult experience holding one's breath waiting for decisions from this Government. You get verbiage and ideology, but when you are faced with a tough decision, as the Government has been in the case of Gulf and Western, nothing happens. Nothing happens, nothing happens and nothing happens. It has been nine months since the opening steps in this little saga and still there is no word.

Let me turn to the CDC itself. I have stressed the CDC as an example of creative, aggressive effective public ownership. I have explained why the Conservatives now feel they have to get it out of the public sector as quickly as possible. It is an embarrassment. At the heart of the CDC's success—and I want to bring this forward a little more forcefully than some of the other parts of the CDC story—is Polysar. Polysar demonstrates a lot to us as a country. It started with World War II. We had a war to fight. We had certain strategic and crucial concerns and we looked around to find out how to meet them. The private sector could not do it. American companies could not do it. We had to do it ourselves, and we did. We established Polysar. It was called Polymar in those days. It developed synthetic rubber production aggressively and effectively. After the war it took that technology and those sales to create jobs and establish exports throughout the world. Therefore, Polysar is now a powerful, progressive, exciting public Crown corporation with investments throughout the world.

• (1210)

I visited Polysar last January as part of my work as industry critic for my Party. Polysar representatives told me just how much co-operation they were receiving from the Government. The Conservative Party—and I remind Hon. Members of one of many promises which has not been kept—talked about a petrochemicals task force which would lead to Polysar being assisted quite effectively. As of January, when I visited, nothing had been heard of that great promise. As of September, I ask the Government: What has become of that commitment to that crucial section of our industry? Again, as with so much, it is a Government of ad hockery; it is a Government of quick responses to immediate crises; but it is not a Government which plans, thinks, organizes and prepares. As a result, it is not a Government which succeeds in economy strategy. Nothing demonstrates this more than the fact that instead of helping Polysar, instead of making it something to penetrate the United States market—and Hon. Members on the other benches claim that they are in favour of more trade—the Government is prepared to sell it off so that it can potentially be controlled by Noranda, with all of Noranda's expertise in high technology chemicals. Instead of helping Polysar through a response to the petrochemicals task force which the Conservative Party set up, it backs off. There has been no help, no assistance. It is typical. It is a Government which does not act. It is a Government which talks. It is a Government which plays with words.

The point which we will be making very, very forcefully in the trade debate concerns the complete and utter failure of the Government to act on the aggressive back-door efforts by the United States to hurt our hog producers, our lumber producers in western Canada and our fish producers on the East Coast. Now there is talk about further aggressive moves against our steel industry. There is a lot of rhetoric, but no action. Government Members say: "Yes, we will get a freer trade agreement". If one believes them, two years from now we might get something. In the meantime, we have a crisis which is not being addressed and on which action is not taking place. It was our Party on the special joint committee this summer that called in city after city for urgent, immediate action on the problems faced by our exporters. The Government has refused to move. Talk about inaction, talk about bankruptcy! The bankruptcy in this country is not in our financial accounts; it is on our government benches.

Let me refer specifically to the Bill. It is a Bill which does three things. It follows through and allows the complete sell-off of CDC. This is consistent with the Conservative strategy to throw into the private sector anything that is doing well as a public corporation. Also, this Bill is designed to increase corporate concentration in Canada. Government Members, in their days on the opposition benches, used to talk about the need for competition and diversity and about the virtues of smallness. Now we have government Members in office who are permitting a couple of a large Canadian corporations to take over one more holding company in Canada. They are permitting Noranda to take what in effect will be an extremely strategic, perhaps even controlling, share in this company. It is a Bill which permits more corporate concentration. In the case of Noranda, that is consistent action on the part of Conservative Members in office. Noranda is a good friend of the Government and, now that it is in office, it is good to its good friends. Also it is a Bill which turns one of our instruments for Canadianization of the economy into an instrument of increased foreign ownership in Canada.

How any Government can bring forward such legislation without blushing is beyond me. There should be at least some sense of shame. If government Members bring forth a Bill which increases corporate concentration, we will attack them on that. Let us have a debate about their being in favour of the big guys and our being in favour of the small guys. It is a debate which has gone on for years; it is a debate which we will ultimately win. However, we have to add to that the fact that not only is the Conservative Government in favour of the large guys, it is in favour of foreign companies. Earlier I talked about funeral dirges on the part of the Minister. I say to the Government that dirges on the part of the Minister. I say to the Government that it is its funeral. If its Members want to take to the people of the country a philosophy which says: "Yes, we will sell off an active, viable company with good management, as demonstrated by an effective record, and open up the possibility of a large Canadian company, in conjunction

with three United States firms, having control of this corporation", it can go ahead and do it because we do not have the numbers to stop it. However, government Members, as they do it, should think of the lack of logic in their own position. They should think of the lack of logic for people who they say believe in small business including a clause in this Bill which allows 25 per cent of this company to go to one corporation. They should think of the logic of people who still talk about Canadianization on good days, taking this company and giving 25 per cent of it to foreigners. Perhaps Hon. Members opposite will say that it is necessary, but even that hollow excuse flies in the face of the facts. Their share issue has been fully subscribed. They did not require massive purchases by foreign companies. It was not necessary; it was quite possible to sell out these shares to Canadians. They could have taken the imaginative approach of certain other regimes and said to Canadians: "You originally paid for this company; perhaps you should get a piece of it without having to pay for extra shares". Instead we have a thoughtless effort to make this company part of another corporate empire, the Noranda empire.

My last point concerns the disrespect shown to Parliament as an institution as a result of doing this prior to the legislation coming before the House of Commons. Just so that Members are clearly aware of this, the shares have already been nabbed by Noranda. Noranda has 28 per cent or 6.5 million shares set up for it to take in the future. I am sure the Minister has found a technically legal way to do this, but I think it is contemptible to bring before Parliament a Bill which will allow something to take place before the Bill has even been debated. A share issue is being allowed to take place under conditions that permit Canadian companies to follow the new rules the Minister wants to follow, rules which have not even been debated in Parliament.

● (1220)

In the past, I believe that the Minister has at times displayed disrespect for this House. However, he has never reached these depths before. He has never before brought before us a Bill to permit something to take place after he has already set it in motion.

We are now operating under new Standing Orders. These Standing Orders are supposed to permit us some freedom of discussion and action in legislative committees which are to be set up. It is no longer to be a question of confidence if a Bill is amended within a legislative committee. I will certainly be moving amendments to this Bill within the legislative committee, amendments to cut down the extra boost to corporate concentration that this Bill will establish. Yet the Minister has simply assumed that the legislative committee will be formed of a group of trained seals who will accept his views and that he will be able to justify having gone ahead despite lack of parliamentary debate even of the principle of what he is doing, despite lack of parliamentary scrutiny of the details of what he is doing. He has had the effrontery and impropriety to allow this share issue to go forward and effectively to permit Noranda to take 26 per cent of these shares.

I have talked in this speech about many failures on the part of the Government. I do not want to go over that again, but I do want to underline to the House of Commons the fact that the lack of respect for Parliament and parliamentary procedure in the actions which have been taken by the Minister should lead the House to reject this Bill as an affront to its established procedures as well as a sign of the bankruptcy of the industrial policy of this Minister.

The Acting Speaker (Mr. Charest): First, concerning the point of order brought to the attention of the Chair this morning by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), having been in the chair yesterday, I brought to the attention of Mr. Speaker himself the fact that it was the intention yesterday to reserve on the question brought to our attention by the Hon. Member for Ottawa-Vanier. That being said, we shall now resume debate.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased with this opportunity to speak today to Bill C-66, the purpose of which is to continue the Canada Development Corporation under the Canada Business Corporations Act. The legislation provides for restrictions on share ownership. An explanation of these restrictions has already been given to the House and I do not think it is necessary to repeat them.

The passage of this Bill will make it possible to approve the sale of shares representing nearly 37 per cent of the Government of Canada's voting rights, as a first step. The share offer was very well received by the Canadian public, and reflects the new climate of openness vis-à-vis the private sector, which is the only approach that can lead to long term renewal of Canada's economic activity and development.

The Government is of the opinion that those who sit on corporate boards of directors should be accountable to the shareholders and not be able to hide behind the anonymity of Parliament, Crown corporations or government-owned companies.

The public has shown that it understands the approach taken by the Government. Attempts had been made by the former Government to take the place of the private sector and direct it from a number of central "laboratories" full of technocrats. Our Government, however, is aware that profitability, economic development and creativity should be left to the private sector. Our Government's faith in the private sector is clear for all to see and the sale of shares of the Canada Development Corporation is a very good example.

The public's faith in this Government is also quite clear. The share issue was a success. It is an initial step, and the Government intends to continue, in the same skilful manner, the process of share distribution and divestiture of corporations owned by the Government of Canada.

The magnitude of the CDC's assets and the range of its activities justify the continued presence of the Government

through control over the ownership of shares sold, and its presence is also justified by the obligation the Government has to the first generations of shareholders. It means that not more than 25 per cent of CDC shares may be held by a Canadian shareholder or group of shareholders, not more than 10 per cent by foreign shareholders in Canada and not more than 25 per cent by a group of foreign shareholders in Canada.

The Government, with the same obligation to the historical evolution of the Canada Development Coporation, will temporarily retain a number of members on the board of directors of the Corporation.

The transaction, and this is very important considering the imbalance in the Government of Canada's Consolidated Revenue Fund caused by our predecessors, will bring to the Consolidated Revenue Fund the sum of $250 million. It was also an important factor in connection with cash flow considerations and it is clear that the Government's present state of indebtedness makes this transaction even more important.

The Government has been very skilful in its negotiations and its approach to marketing the shares of the CDC, the result being that a large number of new shareholders can afford the shares since they can purchase an option on a share worth $11.50 for $2.88, or buy the shares outright, paying only 50 per cent of the purchase price immediately and 50 per cent again a year later, in July 1986. This approach has ensured a broader distribution of the shares. It was therefore very sensible of the Government to divest itself of these corporations and to return to the private sector the administration and management of nearly $8 billion in assets. Granted, these assets have been profitable to some extent in recent years, but one may well ask what the situation would be if the initial capital cost were calculated as well and also what the profits might have been if the fate of these corporations had been controlled by the private sector.

Mr. Speaker, I think, and I hope, that after this example of divestiture of a Crown corporation, we will see a measure of continuity with similar occurrences in the months to come, for the greater benefit of the development of our economy.

The Acting Speaker (Mr. Charest): Questions or comments? The Hon. Member for Essex-Windsor (Mr. Langdon).

• (1230)

Mr. Langdon: Mr. Speaker, I have a question to ask about the subject I dealt with in my remarks. Can the Hon. Member tell the House whether he is in favour of a procedure whereby the Minister would sell the corporation through a share issue whose terms would differ from those prescribed under the current legislation, but with terms similar to those provided under this Bill?

Would that be an appropriate parliamentary procedure for now? Would the Hon. Member comment on that?

Mr. Fontaine: First of all, Mr. Speaker, I thank my colleague and commend him for asking his question in French. I am trying to improve my command of the other official language, so I fully appreciate this initiative on your part and I expect to be able as well to answer you in your mother tongue in the not too distant future. For the time being, however, I would rather answer in French.

Considering that the corporation operates in a very important sector which has a significant impact on the Canadian economy, and considering as well its huge assets, I would suggest that the Government was justified in providing additional constraints besides those already prescribed with respect to foreign investors and in making sure that there will be some form of disclosure of foreign investments with a view to preventing such an important corporation from being completely taken over by foreign interests within a short time. That it why it was deemed advisable—and I fully agree on this—to limit foreign investments in voting shares to 25 per cent of the total, or again to 10 per cent for any share purchase by a non-resident investor.

Mr. Langdon: Mr. Speaker, that was not quite the thrust of my question. Perhaps I would be more precise in English.

[*English*]

As I pointed out in the last part of my speech, if we pass this legislation then there is no problem. Shares can be sold to the public and a given company, such as Noranda, can purchase up to 25 per cent of those shares. That is fair enough. Such legislation would be debated by Parliament. The details would have to be handled by the legislative committee. It would have to come back for final passage after we, as legislators, give it the go-ahead. Then, share issue could take place and Noranda could purchase its 25 per cent.

In fact, what has taken place is exactly the contrary to that scenario. The share issues has already been placed. Noranda has been permitted effectively to indicate its purchase of 6.5 million shares, representing 28 per cent of the issue. The issue itself is small enough. However, that does not mean Noranda would have over 25 per cent of the total shares. In fact, it is much higher than what the present law permits. The present law makes 3 per cent the limit. No other company is permitted to have more than 3 per cent of the shares of Canada Development Corporation.

What has happened is that a share issue has taken place under rules which are still being debated, as opposed to under rules which are presently the law of the country. My question is, as new Members of Parliament, do we feel that that is something which is legitimate? Is that how Parliament should operate? Or should the legislation be passed first and be put into effect, as opposed to putting the goal into effect before the legislation is even talked about? Which of those alternatives is the parliamentary way to proceed?

[*Translation*]

Mr. Fontaine: In answer to your question, I would suggest it is two-fold. First you seem to be concerned about the fact that Noranda acquired 28 per cent of the issue whereas the Bill under consideration sets the limit at 25 per cent of the total shares. Noranda is a private corporation which made its offer through brokers and that will be covered under the pending legislation. The Government will always be in a position to impose the 25 per cent limit.

Secondly, I would also point out to the Hon. Member that if the proposed legislation were not adopted the Canadian Government would refund 50 per cent of the amount paid by the buyers, it would refund one half of $11.50. The deadline for such refund would be July 1987 and the deal would bear interest at 10 per cent. The only inconvenience to the Government in such a case would be expenditures incurred for advertising and selling the shares.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to say a few words on Bill C-66 which is before the House this morning. As the Hon. Member for Essex-Windsor (Mr. Langdon) has stated, and I wish to reiterate the importance of what he said, Canadianization of our econmomy is necessary in order to keep control of it. I agree with him when he stresses the importance of not trying to build up a corporate concentration and not allowing more foreign ownership and control in our economy.

The Bill before us makes a number of changes which will allow for total and complete privatization of the Canada Development Corporation. I was in this House a number of years ago, back in the late 1960s and early 1970s, when the CDC was a brand new piece of legislation. That was back in the days when members of all Parties thought it was important to make sure we had a bit more Canadian ownership in this country and more control over our own economy and destiny. The Bill before us today, Mr. Speaker, takes that away. I have known the Minister across the way for a great many years. He is a very honest and direct man. He is an ideological Conservative. He believes there should be privatization of a number of Crown corporations. In that way he is very much of an ideologue in terms of where he is going. However, I for one, do not believe that that is the way the people of Canada want to go.

• (1240)

Back in 1979 when Joe Clark was Prime Minister of this country for the brief "hiccup" in the history of this country, he wanted to sell off Petro-Canada and there was an outcry in this country that that was the wrong thing to do, that we needed a foothold in the oil industry. It was felt that the Canadian people deserved to have their own oil company. The fact that he was so determined to go in that direction was one of the reasons he was thrown out of office in February of 1980, which resulted in an increased number of seats in this House for both the Liberal and the New Democratic Parties.

I do not believe, Mr. Speaker, that this is the direction in which the Canadian people want to go. I appeal to my progressive friends in the Conservative Party—I know there are some in this House—

Mr. Gormley: Many.

Mr. Nystrom: There are many, the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) says. I ask my Conservative friends to look at the history and roots of their political Party. They can go back to the days of Sir John A. Macdonald with respect to building a free and independent Canada and the role of public ownership in this great country of ours. From the time of Sir John A. Macdonald right on through to the time of John Diefenbaker, the Conservative Party more so than the Liberal Party has been historically the nationalist Party of this country. It is the Party which started the CBC, the CNR and the Canadian Wheat Board, these great public institutions which sometimes intervened to a great degree in the economy of Canada. I ask the Conservative Party now: Why this change in direction? If John Diefenbaker were still in this House he would be furious to find this dogged ideological move made by the Minister of Regional Industrial Expansion (Mr. Stevens) in privatizing the CDC.

I appeal, therefore, to the individuality of the Conservative Members of Parliament. I appeal to their rugged individualism and ask them to stand up in this House and be counted, not to let themselves be pushed around by the Minister of Regional Industrial Expansion. They should not be trained seals sitting in the back-benches of Parliament rubber-stamping legislation. We now have parliamentary reform. We have legislative committees about to be formed. We can make changes in Bills without voting non-confidence in the Government of this country. So I appeal to Members of the Conservative Party to exercise their muscle. Do not prove that Pierre Trudeau was right when he said that Members of Parliament are nobodies. They should not let their Prime Minister push them around like the former Prime Minister pushed around his back-benchers. They should rise and speak their minds. I know there are many members of the Conservative Party who do not want to sell off the Canadian Development Corporation totally and absolutely and let all the shares be owned privately. Up to 25 per cent of these shares can be owned by a particular individual or corporation and a large number of these shares can be owned by a foreign company which means more foreign ownership and control in this country. I know that is not the way in which a lot of Conservative Members of Parliament want to go.

There is something else I find very repugnant about this whole procedure, Mr. Speaker. As a Member who has been here for a number of years, I have observed the Conservative Party when it is in opposition criticizing the Trudeau Government on the whole question of respect for Parliament and parliamentary procedure. The Hon. Member for The Batt-

lefords-Meadow Lake sits in the front bench down there in the "rump", and that is about the place where John Diefenbaker used to sit in this House. Mr. Diefenbaker used to make speech after speech about the Government of the day showing disrespect for Parliament in doing things before it introduced legislation in the House, about the executive having too much power and the Prime Minister's Office having too much power. He used to make speech after speech about the Government's disrespect for this institution and, of course, this institution represents the people of Canada and, therefore, the Government was showing disrespect for the people of Canada by doing things without consulting Parliament. But what is happening with this legislation, Mr. Speaker? If I understand it correctly—and please correct me if I am wrong—these shares have now been offered in the market without this Bill being passed by the House of Commons, and without this Bill even being discussed in the House of Commons. The Government has done this without having the Bill go through the legislative committee of the House of Commons where it may be changed or amended because some of the Conservative Members of Parliament may agree with the Opposition on certain points and amend this particular legislation.

Mr. Lewis: Never.

Mr. Nystrom: An Hon. Member of Parliament says "never". I believe that the Government has shown disrespect for this institution, for this Parliament, in offering to sell the shares of the CDC on the market, starting the whole process, and then coming to Parliament with a Bill. I see my friend, the Hon. Member from Ontario, sitting opposite. I am sure that if he were in the Opposition and this were being done by a Liberal Government, he would be standing here ranting and raving that we live in a parliamentary democracy and the executive in the Prime Minister's Office and the Cabinet should not prejudge what Parliament wants to do.

The honeymoon period is over. The election took place over a year ago now. If the Conservative Members of Parliament are going to make any changes now in terms of democratizing this institution, of making their Prime Minister more sensitive to what they want as individual Members, this is the year it will have to happen. They will need to have to have the guts and the courage to say, "Mr. Prime Minister, don't push us around. We are all equals in this House". Just because the Minister of Regional Industrial Expansion says jump, Conservative back-benchers should not ask how high. Just because the Prime Minister says jump, they should not ask how high. They should stand up and be counted. They should speak their minds and say to the Government that it should not prejudge this institution. It should not show that kind of disrespect for the people of Canada but should indeed consult Parliament. If the Government brings a Bill before Parliament and the Bill is passed, then, fine, we can disagree with it, we can complain, but at least the proper method will have been used and respect shown to the Canadian people. I can see many Conservative Members of Parliament restless in their seats, wanting to rise to speak their minds.

Some Hon. Members: Oh, oh!

Mr. Nystrom: In fact, I see the Hon. Member for The Battlefords-Meadow Lake sitting there. He is leaning towards the front just as John Diefenbaker used to lean. But those Hon. Members are afraid, Mr. Speaker. The Prime Minister is everywhere. It is just like the book 1984. He is Big Brother. Those Conservative Members of Parliament may not get a Cabinet post, they may not become a Parliamentary Secretary and they may not receive things for their ridings if they speak their minds, but I appeal to them to have the courage of their convictions and tell the Prime Minister and the Minister of Regional Industrial Expansion that they should respect Parliament and the parliamentary tradition.

Perhaps my last word on that point is that if those Members of Parliament want any argument to prove what I have been saying, they should take a look at speech after speech made by Members of their Party when they were in opposition for many years. They should look up the speeches of John Diefenbaker, Ged Baldwin, Robert Stanfield, Joe Clark, Walter Baker and many other distinguished leaders of the Conservative Party. These speeches were all about how important it is to respect the parliamentary tradition and procedures and how the Conservative Party would never, if in office, do like Pierre Trudeau and prejudge what Parliament has to say. A Conservative Government would involve its back-benchers and make sure they were consulted rather than come to Parliament with a Bill which is a *fait accompli*.

I appeal on those two points to my friends in the Conservative Party and ask them to show a little courage and rise and tell the Minister of Regional Industrial Expansion where to get off.

• (1250)

We have a lot of problems in this country, Mr. Speaker. I come from a part of the country where there is a tremendous drought. We need action on things like assistance to farmers to make sure they get the income they need to stay on the farm. We do not need to bail out the big banks in this country. We have sitting across the way, "billion dollar Barbara".

Some Hon. Members: Order.

Mr. Garneau: Billion dollar woman.

Mr. Nystrom: Billion dollar woman. That is the kind of thing that is going to happen more and more often if members of the Conservative Party do not get up and speak their minds.

The CDC has had a pretty positive record. It has done a number of things to make Canada a much better country. The company's assets are fairly strong and it has made a fair profit in a number of areas over the years. I say that we should not be selling this successful Crown corporation. It is a move which reflects the Minister's ideology. We know what that is; more free trade with the U.S., greater corporate concentration here in Canada, greater foreign ownership. But I do not think that is the direction in which the Canadian people want to go. I think Canadians want more local initiatives, more self-reli-

ance in developing their own country, more assistance for small business, for co-operatives, worker co-ops, old people and farmers. They want to create jobs from the bottom up, yet this Minister comes in the House with a Bill which will open us up to much greater corporate concentration in fewer and fewer hands. That is the wrong way to go. The Minister said we are open for business. This Bill is not an open for business Bill, it is a sell out Canada Bill. We are selling out Canada to big corporate and foreign interests rather than providing Canadians with the tools to take over their own country's economy, an economy which is more self-reliant and which provides more and more jobs at the local level for the betterment of Canada.

I will take my seat after one last appeal to my friends in the Conservative Party to show a little bit of courage and conviction. Do not let the Minister and the Prime Minister push you around. This Prime Minister is becoming every day more and more like the former Prime Minister. There is no difference between his attitude towards the Parliament of Canada and the attitude of Pierre Trudeau. When the Conservatives were in opposition they found that to be a disgusting thing and said it would never happen to them. But this Prime Minister is doing exactly the same thing. For me, an even bigger disappointment is that the members of his Party are afraid to stand up to him. They are afraid to say, let's democratize this place and show more respect for Parliament and the Canadian people. Is it any wonder that more and more people see the Prime Minister as a phoney and insensitive person who is concentrating more and more power in his own hands? The people of this country are becoming more and more cynical about politicians in general. We can change that, but those people in the Conservative Party can only do it by getting up and showing us that they have some courage. They should show us that they respect the traditions of the Conservative Party, which historically has been a nationalist Party, one which believed in some public intervention in order to make this country much stronger.

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

Mr. Gormley: Mr. Speaker, I have a few comments in light of my friend's speech. He mentioned me several times and I appreciate that. I know that all of us from Saskatchewan think of ourselves as progressive, and I would like to thank him for his intervention. In the one year I have been in Parliament it has been interesting to listen to him, and I would like to compliment him on his remarks today. However, if you spend too much time reacting to what a lot of NDP Members say, you only dignify their comments and encourage them in their tilting at windmills.

I want to address a few comments to a specific matter relating to the CDC. Mention has been made this morning of Canterra Energy. The Hon. Member for Yorkton-Melville (Mr. Nystrom) will know that this company is an integral player in the oil and gas business in my constituency, it has excelled in its field. However, I have some difficulty with the Hon. Member's point that maintaining government ownership or control of that company will benefit the people of Canada. Recently the company issued some of its own shares but, if I am not mistaken, the CDC still controls about 90 per cent of the company. This company is doing some leading work in the heavy oil end of the business in my constituency, so would it not be a better idea to let the people of Canada buy shares in this company and directly participate in its success? It strikes me as odd that the Hon. Member wants the Government to hang on to this company and not let the people of Saskatchewan share in the ownership and control of a company which many of them admire.

Mr. Nystrom: Mr. Speaker, I made it very clear in my remarks that I thought the people of this country wanted to diversify ownership. They want more control at the local level. I mentioned the importance of more self-direction and self-reliance, grassroots economics, in the creation of jobs. My complaint about this Bill is that it goes in exactly the opposite direction. It calls for greater corporate concentration. The present legislation requires that the Government maintain a minimum of 10 per cent equity. My God, that is not a stranglehold. It is only 10 per cent. But the Government and the Minister are allowing that to be reduced to zero. I do not see this as a black and white issue, although the Hon. Member seems to. All I am saying is that a 10 per cent equity participation by the Government is not very much. Some 90 per cent of the company would still be held in private hands. My beef, I suppose, is that the Government is now allowing this to be reduced to zero. I think that is absolutely wrong. We want to develop a country with equality between regions. We want fair development of small business. Therefore, the Government must have its foot in the door. It must have some say over the public policy of this institution. The problem my friend raises will become even more of a problem if the Government has no say whatsoever over the direction of the CDC. If it is totally in the hands of a small corporate elite, many of them foreigners, then it will have a lot more problems in developing projects such as the one he refers to than it would have if the Government had at least a 10 per cent equity.

Mr. Cassidy: Mr. Speaker, I would like my friend to tell us whether he believes the Government's decision to sell this final 10 per cent it holds in the CDC is for economic reasons or would he say it was for ideological reasons?

Mr. Nystrom: Perhaps the Hon. Member was not here earlier when I said that the Minister of Regional Industrial Expansion is a very dogmatic person when it comes to ideology. He is a small "c" conservative, and the reason this Bill is before Parliament is to push his small "c" ideology on the people of Canada.

The Acting Speaker (Mr. Charest): I am very sorry to interrupt the Hon. Member, but it being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

S.O. 22

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

AIR SAFETY

AIR CANADA—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, ever since the beginning of the labour dispute between Air Canada and the union representing about 3,000 flight attendants the Minister of Transport (Mr. Mazankowski) has strangely remained silent about the major issue of air safety.

Indeed it has been stated in some circles that the safety of passengers travelling aboard Air Canada flights these days may be jeopardized because of the lack of experience of hastily trained substitutes who replace the regular flight attendants. Mr. Speaker, the Canadian public has the right to be protected.

According to Air Canada flight attendants association member Paul Roy, in an emergency situation such as a fire aboard an aircraft, a passenger suffering from a heart attack, a case of highjacking or any other incident requiring the immediate evacuation of passengers, there is no assurance that the so-called flight attendants would show the calmness, discipline and competence required in such situations.

If the opinion of Mr. Roy is founded, Mr. Speaker, I think it is inconceivable that neither the Minister of Transport nor the Minister of Labour (Mr. McKnight) have seen fit to intervene to solve this Air Canada dispute before an air disaster occurs.

* * *

[*English*]

NATIONAL PARKS

ESTABLISHMENT OF ELLESMERE NATIONAL PARK

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we on this side of the House applaud the new Minister of the Environment (Mr. McMillan) for the announcement he made two days ago in Banff. It has taken several years to finalize arrangements for Ellesmere National Park. Everyone in the House will agree with the Minister that there is no finer way of establishing Canada's sovereignty in the Arctic than through national parks. We urge the Minister, therefore, to create a network of Arctic parks in which Ellesmere represents only the first.

We also applaud the new Minister for the will that he expressed in supporting the establishment of a park in South Moresby, one of the richest wilderness areas in the world. On the eve of Expo 86 the eyes of the world are on us. Premier Bennett will want to let the world know that his Government is positive about preserving the rich ecology of South Moresby for keeps. The area in question represents only .2 per cent of the forest area in B.C. The number of loggers affected is 35. The native peoples are in favour of retaining the wilderness area. Now that the Minister of the Environment has made a strong positive statement, we urge him to negotiate speedily with Victoria.

Recently the federal Government was capable of finding over $250 million to rescue a bank, using taxpayers' money. It surely can find the money needed to protect the heritage of South Moresby considering the strong and enthusiastic support given to the Minister—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

* * *

CANADIAN ARMED FORCES

RECOUPMENT OF RENT SUBSIDY OVERPAYMENTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, why is there one set of rules when the Government makes a mistake respecting rich people and another when it makes a mistake affecting ordinary Canadians? The Government made a mistake—a very high level mistake—when it took part in an attempt to rescue the Canadian Commercial Bank. As a result, depositors thought that the bank was basically sound. Now that the bank has failed in spite of the Government's assurances, the Government plans to make good its mistake and to use taxpayers' money to bail out depositors. That is how the Government acts when it makes a mistake which affects the well-to-do, but what happens when a Government mistake affects ordinary Canadians?

Between 1982 and 1984 the Government miscalculated and overpaid rent subsidies for married quarters at CFB Esquimalt. Now that this $.5 million mistake has been discovered by the auditors, the Government is deducting the overpayment from the pay cheques of those people who are still in the services. Individual debts range from $100 to $1,700. At the very time when rent increases will strain family budgets, service people face the additional burden of paying for a government mistake. Why can we not have justice rather than a double standard?

* * *

LITERACY

PARKDALE PROJECT TO ERADICATE ILLITERACY

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, every September 8 is observed as International Literacy Day by the members of the United Nations around the world. One in four adults in the world cannot read or write. In Canada one

in four adults needs help just to read the daily newspaper. Four million Canadians cannot read street signs, fill out job applications, or read labels on consumer goods, simple daily activities which most of us take for granted.

In my riding the Parkdale Community Centre initiated the Parkdale Literacy Project last February through a federal constituency grant. The program presently co-ordinates 35 student-tutor pairs, publishes a monthly newsletter, and organizes such activities as film nights. The most telling success of the program is the student publication which is a collaborative effort of students and tutors. Imagine the sense of pride and personal achievement each student felt seeing words, once intimidating, now in print.

Literacy is an issue of human rights and social justice. Every person should have the right to and benefit of a basic education. Being able to read and to integrate in workaday activities is the first step toward individual advancement. It is the first step toward eradicating illiteracy in Canada. I call on all Canadians to support their local literacy projects. Through awareness and support we can all help the four million Canadians who are unable to read and write, become literate.

* * *

AIR SAFETY

AIR CANADA—EFFECT OF FLIGHT ATTENDANTS' STRIKE

Mr. Les Benjamin (Regina West): Mr. Speaker, I am sure all Members hope the current round of negotiations between the Canadian Airline Flight Attendants and Air Canada will bring an end to the strike and a return to the excellent safety, security and service that the public has become used to with Air Canada. However, Members on this side are deeply concerned about the lack of interest displayed by the Government in safety standards and about its taking sides with the company in a labour dispute.

There have been several instances of underqualified flight attendants being removed from aircraft by the pilot in command because of incompetence, only to be returned to duty on a different aircraft without further training or scrutiny by the MOT. Several other reported instances of flight attendants' incompetence while in the air have also gone uninvestigated by the Ministry of Transport.

This morning the Minister of Transport (Mr. Mazankowski) asked CALFAA to do his job for him by asking it to provide the evidence for its concern about safety standards. Why is it that the Minister must rely upon the resources of CALFAA to monitor safety in the skys when it is his job? Why has he not increased the number of inspectors for cabin crews from the low level of eight to do his own monitoring, instead of asking the union to give him information that should be at his fingertips?

We are also concerned about the fact that Canada Employment Centres have been used as a recruiting tool by the airline to find strike breakers. This unprecedented move on behalf of the Minister of Employment and Immigration (Miss MacDonald) must discontinue because the Government is taking sides in a labour dispute. We believe that air safety should not be jeopardized for political ideology—

Mr. Speaker: I regret to advise the Member that his time has expired.

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MULTICULTURALISM

APPOINTMENT OF HON. LINCOLN ALEXANDER AS LIEUTENANT-GOVERNOR OF ONTARIO

Mr. Peter Peterson (Hamilton West): Mr. Speaker, the Prime Minister (Mr. Mulroney) has chosen wisely in selecting Hamilton's own Lincoln Alexander as the next Lieutenant-Governor of Onatrio. Linc, as he is known to us in Hamilton, clearly established an outstanding reputation among the voters of Hamilton West that is second to none. I have personally known him for more than 20 years and I can say that he is a man of few pretensions. He enjoyed an excellent rapport with his constituents which would be the envy of every Member today. His continued success in five general elections certainly bears that out.

Similarly, as the Minister of Labour in 1979, and more recently as Chairman of the Workers' Compensation Board, Linc's name was synonymous with public sevice of the highest order. He is certain to bring qualities of dedication, compassion, and dignity, which are prerequisites, to his new position at Queen's Park. His appointment, Mr. Speaker, marks a proud day for my riding of Hamilton West and a historic day for Canada.

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SHIPBUILDING

CONTRACTS AWARDED TO ICELANDIC SHIPYARD

Mr. Joe Reid (St. Catharines): Mr. Speaker, some things are hard to change. With Canadian shipyards on lay-off struggling for survival, Canadian ship construction, and now repair, refit, and conversion go to foreign yards. All Canadians contribute to the support of the fishing industry. Historically the fishing industry and the shipbuilding and repair industries have gone hand in hand. In the past those yards were there when the fishing industry needed them. It is in the interest of all those fishing that Canadian shipyards survive.

Now two major trawler conversion jobs are to be undertaken in an Icelandic shipyard. We know those off-shore yards are subsidized, but we know as well that it is cheaper to meet that subsidy and keep Canadians working than it is to support the unemployed on assistance programs.

The present government policies, which permit foreign-built vessels to be freely imported and major conversions and repairs to be carried out in foreign yards, result in the loss of thousands of Canadian jobs. If we are to meet the challenges

of tomorrow in our marine industry, there must be a review of our shipbuilding policies of today.

* * *

YOUNG OFFENDERS ACT

CALL FOR AMENDMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, the objective of the Young Juveniles Act was to keep girls and boys outside of the criminal process, but it is actually training and encouraging young people who have criminal intentions to become the hardened criminals of the future. They know they can do almost anything they like without any punishment.

For example, a 17-year old man deliberately damaged the vehicle of a constituent of mine and then laughed at the police who had to treat him as a juvenile. The owner had to pay for the damage.

● (1410)

A 10-year old boy who is already a seasoned criminal having been found guilty of theft, possession of stolen property, and arson, played the "big shot" when the police could only take him home to his mother.

In one major city in the first seven months of 1985 there have been over 1,000 offences committed by juveniles, ranging from sexual assault to arson.

I urge the House to give this legislation a major overhaul that will treat 17 and 18-year old youths as adults and not as children, that will lower the chargeable age to seven or at least allow the police and the courts some discretion, and that will permit the police to publish the names and descriptions of youths who are on the rampage and who may commit further heinous crimes.

We are not being kind to children by overlooking such crimes.

Let us change the Act, and take the handcuffs off our police and show our young people that crime does not pay and crime will not pay.

* * *

PUBLIC SERVICE

CALL FOR REINSTATEMENT OF FORMER OFFICIAL

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I am sure that most Members of the House will share with me a sense of relief over the decision not to prosecute Mr. Richard Price, the former employee of the Department of Indian Affairs and Northern Development who was charged with allegedly revealing a confidential document which proposed drastic funding cuts to Indian and native programs.

We know that Mr. Price was guilty of no criminal offence. He did not breach any national security. He acted out of conscience. The Government never did admit that the leaked document was authentic.

To the Indian people of Canada, Mr. Price acted courageously and heroically. He acted in the best interests of the Indian people of Canada. The concern and opposition generated in the House and across the country over the document's cynical and irresponsible contents no doubt prevented immediate government implementation of the $300 million suggested cut-back.

The decision not to prosecute Mr. Price was made by the Attorney General of British Columbia. The federal Government's treatment of this gentleman was vindictive in the extreme. Now Mr. Price should be reinstated in the Public Service of Canada. It should be done speedily and should be done graciously.

* * *

THE ECONOMY

STATISTICS OF IMPROVEMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Liberal rat packers and NDP naysayers notwithstanding, any objective observer will applaud the substantial accomplishments of the new national Government during its first year of office.

The economic recovery is well on its way. Some 300,000 more Canadians are working now than under the old regime. The Conservative low interest rate policy is working. Rates have declines and astonishing 2.75 per cent to their lowest level in seven years. As a result, housing starts are elevated to a rate of 155,000 units per year.

Business confidence is up, resulting in high investment intentions. Manufacturing orders are up 10 per cent, and retail sales are up 8 per cent.

Inflation has finally been wrestled to its knees. Wherever we look, glowing indicators of the new prosperity abound—all directly attribuable to the eminently sensible policies of the new Conservative Government.

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HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF JAPANESE PARLIAMENTARY DELEGATION

Mr. Speaker: Before proceeding to Oral Question Period may I draw to the attention of the House the presence in our gallery of Mr. Mutsuo Kimura, President of the Japanese House of Councillors and leader of a parliamentary delegation visiting Canada.

Some Hon. Members: Hear, hear!

With regard to the other part of the question, I can advise the House that the training taken by the substitute employees is the same training that is given to flight attendants.

Concerning the level of safety, Transport Canada is monitoring the situation very closely.

Mr. Benjamin: What about the inspectors?

Mr. Mazankowski: There are more than eight inspectors, Mr. Speaker. There are over 200 as a matter of fact.

Mr. Benjamin: Not for cabin crews.

Mr. Mazankowski: The whole effort of Transport Canada is behind monitoring, inspecting and ensuring a high level of safety as far as Air Canada's operations are concerned.

[*Translation*]

CONSEQUENCES OF LABOUR DISPUTE

Hon. André Ouellet (Papineau): Mr. Speaker, I think the Minister was rather lukewarm in his comments to reassure the travelling public, and I think it is his duty or otherwise that of the Minister of Labour to intervene forthwith to help the parties settle a dispute that has gone on long enough—

Mr. Speaker: The Hon. Member will please put his supplementary question!

Mr. Ouellet: Is the Minister waiting for tragedy to strike before he decides to act responsibly?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as long as the Parties are negotiating, I think the Hon. Member would want that negotiating process to take place. Surely he does not want to engage in the collective bargaining process on the floor of the House of Commons. I am surprised at him.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—ROLE OF CHARTERED BANKS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is for the Minister of Finance or the Minister who has been answering the questions concerning the Canadian Commercial Bank. The question is really quite simple. When did the Inspector of Banks inform her that the major chartered banks were withdrawing their deposits from the Canadian Commercial Bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have a parliamentary inquiry that is going to go into every matter related to—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Answer the question.

Mr. Deans: This is the House of Commons, answer the question.

Mrs. McDougall: —to the CCB and the Northland Bank. That is an action I volunteered.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I am asking members of the Opposition and members of the New Democratic Party to participate fully in a discussion around this inquiry.

Some Hon. Members: Hear, hear!

TIMING OF WITHDRAWALS BY CHARTERED BANKS

Mr. Simon de Jong (Regina East): Mr. Speaker, that indeed is a most amazing answer. Surely this is the most important committee in the land.

Some Hon. Members: Hear, hear!

Mr. de Jong: We deserve answers right now.

Some Hon. Members: Hear, hear!

Mr. de Jong: Considering that Governor Bouey informed the Finance Committee that he had people in the bank at all times, surely the Minister is in a position to tell us today when the commercial banks were withdrawing their deposits from the CCB. Please inform us today and inform the Canadian public on this important item. When did they start withdrawing the money?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Bank of Canada was standing behind the CCB throughout this, as the Hon. Member knows and as I know, and provided liquidity support to the CCB. The Government of Canada was investigating that time with its monitors, and when the problem became serious we sent in more people to look.

Mr. Broadbent: Wonderful.

Mrs. McDougall: We have taken responsible action. Since when is the NDP forgetting about the small depositors of this bank which we are supporting?

Some Hon. Members: Hear, hear!

● (1430)

[*Translation*]

NATIONAL DEFENCE

UTILIZATION OF CANADIAN FUNDS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I wish to direct my question to the Right Hon. the Prime Minister.

In light of the decision made Saturday and for which the Prime Minister deserved congratulations from the Opposition parties—and we are glad that we raised the issue as early as January with respect to Canada's non-participation in the star wars research program—would the Prime Minister assure the House, better than the Minister of National Defence did in the House of Commons yesterday, that Canadian public funds will not be used to assist any Canadian contractor whatsoever in the star war research program right here on Canadian soil?

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the answer to that question was given by the Prime Minister on Saturday. It was repeated by the Deputy Prime Minister and Minister of National Defence yesterday in the House. I can only repeat again that the defence production sharing agreement which has been in place since 1959 will carry on. Any support the Government of Canada might or might not give to companies undertaking research will be done in accordance with existing procedures which were in place while the Hon. Member was in Government, and will reflect Canadian priorities and Canadian needs.

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CANADIAN POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Will he come clean with the Canadian public? Are we or are we not involved in star wars research programs? Yes or no? Is he trying to do by the back door what he is telling Canadians that he does not want to do by the front door?

Right Hon. Brian Mulroney (Prime Minister): I will tell you what we did not do, Mr. Speaker. We did not spring Cruise missiles on the Canadian people unannounced, like that Government ahead of us.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: That's what we didn't do.

[*Translation*]

I said so in both French and English. My hon. friend from Bay Street finds that somewhat difficult to understand. Again I repeat it, my words were clear and all Canadians got the message. It is unfortunate that my colleague had the rug pulled right from under his feet. As far as we are concerned, we have made a decision to uphold the interest and integrity of Canada, and I am proud of it.

* * *

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—PAYMENTS TO FOREIGN BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to return to this $1 billion bail-out for which the Minister of State for Finance is responsible. On a number of occasions she has taken steps to assist the domestic banks. However, does she really believe that it is appropriate to expect Canadian taxpayers to cough up $1 billion to bail out the largest depositors, which are the foreign banks? Is the Minister really saying that Chase Manhattan, Barclays, and Bank America need help from the taxpayers of Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have told the House that the people we are moving to protect are small Canadian towns, hospitals, and colleges. They cannot have it both ways. They are saying that the domestic banks pulled out and that we should not pay the foreign banks. What are they talking about?

BANK AUDITORS' REPORT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the same Minister. Ordinary Canadians on Main Street are being asked to bail out the foreign bankers on Bay Street. We in this Party think that that process must now come to a start—come to a stop.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. It is a good time to stop the preamble and to start the question.

Mr. Riis: I think I will try that again, Mr. Speaker.

During the collapse of the bank, of course auditors were sent in and they reported to the Inspector General of Banks. Did the Minister communicate directly with the bank auditors? She knows that the financial statements which they are presenting ought to be in the fiction section of a library. Knowing that, did she actually sit down to talk with those auditors about the real state of the of the Canadian Commercial Bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the auditors of a bank report to the shareholders. The parliamentary committee looked into that to a very considerable extent. The monitors were in from the Inspector General's office through the spring. We were watching the situation very carefully with our own people and through our officials. We sent in bank examiners and private sector people to take a look at that bank, and we took the most responsible action of any Government in response to a situation which was created long before our time.

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—COST TO TAXPAYERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Having forced the collapse of the Canadian Commercial Bank, I hope the Minister will stand in his place today and respond to questions completely within his jurisdiciton.

I know how concerned he is about the deficit and I know that the Prime Minister has added to the uncertain climate of the country by saying that Canada is broke. However, what will he do to repair the $1 billion-plus loss as a result of the liquidation of the Canadian Commercial Bank? Will he raise taxes? Will he withdraw aid from Canadian farmers or Atlantic fishermen? Where will he find that $1 billion?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first, I am not going to say to the House of Commons that the Governor of the Bank of Canada misled the House of Commons, as the Leader of the Opposition did yesterday.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): He owes an apology to the Governor of the Bank of Canada, or should step outside the House and repeat those allegations and substantiate them.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In response to the question from the Right Hon. Leader of the Opposition, the figure that he has mentioned is not necessarily the right one. We don't know what that figure will be—let us be frank—it is a substantial figure. At that point in time that amount will be added to the size of the deficit and any further action will have to be taken at the time of the next Budget.

Mr. Turner (Vancouver Quadra): I think my remarks about the Governor will be borne out if Hon. Members will read the transcript of the Standing Committee on Finance, Trade and Economic Affairs for Thursday, May 9. I will leave it at that.

WITHDRAWAL OF DEPOSITS BY FINANCIAL INSTITUTIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question for the Minister of Finance relates to obvious insider trading in the deposits of the Canadian Commercial Bank before the plug was pulled by the Minister.

Did he personally or did his aides communicate directly or indirectly with senior executives of the major financial institutions, trust companies, banks, insurance companies, in Toronto or Montreal during the months of July or August? If not, how does he explain the coincidental withdrawal of deposits during those months conveniently before the plug was pulled, leaving the pensioners with pension funds in Air Canada and Canadian National to bear the brunt of the loss?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the allegations made by the Right Hon. Leader of the Opposition are extraordinarily serious and are a subject for the Ontario Securities Commission, as he well knows.

Mr. Turner (Vancouver Quadra): The Minister of State for Finance is obviously not able to respond to that question. It was a personal question to the Minister of Finance relating to his conduct and that of his staff.

[*Translation*]

EXPLANATIONS REQUESTED FOR GIVING FOREIGN BANKS MILLIONS OF DOLLARS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a third question.

Could the Minister explain why he is paying millions of dollars to foreign banks which had deposits with the Canadian Commercial Bank but is refusing to pay a cent to pension funds that had shares in this bank?

How can he give millions of dollars to foreign banks and not provide any compensation for Canadian pension funds?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have moved to meet a situation whereby we are paying uninsured depositors in this bank. They include such things as small hospitals in the Province of Alberta.

MINISTER'S MARCH STATEMENT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. On March 25 the Minister stated that the bail-out package for the Canadian Commercial Bank was based in part on an on-site assessment of assets. We now learn that at the end of June the Minister appointed an independent consultant to examine the bank's assets and that the decision to liquidate was later, after he reported on August 14. Does the Minister still stand behind her statement of March 25?

• (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated in this House many times that we took advice in March and that we acted on the best possible advice. We continued to pursue the matter in the interests of the Canadian taxpayer and took a different decision later.

DEPOSITS WITHDRAWN BY CHARTERED BANKS

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have a supplementary question. By August the Minister had the consultant's report, the Inspector of Banks had talked to the

six banks which participated in the bail-out, and the CCB's president had been called to Ottawa for meetings. Can the Minister assure the House unequivocally that none of this activity and knowledge resulted in certain depositors in the financial institution being able to move their money while the hospitals of which the Minister spoke were left unprotected?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think we have indicated by the action we have taken with the uninsured depositors that we have not left them unprotected.

[*Translation*]

WITHDRAWAL OF DEPOSITS FROM CANADIAN COMMERCIAL BANK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State (Finance). In March, the chartered banks co-operated with the federal Government in order to save the Canadian Commercial Bank. Yesterday we were told that a number of banks had removed their deposits from the Canadian Commercial Banks.

My question is as follows: Could the Minister inform the House today whether the same banks were involved in both cases?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that the chartered banks, like other business organizations, make decisions, commercial decisions, every day. The depositors that we have moved to save include some small towns in Alberta and some small towns in British Columbia.

MINISTER'S KNOWLEDGE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say to the Minister that all kinds of small groups of Canadians, whether in hospital funds, pensioners, or municipalities, were not asked to participate in the original bail-out. The banks were, and that is why this question has to be answered.

I would like to ask her again, if, as has been suggested, the banks that participated in the bail-out shortly thereafter withdrew funds from the bailed out bank, surely they helped scuttle a project they were supposed to save. Can the Minister tell us if she found out, or if she had her officials find out at the time whether the banks involved in the original bail-out shortly thereafter took funds out of the bank they were supposed to help save?

Mr. Benjamin: Insider information.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the banks took part in a support package in March in order to help us reach a decision on the basis of the banking system. Whatever actions they took thereafter, they would take in their commercial interests.

Some Hon. Members: Oh, oh!

An Hon. Member: The revolving door again.

Mr. Speaker: Order, please.

REQUEST THAT MINISTER MAKE INQUIRIES

Hon. Edward Broadbent (Oshawa): I want to say to the Minister that she has an obligation to be speaking for the people of Canada here, not for the banks of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: She should understand that.

Considering that the people of Canada put up millions of dollars in March and are now being asked to put up perhaps in excess of $1 billion, will she find out for the House, use her ministerial office and exercise her responsibility, whether the banks that participated in the original bail-out with the people of Canada subsequently helped scuttle the project by taking money out themselves? Will she exercise her responsibility for once?

An Hon. Member: Resign.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I find it very interesting that the Leader of the New Democratic Party has totally lost interest in what we have tried to do in the last week, namely, to look after the small depositors in this bank, which include small businesses and others—

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AIR CANADA

PASSENGER SAFETY

Hon. André Ouellet (Papineau): Mr. Speaker, in view of the strike by some 3,000 Air Canada flight attendants which is entering its fourth week, I would like to ask the Minister of Transport whether he can advise the travelling public that it is perfectly safe to fly Air Canada. More specifically, does the Minister believe that the training being given to those who are replacing the flight attendants is adequate?

Furthermore, could the Minister give the House the assurance that the Pratt & Whitney engines used on Air Canada's 727 and DC-9 aircraft have been checked and that these engines are in perfect condition?

[*English*]

Hon. Don Mazankowski (Minister of Transport): First, Mr. Speaker, I think the Hon. Member and other Members will be pleased to know that the negotiations have resumed between CALFAA and the airline. We hope those will be productive.

[*Translation*]

BANK'S LENDING PRACTICES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of State (Finance).

[*English*]

Last night the CBC television program *Venture* highlighted the fact that the bad lending practices continued in March after the Government stepped in. For example, we have learned that the Canadian Commercial Bank gave a second $4 million loan at a 30 per cent rate of interest to a construction company in Nova Scotia. That was not in the energy sector of western Canada.

The Minister of State for Finance just told us that many people were looking at the affairs of the bank. Why did she allow the Canadian Commercial Bank to continue these bad lending practices which were responsible in the first instance for the bankruptcy of the bank? Why did she not stop those bad lending practices?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the reason that we were watching the bank very carefully throughout the period of the spring and summer was to ensure that it would serve the interest that we had helped to support, which was the interest of western Canada. We looked at the bank from every aspect over the course of six months and, when we came to the decision that the bank should be closed, we closed the bank.

[*Translation*]

ALLEGED DISCUSSIONS WITH TORONTO INSTITUTIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have more questions, but we still have most of this week to get back to these aspects of the case. I would like to get back to the Minister of Finance.

Earlier, the Leader of the Official Opposition asked a very specific and very clear question, which none of the Ministers in the House could answer. I would like to repeat the question put by the Leader of my Party.

[*English*]

Did the Minister of Finance or any of his personal staff call the senior management of Toronto financial institutions in July or August to discuss the potential collapse of western Canada's Canadian Commercial Bank? It is a very simple question. Could the Minister answer it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I saw those allegations in the press this morning. I checked in my office. I have been unable to find out that there is any way to substantiate those allegations.

WITHDRAWAL OF DEPOSITS BY CHARTERED BANKS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of State for Finance. Did she know at any time prior to Labour Day weekend, when the announcement was made, that the Canadian Commercial Bank was to close? Did she know that the Canadian domestic banks were withdrawing substantial sums of money from the Canadian Commercial Bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, yes, there was evidence that some of the banks were withdrawing their deposits. I have no power to stop that. We will have a parliamentary inquiry into everything which happened surrounding CCB and Northland. I would hope that those questions would be addressed to the bankers and to the people involved.

SIZE OF WITHDRAWALS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is directed to the same Minister. Did she investigate the amounts being taken out by the Canadian domestic banks? Did she determine whether in fact those banks were the same ones which had entered into the agreement with the Government to bail out the Canadian Commercial Bank? Did she take steps to insist that those banks live up to their responsibilities and protect the small shareholders?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already indicated to the House that I have no power to direct the banks to leave their deposits in or to take them out. The banks were shareholders in this bank along with ourselves. It was in their interest to act in their best interest and in the interest of the Canadian Commercial Bank.

* * *

• (1440)

PUBLIC WORKS

CONSTRUCTION OF CANADA PLACE IN EDMONTON

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is directed to the Minister of Public Works. Last June 1 asked the Minister why the construction of Edmonton's Canada Place had been delayed. Two and a half months have now gone by and there is still no action. Can the Minister give me a definite date for construction and can he tell me why it has taken a full year for this project to get on the road?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I remember clearly answering the Hon. Member that I hoped construction on Canada Place in Edmonton would start during the summer. I think Hon. Members will understand that, considering the scope of the project in Edmonton, there are some adjustments to be discussed by the City of Edmonton, Public Works and the company in charge. Today, I am delighted to be able to inform the Hon. Member that according to information I received this morning, my Alberta

colleagues and I will be attending the first sod-turning before October 30.

* * *

[*English*]

AGRICULTURE

WESTERN DROUGHT—GOVERNMENT ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Considering that the Government is willing to spend $1 billion on the Canadian Commercial Bank fiasco and considering the desperate situation that is facing thousands of farmers in western Canada because of the worst drought since the 1930s, which is driving many of them to welfare and off their farms, can the Minister tell us when he will announce a program to assist the grain growers of western Canada? Can he tell us when funds will be put in the hands of the grain growers so that they may be compensated for this situation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question and I know that, if he takes the time to check the record, he will find that there has been more action taken by this Government in the past eight months than was taken by the previous Government in the last eight years. He will also realize that we have had a team on the scene in western Canada chaired and provided with great leadership by my colleague, the Hon. Member for Assiniboia. He will know that shortly after that, within about a 10-day period, a report was given to us and we responded by providing $48 million through Phase I of the Government's commitment to action with respect to the very serious drought condition in western Canada.

I hope to receive a report prepared by this same excellent federal-provincial committee within the next two weeks with reference to other actions that we may take with respect to the crop—

Mr. Speaker: Order, please.

REQUEST FOR DIRECT PAYMENTS TO FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, obviously the Minister did not answer my question. He has been procrastinating not only on this matter but on the matter of tripartite red meat and many other issues. When the Minister makes a decision about drought compensation for the western grain sector, I wonder if he will ensure that the payments are made directly to the farmers so that the benefits will not be grabbed off by the provincial Governments as occurred in Saskatchewan with the assistance that was provided for the livestock producers.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member had the patience, he would find that when we make a decision with reference to the crop loss aspect of the matter, Phase II, we will be dealing as fairly and equitably as we did in the first phase with respect to the livestock contributions.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Finance and concerns the devastating drought in western Canada and the fact that the Minister has not spent one cent to help western grain farmers. Can the Minister explain to the House and to western grain farmers how the Government can find millions of dollars, courtesy of "Billion Dollar Barbara"—

Some Hon. Members: Order.

Mr. Nystrom: —to bail out foreign bank depositors, without finding a single penny to help western grain farmers suffering from a devastating drought? Can he explain that to the House?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that observation is completely inaccurate and erroneous. If the Hon. Member would look at what we have done in the last eight months he would find that the total amount of action that we have taken amounts to something in the vicinity of $1.4 billion in the hands of Canadian farmers—

Some Hon. Members: Hear, hear!

Mr. Wise: The Hon. Member will certainly recall our commitment to amend the Western Grain Stabilization Act so that we could make an interim payment, and my colleague, the Minister of State for the Canadian Wheat Board, amended that Act and indeed placed in the hands of western farmers—

Mr. Speaker: Order, please. That is both a long answer and a speech.

SITUATION OF GRAIN FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question was put to the Minister of Finance as he controls the purse strings. I would like to know from him why the Government has not spent one penny to assist the western grain farmers. I know the Government has spent a few peanuts, like $48 million for the cattle producers in the West, but why has nothing whatsoever been spent on western grain farmers while millions of dollars are spent bailing out the big shareholders and depositors because of the collapse of the Canadian Commercial Bank? Explain that to the ordinary farmers.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me remind the Hon. Member that there are a number of farmers who deposited in and borrowed from the Canadian Commercial Bank and the Northland Bank. That is one of the principal reasons why the Minister of State for Finance did what she did. The second reason why I did not answer the first question is that my colleague, the Minister of Agriculture, has so many things he has to say that he did not have an

opportunity to get them all out before Mr. Speaker asked him to sit down.

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RAILWAYS

NEWFOUNDLAND RAILWAY—FEDERAL-PROVINCIAL DISCUSSIONS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport and concerns the future of Terratransport, the Newfoundland Railway, and the approximately 1,000 people who depend upon that railway in the Province of Newfoundland. Can the Minister tell the House whether or not the federal Government has taken a decision with respect to its future commitment to the Newfoundland Railway and can he tell us as well whether or not, after approximately six months of negotiations with the Province of Newfoundland, the federal Government is now prepared to commit the funds necessary to modernize that railway so that it may continue its operations?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member knows that the last five-year agreement respecting the Newfoundland Railway was put together by this Government when it was in office in 1979. The agreement has expired and there are negotiations and discussions taking place with the province. I will be meeting with representatives of the province next week and I will be visiting Newfoundland later next week.

FUTURE OF RAILWAY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Minister knows that rumours are running rampant in Newfoundland that the railway is going to be shut down by hook or by crook. Is the Minister now prepared to make a commitment in this House that the Government of Canada, in conjunction with the Government of Newfoundland, will not pursue a course of action that will cause either the immediate shutdown of the Newfoundland Railway or the strangulation of the railway over the next year or two because of the pricing practices that are currently going on in that railway? Is the Minister prepared to tell the 1,000 employees today that their jobs are safe and that they will have them five years from now?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, most of the rumour, innuendo and fear was started by that Member.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Most of it bears no resemblance to fact and has no foundation. The Government does not move unilaterally. It will discuss with the province the future of transportation in the Province of Newfoundland in its global context. There are more issues that need to be addressed than simply the railway. There is the issue of roads and ferry services as well. We are going to be discussing this with the province next week. When a decision is reached, I am sure that I will be very pleased to let the Hon. Member know about it.

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—ROLE OF CHARTERED BANKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of State for Finance arising out of the failure of the Canadian Commercial Bank and the billion dollar bail-out for which she is responsible. Can the Minister say, now that we have established that chartered banks which were part of the rescue effort back in March began soon after to withdraw their deposits, when she became aware that the chartered banks that were meant to help save the Canadian Commercial Bank were in fact working to scuttle it?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we were aware during the spring of many of the activities in the Canadian Commercial Bank. There were many depositors who withdrew their deposits at that time. They had every right to do so, no matter whether they were a chartered bank, a union or anything else. The depositors that remained, including a major Canadian cultural organization and a major Canadian union, are the organizations we are looking after.

• (1450)

INSPECTOR'S DISCUSSIONS WITH CHARTERED BANKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Inspector General of Banks indicated to the committee yesterday that he had confidential discussions with the chartered bank presidents, or with their officers, about the condition of the Canadian Commercial Bank. Will the Minister agree, therefore, that the banks were working on the basis of that confidential information as well? Why should the banks be privileged to get their deposits out when other depositors did not have that type of information on which to act?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, that is exactly what a parliamentary inquiry is all about.

Some Hon. Members: Oh, oh!

Mrs. McDougall: That is why I have asked the House for a parliamentary inquiry. I hope it will be conducted in a spirit which will help us create a better environment in the future with respect to our financial institutions.

Oral Questions

YOUNG OFFENDERS ACT

REQUEST FOR AMENDMENTS

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is for the Solicitor General. It deals with saving young Canadians from lives of crime. Will the Minister consider bringing in amendments to the Young Offenders Act which will enable the police to deal more effectively with crimes committed by 17 and 18-year old youths and by juveniles?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as I take up my new responsibilities, may I start by thanking the Right Hon. Prime Minister for giving me something easy for a change.

Some Hon. Members: Oh, oh!

Mr. Beatty: Mr. Speaker, jealousy will get those fellows nowhere.

The Hon. Member has had long-standing concerns, as have a number of other Members, with respect to the Young Offenders Act. I have asked my staff to bring me up to date at an early stage on the provisions in the Act, the philosophy behind it, and the provisions of the previous legislation, with a view to ensuring that I am made fully aware of what concerns there are and of what problems may have to be addressed in a legislative sense.

It is still early in the life of the new Act to make any final decisions. However, I can assure the Hon. Member that I will be consulting broadly.

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EXPORT DEVELOPMENT CORPORATION

PLACEMENT OF LEGAL BUSINESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, since I am on my feet now I would like to take this opportunity to wish the new Solicitor General well in a tough job.

Mr. Speaker, my question is for the Prime Minister. Last Saturday's *The Citizen*, of Ottawa, reported a favour conferred by the Export Development Corporation, a Crown corporation, on a close personal friend of the Prime Minister in the form of taking legal business from an existing firm and awarding it to another firm which the close personal friend had just joined. Bill Fox in the Prime Minister's office told CP that categorically and absolutely the Prime Minister's office had no involvement in the matter whatsoever. Did the Prime Minister himself play any role whatsoever, direct or indirect, with respect to Sam Wakim's firm obtaining the Export Development business, or was it merely a coincidence?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no, I played no role in business going to that very reputable firm, even though—and I do not wish to offend any legal spirits—it is widely known that the Leader of the Opposition did not join McMillan Binch to write trust deeds. It was widely known that he had a certain attractiveness to clients.

Mr. Turner (Vancouver Quadra): Point of order, Mr. Speaker.

Mr. Mulroney: All lawyers try to get business. What is wrong with that?

INQUIRY OF PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, did the Prime Minister discuss the prospective work with Mr. Wakim before it was awarded, or with any government office holder, to use the terms of the new conflict of interest guidelines?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have had no such discussions. However, may I ask the Hon. Member—

Some Hon. Members: No, no.

Mr. Mulroney: Has the Hon. Member personally visited law firms in Toronto to ascertain whether he could secure any allegations against Mr. Wakim? Perhaps he could tell the House whether or not that was the case.

Mr. Kaplan: The answer is no, Mr. Speaker.

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APARTHEID

SOUTH AFRICA—DEMAND FOR STRONG ECONOMIC SANCTIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is for the Right Hon. Prime Minister. Yesterday I was denied the courtesy of a response when I asked the hon. gentleman, as I ask him again today, what loud voices he is listening to which are more compelling than the 77 per cent of black South Africans and their most respected leaders who are demanding strong economic sanctions against the South African regime?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have made statements, and the Secretary of State for External Affairs has announced serious policies and sanctions, which convey this Government's attitude of absolute adhorrence with respect to the policy of apartheid practised by the Government of South Africa. I have had conversations, as has the Secretary of State for External Affairs, with people ranging from Bishop Tutu to other leaders involved in the process who have shared their views with us.

The Secretary of State for External Affairs announced in early July, prior to many other friendly nations, serious policies which indicate the strong abhorrence of this Government vis-à-vis apartheid. I believe the Secretary of State shortly will be announcing further stands which I think the Hon. Member will find helpful and appropriate for the Government of Canada.

CANADA'S ROLE IN COMMONWEALTH

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, yesterday Bishop Tutu expressed utter contempt for the American action, which was cited as an example by the Prime Minister's colleague. Will the Prime Minister not accept the judgment of oppressed South Africans that tough sanctions are necessary, even if it requires their sacrifice, impose mandatory sanctions and go to the Commonwealth Conference to exert the kind of leadership that black South Africa expects?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Right Hon. Prime Minister has indicated, I will be making another statement with respect to South Africa later this week. However, I simply wish to anticipate that somewhat to say that it is the view of this Government that one of the cards which Canada holds, which may have some influence on ending a totally unacceptable regime in South Africa, is, in fact, our membership and our influence in the Commonwealth. That involves a patient exercise of that influence, which is the way we intend to proceed.

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INDUSTRY

SYDNEY STEEL CORPORATION—MODERNIZATION PROJECT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. On May 17 last I asked the Minister: When will the federal Government let the people of Sydney, Nova Scotia, know when the second phase of the modernization of Sydney Steel Corporation will begin? He stated, on that day, "very soon". I wish to ask the Minister the same question today, September 10. When will this announcement be made? Give us the exact date.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, even sooner.

However, I would like to continue by telling the Hon. Member that yesterday I had an opportunity to speak to Premier Buchanan of Nova Scotia on this subject. We have arranged to meet in the coming week to discuss, first, a report which is now in hand with respect to the alternatives with regard to Sysco. I think we will be able to make an announcement, as I say, even sooner.

TIMING OF ANNOUNCEMENT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the meeting with Premier Buchanan will bring the same results as did the last ones. When will the Minister make an announcement approving the second phase of the modernization of Sydney Steel Corporation? Give the people an exact date. Stop leading them down the garden path.

Privilege—Mr. Turner (Vancouver Quadra)

● (1500)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member knows, this is not by any means solely a federal matter. It is a Province of Nova Scotia matter. I am consulting with the Premier and after that meeting we will be in a much better position to give an answer, such as a possible date to which the Hon. Member is referring.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, September 9, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) by filing with the Clerk of the House also meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Peace River (Mr. Cooper) by filing with the Clerk of the House does not meet the requirements of the Standing Orders as to form.

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PRIVILEGE

STATEMENT BY PRIME MINISTER DURING QUESTION PERIOD

Mr. Speaker: I am in receipt of notice of a question of privilege, I take it, from the Right Hon. Leader of the Opposition (Mr. Turner).

Right Hon. John N. Turner (Leader of the Opposition): I rise on a question of privilege. I would not have entered into the issue of whether Sam Wakim, the former classmate of the Prime Minister at St. Xavier, had received legal business from the Export Development Corporation had not the Prime Minister (Mr. Mulroney) gratuitously intervened the way he did to suggest or to imply that when I was in private law practice, the firm in which I was honoured to be a partner received legal business from the federal Government. That happens not to be a fact. I never sought any business during my private law practice from the Government of Canada, nor have I received it. I want the Prime Minister to be clear about that.

I also want the House to understand that the connotation of the Prime Minister's question in return to my colleague, the Hon. Member for York South-Weston (Mr. Nunziata), as to whether the Hon. Member had telephoned or sought information from law firms in Toronto, illustrates that the Prime Minister knew more about this issue that he let on to the House.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): And if the right hon. gentleman would like, I would suggest that we bring the whole issue before the Committee on Privileges and Elections to find out what Sam Wakim did to peddle his wares to a number of law firms in Toronto to see whether he could get that business and then invite two members of the law firm of Gowling Henderson to leave that law firm and join him with the new business.

Some Hon. Members: Hear, hear!

Mr. Speaker: There is no question of privilege involved.

Some Hon. Members: Up, up, up!

Mr. Speaker: Order. The Right Hon. Member knows full well that I must find that he has not raised a question of privilege.

Right Hon. Brian Mulroney (Prime Minister): To my recollection, I may be wrong—and if I am, I will apologize to my hon. friend—I think he raised the name of Mr. Wakim yesterday. I think the Right Hon. Leader of the Opposition (Mr. Turner) raised it yesterday, which is the first time it was placed on the floor of the House of Commons.

Mr. Wakim is a former Member of this House. He is a former distinguished chief counsel to the Ontario Securities Commission. He is a very honourable man. I am honoured to have him as my friend. There was no suggestion at any time that any lawyer, be it the Hon. Member from Shawinigan or be it the Hon. Member for Vancouver Quadra when he was practising law, or myself when I was practising law, that when we were all out looking for business and got business, there was anything wrong with looking for clients.

Mr. Lapierre: That's not what he said.

Mr. Mulroney: It is widely known that lawyers do that. I have never at any time impugned the integrity of my right hon. friend.

Ms. Copps: Ten minutes ago.

Mr. Mulroney: But I think my hon. friend would think less of me if I sat in my place and allowed anyone directly or indirectly to slander someone who is not here in the House to defend himself. And that is exactly what I am going to do.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I want to say that the Hon. Member for Shawinigan is associated with a distinguished Toronto law firm—

Ms. Copps: Oh, sit down. That's not a point of order.

Mr. Mulroney: The Hon. Member from Shawinigan represents clients here and in Toronto, New York and Montreal. They are very important clients. He goes out and seeks them and represents them and I wish him well because that is an honourable calling. I do not criticize him for it, and I won't stand for criticism of anyone else in that situation.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Chrétien: And you protest too much.

Mr. Blaikie: There are too many lawyers in here anyway.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps I am forced to come to the defence of lawyers. That would pain me.

Some Hon. Members: Oh, oh!

* * *

POINT OR ORDER

STATEMENT BY LEADER OF OPPOSITION

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. I indicated to the Right Hon. Leader of the Opposition (Mr. Turner) my intention to raise this point of order at the beginning of Proceedings today once I had the opportunity of seeing *Hansard* from yesterday which came late today as Your Honour will know.

I rise on the basis of exchanges yesterday between the Right Hon. Prime Minister (Mr. Mulroney) and the Right Hon. Leader of the Opposition. It is to be found at page 6391 of *Hansard*. I am sure you will be aware, Mr. Speaker, of Citation 321(3) of Beauchesne's Fifth Edition which states in part:

> The Speaker has traditionally protected from attack a group of individuals commonly referred to as "those of high official station". The extent of this group has never been defined. Over the years it has covered senior public servants—

The Right Hon. Leader of the Opposition clearly made an attack on the integrity on the Governor of the Bank of Canada. He said in the House yesterday, and I quote:

> The question really relates to the fact that the House was misled . . . being misled by the . . . Governor of the Bank of Canada.

The point of order which I wish to raise is a very serious one. An unsubstantiated accusation has been made by the Right Hon. Leader of the Opposition, who is an officer of the House, Sir, which constitutes an attack on a senior public servant who, in discharging his responsibilities, gave advice to the Government.

When the Right Hon. Leader of the Opposition, who is an experienced Parliamentarian, engages in a partisan attack on a leading public administrator, our system is undermined. The Prime Minister can defend himself. The Minister of Finance (Mr. Wilson) can defend himself. The Governor of the Bank of Canada cannot.

Mr. Ouellet: Come on.

Mr. Hnatyshyn: To say that the Governor misled the House is, I suggest, Sir, using the privileges of Parliament to protect oneself against an action which, very simply, if stated outside the House of Commons and outside of the protection of the House of Commons would be libelous in nature and subject to the commencement of legal proceedings, in my estimation.

Mr. Gauthier: What a lawyer!

Mr. Hnatyshyn: It has been the custom here for Hon. Members of this House, when they have uttered words which in effect constitute an attack upon a senior government official—with whom the Right Hon. Leader of the Opposition has had personal contact in his ministerial capacity—to do the honourable thing; stand in their place and withdraw the offending words and apologize, in this case, to the Governor of the Bank of Canada. I would ask you, Mr. Speaker, to find that there has been a breach in terms of Beauchesne and to ask the Right Hon. Leader of the Opposition to withdraw his remarks and apologize to Mr. Bouey.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to address the point of order raised by the House Leader. He did give me verbal notice of his intent to do this as the House began proceedings this afternoon. What I said was, and I quote:

> The question really relates to the fact that the House was misled, including this side of the House, when we supported the Minister of Finance in the original bail-out Bill for that purpose. That is what it gets down to—the question of incompetence and the House being misled by the Prime Minister, the Minister of Finance, and indeed, the Governor of the Bank of Canada.

Those are the words which are being challenged. Let me go to the technical point first. If one looks at Citation 320 in Beauchesne's Fifth Edition we find, in looking at the word "misled", that it has been consistently held by the House that it must be "deliberately misled".

I submit to Your Honour that if you go further to Citation 321, which relates to protected persons, that is to say not just Hon. Members of the House but those persons traditionally protected, you find they are a group of individuals commonly referred to as "those of high official station". I am not going to argue for the purposes of your ruling, Mr. Speaker, whether the Governor of the Bank of Canada is of high official station or not, but I will assume he is. I will concede that point. However, I submit to Your Honour that the same judgment you have to apply concerning misleading statements or unparliamentary language regarding Members of this House should also be applied against protected persons. In other words, I used the word "misled"; I did not use the words "deliberately misled". I also want to refer Your Honour to Citation 323(2) regarding unparliamentary language, which reads:

● (1510)

> The proper time to raise such a point of order is when the words are used and not afterwards.

Even if there were a point of order, it is already too late. The Minister of Finance (Mr. Wilson) points out that it was challenged by the Prime Minister (Mr. Mulroney) yesterday, but not on a point of order. I also refer Your Honour to Citation 324(2), which reads:

> An expression which is deemed to be unparliamentary today does not necesarily have to be deemed unparliamentary next week.

Let us get down to the substance. What I said to the House, and the tone of my questions to the Prime Minister and the Minister of Finance, who ducked, and to the Minister of State for Finance (Mrs. McDougall), was that when they came before the House in March and then in April to ask for the support of the House for the original bail-out of $255 million, we on this side of the House were assured—and the Liberal Party agreed to the bail-out only on the basis of the assurance—that it would render the bank viable.

Mr. Dick: Where?

Mr. Turner (Vancouver Quadra): Let me just cite the words of the Minister of Finance. This is the issue, and I am going right to the substance, Mr. Speaker. This is what the Minister said on March 25, 1985.

An Hon. Member: This is no point of order.

Mr. Kaplan: You asked for it.

Mr. Chrétien: You raised it.

Mr. Turner (Vancouver Quadra): I am now saying that not only did I not use the words "deliberately misled", but there was a misleading. This is what the Minister of Finance said, as reported at page 3321 of *Hansard*:

> So I think that is a very broad support program for the bank indicating the confidence that not just the Government of Canada but the Province of Alberta, as well as the Canadian chartered banks, have in the future viability of the Canadian Commercial Bank—

They have confidence in the future viability of the Canadian Commercial Bank. We took that assurance. The Minister of State for Finance said on the same day, as reported at page 3310 of *Hansard*:

> —an agreement was reached this morning . . . which will ensure the long-term viability of this Edmonton-based bank.

Now, Mr. Speaker, what did the Governor say?

Some Hon. Members: Oh, oh!

Mr. Penner: He is the Leader of the Opposition!

Mr. Clark (Yellowhead): He is a fool nonetheless.

Mr. Speaker: Hon. Members will know that I have a duty to remind the Right Hon. Leader of the Opposition (Mr. Turner) that I need to find where this argument ties into the point of order. I therefore—

Mr. Lapierre: Well, listen to him first.

Mr. Speaker: The Hon. Member for Shefford (Mr. Lapierre) will please bear with me. Therefore, since I sense that he is attempting to reintroduce into this discussion the question of a fact with regard to a misleading statement, which

I think he will know departs from the question of the point of order, I must ask him to restrict himself to the issue of a point of order and not to a factual question which may or may not have occurred sometime in the past.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am addressing the point of order not only with regard to procedure but also with regard to substance. My submission is that not only did the Minister of Finance tell this House that the bank would then be viable, but the Governor of the Bank of Canada, appearing before the Standing Committee on Finance, Trade and Economic Affairs, on several occasions which I could recite to Your Honour, said categorically that this arrangement would render the bank viable. That is what I said.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. It is only day two.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not know whether or not the Liberals were misled in March and April. Frankly, I do not know whether or not the Speaker should find that if they were, the acceptance and admission of that by the Leader of the Official Opposition constitutes a breach of order or privilege. The same applies to the use of unparliamentary language. All I do know, Sir, is that we were not misled and we voted against the package because we saw through it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I thank the Hon. Member for Hamilton Mountain (Mr. Deans) for a speech which was so clearly on a question of order.

The President of the Privy Council (Mr. Hnatyshyn) has raised a point of order relating to the use of language in yesterday's Question Period. The Right Hon. Leader of the Opposition quite properly cites Beauchesne's regarding when it is appropriate to draw matters such as this to the attention of the Chair. He goes further to ask me to consider questions of fact. I think he knows full well that I cannot do so even though, for his reasons, he may wish to put them in the record.

I must find, under the practices of the House, that whatever happened yesterday happened yesterday, and it happened yesterday.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

CANADIAN SOVEREIGNTY

GOVERNMENT POSITION

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, sovereignty can be a very emotional issue in this country, and that is quite understandable, since sovereignty involves the identity and the very character of a people. We Canadians want to be ourselves. We want to manage our own affairs and control our own destiny, but we also want to go beyond this to play a constructive role in a world that is become increasingly inter-dependent. We have something to offer and at the same time we have something to gain.

Since it came to power, this Government has shown a keen interest in the sovereignty issue. We have consolidated national unity, because a house divided cannot stand. We have reinforced the national economy, because sovereignty means nothing without solvency. Unity and strength: these are the hallmark of sovereignty and of the policies and achievements of this Government.

[*English*]

We have declared a Canadian ownership policy in respect of foreign investment in the publishing industry. We have made our own Canadian decisions on controversial issues of foreign policy, whether in Nicaragua or South Africa. We have passed the Foreign Extraterritorial Measures Act to block unacceptable claims of jurisdiction by foreign Governments or foreign courts seeking to extend their writ to Canada. We have arrested foreign trawlers poaching in our fishing zones. We have taken important steps to bolster and improve Canada's defences, notably in increasing Canadian forces in Europe and in putting into place a new North Warning System to protect Canadian sovereignty over our northern airspace.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): As well, Sir, we have reconstructed relations with traditional friends and allies who have welcomed our renewed unity and strength and the confidence they generate.

Sir, my colleague, the Minister of Communications (Mr. Masse), and other Ministers of this Government on other occasions, will be making announcements through the life of this Parliament on other steps this Government intends to take to assert and guarantee the sovereignty and independence of Canada. In domestic policy, foreign policy, and defence policy the Government has given Canadian sovereignty a new impetus within a new maturity. However, Sir, much remains to be done. The voyage of the *Polar Sea* demonstrated that Canada, in the past, had not developed the means to ensure our sovereignty over time. During that voyage, Canada's legal position was fully protected, but when we looked for ways to

exercise our sovereignty we found that the Canadian cupboard was nearly bare. We obtained from the United States a formal and explicit assurance that the voyage of the *Polar Sea* was without prejudice to Canada's legal position. That, Sir, is an assurance which the Government of the day in 1969 did not receive for the voyage of the *Manhattan* and of the two United States Coast Guard ice breakers. Sir, whatever was done this summer, and however it may contrast with what was done before, nonprejudicial arrangements will not be enough in the future.

• (1520)

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The voyage of the *Polar Sea* has left no trace on Canada's Arctic waters and no mark on Canada's Arctic sovereignty. It is behind us and our concern must be for what lies ahead. Many countries, including the United States and the Federal Republic of Germany, are actively preparing now for commercial navigation in Arctic waters. Developments are accelerating in ice science, ice technology, and in tanker design. Several major Japanese firms are moving to capture the market for ice breaking tankers once polar oil and gas come on stream. Soviet submarines are being deployed under the Arctic ice pack and the United States Navy has, in turn, identified a need to gain Arctic operational experience to counter new Soviet deployments.

The implications for Canada are clear. As the western country with by far the greatest frontage on the Arctic, we must come up to speed in a range of marine operations that bear on our capacity to exercise effective control over the Northwest Passage and our other Arctic waters. To this end, Sir, I wish to declare to the House the policy of the Government in respect of Canadian sovereignty in Arctic waters, and to make a number of announcements as to how we propose to give expression to that policy.

Canada is an Arctic nation. The international community has long recognized that the Arctic mainland and islands are a part of Canada like any other, but the Arctic is not only a part of Canada, it is a part of Canadian greatness. The policy of the Government is to preserve that Canadian greatness undiminished. Canada's sovereignty in the Arctic is indivisible. It embraces land, sea and ice. It extends without interruption to the seaward-facing coasts of the Arctic islands. These islands are joined, and not divided, by the waters between them. They are bridged for most of the year by ice. From time immemorial Canada's Inuit people have used and occupied the ice as they have used and occupied the land. The policy of the Government is to maintain the natural unity of the Canadian Arctic archipelago and to preserve Canada's sovereignty over land, sea and ice undiminished and undivided.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): That Canadian sovereignty has long been upheld by Governments of this country. However, no previous Government has defined its precise limits or delineated Canada's internal waters and territorial sea in the Arctic. This Government proposes to do so. An Order in Council establishing straight baselines around the outer perimeter of the Canadian Arctic archipelago has been signed today and will come into effect on January 1, 1986.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): These baselines define the outer limit of Canada's historical internal waters. Canada's territorial waters extend 12 miles seaward off the baselines. While the Territorial Sea and Fishing Zones Act requires 60 days notice only for the establishment of fishery limits, we consider prior notice should also be given for this important step of establishing straight baselines.

[*Translation*]

Canada's jurisdiction over its continental margin and 200-mile fishing zone is unchallenged in the Arctic as elsewhere. Canada also exercises jurisdiction over a 100-mile pollution prevention control zone in arctic waters, in order to protect the unique ecological balance in the area. That too has been recognized by the international community, in a special provision in the United Nations Convention on the Law of the Sea.

However, no previous government had ever extended the application of Canadian civil and criminal laws to offshore zones in the Arctic and elsewhere. The present Government will take this action. To this end, one of our priorities will be the speedy passage of legislation covering the offshore application of Canada laws.

The exercise of functional jurisdiction in Arctic waters is essential to Canadian interests. However, it is no substitute for Canada's full sovereignty over the waters of the Arctic archipelago. Only with full sovereignty can we protect the entire range of Canadian interests. Full sovereignty is vital to Canada's security. It is vital to the Inuit people. And it is vital to Canada's national identity.

The policy of this Government is to exercise full sovereignty in and on the waters of the Arctic Archipelago and this applies to the airspace above as well. We will accept no substitute.

[*English*]

The policy of the Government is also to encourage the development of the navigation in Canadian Arctic waters. Our goal is to make the Northwest Passage a reality for Canadians and foreign shipping as a Canadian waterway.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Navigation, however, will be subject to the controls and other measures required for Canada's security, for the preservation of the environment, and for the welfare of the Inuit and other inhabitants of the Canadian Arctic. In due course the Government will announce the further steps it is taking to implement these policies, and especially to provide more extensive marine support services, to strengthen regulatory structures, and to reinforce the necessary means of control. I am announcing today that the Government has decided to construct a Polar Class-8 ice-breaker.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): My colleagues, the Minister of National Defence (Mr. Nielsen) and the Minister of Transport (Mr. Mazankowski) will shortly bring to Cabinet recommendations with regard to the design and construction plans. The costs are very high, in the order of $.5 billion, but the Government is not about to conclude that Canada cannot afford the Arctic.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Meanwhile, we are taking immediate steps to increase surveillance overflights over Arctic waters by Canadian Forces aircraft. In addition, we are now making plans for naval activity in Eastern Arctic waters in 1986. Canada is a strong and responsible member of the international community. Our strength and our responsibility make us all the more aware of the need for co-operation with other countries, and especially with our friends and allies. Co-operation is necessary, not only in defence of our own interests, but in defence of the common interests of the international community. Co-operation adds to our strength and in no way diminishes our sovereignty. The policy of the Government is to offer its co-operation to its friends and allies and to seek their co-operation in return.

• (1530)

We are prepared to explore with the United States all means of co-operation that might promote the respective interests of both countries as Arctic friends, neighbours and allies in the Arctic waters of Canada and Alaska. The United States has been made aware that Canada wishes to open talks on this matter in the near future. Any co-operation with the United States or with other Arctic nations shall only be on the basis of full respect for Canada's sovereignty. That too has been made clear.

In 1970, the Government of the day barred the International Court of Justice from hearing disputes that might arise concerning the jurisdiction exercised by Canada for the prevention of pollution in Arctic waters. The Government of that day said to that court, "Your jurisdiction shall not affect Canada. We will not put our case before that court". This Government will remove that bar. Indeed, we have today notified the Secretary General of the United Nations that Canada is withdrawing the 1970 reservation to its acceptance of the compulsory jurisdiction of the World Court.

The Arctic is a heritage for the people of Canada. They are determined to keep their heritage entire and to keep their heritage intact. The policy of this Government is to give full expression to that determination.

We challenge no established rights, for none have been established except by Canada. We set no precedents for other areas, for no other area compares with the Canadian Arctic archipelago. We are confident in our position. We believe in the rule of law in international relations. We shall act in accordance with our confidence and belief, as we are doing today in withdrawing the 1970 reservation to Canada's acceptance of the compulsory jurisdiction of the World Court. We are prepared to uphold our position in that Court, if necessary, and to have it fully and freely judged there.

In summary, Mr. Speaker, these are the measures we are announcing today: first, immediate adoption of an Order in Council establishing straight baselines around the Arctic archipelago, to be effective January 1, 1986; second, immediate adoption of a Canadian Laws Offshore Application Act; third, immediate talks with the United States on co-operation in Arctic waters on the basis of full respect for Canadian sovereignty; fourth, an immediate increase of surveillance overflights of our Arctic waters by aircraft of the Canadian Forces, and immediate planning for Canadian naval activity in the Eastern Arctic in 1986; fifth, the immediate withdrawal of the 1970 reservation to Canada's acceptance of the compulsory jurisdiction of the International Court of Justice; and sixth, construction of a polar, class 8 ice-breaker and urgent consideration of other means of exercising more effective control over our Arctic waters.

These are the measures which we can take immediately. We know, however, that a long-term commitment is required. We are making that commitment today.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I was pleased to receive the Right Hon. Minister's statement. My only objection is that it is exactly three months too late. When I rose in the House in the middle of June to raise this issue, the Minister remained silent, and today he rose in the House to propose a series of measures that would have been unnecessary if the Government had been truly in control of the situation last summer, when the problem arose.

[*English*]

We have been hearing about the great friendship between the Prime Minister of Canada (Mr. Mulroney) and President Reagan of the United States for many, many months. For 15 years the Americans have protested the Bill that I introduced in the House of Commons in 1970 concerning the prevention of Arctic pollution. For 15 years the Americans did not want to challenge the sovereignty of Canada which was reinforced at that time. They never sent a ship through our waters for 15 years.

In September, 1984, when my leader was Prime Minister, they did not come to challenge our sovereignty. They did not do so in the 14 previous years with former Prime Minister Trudeau. However, this summer, with their great friend, the Prime Minister of Canada in office they came and humiliated him. They also came and humiliated the Secretary of State for External Affairs (Mr. Clark). Worse still, they came and humiliated the whole nation by challenging our sovereignty in the north.

If it is true that the motto of the two Governments today is "good frienship", it would have been so easy for the Prime

Minister to call President Reagan and simply explain our case. The first argument given by the Americans for the voyage was that it wanted to save $500,000. Imagine, the poor little Defence Department of the United States needing to save that money. We could have sent them a cheque for $500,000 and offered to pay the gas to go through the canal rather than challenge our sovereignty. However, the Government was silent. Now that the horses have left, it is attempting to close the gate.

It did the same thing yesterday. After appointing one Tory person every three hours since it came to power, suddenly it closes the gate on patronage appointments because the number of Tories needing jobs is decreasing. I hope the Minister recognizes what he is doing. There was a strategy behind what took place in the past with regard to our sovereignty because the key in international affairs was he exercising of jurisdiction and we have had that jurisdiction and we have exercised it. This began under Louis St. Laurent when we ensured for many years that there were RCMP, Armed Forces and viable Inuit villages in these areas in order to inform the world that it was Canadian land.

Time is a very important element. When sovereignty is exercised for 100 years, no one can challenge it. Today, the Minister is taking a gamble and making a bold move which might cause the court to look into this case. Now we will either win or lose. The Minister could have been prudent and carried on with our acts of sovereignty protection this summer, without anyone being able to challenge it. We could have used all the "supposed friendship" this government has in the world to make sure our sovereignty was not challenged. Our sovereignty would have been greater in 50 or 100 years.

I hope the Minister will not have to get up in the House in the future to say he is sorry but it is typical of how this Government reacts. It does not know where to go. It makes a decision and then backs off. Last summer my leader challenged the Government to call President Reagan. I raised this problem many times during the summer and I raised this question in the House of Commons. However, the Minister is too late again, fumbling and trying to repair the disaster and humiliation of the nation which his inaction has caused.

We will have to support that action now because we have no choice. He has opened the case in court. I hope we will win but I believe that 50 or 100 more years of sovereignty exercised by the Government, with no challenge from anyone, would have been better. If it is true that there is a policy of friendship with the Government of the United States, it is a shame that President Reagan sent a quasi military ship in our water this summer despite the requests and pleas of the Secretary of State for External Affairs. If we had a Prime Minister who did not always go to the President on his knees, we would have been in a position to challenge the President and say that we will not tolerate such action. We would not be put in the shameful position we are today.

• (1540)

I hope in this case the Minister is sure of himself. I hope we will not lose. I wish the Minister well. He would have been well advised last summer, rather than to laugh at my question in the House of Commons, to have taken the problem seriously and acted.

Some Hon. Members: Hear, hear!

Mr. Chrétien: We would have more positive results now. Probably it is now too late. If the Government wanted to act, why were these actions not proclaimed in July? It was not a technical problem.

Mr. Hnatyshyn: Or last year.

Mr. Chrétien: Yes, or last year or 10 years ago. In court, it is not for the one who occupies land to provoke a case. At least I know that. When I have a good case I do not necessarily go to court myself. I wait for the other guy. You never know what the court's decision might be. When you own land, you do not go to court yourself. You wait until your ownership is challenged. That is basic law I learned at university.

Let me tell you, Mr. Speaker, I fear it is too late. I pray to God that the Minister has not created a situation on which we will be prematurely challenged. I am sad today because the danger is now more than ever caused because we had a Government that did not know what to do. The Government was afraid to offend President Reagan. This Government let him challenge and humiliate Canadians. After the humiliation lasted all summer, the Government comes with an ice-breaker. I am not impressed with the ice-breaker. With the disaster of the Canadian Commercial Bank, we could build two more ice-breakers.

Some Hon. Members: Hear, hear!

Mr. Chrétien: I just pray the Minister knows what he is doing. If he had not acted as as slowly on such an important matter, he does all the time, we would not be in the awful situation in which we are today.

Some Hon. Members: Hear, hear!

Mr. Jim Fulton (Skeena): Mr. Speaker, I agree with one of the remarks of the previous speaker that Canadians were humiliated by the *Polar Sea* incident. The image many Canadians have of the new Conservative administration is that a green light has been given to the White House to use our Arctic as a military and economic playground. The image of our Arctic as the new battle-line of fortress America toward the Soviet Union is not without foundation.

Let me deal first with the matter of the *Polar Sea*. I have confirmed today with the Canadian Coastguard that not one but seven Canadian Coastguard ice-breakers could have gone through the passage ahead of the *Polar Sea*. This is a matter of marine sovereignty. The films of overflights from Canadian aircraft were interesting at best, but did little to express the Canadian mood on this issue or to achieve basic requirements

under international law. The *Louis St. Laurent* was available, the *Sir John A. Macdonald* was in the area and was available and, the *John Cabot* was available. Three R-class 1200s, the *Des Groseillers*, the *Pierre Radisson*, the *Sir John Franklin* and even the *Norman McLeod Rogers* were available. One of these vessels should have preceded the *Polar Sea* and the U.S. should have been billed every maple leaf penny of the cost. Only in Viscount Melville Sound did pack ice even slow down the *Polar Sea*, and throughout this so-called without prejudice journey, we should have followed our own precedent of 1969 when the *Sir John A. Macdonald* accompanied the *Manhattan*.

Some Hon. Members: Hear, hear!

Mr. Fulton: Parliament then moved quickly to enact the Arctic Waters Pollution Prevention Control Act just months after the penetration of our sovereignty by the *Manhattan*. Parliament then should have moved to designate closing line or straight baselines as they are known around the outer perimeter of the Arctic archipelago. I pay tribute to the Right Hon. Minister for putting in place today such law to become effective January 1, 1986.

By demarcating our headland to headland closing lines, we will demonstrate to the international community our internal waters, which was at issue with the *Polar Sea*, our 12 mile territorial sea, our 100 mile pollution prevention control zone, our 200 mile fishing zone, our 200 mile limit and our 200 mile and beyond continental margin. These are pressing and urgent matters of national sovereignty, and I look forward to seeing them in *The Canada Gazette* and on all international marine charts.

I also pay tribute to the Minister for producing the Canadian Laws Offshore Application Act. I look forward to seeing it, although I accept the Minister's words that it fully extends the application of Canadian civil and criminal laws to offshore areas, the Arctic included.

In 1975, the *Polar 10* was considered for construction here in Canada, a nuclear-powered class 10 ice-breaker. The Government did not proceed. Since 1977, the conceptualization and design of the 100,000 horsepower gas-diesel electrically-driven *Polar 8* has been on the drawing board, some eight years now. Tenders will be complete by December, I am advised, and this vital new vessel to exert Canadian sovereignty will be under construction, we hope, in the new year. All Canadians should support this vital component of our Arctic sovereignty.

On our boundaries we have successfully negotiated agreements with Greenland in such areas as the Davis Strait and Baffin Bay. Now we must move on the Labrador Sea. By demarcating these boundaries headland to headland with Greenland, let us not forget the crying need to move on the 141st meridian with Alaska in the western Arctic, Dixon Entrance and our rights in the Gulf of Alaska as well as the Straits of Juan de Fuca off Vancouver. Previous administrations have been lax, and under former Prime Minister Trudeau to the point of losing ground on some of these boundary issues with the United States.

Let us not forget that as recently as last summer during the election, the United States Secretary of the Interior had a piece of Canada for sale off the Queen Charlotte Islands for gas and oil development. It was only under pressure from my Party that steps were taken that resulted in the withdrawal of that sale.

On this point, I urge the Minister today to direct Petro-Canada under the Canada Oil and Gas Lands Act, Bill C-48, to register submarine rights to the maximum, to all our boundary positions as outlined by myself and the new declarations. This is vital as we so sadly learned concerning the Georges Bank case most recently before the World Court.

The Right Hon. Minister, like many of his predecessors, climbs on the backs of the Inuit and other aboriginal Canadians to plant Canada's flag. To be intellectually and constitutionally honest, the Government must now move forward promptly to deal with the matter of aboriginal title and rights thereto.

There are no legal treaties with our first citizens north of 60, despite our constitutional recognition and affirmation of their rights. Do not forget, Mr. Minister, that in 1953 and again in 1955 the Inuit were taken from their homes by the federal Government to Cornwallis and Ellesmere Island. On that point, as recently as yesterday, I received a letter from the Minister of Indian and Northern Affairs (Mr. Crombie) indicating that he does not intend to move on that very important Inuit matter, particularly regarding the elders who want to move home from those two communities. They were transplanted to exert Canada's sovereignty. I urge the Minister will all sincerity to move now with this House to settle their title, which as the Minister says, has been outstanding since time immemorial, on the land, water and ice of the Arctic. Now is the time to act on this vital constitutional matter.

On the matters of the Territorial Sea and Fishing Zone Act, I trust the Minister intends to move forward quickly with notice on these new fisheries limits. I trust that he and his colleague, the Minister of Fisheries and Oceans (Mr. Fraser), will ensure that these matters are referred to the Standing Committee on Fisheries and Forestry.

On the matter of notifying the Secretary General of the United Nations today of our intention to withdraw the 1970 reservation, to accept compulsory jurisdiction to the World Court regarding disputes that may arise concerning Canadian jurisdiction for the prevention of pollution in Arctic waters, I warn the Minister that there are steps he must now urgently take to set our house in order first, some of which I have touched upon. In particular, I advise the Minister to look with care at the matter of the *MV Arctic*. The Minister's colleague, the Minister of Transport (Mr. Mazankowski) just this summer exempted that vessel by Order in Council from the strict requirements of the Arctic Waters Marine Prevention Control Act to carry crude oil south from Cameron Island, as part of Pan Arctic's Bent Horn project. This would mean that

we would end up litigating against ourselves under the Minister's proposal by withdrawing the 1970 reservation.

In conclusion, let me congratulate the Right Hon. Minister on his new-found interest in boundaries, the *Polar 8* and accompanying declarations. I think they are very Canadian. Let me ask the Minister to move now on aboriginal title, complete boundary actions,—including a movement today, I hope, because the Americans no doubt will have listened, under COGLA which is very important in terms of law—submarine rights, economic development in the north and with caution in the environment so sensitive to change. It is the great desert of the north.

• (1550)

I heard great applause from that side of the House encouraging navigation, but we have to deal with Lancaster Sound and many other very serious and sensitive ecological matters first.

Finally, I ask the Right Hon. Minister to understand the fear of Canadians of connecting the North Warning System and the forward bases for F-18 interceptors to missile bases, star wars and the front line of Fortress America. It is a powerful image. The previous Hon. Member who spoke touched on the humiliation of the summer, but it is a matter of imagery about which Canadians are very frightened. Our North was penetrated this summer. With all the overlying factors, there is a real fear in the country about the whole issue.

In conclusion, let us somehow make the Arctic nuclear-free and fully sovereign from the psychological rape this summer by the penetration of the *Polar Sea*.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PETITIONS

PENSIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have in hand a petition signed by a hundred workers from Quebec who are asking that all retired employees keep their pension benefits and receive their unemployment insurance allowances without any deduction from their pension income.

[*English*]

The problem toward which this petition is directed affects workers across the country.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a petition from a number of Winnipeg residents who protest the move by the Government to deduct benefits from unemployment insurance benefits. It will have a detrimental impact upon family income and robs people who have worked a lifetime of the pension benefits which they have earned. The petitioners call upon the Government to reverse its intention in this regard.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present some petitions. One is from the Province of New Brunswick and it is signed by several residents of that province. The others are from Edson, Alberta; Prince George, British Columbia; and Scarborough, Ontario.

These petitioners ask the Government to change the particular provision of the Unemployment Insurance Act which would make pension income deductible from unemployment insurance.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents of Vancouver and Kamloops, British Columbia. They are concerned that after the end of this year they will have their pension benefits deducted from their unemployment insurance benefits, thus effectively eliminating the benefit of the pension package to the worker.

* * *

COMMITTEES OF THE HOUSE

REPORT OF STRIKING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations among House Leaders with respect to the operation of the new rules relating to legislative committees. I think Your Honour would find disposition to allow the following motion to be put and to be passed without debate at the present time. It reads as follows:

That, notwithstanding the provisions of Standing Order 70(5), the Striking Committee shall meet and report not later than six o'clock p.m. on Monday, September 16, 1985.

Mr. Speaker: That motion requires unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Shall it carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 60.

Order Paper Questions

[*Text*]

CANADAIR LTD. BOARD OF DIRECTORS

Question No. 60—**Mr. Howie:**

What are the (*a*) names (*b*) positions of the persons who occupy positions on the Executive and Board of Directors of Canadair Inc. and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1984?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): As of March 31, 1984, the reply for Canadair Ltd. is as follows:

(a) Name	(b) Position
Board of Directors	
Guy J. Desmarais	Chairman
Hon. Jean-Pierre Goyer	Vice-Chairman
J.I. Bell	Director
G.S. Bennett	President and Chief Executive Officer
David M. Culver	Director
John P. Fisher	Director
Milton E. Harris	Director
Charles I. Rathgeb	Director
J.P. Sullivan	Director

Compensation paid to members of the Board of Directors as of March 31, 1984 is as follows:

Name	Amount
Guy J. Desmarais	$16,300
Hon. J.P. Goyer	$16,300
J.I. Bell	$12,600
G.S. Bennett	nil*
David M. Culver	$ 7,575
John P. Fisher	$ 6,600
Milton E. Harris	$ 8,400
Charles I. Rathgeb	$11,400
J.P. Sullivan	$ 8,400

* Mr. Bennett is an employee of Canada Development Investment Corporation and was not compensated as a board member of Canadair Ltd.

[*Translation*]

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

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

[*English*]

Mr. McKinnon: Mr. Speaker, I call the attention of the Parliamentary Secretary to Question No. 379 which has been standing in my name since May 24. That question is a companion question to Question No. 383, which was answered yesterday. As these two questions are closely related, it is not understandable to me why they could look up the status of the Supplementary Retirement Benefits Accounts for several sets of government employees but were unable to look up the Canadian Forces Superannuation Account at the same time. I wonder whether he would ask them to hurry along with the second part of this duet of questions.

Mr. Dick: Certainly.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA DEVELOPMENT CORPORATION REORGANIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, be read the second time and referred to a legislative committee.

Mr. Speaker: I am advised that when the House rose at one o'clock there were five minutes remaining in the question and answer period. Is the Hon. Member for Ottawa Centre (Mr. Cassidy) rising to participate in the debate?

Mr. Cassidy: Yes.

Mr. Speaker: Before recongizing the Hon. Member, may I indicate that according to Standing Order 19(4) the sitting of the House will be extended by 33 minutes.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I rise with regret to speak on this Bill to privatize the Canada Development Corporation because I think that the CDC, whether it is under the Conservatives or whether it was under the Liberals, in the period since its foundation some 15 years or 18 years ago represents a failed opportunity for Canadians. It represents a failed opportunity in terms of diversification of the Canadian economy, in terms of its original goals, and in terms of the possibility of creating a different model of the way an economic organization or corporation would work to serve the people of Canada, its owners, and to serve the workers, customers and suppliers who dealt with and worked for the various entities under the control of that corporation. It is a failed opportunity in terms of a kind of model which could have been created for our future development.

The Macdonald Commission report has just been brought down. Unfortunately it is retrograde; it looks backward rather than forward. It seems to be looking into a rear-view mirror in terms of its idea about the kind of corporate Canada we could have in the future.

It is regrettable because during its earlier stages the Macdonald Commission asked appropriate questions about what kind of future organization we could have in our economy to ensure that we were flexible and adaptable to change and to ensure that ordinary working people could feel that they were

a part of our economic society rather than feel that they were simply pawns, that they were exploited by society or that they had no say in the wayin which things were run.

The Canada Development Corporation has grown to a $4 billion or a $5 billion corporation in a few short years. It could have been a model by which working people could have in fact had a say in the future of the enterprise within which they were involved. The Liberal Government, which went down in defeat last year, did not see it that way. In fact, it successively loosened its grip on the CDC until it was almost not worth the bother to try to resuscitate it as an instrument of public policy. However, there was still a strong case to be made that the CDC as an instrument of public policy or as a public corporation could have shown how the public sector could in fact be different and still be efficient, profitable and all the other things which were put forward as its goals and objectives.

Under the Conservatives there simply was not a chance. I now have the honour to be the critic of the Minister of Regional Industrial Expansion (Mr. Stevens). Once that Minister came to power, he was determined to proceed with privatization. In that goal he had the support of the Minister of Finance (Mr. Wilson) and, I suppose, the tacit support of other Members of the Government. They did not stop to see whether there were some other alternatives. They did not stop to see what might be the consequences of letting this major portion of our economy go into private hands. They did not stop to ask themselves whether or not this really was in the best interests of Canadians. As far as the Minister of Regional Industrial Expansion was concerned, it was a good thing if it was in the private sector and it was a bad thing if it was left in the public sector and therefore it had to go. One of the reasons offered by the Minister for this was that Crown corporations should be sold in the event that they were not fulfilling a public policy purpose. I think it can be argued that the Canada Development Corporation has ceased to fulfil a public policy purpose becuase it was being run as a private sector conglomerate corporation with next to no input as far as the public sector was concerned.

● (1600)

Through the years, the Canada Development Corporation did play somewhat of a public role. It made some investments in high tech early on. It Canadianized the Texas Gulf Mine in Timmins which is now known as the Kidd Creek Mine and brought it into Canadian hands. It has pioneered investments in the field of biotechnology. The Canada Development Corporation took over control of Connaught Laboratories and sought to modernize that particular institution which had belonged to the University of Toronto for many years. It sought to make it effective, efficient and competitive in order to allow it to continue to make a contribution to Canadian life as one of the only pharmaceutical companies in the country carrying out indigenous research and developing products here in Canada rather than simply importing patents from elsewhere.

The fact is that the CDC, in its early years, did seek to fulfil a public policy purpose but it lost its direction quite quickly. I cannot think of anything that it has done in the last few years which really indicates a particularly strong thrust. I think it epitomizes one of the problems of public ownership which has been endemic under both the Liberal and Conservative Governments which is that when there are governments that do not believe in public ownership and accountability and when there are governments that do not understand that public ownership should be something different from private ownership, then it fact Crown corporations will not be particularly effective. That has been the case with Canada Development Corporation.

What is happening now? As my colleague, the Hon. Member for Essex-Windsor (Mr. Langdon) has said, the Government has finally announced its plans. On June 27, a day or two before the House rose for the summer, a Bill was put before the House by the Minister. There was a long summer recess and now the Bill is being rushed through the House by the Government. Did the Government at least have the grace to wait until the Bill was enacted before it acted as though it were law? The answer is no. Not only is the answer no, but quite specifically the share offering which was undertaken this summer in Toronto and on the financial markets of Canada directly contravened the existing Canada Development Corporation Act and permitted a private-sector corporation, Noranda, to effectively take over 25 per cent control of the Canada Development Corporation despite the fact that the law currently reads that until this Act is amended if it is to be amended, no individual shareholders should have more than 3 per cent ownership of the Canada Development Corporation with the exception of the Government of Canada.

Noranda is effectively buying operating control of the Canada Development Corporation. I am not sure if that was intentional on the part of the Government. Did Mr. Zimmerman of Noranda meet with the Minister of Regional Industrial Expansion in order to arrange all of this? Is the fix in so that the Kidd Creek Mine will be absorbed into the mining operations of Noranda and the rest of the Canada Development Corporation will be spun off to private sector shareholders? Will there be any limitations if Noranda decides to sell off Polysar, a corporation which has been a Crown corporation for some 40 years, into American hands so that the synthetic rubber activities will become a part of Goodyear, B. F. Goodrich or one of those companies? We do not know. We may find out during the course of the committee hearings but the fact is that we do not know.

Major elements of our economy are being privatized. If we ask what has happened when we find that companies have been shut down, that ownership has been spun off or that they have been bought piece by piece by foreign multinationals, we will be told by Ministers of the Crown that those are commercial activities over which they do not have any control.

Today in the House of Commons the Minister of State for Finance (Mrs. McDougall) gave us an example of something like that. Last March, she was involved in the bail-out of the Canadian Commercial Bank in which six commercial banks contributed $60 million to a rescue operation that we were assured would make the CCB a viable entity once again.

Shortly after that, those banks and other Canadian chartered banks proceeded to systematically bring their deposits in the CCB down to the lowest tolerable level. They brought their deposits down to a mere $5 million from $41 million in the course of a few short weeks. When the Minister was asked today if she did anything about that, if she knew about it and if she tried to stop it, she said that those were commercial activities and she had no power to stop them.

The Bill before us not only allows the Government to reduce to nothing its shareholdings in the Canada Development Corporation, it also effectively provides a blueprint for the destruction of the Canada Development Corporation. For one thing, its name can be changed without recourse to Parliament. The Canada Development Corporation can become Noranda (CDC) Incorporated or it can be changed to Uncle Sam Incorporated if the new owners or controllers think that that is a good idea. The company could easily be controlled by Noranda and by a couple of other shareholders who do not have to be Canadians because foreign share ownership is to be permitted up to 25 per cent and individual foreign multinationals will have the right to own up to 10 per cent of what is now known as the Canada Development Corporation.

Now there are controls on the CDC but once the corporation is in private hands, will there be anything to stop the CDC from continuing the program of divestment that it has taken over the course of the last couple of years? Last year I was contacted by a friend of mine who was very concerned about what was happening with Connaught Laboratories. CDC systematically puffed up the value of Connaugh in order to sell the shares on the private market. It boasts about that in its most recent annual report. It stripped assets from the pension fund in order to help bolster the company's cash reserves.

Connaught represents only a modest proportion of CDC's total assets. However, the same thing could be done with Kidd Creek. Kidd Creek could be sold off through a share exchange with Noranda. It could be done with Canterra, a corporation which accounts for 8 per cent or 9 per cent of the annual sales of the Canada Development Corporation. It could be done with Polysar or with Petrosar, companies which are both wholly owned by the CDC and which account for half of the value of its sales on an annual basis.

In a few months, we may well read in *The Globe and Mail Report on Business* that these corporations have been spun off in very much the same way as were portions of the CDC's ownership in Connaught Laboratories. In other words, this entire entity may simply disappear or it may turn into a totally different type of conglomerate, certainly one which would serve no functional purpose at all in terms of public policy. It would simply be a vehicle for making money, for providing jobs for corporate leaders and perhaps incidentally for helping to maintain a certain sector of the economy by contributing to the prosperity of Canadians, but only incidentally. I find that very disappointing.

It seems to me that a new Government which was elected on a mandate of change and which has revealed itself prepared on a number of occasions to rethink the shibboleths which it brought into office when it was elected last September 4 might well have looked at the Canada Development Corporation not as a problem, not as a dog to be divested of in the manner of the Harvard Business School, but as an opportunity for Canadians.

I draw to the attention of Members of the Government Party the contrast between the development of the CDC on the one hand and la Caisse de dépôt and Placements de Québec on the other. The Caisse de dépôt was established in 1966 or thereabouts as a vehicle for Quebec Government investments around the same time the Quebec Pension Plan was being established to parallel the Canada Pension Plan. It used funds which were invested in it from the Quebec Pension Plan. It was assured, therefore, that as an investment of public policy, it would have a continuing and growing source of capital which could be used for the diversification and expansion of the economy of the Province of Quebec. Since Quebecers were the contributors to the fund, it was quite natural that it was used as an instrument of public policy. Many corporations in manufacturing, textiles, steel and pulp and paper industries have now had major shareholdings acquired by the Caisse de dépôt. Canadian Pacific is now partially controlled by the Caisse de dépôt and in fact the Caisse de dépôt has become such a large operator in the financial markets of the country that the private sector is crying uncle and saying that it is suffering from unfair competition. The previous Liberal Government tried to pass a piece of legislation which would have clipped the wings of the Caisse de dépôt in order that it would not get too large. It is one of the curiosities of the private sector that when it feels that the heat is on it comes to the Government asking that the rules be changed in order to favour it. It does this when the going is getting a bit too competitive.

• (1610)

That is something which has been done by a pension fund in one province. The Caisse de dépôt has become a major actor in financial markets right across the country. The Canada Development Corporation could have done that as well. However, it was not done because the Liberal Government of the day, after an initial burst of enthusiasm, did not carry out what it intended to do when the idea of a Canada Development Corporation was dreamed up by Walter Gordon, when the nationalists within the Liberal Party—and there were a few in those days—saw it as an instrument of the Canadian economy, of an economy that would be owned and controlled by Canadians.

The CDC stopped its efforts to Canadianize our economy God knows how many years ago. It simply settled down into a corporate very much like any other. I had a look at the Board of Directors of the corporation which, even up until today, is something in the order of 87 per cent or 90 per cent controlled by the people of Canada, who are currently the shareholders until this Bill is passed, if it is passed, and until the tentative share issue made in the summer has been legitimized by Parliament. I looked to see how this public corporation had been made somehow different from any other conglomerate in the country. I wanted to see how it reflected the vast diversity

of our country and of our population. I have to say, with regret, that I could find no difference between this corporation and Power Corporation, CP Investments, or any other private sector corporation. Of the 20 people on the Board of Directors, I found one representative of the Government of Canada. That is the Deputy Minister of Regional Industrial Expansion. There were no other representatives of the people of Canada, despite the fact that we, as the people of Canada, hold 87 per cent or 90 per cent of the shares. There are two women on the Board of Directors—hardly bold leadership of a Government dedicated to showing that women should have a place of equality in the economic life of our country. In 20 years no government ever got around to appointing more than women to the Board of Directors.

It is common knowledge on Bay Street and St. James Street that the direction of the Canada Development Corporation has been very much in the hands of Anthony Hampson and the group around him and that they have successfully fought off overdue influence and participation from the chief shareholder. That chief shareholders, the Government of Canada, has simply sat back and taken it rather than saying that the Canada Development Corporation is different to ensure that it will be run in a manner which, in fact, is different.

[*Translation*]

Mr. Speaker, we in this Party are against this Bill to privatize the Canada Development Corporation. We intend to vote against this piece of legislation because we believe the Government missed a good opportunity when it decided to get rid of its shares in this corporation instead of seeking an efficient and novel way to use this group of companies, with assets of about $5 billion, to the benefit of all Canadians.

We have in this country an economic culture which readily lends itself to a mixed economy. We have Crown corporations such as Air Canada, Canadian National Railways and, until now, the Canada Development Corporation, Ontario has Ontario Hydro, Quebec has Hydro-Québec, and practically all provinces have power companies in the public sector, telephone and transportation companies, marine companies, communications and satellite companies which belong to us as Canadians. A great many of those companies are healthy and quite profitable and they must remain under public ownership so that Canadians will have the necessary means and tools to control and direct their own economy and make sure that it is managed in the best interest of Canada as a whole. Unfortunately, notwithstanding the wide variety of public companies and Crown corporations existing in Canada, we have been unable to find the means to manage those corporations in a way that is significantly different from the way privately owned companies are managed. For instance we have failed to find ways to ensure the participation of workers, possibly those who buy from or sell to those companies. We have not really developed different ways that would enable those companies to operate much differently from privately owned companies.

[*English*]

That is a pity because it seems to me that we are different in this country. One of the reasons our economy differs from that of the United States is because of the fact that, essentially, the United States does not have public ownership. It does not have the ideology which believes in public ownership and, therefore, there is little or no public sector involvement in the economy of the United States.

I recall going to Minnesota some years ago and talking to the Secretary of Commerce there. I asked him what activities there were in the State in the public sector. After describing what we did in Ontario, where I was an MPP, he thought for a long time and said: "Well, I think that our sewers are publicly owned." That was all. That is a great pity because there is a role for the public sector.

We, in Parliament, responding to the people of—my time is up.

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

Mr. Cassidy: In responding to the people we recognize that and we have set up these public corporations. We should not allow them to dwindle away into insignificance.

Some Hon. Members: Order, order.

Mr. Cassidy: That is why we are opposing this particular Bill, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member was quite right in saying that his time was up.

Questions or comments? The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: Mr. Speaker, the remarks of my colleague have given me reason for reflection. Can he elaborate on the potential damage to the Canadian economy with respect to eliminating the role of the public sector in the Canadian economy? Will he tell us just how much of a risk we are running in terms of our economic health by going on a privatization binge?

Mr. Cassidy: I would like to respond to the Hon. Member and give a specific example, which is Polysar. Over the last 40 years, Polysar has become a genuine success story and a Canadian multinational corporation. It was founded during the war to produce artificial and synthetic rubber because of the needs of wartime. It was maintained in public ownership since 1945. Now, for what amounts to a modest amount of revenues to the people of Canada, we are receiving about $200 million from the sale of all of the corporations in the conglomerate called the Canada Development Corporation. We are giving up control of Polysar. While the corporate shell, the Canada Development Corporation, is meant to stay in Canadian hands, there is nothing to stop CDC, under its new ownership, from selling off Polysar. This is a successful Canadian multinational which has operations in 40 or 50 countries around the world. There is nothing to stop the CDC from

selling that corporation off into American, British, French or—God forbid—South African hands. God knows, it might not even be operating within the country in a few years.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Mr. Stevens, seconded by Mr. Hnatyshyn, moves that Bill C-66, an Act respecting the re-organization of the Canada Development Corporation, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those in favour will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

And the division bells having rung:

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised at the time of adjournment are as follows: The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—Apartheid—South Africa—Request for economic sanctions. (*b*) Request for immediate action; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Canadian National Railways—Retention of Winnipeg as regional headquarters. (*b*) Government intentions; the Hon. Member for London East (Mr. Jepson)—Status of Women—Request for funding for REAL Women organization.

GOVERNMENT ORDERS

[*English*]

CANADA DEVELOPMENT CORPORATION REORGANIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, be read the second time and referred to a legislative committee.

The House divided on the motion which was agreed to on the following division.

(*Division No. 110*)

YEAS

Messrs.

Allmand
Attewell
Axworthy
Baker
Beatty
Belsher
Berger
Bernier
Bertrand (Mrs.)
Bissonnette
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Blouin (Mrs.)
Bradley
Brightwell
Brisco
Caccia
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clark (Yellowhead)
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Copps (Ms.)
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Darling
de Corneille
de Cotret
Della Noce
Dick
Dingwall
Dorin
Duguay
Ellis
Epp (Provencher)
Ferland
Fontaine
Foster
Fraleigh
Fraser
Fretz
Friesen
Frith
Gagnon
Garneau
Gass
Gervais
Girard
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Henderson
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Horner
Hudon
Isabelle
Jacques (Mrs.)
James
Jardine
Jepson
Joncas
Kaplan
Kelleher
Kempling
Kilgour
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDougall (Timiskaming)
MacKay
MacLellan
Mailly (Mrs.)
Malone
Mantha
Marchi
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCuish
McInnes
McKenzie
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Murta
Nickerson
Nowlan
Nunziata
Oberle
O'Neil
Oostrom
Ouellet
Pennock
Pépin (Mrs.)
Peterson
Pietz
Plourde
Porter
Price
Reid
Ricard
Robichaud
Rompkey
Rossi
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Sparrow (Mrs.)
Stevens
Suluk
Tardif (Richmond-Wolfe)
Tardif (Mrs.) (Charlesbourg)

Messrs.

Taylor	Turner (Ottawa-Carleton)	White
Thacker	Valcourt	Wilson (Swift Current-Maple Creek)
Tobin	Vankoughnet	Winegard
Towers	Vincent	Wise
Tremblay (Québec-Est)	Warner	Witer—168.
Tupper	Wenman	

NAYS

Messrs.

Althouse	Fulton	Mitchell (Ms.)
Benjamin	Jewett (Ms.)	Nystrom
Blaikie	Keeper	Orlikow
Broadbent	Langdon	Parry
Cassidy	Manly	Riis
Deans	McCurdy	Rodriguez
de Jong	McDonald (Ms.)	Waddell
Epp (Thunder Bay-Nipigon)	(Broadview-Greenwood)	Young—23.

● (1710)

Mr. Speaker: I declare the motion carried.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I did not vote in this division because I own interests in CDC and I intend keeping them.

Mr. Penner: Mr. Speaker, I abstained from voting because I am very proud to be a minor shareholder in a great Canadian corporation.

Motion agreed to, Bill read the second time and, by unanimous consent, referred to a legislative committee.

* * *

CROWN CORPORATIONS DISSOLUTION AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Robert de Cotret (President of the Treasury Board) moved that Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or appeal other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties with respect to Bill C-60. Notwithstanding the motion before the House, I think Your Honour would find an inclination to accept the following motion rather than have the Bill referred to a legislative committee. There is an inclination to accept it, by unanimous consent, and to pass it without debate. The motion reads as follows:

That, notwithstanding any Standing Order, when Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or repeal other Acts in consequence thereof, is read a second time, it shall stand referred to a Committee of the Whole and shall be read a third time not later than the end of the time provided for Government Orders tomorrow.

Mr. Speaker: The House has heard the proposal which requires unanimous consent. Is there unanimous consent?.

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, does the word "tomorrow" mean the next day, the next sitting of the House?

Mr. Hnatyshyn: The next sitting of the House.

Mr. Speaker: The House has heard the terms of the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I should like to speak briefly to this Bill and to review why the Government is putting it forward for consideration at this time. It is part of our effort as a Government to rationalize the Crown corporations which we found in the portfolio when we assumed office. We have made efforts to privatize some, but the purpose of the Bill which we are discussing today is to remove four Crown corporations which serve no useful public purpose. Indeed, three of these Crown corporations are completely inactive and the fourth merely holds a piece of property for the Crown.

For the edification of the House, I intend to run through the intent behind the Bill as it deals with each of the four Crown corporations. The first is Canadian National (West Indies) Steamships, Ltd. which was incorporated under the Dominion Companies Act in 1927 to provide a steamship service to the West Indies. The corporation has been inactive since 1958 when its fleet of ships was sold to Banco Cubana of Havana. In 1959 the corporate management was transferred to federal Government officials for the purpose of collecting the proceeds from the sale. An irrevocable letter of credit was issued through the Bank of America to cover the final principal payment which was not honoured due to the passing of the Cuban Assets Control Regulations by the Government of the United States on July 3, 1963. The sole purpose of maintaining the company is to collect the outstanding principal plus interest totalling perhaps $900,000 as of December 31, 1984. These funds are frozen today in the Bank of America in New York.

The Department of Finance, in the name of the Minister of Finance (Mr. Wilson), is the registered holder of the share certificates. That Department and the Department of External Affairs are making efforts and representations, now that our relations with Washington have been improved, to secure the release of the frozen funds. If that approach does not succeed within a reasonable period of time, steps will be taken to ensure that the present obligation owing to Canadian National (West Indies) from the sale of its steamships would become an obligation enforceable by Her Majesty. This would necessitate a written agreement with the Bank of America that it would eventually reassign the payment to Her Majesty if Canadian National (West Indies) were dissolved. In any event, that will go forward if in fact this Bill is passed. We do not intend to dissolve the corporation formally until we are certain that the outstanding balance of approximately $1 million will be paid to the Crown.

The second Crown corporation to be dissolved is the Societa a Responsibilita Limitata Immobiliare San Sebastiano which was acquired by the Department of External Affairs as a means of purchasing, without tax penalties, the official residence of the Canadian Ambassador to the Holy See in Rome, Italy. This was a private Italian company whose sole asset was a residence. I might say that it was the subject of some discussion in one of the Auditor General's reports some time ago. Normally External Affairs purchases these residences directly on behalf of Her Majesty. What we are proposing now is to change the company into a limited partnership and subsequently to have the property donated to the Crown. We will then proceed to have approval of the acceptance of the gift by Her Majesty the Queen in right of Canada authorized by the Government of Italy pursuant to Article 10 of the Italian Civil Code. Officials are pursuing the ramifications and methods of doing that at the moment.

● (1720)

The third Crown corporation to be wound up is St. Anthony Fisheries Limited which was established in 1982 to reopen and operate but not own a dormant fish processing plant at St. Anthony, Newfoundland. It was agreed that the plant's owner, Fishery Products which, as the House will know, has now merged with Fishery Products International Limited, would market production during the 1982 season. This plant is now owned and operated by Fishery Products International Limited which is the combined entity set up in Newfoundland under the Atlantic Fisheries Restructuring Act.

Because FPIL has now taken over the operation of the St. Anthony plant, St. Anthony Fisheries is an inactive corporation. It continues to exist as a shell corporation in order to collect arrears from FPIL with respect to sales made on behalf of St. Anthony Fisheries by Fishery Products. The corporation will not be wound up until these arrears are collected.

When the corporate plan for St. Anthony Fisheries Limited was approved by the Treasury Board in March 1985, the Treasury Board requested that the Minister of Regional Industrial Expansion (Mr. Stevens) settle the arrears of FPIL to St. Anthony Fisheries prior to or in conjunction with his next request for funds for FPIL. Action on this request is expected before the end of this curent calendar year.

The last Crown corporation with which we are dealing in this Bill is Uranium Canada, Ltd. which was created in 1971 pursuant to Appropriation Act No. 1, 1971, and the Atomic Energy Control Act with a mandate to purchase $29.5 million worth of uranium concentrates on behalf of the Crown from Denison Mines Ltd. over the period 1971 to 1975.

During the period 1971 to 1980, Uranium Canada sold or made loans of portions of the stockpile and returned some $114 million to the Crown. During this time, uranium prices increased and Canada's known reserves increased dramatically, primarily due to the discovery of large, rich deposits in Saskatchewan. Therefore, the need for a Canadian Government stockpile or government support of Canadian mines disappeared.

In May 1981, the Government transferred the ownership of the remaining stockpile having a book value of $96 million to Eldorado Nuclear Ltd. and directed the Minister of Energy, Mines and Resources to wind up Uranium Canada. However, the House will recall that the company was subsequently charged along with five other uranium companies with offences under the Combines Investigation Act. The matter was finally settled on December 15, 1983, when the Supreme Court of Canada ruled that Uranium Canada, as an agent of the Crown, was immune from the terms of the Combines Investigation Act.

Uranium Canada is now dormant, having no operations, no staff and assets totalling $9. The company's affairs are conducted on an as required basis by Public Service employees and its resource requirements are minimal. There being no further use for the corporation, the Minister of Energy, Mines and Resources (Miss Carney) is requesting the authority of Parliament to dissolve it.

These are the corporations which we are planning to dissolve at this time. I think they can best be described as loose ends. I would refer to one other Crown corporation which is not referred to in this Bill. For the edification of the House, there was a fifth Crown corporation, Mingan Associates, a corporation which it had been our intention to dissolve as well. It was the owner of some land in Quebec which the Government subsequently transferred to native people. This action is being challenged in the courts by the Province of Quebec and therefore the Government does not feel that dissolution would be appropriate or diplomatic at this time.

That is the information that I have at my disposal to give to the House in order to explain why we are taking this housekeeping action. I would urge the House to support the Bill.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, while listening to the Hon. Parliamentary Secretary introduce this Bill for second reading, I was wondering if the President of the Treasury Board (Mr. de Cotret), under whose name the Bill has been introduced into the Chamber, would perhaps have a few words to say about this supposedly important piece of legislation. As the Parliamentary Secretary has stated, this is a matter of priority and of government policy.

As the Parliamentary Secretary said just a moment ago, these are the only Crown corporations the Government wishes to dissolve at this time. A few moments before that, we heard the House Leader say that there is now agreement to sit for the rest of the afternoon and then all day tomorrow to do this. With all of the important issues facing this nation, with the President of the Treasury Board announcing such incredible cuts to government Departments across the country without really answering to them in the Chamber, with the Government proclaiming all kinds of great policies to help the Canadian people, what does the Government do on the second day of sitting? It introduces a Bill. What is this Bill to do? The Government has indicated that it wants to wind up a Crown corporation that used to sail ships into the West Indies, a corporation that is no longer in existence. It also wants to wind

up a Crown corporation that was created in 1981-82 for a one-year period, a corporation which is no longer in existence and it wants to dissolve Societa a responsibilita Limitata Immobiliare San Sebastiano along with Uranium Canada, Ltd. The second last corporation to which I referred was set up to purchase a residence for the Ambassador to the Vatican and the last one was to be dissolved because, as I understand it, all of its stockpile was passed over to Eldorado. This was a Crown corporation created in the 1960s which was passed over to Eldorado in 1981. The question that should be before the Chamber is why the President of the Treasury Board should take up so much of the time of the House to get rid of these Crown corporations.

The fact of the matter is that this Government is a Government of contradictions. It cannot synchronize professed policy with what it is doing. We can examine the Crown corporations that are being disbanded. The first one is called Canadian National. We are going to get rid of a corporation which is now on the books under the name Canadian National. In the November statement, the President of the Treasury Board announced a new Crown corporation under the name of Canadian National to take care of ships. He announced that CN Marine would be created to save $20 million. He created a new Crown corporation. Where does that mesh with the great government policy of doing away with Crown corporations? What about all the criticism government Members levelled at the previous Government? Now what is the President of the Treaury Board doing? He wants us to deal with this important Bill which will do away with some Crown corporations that are not even in existence and have not been operative for years.

Members of the Canadian public are watching us in this Chamber and wondering what we are doing here in Ottawa. They wonder why we are using up days discussing things that are not even in existence. Surely there are more important priorities than that.

Let us look at the next Crown corporation on the list, St. Anthony Fisheries Limited. We are now going to do away with that Crown corporation that is not even in existence. We are going to do away with it because it is government policy to get rid of Crown corporations. The Parliamentary Secretary did not say that the very thing which is replacing that Crown corporation in the operation of those fish plants we are talking about here is another Crown corporation, a Crown corporation to which the President of the Treasury Board and the Government of Canada has committed all the money necessary to maintain the operation of that fish business. Even the Premier of Newfoundland, a famous Progressive Conservative Premier, said that Crown corporation, to use his words, "is the greatest thing that has happened since Confederation with Canada".

● (1730)

Thus, there is really no continuity with respect to what the Government says, on the one hand, and what it is actually doing on the other. Perhaps the President of the Treasury Board in addressing this Bill, since a portion of it deals with the Crown corporation which was created under Canadian National, and another Crown corporation that was created to take care of some of the problems in the fisheries, should explain to the Chamber, and to the people of Canada, how he is carrying out the $20 million cut with the other Crown corporation. What does the Minister propose to do with respect to the problems which still face the fishing industry and the fish plant that was under the control of this particular Crown corporation about which we are speaking in this Bill?

Mr. Speaker, approximately 20 seconds ago you told me that I had but one minute left. Perhaps I could speak for a few moments longer and pick up tomorrow where I leave off today.

I am sure that the President of the Treasury Board will be making an address tomorrow. I am sure he will spend tonight preparing that address since this piece of legislation cannot wait until next week, next month or next year. It is so important to the President of the Treasury Board that I am sure he will give us a complete address in the House tomorrow.

Is my time up, Mr. Speaker?

The Acting Speaker (Mr. Charest): Yes.

[*Translation*]

It being 17.33 p.m., the House will now proceed with the consideration of private members' business as listed on the Order Paper today.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

BANKRUPTCY ACT

SUGGESTED AMENDMENT RESPECTING PRE-BANKRUPTCY ARBITRATION

Mr. Maurice Foster (Algoma) moved:

That, in the opinion of this House, the Government should consider the advisability of amending the current bankruptcy legislation to provide farmers and fishers with a pre-bankruptcy arbitration procedure which would provide them with, as a last resort, a court ordered settlement to be fully binding on all creditors and the farmer(*s*) or fisher(*s*) involved.

He said: Thank you, Mr. Speaker. The motion I have before the House today is inspired by the terribly serious situation which we have in agriculture at this time. It is a situation which we have had for the past year or so with regard to the loss of farm equity, the loss of farms, and so on.

Hon. Members will note that the motion is dated April 1, 1985. It is so dated because it became apparent at that time, after an experiment which was carried out in Bruce County, which was a pilot project, that there really had to be legislation of this nature put before the House and adopted by Parliament in order to deal with bankruptcies in the farming sector. I would like to quote a couple of figures in that regard. Last October, we received a report which indicated that some 17 per cent of farmers were in serious financial difficulty. This

year, when that report was examined, some 18 months after the original study was carried out, the percentage of farmers in serious financial difficulty had risen to some 23 per cent. Farm asset values had dropped by 12 per cent from $116 billion to $102 billion, a massive loss of equity by farmers.

The discouraging part of the reports, which indicate the serious financial difficulty in our farming communities, were even more distressing because most of the farmers in difficulty were our youngest, our most productive and our most technologically advanced. Apart from that, the studies indicate that some 50 per cent of all the food produced in our country was produced by these young farmers who are in serious financial difficulty.

In the past weeks, the crisis has heightened. For instance, I have been told by representatives of the Farm Credit Corporation that in the first two months of this fiscal year there were 169 foreclosures by the Corporation. That is a rate of 87 per cent faster than in the previous year. That works out to 11 farms a week which are being taken over by the Farm Credit Corporation.

The Bruce County study indicated that the Farm Credit Corporation, because of its current rules and regulations, is not willing to write down any of the debt which it holds with young farmers. The procedure proposed in my motion would allow for this to take place.

In Bruce County, recently, the Ontario Federation of Agriculture passed a resolution suggesting that there be a declaration of a moratorium on farm foreclosures. This took place at a meeting in Chesley on August 29 which was attended by some 200 or 300 farmers who were calling on the Government to take action. The OFA will be considering that resolution further at its regular meeting on September 18.

Clearly, the situation is chaotic. There needs to be better procedures. I suppose we are more concerned because the Government has really taken no action to provide, in the Budget, for instance, a special write down procedure for lower interest rate loans. We have seen action by the new Ontario Liberal Government; but there has been no action taken by our Minister of Finance (Mr. Wilson).

I have had contact as well with young farmers in the Maritimes who are calling for action in this regard, as is proposed in the motion. I have heard from farmers in western Canada. In July, I had an opportunity to visit some of the areas hit by drought in southern Saskatchewan. I met with dozens of farmers at a conference in Moose Jaw. At that time we saw the ravages of the massive reduction in farm values and the continuing low commodity prices.

We recently heard a call from the Saskatchewan Wheat Pool for a $500 million program to assist the grain growers of western Canada. We have all seen the clips on television news reports of farm families applying for welfare and many farmers desperate with thoughts of losing their farms.

The motion before the House today proposes that the Government get on with the legislation which was before the House in the previous Parliament under Bill C-17. The Minister of Agriculture (Mr. Wise) on July 10 said that he would be bringing forward such legislation. Thus far we have not seen it.

I hope that when the Parliamentary Secretary speaks this afternoon he will be able to indicate that in fact the Government is not just stalling and that it will get on with such legislation. Clearly, there is a question in everyone's mind because the same press clippings indicated that the Minister was going to bring forward such legislation while the Minister of Consumer and Corporate Affairs (Mr. Côté) has indicated that he did not know anything about it. He was in charge of the legislation so it seems highly in doubt that the Government is actually moving on this. Perhaps the Minister is just talking because of the tremendous need for action, but maybe no action is forthcoming.

• (1740)

In Bill C-17 of the previous Parliament there was a provision for people facing serious financial difficulty in that they could apply to the bankruptcy court to make arrangements with respect to their debt. Amendments were proposed at that time with respect to arrangements which would have applied to bankruptcies of more than $1 million in that a similar provision would be available for fishermen and farmers. The procedure, as I understand it, is one in which the farmer facing serious financial difficulty and on the verge of bankruptcy can file a notice of intention to secure an arrangement from the bankruptcy court. This would prevent his creditors from moving in on him. It would allow a trustee, secured by the farmer or fisherman, to negotiate an agreement with the creditors. Where an agreement was arranged around the table for a write down of debt, it would allow for that agreement to be simply filed with the registrar of the court and it would become effective on the debts of the individual. Where there was no agreement, the farmer could apply to the judge of the court and if the judge agreed to establish an arrangement for writing down the debt, he could appoint an expert panel of qualified people to assist the court in reviewing the circumstances of the situation and make a recommendation to the court and the judge could accept or reject or modify the panel's recommendation. If there were no agreements reached or if an agreement was rejected by the judge, it still would not deprive the farmer or fisherman of their rights in that they could not be petitioned into bankruptcy. Therefore, it would protect the rights of the farmer or fisherman in that regard.

So often we see in bankruptcies too much money and property lost. Everyone loses. In fact, the Farm Credit Corporation has said that in every bankruptcy they see something like $90,000 to $100,000 lost regardless of the circumstances of the bankruptcy. This procedure which was originally proposed in Bill C-17 would allow an arrangement for agreements between creditors and farmers in serious financial difficulty and perhaps in many cases would allow them to continue on in business while at the same time writing off substantial debts instead of not allowing them to continue in business.

My concern would be that this motion pass tonight to indicate the will of the House to support it and to indicate to

the Government to get on with it and bring in such legislation at any early date. I wish Government had adopted the recommendation of the Committee on Finance, Trade and Economic Affairs which recommended a massive program of assistance to those farmers who are facing serious financial difficulty. However, Government did not do that and it will have to live with the political consequences of not taking action like the Ontario Government and other provincial governments.

I think there is a place for such legislation as is proposed in this motion. Clearly it seems like the Government has been procrastinating. The legislation was before the Committee 15 months ago. They have gone through the reports of the FCC indicating these serious financial difficulties. They have gone through a moratorium on foreclosures and they have studied the Bruce Country pilot project. There is apparently no money forthcoming from the Government in the Budget to deal with these serious financial difficulties. Now is the time for the Government to indicate that it is prepared to bring in this modest action which would help a certain number of farmers. The Minister indicated on July 10 he wants to do that.

We are waiting on so many things. We are waiting on the tripartite red meat decision by the Minister. We were disappointed there was no money in the Budget for the financial debt crisis. We are waiting on a dairy policy. We are waiting on aid for the western drought assistance program. We just hope that the Minister will get on with at least this legislation in order to bring it into the House at any early date because the situation in the West is desperate. It is going to become apparent with the rallies and marches which will take place this fall by groups like the Ontario Federation of Agriculture and other agricultural groups. They are desperate for help, especially those farmers in the grains and red meat industries because of the economics and climatic circumstances in other parts of the country.

I hope that the Government will not talk out this motion but allow it to pass. The support of the House has already been indicated. The Minister has already promised to introduce this legislation at an early time in this session.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first I want to take this opportunity to congratulate my colleague from Algoma (Mr. Foster) for having been maintained in his capacity as agriculture critic. Perhaps one might have wished to see, who knows, the Hon. Member for Hamilton East (Ms. Copps) or somebody else take his place, to be different, you know, because I have to keep on listening to the same speech I have been hearing for weeks and months, in fact ever since the session began last year.

Still it takes a lot of nerve on the part of my colleague to say that the Minister of Agriculture (Mr. Wise) has done nothing at all to help the agricultural sector since last year, considering that farm producers had to come to grips with interest rates ranging from 18 to 20 per cent under the previous Government. It takes a lot of nerve to stand here today and say that the Minister of Agriculture has not done anything. Either they are not aware of it, or they have taken leave of their senses, or again they have lost their memory, or perhaps they have forgotten that the Hon. Member for Saint-Maurice (Mr. Chrétien) was proud to say on September 4 he was glad he could go leaving the treasury empty. There is no mistake about it. Now that interest rates have dropped by more than 2.5 per cent since last year, the lowest they have been in nearly eight years, I think they could at least have the decency to acknowledge those facts which are clear and unmistakable in the mind of everybody else.

When they claim they are still waiting . . . My colleague from Richmond can take the floor later on, that is if he has anything to say besides the redundant utterances we have usually been hearing from him for a number of months.

As to the other matters, they talk about the drought, they talk about red meat tripartite programs, but they should at least read the newspapers. The Hon. Member might find out that for many weeks now certain groups have been working and trying, along with the provinces and producers' federations, to find solutions to the problems facing the Canadian agricultural community.

Mr. Speaker, on behalf of the Minister of Agriculture (Mr. Wise), I think it is important to respond to the concerns expressed by my colleague from Algoma (Mr. Foster). I think they may be legitimate, particularly with respect to bankruptcies in agriculture and fisheries. More specifically, the Opposition critic feels that the Government should consider the advisability of amending the current legislation in that field. He would be in favour of another pre-bankruptcy arbitration procedure for agricultural producers or commercial fishermen. Indeed we might abide by a prior ruling by the courts which would be rendered before the bankruptcy. As we know there exists a rather clear and specific bankruptcy procedure which makes it possible to draft propositions in advance of what might be a *de facto* bankruptcy situation. In my opinion, my colleague from Algoma ought to know that the Minister of Consumer and Corporate Affairs (Mr. Côté) is responsible for the Bankruptcy Act, that it has nothing to do with the Minister of Agriculture and that, as it happens, he has appointed a committee of experts in bankruptcy matters. His colleague the Minister of Agriculture gave him his views on this question.

I should think that the committee of experts will advise the Minister of Consumer and Corporate Affairs concerning amendments likely to improve the existing legislation. The Minister of Consumer and Corporate Affairs has already said that major amendments to the Bankruptcy Act will be announced within a few weeks.

I believe that we now have to let time do its work. Action has already been taken to bring interest rates, which were in

the range of 14, 15 and 16 per cent, down to 11, 12 and 13 per cent. That is much more acceptable for farmers, for instance.

In addition to the recommendations of the experts, Mr. Speaker, we shall also have to take into account the various representations which have already been made and which will probably be made in the near future. The Committee has had consultations throughout Canada, and with all due respect, my colleague for Algoma will have to admit that during the 20 years before we came into power, the experts in the opposition did not have the kind of great success that could be considered an example for us to follow today.

Mr. Speaker, we are well aware of the financial problems which many farmers and fishermen now face and of the fact that these problems can make it difficult for many of those people to make it through this crisis. That is understandable. We would of course like every operation likely to be viable in the long term to continue. That is something with which we all agree. However, we must use the present legislation and correct it in accordance with the recommendations that will be made by the Hon. Minister in the coming weeks.

• (1750)

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it is a pleasure to rise in support of the motion before us today which calls upon the Government to amend the current bankruptcy legislation to provide farmers and fishermen with a pre-bankruptcy arbitration procedure, which would in turn provide as a last resort a court ordered settlement to be fully binding on all parties concerned. This proposal has been before the House for some time. As you will be aware, Mr. Speaker, it involves the Bankruptcy Act but it has a great effect on farmers. Farmers, as well as parliamentarians on this side of the House, are very patient people. We have waited a long time for a solution to the problems that changes to the Bank Act created for farmers some 15 or 18 years ago. We thought that Bill C-17 in the previous Parliament would redress the situation. As you know, we went into an election before that Bill proceeded through the House and we have waited over a year for it to be reintroduced. I am not sure what the problems in this respect have been, but when you go back and read the speeches in the last Parliament, particulary those by the Hon. Member for Cambridge (Mr. Speyer) and the Hon. Member for Mississauga South (Mr. Blenkarn), who is now chairman of the Standing Committee on Finance, Trade and Economic Affairs, it appeared that we had at least achieved agreement on the question of how farmer and fishermen bankruptcies should be dealt with.

I pointed out that the problem seems to have arisen with changes to the Bank Act. That seems to be an oblique way of attacking the question, but in reality the bankruptcy legislation we have worked under has been pretty much the same since 1919. There were some minor amendments in 1949, but there were no real changes to the way a bankruptcy is proceeded with. Why, then, have there been problems in the intervening years? I submit it is because the Bank Act has resulted in some radical changes in the way security for loans to farmers and fishermen is handled. Under the old Farm Improvement Loans Act and the Fisheries Improvement Loans Act, lending institutions could provide a loan to a farmer or a fisherman under the following conditions. The borrower would have to put up 25 per cent of the cost of a new piece of equipment and the balance would be financed by the lending institution. The terms of the loan were very clear. The interest rate was fixed, usually at 5 per cent, sometimes 6 per cent. The term of repayment was made quite clear, from three to five years in most cases. The bank took security only on the equipment being purchased. If it was a fishing boat or a new tractor, that was the security. The Government of Canada insured the loans so that there were no untoward losses under this program.

Under that system the old Bankruptcy Act worked fairly well. Then we had changes to the Bank Act. The first change was in the late 1960s. Section 88 was added and the terms of the loans were changed quite dramatically. Instead of taking as security only the equipment being purchased, it was extended to the grain, livestock and machinery; in short, all of the movable inventory the borrower had on his farm or in his business. That was a substantial change in the amount of security required for a loan. Fortunately, the bank rate stayed the way it was written up in the original loan and the terms for repayment were spelled out quite clearly. However, when the Bank Act changed in 1980 or 1981, Section 178 dealt with these types of loans. Under that section we still offer all of our movable goods as security. As well, the interest rate changes whenever the bank decides it should and the loan is on call. It is no longer repayable over three to five years but is due any time the lending institution decides to call it.

Under those circumstances the old Bankruptcy Act is no longer adequate. Previous Governments have recognized that. The Liberal Governments of the 1970s, the short-lived Clark Government, and the last Liberal Government all attempted to change the Bankruptcy Act, but none of them succeeded in getting a new Act through the House. Just before the summer recess the then Minister of Consumer and Corporate Affairs (Mrs. Erola) succeeded in achieving a consensus of the three Parties which would have treated farmers and fishermen in the same way as bankrupts of $1 million or more would be treated. The farmer or fisherman would have had the right to appear before a tribunal which would have examined all of the circumstances of the proposed bankruptcy and decided whether that farmer or fisherman had to go through the bankruptcy procedure or whether the lender should grant further time for payments to be made, or even go so far as to reduce the amount of the payments. That is quite a dramatic change from the way in which farmers and fishermen are treated under the present legislation.

Under the current Bank Act the rights of the lender have been over-extended and the borrower does not retain the protection which existed prior to the upsetting of the careful balance that had been struck between the old Bankruptcy Act and the old Bank Act. As the Bank Act changes there is

obvious need for changes to the Bankruptcy Act to recognize that new circumstance. We must ensure that the borrower has some rights in the arbitration between borrower and lender. That does not exist in the current Bankruptcy Act or in the current Bank Act. Nearly all of the rights and privileges lie with the lending institution and the borrower is very much at the mercy of that lending institution.

It is absolutely vital to farmers and fishermen in this country that there be immediate changes to the bankruptcy provisions of the Bankruptcy Act. There seemed to be universal agreement in the last session of Parliament and I had hoped that there would have been a new attempt to introduce a new version of the previous Bill C-17. We were near the end of a long road of attempting to make major amendments to the bankruptcy laws of this country. I urge the Government to reinitiate that process and reintroduce Bill C-17 which was agreed to just before the last session of Parliament adjourned.

We waited and watched as the current Government went through the Bruce County experiment. We hoped that something would develop from that which would be of use to farmers and could be adapted to fishermen. It appears that we waited in vain. It is now time to introduce a new version of the old Bill C-17 which will deal fairly and adequately with bankruptcy problems which have arisen due to changes in the Bank Act as they affect farmers and fishermen. I am sure that the Government is aware of the major financial problems that face farmers and fishermen in particular and I would urge it to reintroduce the necessary legislation as quickly as possible in order that farmers and fishermen can again be fairly dealt with in the process of bankruptcy.

• (1800)

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): I also welcome this opportunity to take part in this debate, but first of all I would like to congratulate my hon. colleague from Algoma (Mr. Foster) for presenting a motion that, considering the circumstances, should be seen as a very positive contribution.

I was listening earlier with a great deal of interest to the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais), who seemed very proud and very pleased with his Government's performance over the last year. I am not going to discuss the Government's record, because I would probably need far more time than I am allowed, but I would like to say that not long ago, in a newspaper that has a great readership among Quebec farm producers, the Government's record after its first year was discussed and I was really surprised, and agreeably so, when I read a comment by Mr. Proulx, the President of the UPA. He said that farm producers were being offered cute little programs, but that agriculture did not need cute little programs. Farmers needed help in dealing with their problems and concerns. To my mind, the few announcements that were repeated earlier by the Parliamentary Secretary to the Minister of Agriculture were just so many cute little programs that have made farmers feel very disappointed and also made them very anxious about the future, about whether they will be able to make a living on those operations in which they have invested tens of thousands of dollars.

We are still waiting for the long-term dairy policy that was promised with a great deal of fanfare and is now being promised again. We are still waiting for the $13 million and for what the Government is going to do with Bill C-25, the legislation on agricultural stabilization. In other words, there is a lot of anxiety, insecurity and trauma. There are many, many producers in Quebec, like everywhere else in Canada, who are worried about the future and are wondering whether this year it will be their turn to be hit by bankruptcy. I think they have every reason to be worried.

This brings me to the motion presented by my hon. colleague from Algoma which, in the circumstances, appears to be a very interesting and fascinating proposal, I am surprised the Government did not itself initiate the appropriate corrective action.

First of all, Mr. Speaker, when we are talking about the agro-food sector, I think every self-respecting society tends to have, or should have, self-sufficiency in the agro-food sector as its objective. I feel this is a generally recognized principle and a goal we all want to achieve.

Mr. Speaker, in my view, this presupposes that the Government is prepared to help and support those who are helping to feed the country.

Agriculture over the last decades has enjoyed, and rightly so, a number of privileges in terms for instance of subsidies, loans, special treatment as a vital industry in our society, and in fact it needs that support for a good many reasons. Here we have an industry that is dependent on nature. It is dependent on markets. And, finally, when things go wrong, it is not necessarily because of mismanagement or neglect. In many cases it is the result of a number of factors beyond the control of producers.

Mr. Speaker, ever since I entered politics I have always been surprised to see from time to time, and increasingly over a number of years unfortunately, that many farm operations are forced into bankruptcy. When I see a family farm that has been in operation for years being liquidated, the question that comes to my mind is: Who benefits? The corporation more often than not takes over the assets; these assets are left to themselves and deteriorate over the years. There are virtually no offers to purchase in 1985, because of the market situation, for it is extremely difficult to earn one's living on a farm. Those assets deteriorate to such an extent that they become useless at some point. And when we consider the situation in the months that follow the bankruptcy, we realize that finally everybody has lost. The family who lived from the industry, who used to produce, to contribute to the regional, provincial and national economy, who made an honest living on the farm simply lose all that, after having worked on it as a family, to a truly unbelievable extent. Who benefits? In what way? The

answer is, no one benefits whatsoever. The community loses a lot of money, the bank loses, because there are less and less potential purchasers for that kind of assets.

• (1810)

And I say: Why not? Knowing that with the current legislation, we are going to lose a lot of money anyway. Why not, through regulations or legislation of sort, try and find a way to allow these families or these farmers to keep their farms and facilities and continue in the agricultural industry.

A major problem within the farm community is who will take over the farms. As my honourable friend mentioned a while ago, our youngest, most productive and technologically advanced farmers are those who are facing the most serious financial difficulties. These same young farmers who are willing to work hard and who are responsible for most of the food produced in our country are unable to meet their financial commitments because of high interest rates, natural disasters, the market uncertainties and are on the verge of bankruptcy.

If we had means or mechanism to keep these young farmers on the farm, in my view they could continue to perform and contribute very significantly, because I believe the continued success of our agricultural community is fundamental and vital to the economic well-being of their areas and the whole of Canada.

To my mind, the interesting aspect of a measure such as this one, Mr. Speaker, is that the Government keeps telling us day in and day out: Listen, our financial situation is so precarious that the Government simply cannot make new expenditures. We cannot secure the funds required to implement this or that measure. Well now, this is one measure which does not require any kind of funding. It is a measure which can be implemented without any investment whatsoever. As I see it, it is strictly a matter of political will implying that we have faith in our young farmers, that we have faith in men and women who are faced with problems and who, as I said, are in no way responsible for the current financial woes. It seems to me that, if not as a Government, at least as a society we might help those who have been forced to live with such problems, and that would not be tantamount to giving them a chance since nobody would stand to lose anything at all. It seems to me we might actively and openly support any measure to improve the agricultural food sector, an initiative which would surely boost productivity and benefit the agricultural community as a whole.

So I quite sincerely hope that, if we have so much faith in our agricultural food industry, if we are ready to support it, if we are quite willing to make a special effort, I sincerely hope, Mr. Speaker, that the initiative of my colleague will be approved and supported to that it will lead to concrete measures at the earliest opportunity.

[*English*]

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, it is indeed a pleasure to participate in this debate on the proposal by the Hon. Member for Algoma (Mr. Foster). I know that he is very serious about that matter and has given it much consideration.

However, it should be pointed out that one reason why we are debating a motion concerning bankruptcy today is that the previous Government simply did not take agriculture very seriously. Rather than debating the future of agriculture we are debating how to cure some of the ills of the past.

The Hon. Member for Algoma would indicate that farm bankruptcies only started a year ago last September 4. However, farm bankruptcies have been increasing since the late 1970s and one reason for that is the unreasonable interest rates which young farmers have had to pay as a result of mismanagement by the previous Government. They have had to pay the highest interest rates in the history of Canada.

They were also told to borrow, plant large amounts of crops and modernize their equipment. They were told that what they would grow would be sold by the Government. Unfortunately, those words ring rather hollow today. Those farmers are now facing bankruptcy.

The Hon. Member mentioned a program which is now in effect in Ontario. We know that that program is simply an election gimmick. The farmers will receive a small amount of money now but will lose it after the next election. I do not believe that Ontario farmers want election gimmicks to solve their problems.

Many farmers owe hundreds of thousands of dollars but their equity is not enough to cover their debts. Today we are discussing how to save them from bankruptcy. One of the first steps taken by our Minister last fall was to impose moratorium on farm bankruptcies. This was followed by an interest rate adjustment program to lower those high interest rates imposed on farmers by the previous Government.

As was mentioned, the Government also set up a pilot program in Grey-Bruce to determine whether something could be done to help those farmers in cases of arbitration. Studies showed that farmers face very grave problems, especially those involved in the beef business. Those of us who represent rural areas realize how tragic it is that a farm that began generations before must now go on the auction block because of bankruptcy.

• (1820)

I would like to go over some of the figures and bring this House up to date on the present situation regarding the Farm Credit Corporation. There are serious financial difficulties in agriculture today. A Farm Credit Corporation survey published last year, and a more recent update, suggests that some 23 per cent of farmers are experiencing financial difficulty.

The difficulties in the farm sector are well reflected in the FCC lending. In the 1984-85 fiscal year, the demands for loans dropped by 59 per cent from a record level the year

before. This year the level of lending is likely to be even lower, which reflects just how bad the farm economy is.

Other evidence of difficulties can be found in the arrears figures for the Farm Credit Corporation. On August 1, about 17,000 or 22 per cent of Farm Credit accounts were in arrears. This is a sign of the difficulties farmers are facing. It is a reflection of the fact that the FCC's role is to provide credit to beginning farmers unable to obtain financing from commercial sources. This means that FCC's borrowers represent the riskiest part of the agricultural credit market.

Although it is not possible to save every farming operation, the Corporation is sensitive to the cyclical nature of agriculture. Thus it has a compassionate policy with respect to those in arrears. The Corporation has been known to carry some accounts in arrears for several years, something that few other creditors would be willing to do. This policy is meant to give borrowers time to explore every available option to keep them in business. Unfortunately, in some cases there are few options and a farmer has little choice but to close down.

At the moment, over 6,000 loans are under recovery action. A total of 42 FCC borrowers filed for bankruptcy between April 1 and July 31, 1985. During the 1984-85 fiscal year, 96 FCC borrowers declared bankruptcy. The year before there were 121. Often, of course, it is not the FCC that forces the farmer to declare bankruptcy, but other creditors. However, the Corporation's employees are working closely with farmers to try to help them organize their finances to cope with today's difficulties in which they find themselves. Currently over 3,000 of the the Corporation's borrowers are receiving formal financial counselling through the Corporation's advisory services program.

The legacy of a large federal deficit has given this Government very little room to manoeuvre to respond to these difficulties. Despite this, I believe that our Government has taken a number of positive steps to solve the credit problems of agriculture.

Soon after taking office, the Government responded by suspending the Farm Credit Corporation recovery actions for two months to give the Government and the FCC's borrowers breathing space in which to look for solutions for farm financial problems. Subsequently, the mandate of the FCC appeal board was extended to include the review of FCC foreclosure cases. These boards are made up of practising, experienced farmers who can offer an impartial, third-party analysis of each borrower's situation. From January 15 to July 31, 1985, about 65 cases have been heard by the appeal boards. In 14 cases, alternatives to foreclosure were recommended and FCC concurred. In 49 cases, the appeal boards upheld the FCC decision. Decisions are pending in the remaining two cases.

During the past year, the over-all trend in interest rates has been downward. This has been of tremendous benefit to the agricultural sector. Farm Crown Credit corporation charges 11⅞ per cent on its loans with five year interest rate terms and 11.5 per cent on its shared risk mortgage program. While we would like interest rates to fall even lower, these are, in fact, the lowest rates charged by the Corporation since 1979.

In 1981-82, interest rates had reached record levels. Some FCC borrowers were locked into long-term mortgages at interest rates as high as 16.75 per cent. We know this is when many of our young farmers first got into difficulty. To assist these borrowers, the Minister of Agriculture (Mr. Wise), announced earlier this year that borrowers who took out loans in 1981 and 1982 at rates above 14 per cent would be helped by an interest rate reduction program.

Over 5,400 FCC borrowers accepted the conversion of their mortgages to a five year term at 12.75 per cent. This important assistance was provided through foregone revenue to the Government of Canada. The FCC was allowed to use about $600 million of its 1984-85 borrowing authority to refinance its outstanding high interest rate loans at a lower rate. Over five years, this will provide a benefit of approximately $80 million to the borrowers who took part in this program.

In April, 1984, the FCC expanded its credit options to farmers. It began to offer five, ten and 20 year fixed interest terms. This gave borrowers a greater range of choices compared to the single 10 year term offered previously. More choice meant more flexible financial planning.

Since then, another option, a 15 year term, has been added. As well, in April, 1985, the new FCC shared risk mortgage was introduced. This innovative mortgage is meant to respond to the economic forces affecting today's farmer.

In the 1980s, one of the problems that farmers faced was not just high interest rates, but the fact that interest rates fluctuated greatly. This increased the risk to farmers and made financial planning more difficult. At the same time, fixed interest rate loans taken out at a time when rates were high offered farmers little chance to benefit when rates fell.

The shared risk mortgage program offers protection against interest rate volatility. This unique mortgage offers security against increasing rates while also allowing borrowers to take advantage of decreases. The risk of annual interest rate changes are shared between borrower and lender. Moreover, a ceiling of 2.5 per cent is placed on increases.

Since its introduction, 190 or 17 per cent of FCC borrowers have opted for the shared risk mortgage. It is a realistic and innovative lending program. Farmers appreciate this act taken by the Government.

However, the Government's quest for solutions to the difficult financial problems of agriculture have not stopped with these initiatives. FCC officials are researching new programs. For example, a form of indexed loan is being examined.

The federal Government is very conscious of and deeply concerned with the problems facing farmers. In July, the Minister of Agriculture announced plans for an in-depth review of the role and mandate of the Farm Credit Corporation. The Minister invited anyone to submit ideas on the subject of the federal Government's role in the field of farm credit.

Farm Credit Corporation officials have been consulting with farmers, commercial and public sector lenders, provincial Governments, commodity groups and university researchers. A

diverse range of opinion has been offered, often reflecting common concerns about the level of interest rates and the need to help beginning farmers. The results of this consultation process are being compiled and will be ready in the near future.

I think, Mr. Speaker, that this points out just some of the actions our Government has taken to try to help farmers who have found themselves in great financial difficulty, and of course, we will continue to do so.

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, I am very pleased to speak on the motion put forward by the Hon. Member for Algoma (Mr. Foster). I realize I do not have a great deal of time to express my views. It is ironic that the Hon. Member for Algoma introduces a motion of this magnitude today. Does he really think that he and his Party are going to be the saviours of the farmers.

I recall in 1981 as my colleague, across the way stated, when interest rates were 22 per cent. Where was his Government then? Where were the Liberals? Were they trying to help me? I was caught in that bind with 22 per cent rates at the bank. What kind of a policy did that Government come out with to help me, my neighbours, and the neighbours across western Canada? I will tell you where the Liberals were, Mr. Speaker. At that time they had a Prime Minister who came west and said: "Why should I sell your wheat?" Do you recall those days, Sir? The Wheat Board, by the way, was run by the federal Government. That attitude prevailed during all the hard times in the 1970s and 1980s experienced by the farmers of western Canada. Today the Member for Algoma stands up and says "We better start helping farmers". I want to tell you, Mr. Speaker, and the Hon. Member for Algoma that our Party and this Government is determined to do everything we can to help farmers.

Some Hon. Members: Hear, hear!

Mr. Holtmann: We will not on some *ad hoc* basis throw something at the farmers by saying "I will help you a little bit today. We will chuck this little bit of legislation in here to help your group". That is not our way. We will determine the needs and the importance of their problems and how we can affect them in the long term.

● (1830)

When they introduced a Bill of a similar nature, Bill C-17, that mighty Government of the past could do nothing with it to help farmers. The Hon. Member referred to that Bill and how great it was. When there was an amendment by the Opposition Party, the Conservative Party at the time, they never let it come to the floor. They debated it for days and days, but we must remember that it really added some substance. If we follow it all the way through, it finally died on the Order Paper when a leadership convention was called. That was how they treated farmers. I cannot help but believe that its actions today will reflect on its importance as an Opposition Party. They had an opportunity and could do nothing with it.

In the House of Commons today—and they were supported by some hon. colleagues in the New Democratic Party—they were very upset with the Government of Canada supporting a bank foreclosure. Although the figures are not out as yet, 20 per cent of the investors in that bank could very easily be farmers who retired after working all their lives for that money.

They feel that it is wrong for the Government to support that action. Shame on such an attitude! They are not really for farmers, those farmers who perhaps worked for 40 years and invested all their hard-earned money in that bank. When we say that we are prepared to support a bank which has gone down, we are supporting farmers. Today they did not consider that at all. Why did some important legislation fail during their administration? It failed because they had no will or determination to do something for agricultural people.

I come from a farm background. I have farmed. I have gone through the tough times. Yes, we have to be very concerned whenever problems develop in agriculture. Today we do have many problems. We have problems in western Canada, some involving more than just one year of drought. The Province of Manitoba was looking forward to a tremendous crop. As of today it has now had 3.5 weeks of rain. It will now be very difficult to get off a crop which is so important to western Canada. It is not only important to the Province of Manitoba; it is also important to those provinces which need feed and fodder. Indeed it will not be in the best of shape after all this rain. However, Manitobans are prepared to help out wherever they can and to give supplies to needy farmers in southern Saskatchewan—stocks of fodder, straw and so on.

[*Translation*]

The Acting Speaker (Mr. Charest): The hour provided for the consideration of private members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

APARTHEID—SOUTH AFRICA—REQUEST FOR ECONOMIC SANCTIONS. (B) REQUEST FOR IMMEDIATE ACTION

Hon. Warran Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on April 15, I asked the Secretary of State for External Affairs (Mr. Clark) whether, considering the escalation of violence in South Africa, he was then ready to implement economic sanctions and a mandatory program with respect to Canadians doing business in South Africa. I also asked whether he would consult with the Opposition

Parties in order to develop a united national position with respect to South Africa.

In answering my question, the Minister replied that a review of this policy was under way at that time and that he would consult with the Opposition Parties. On the other hand, he was not ready at that time to announce any new policy. To his credit the Minister, through his Parliamentary Secretary, convened a meeting of representatives of all Parties. I attended on behalf of the Liberal Party; there was also a representative of the New Democratic Party. We met three times in an attempt to develop an all-Party position with respect to South Africa. Our purpose was to explore the possibility of developing a position on apartheid which would have all-Party support and would result in a unanimous resolution in the House of Commons.

• (1835)

At those meetings, I had proposed that the Government consider the following approaches: first, that he ban all new investment in South Africa; second, that there be a program of disinvestment; third, that there be no bank loans allowed to South Africa; fourth, that we stop Krugerrand sales in Canada; fifth, that we stop the landings of South African airlines in this country; sixth, that we completely boycott sports, cultural and scientific exchanges; seventh, that we have a mandatory code of conduct for Canadians doing business in South Africa; eighth, a full arms embargo; and ninth, a full energy embargo. I pointed out that many of these measures were already implemented or were in the process of being implemented in other countries; as a matter of fact, there are 22 Bills going through the American Congress this year in an attempt to implement all or several of those measures to which I have referred. The most important of those Bills are House of Representatives Bill 1460 and Senate Bill 635. As well, the Swedish Parliament passed a law banning all new investment in South Africa.

Unfortunately, it was not possible for Parliament to pass an all-Party resolution during the last week of the Session due to the many other matters which preoccupied Parliament. As a result, the Minister made a statement on his own behalf on July 6, a week after Parliament adjourned. While that statement of new policy was a step in the right direction and imposed more severe restrictions on South Africa with respect to Canada, it was not enough. The code of conduct is still a voluntary code. It is not mandatory and, stricktly speaking, there were no economic sanctions imposed against South Africa although there were measures to discourage Canadian trade with South Africa.

Since July, the situation in South Africa has deteriorated. There are now emergency measures in place in that country. Violence is escalating and deaths are reported each day, particularly in the black townships. Arrests of political leaders who are working for the good of the black African people are occuring.

Yesterday the President of the United States introduced some measures to deal with the South African situation. These measures go beyond those that have existed in the past against South Africa and go beyond those which were announced by Canada. However, they do not go as far as measures already voted on in the U.S. Senate and the U.S. House of Representatives. They are not even acceptable to the moderates in South Africa.

I understand that the Secretary of State for External Affairs will make a statement later this week, perhaps tomorrow. I would urge him to go at least as far as the American Congressional Bills to which I have referred and at least as far as the Swedish Parliament. In the past, the Minister has rejected sanctions because he felt that they would destroy communications with the Government of South Africa and that they might hurt the blacks. That might have been a reasonable position at one time but it has been tried for several years and has not worked. It is time for something new.

In conclusion, I would say to the Government and the Parliamentary Secretary who is present that we have reached the point of no return. Everyone agrees that apartheid is wrong, injust, cruel and immoral. It is time to play hard ball with South Africa. We await the Minister's statement later this week. If it is a tough statement, I can assure the Parliamentary Secretary and the Minister that the Government will have the support of this Party and that we will be behind him 100 per cent in imposing tough measures on South Africa.

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, through you, I hear my hon. friend loud and clear. We are discussing here today a tragedy which touches Canadians in their hearts. The revulsion felt by Canadians toward apartheid and indeed toward all forms of racial discrimination is very clear. Apartheid shrieks against everything that our multicultural society stands for.

• (1840)

The South African Government would have us believe that it is engaged in substantive reform. No one denies that blacks there have made economic and social progress in recent years. However, the fact remains that there are more than 300 apartheid laws still on the books which dictate where blacks must live, where their families must live, where they may work, where they may own land and where they may open and run a business. These laws deprive three-quarters of the population of basic civil rights, citizenship and the franchise.

It is not by incremental, piecemeal reform aimed at diluting such a system gradually that peace and elemental justice will come to South Africa. On this side of the House, we believe that something more basic is required from the present white minority Government. It is the heart of the system itself, not the tattered edges, which must be removed.

Do you know, Mr. Speaker, who is a white in South Africa? According to the law of the land, and I quote, it means:

—a person who (*a*) in appearance obviously is a white person and who is not generally accepted as a coloured person or (*b*) is generally accepted as a white person and who is not in appearance obviously not a white person.

In deciding whether any person is in appearance obviously a white person or not a white person, within the definition of white person, his, and I quote again, "habits, education and speech and deportment and demeanor . . . shall be taken into account".

How can reasonable people anywhere accept this in the 1980s at the close of the 20th century? Who can blame the black population for their rising anger and frustration? Their plight is one which moves us; their struggle is one which we must share.

The situation in South Africa calls out for vigorous action. The Government of Canada has already acted in the right direction. In fact, Canada was the first major western country to take concrete steps, as announced on July 6—you are indicating that my time is up, Mr. Speaker.

Further measures are by no means ruled out at all. We will be working closely with our Commonwealth partners in the coming weeks on the run-up to the Heads of Government Meeting in Nassau next month. The Secretary of State for External Affairs (Mr. Clark), as my hon. friend pointed out, will be making a statement shortly on the matter.

Speaking personally, I am delighted that the Hon. Member has indicated for his Party that they will support us if we make a strong statement.

CANADIAN NATIONAL RAILWAYS—RETENTION OF WINNIPEG AS REGIONAL HEADQUARTERS. (B) GOVERNMENT INTENTIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my intention today is to follow up a concern which I first raised in a public way back in April, and one which I raised in the House on May 2 with the Minister of Transport (Mr. Mazankowski) concerning the consequences of the CNR appointing a Senior Vice-President for Western Canada to be located in Edmonton.

On May 2 I rose in the House and asked the Minister of Transport a question pertaining to that appointment because I was concerned that the CNR might be planning to revive a plan which it had in place a couple of years ago to amalgamate the Prairie Region, headquartered in Winnipeg, and the Mountain Region, headquartered in Edmonton, into one single region, the Western Canada Region, headquartered in Edmonton. I asked the Minister of Transport for assurances that that was not the case and that that action would not be carried out. The Minister of Transport said, and you can check the record, Mr. Speaker, "Yes, Mr. Speaker, I can give the Hon. Member those assurances".

Subsequent to those assurances it became clear to me through documents which I received from various people who worked at the railway, and from documents which others such as the MLA for Transcona, Mr. Wildon Parasiuk, received, that this type of amalgamation and consolidation of the two regions was going on and that Winnipeg stood to lose its position as a regional headquarters of the CNR.

It took a long time for those of us who knew this was happening to get the message across to those in Winnipeg who did not want to believe that it was actually happening. We knew that this was happening. On a number of occasions we released documentation to that effect. At one point I wrote to the Minister of Transport providing him with a document which came from the office of the senior vice-president. This document talked about the amalgamation of the Prairie and Mountain Regions. Yet when I received the Minister's answer after some time it simply referred me to a statement that Dr. LeClair had made in which he indicated that the CN had no plans to do this. Subsequently he had to come to Winnipeg and say that they had reversed their plans to do this. He apologized to the people of Winnipeg for the anxiety caused by the CNR through this move and said that it was now all cancelled, that it would never surface again and that the 10 appointments which had been made, and which constituted transfers of senior positions from Winnipeg to Edmonton, were cancelled. Those of us, Mr. Speaker, who were on to this move on the part of the CNR from the very beginning were very pleased to hear Mr. LeClair, as the chairman of the board of the Canadian National and chief executive officer for that company, say that this was now stopped and that it would not surface again.

• (1845)

But what I am concerned about is that over the coming few weeks we need to know whether or not the positions which were created in Edmonton called manager, Western Canada, have actually been abolished and whether or not the positions which were formerly abolished in Winnipeg have been recreated, because it will not be enough, Mr. Speaker, to simply cancel those appointments which constitute an actual transfer of certain people from Winnipeg to Edmonton. What we want to know is that the reorganization which caused those transfers to be made in the first place is actually cancelled. Otherwise, we will have only achieved a partial victory which will not in the long run protect Winnipeg from the kind of erosion of its status as a transportation centre. Therefore, I hope it will become clear to me and others who are concerned about this matter, Mr. Speaker, in the coming days and weeks that these new positions which were created in Edmonton and filled by people in Winnipeg—some of whom no longer have a job in Winnipeg because their old job as the senior regional person has been abolished—will in fact be abolished.

I am also concerned, Mr. Speaker, with the over-all attitude of the Government towards the transportation sector in Manitoba. There are a series of federal-provincial agreements with respect to building up the transportation sector in Manitoba which came about as a result of negotiations between the Province of Manitoba and the federal Government prior to the last election. One that I am particularly concerned about, for instance, has to do with agreements pertaining to the future of the Port of Churchill and a program for the rehabilitation of rolling stock, in this case, boxcars, which would serve the Port of Churchill. This is a program which has been agreed to and has been on the books for a long time now

but it seems to have a great deal of difficulty actually happening. It is of crucial importance to railway carmen in my riding who came back to work this week after a two-month lay-off, an extended shutdown, and were hoping that they would not be facing another lay-off in the very near future.

I am hoping that whoever is speaking for the Government—I see the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) here, who perhaps will be responding on behalf of the Government—can indicate to us whether or not those federal-provincial agreements are now to be honoured and whether or not they have assurances from the CNR now that those positions which were created in Edmonton as part of the new western region have in fact been abolished and the senior positions which were abolished in Winnipeg have in fact now been reinstated. That is what we need to know, Mr. Speaker.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, in answer to the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), on May 2, 1985, in respect to transferring CNR workers to Edmonton, the Minister stated, and I quote from *Hansard* at page 4342:

—this Government has no intention of downgrading the role of Winnipeg as a transportation centre and as an important part of the CNR. The fact of the matter is that the growth in western Canada should augur well for the future of the CN operation in Winnipeg, including Transcona, because as the traffic increases it will clearly provide more jobs and more activity in western Canada, particularly in Winnipeg.

A vice-president in Winnipeg acted against Government policy and without any authorization sent out announcements that personnel would be transferred.

● (1850)

After I made a public statement in Winnipeg that this vice-president should be fired for insubordination, the Hon. Member for Winnipeg-Birds Hill said that I should be fired. He defended the actions of this vice-president in announcing the movement of CNR personnel from Manitoba to Edmonton.

Mr. Blaikie: That is not the way it worked, Dan.

Mr. McKenzie: Winnipeg, Manitoba, is and will remain one of CN's greatest areas of activity. Over 7,000 CN employees work in Manitoba, representing more than one-third of the CN workforce in western Canada. Between 1978 and 1986, CN will have spent approximately $41 million in the Winnipeg area. This includes a material handling facility at Transcona, modernization of the wheel shop, the installation of a paint and grit blast shop, and the development and application of computer technology to the industry. As well, the Winnipeg Symington yard has grown to become the busiest of all six major yards in the CN system. Concurrent with the importance of their operations, CN has developed in Gimli, Manitoba, one of the finest transportation centres in North America.

Maurice LeClair, chairman of the CNR, had to come to Winnipeg on August 21 to make an apology to the people of Manitoba for the actions of this vice-president, who acted without any authorization at all from the chairman of the board or the board of directors itself. That is why I called for his dismissal. That is out and out insubordination. Dr. LeClair did not say that the decision had been reversed. He had no knowledge of the decision in the first place. He blamed this senior vice-president in Edmonton and said that no such proposal had ever surfaced at the board. There was no approval whatsoever of this move. He said the company did not give this officer more decision-making power and that these transfers went beyond that officer's limits. Dr. LeClair said that Winnipeg is and will be the greatest area of activity. He also said that Winnipeg will not be downgraded in favour of Edmonton.

Contrary to statements made by the Hon. Member for Winnipeg-Birds Hill that he does not trust the CNR and is skeptical of CNR's plans, I want to assure him that the CNR has learned a real lesson from this. They will not pull another stunt like this. I called for this man's resignation or firing and I stand by that. As a Member from Manitoba I am not going to tolerate this kind of insubordination from senior vice-presidents of Crown corporations. As Dr. LeClair pointed out, this has caused all kinds of anxiety and concern in Manitoba.

I want to assure the Hon. Member that I will never at any time tolerate any shenanigans like this from senior civil servants, the heads of federal government Departments, or whatever. I am glad to see that the Winnipeg media covered this incident well and pointed out that it was all a mistake. I have never seen a man eat humble pie like Dr. LeClair had to do when he came to Manitoba. I hope we never see a repeat performance like this by any senior personnel in Crown corporations or government Departments.

STATUS OF WOMEN—REQUEST FOR FUNDING FOR REAL WOMEN ORGANIZATION

Mr. Jim Jepson (London East): Mr. Speaker, it is my pleasure to take this opportunity to speak on behalf of the REAL Women organization. This group was formed in Toronto in 1983 by professional women and homemakers who joined together with 20,000 members from all across Canada. Their objective is to secure for all women a meaningful, equal and progressive role in the 1980s, an objective broadly embraced by the Government in freeing women from the effects of discrimination over the years.

● (1855)

REAL Women, although desiring equal opportunity for women in the workforce, as well stresses the importance of the family unit and the role of women as mothers and homemakers. Having witnessed the drastic changes that have altered our society in the last 20 years, the supporters of REAL Women have come forth with a very important point.

Throughout history the family has been the building block of our society and it is becoming increasingly obvious that the fragmentation of the family leads to a poorly functioning society and widespread social disorders are seldom unaccompanied by weakening family bonds. Alienation and delinquen-

cy are most often the result of broken homes, in whatever circumstance.

REAL Women is a group that is sensitive to these dangers and they make this awareness a constant companion in their efforts to secure wider opportunities for women in society. In other words, Mr. Speaker, their agenda has been conceived to offer the greatest possible hope for progress for women while maintaining the family as a basis of Canadian society.

To date there has been a reluctance on the part of the Government to fund REAL Women, even though many other women's groups do receive such funding. I believe that if the Government is going to fund some women's groups, such as the National Action Committee for the Status of Women, it certainly should be funding another legitimate point of view like that of the REAL Women's organization. I strongly believe, Mr. Speaker, that it is not for a group of bureaucrats in the Ministry left over from the previous administration to decide which values best represent the interests of the women of Canada. REAL Women is a rapidly growing organization representing a view which I believe is widely held by a majority of Canadian women.

Many Members of the House have indicated to me their support for the approach taken by REAL Women. Also, thousands of women across Canada have shown their support through their membership and activism. The ideas put forth by this group represent a positive way for Canadian society to undergo important changes.

I have taken the opportunity of consulting with the new Minister, the Secretary of State of Canada (Mr. Bouchard), who has given me assurances that he will be looking into this situation and rendering a decision. I look forward to that news.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I would like to start by thanking the Hon. Member for London East (Mr. Jepson) for the interest he has shown in women's rights, thus demonstrating that all Progressive Conservative Members, irrespective of their sex, are concerned about the status of women.

Mr. Speaker, I would like to take this opportunity to describe the role and the mandate of the Women's Program of the Department of the Secretary of State and explain why the Department decided against funding for *REAL Women of Canada*.

In 1973, a women's program was created at the Department to implement one of the recommendations of the Royal Commission on the Status of Women. Recognizing the important role played by women's voluntary associations in women's struggle for equal rights with men, the Commission recommended that the Government provide funding to encourage these associations to pursue their efforts, and also provide funding for other voluntary associations working in fields of particular concern to women.

The Women's Program is funding a broad range of women's groups across the country and in a broad cross-section of society to help them improve significantly the status of women in Canada.

The program tries to fund groups which through their activities are trying to make a positive contribution to the status of women, which are representative of the female population and whose work will benefit all Canadian women.

Although the work of women in the home constitutes an important contribution to society, the fact remains that in its efforts to improve the status of women—which were specifically referred to in the Throne Speech—the Government is not necessarily trying to promote a particular prototype of the family. This particular goals of *REAL Women* is not one of the objectives of the Women's Program, which tends to fund groups that see it as their task to explore the entire range of options women have in their struggle to achieve full equality.

Mr. Speaker, it is interesting to note that women's rights groups have been working constantly to obtain recognition of the non-remunerated work done by women in the home. For instance, a number of organizations such as the National Action Committee on the Status of Women have been promoting for many years the concept of providing a pension for women in the home.

Mr. Speaker, in concluding, I can inform the Hon. Member for London East (Mr. Jepson), as in fact he himself said earlier, that the Secretary of State who is responsible for the Women's Program intends to review and analyze all programs under his jurisdiction as part of a comprehensive study of his new duties.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 7.01 p.m.

HOUSE OF COMMONS

Wednesday, September 11, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

UNEMPLOYMENT INSURANCE

TREATMENT OF SEVERANCE PAYMENTS AND PENSION INCOME

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, when will the Conservative Government realize that measures which it has taken to reduce the unemployment insurance deficit are discriminatory and unfair? Specifically, I am speaking of the regulatory changes announced by the Minister of Employment and Immigration (Miss MacDonald) last December regarding the treatment of severance payments and pension income for the purposes of unemployment insurance entitlement.

When will the Government realize that surpluses in pension assets belong to the workers, not to the companies, and that companies should not be allowed to use pension plan assets to reduce their corporate debts?

When will the Government realize the fact that the nature of the workforce is changing and many older workers would choose early retirement to make room for younger workers if conditions were favourable?

Up to 1,000 Inco workers in Sudbury will be faced with this dilemma in the very near future. Sudbury has been hit hard in the past with massive lay-offs, and this is a new blow to my community. All of those involved are attempting to find the best possible solution, yet the measures taken by the Conservative Government severely curtail the options available.

Unemployment insurance has a role to play in these situations. UIC can be used as a bridging mechanism between the older and younger generations of Canadian workers. I urge the Minister of Employment and Immigration to reconsider the changes which she announced last December and to allow older employees who choose early retirement to live in dignity and security and, at the same time, save jobs for our younger workers.

HISTORIC EVENTS

CREATION OF PROVINCE OF SASKATCHEWAN IN 1905

Mr. Jack Scowen (Mackenzie): Mr. Speaker, you will notice that many Hon. Members are sporting "I love Saskatchewan" buttons. On September 1, 1905, 80 years ago, an Act creating the Province of Saskatchewan came into force. Today the very mention of the word "Saskatchewan" brings to mind the vision of waving wheat and endless skies which characterize the province known as Canada's bread-basket.

Back in 1911 there were 492,000 souls in the province. In 1984, with the large influx of immigrants who came out on the new railroad and highways, we had a healthy 1,010,900 citizens enjoying our clean air, water, and lowest rate of unemployment.

The vastness of our land, 252,000 square miles, is enriched by an astonishing diversity of languages and cultures, including native people, English, Ukrainian, Chinese, Polish, German, and French, who settled in Saskatchewan in our early years. Our main industries are agriculture, fishing, mining and forestry. It may come as a surprise to many people that two-thirds of Saskatchewan are covered with forests and it has more lakes than any other western province. Agriculture is the mainstay of our economy and we are a supplier of wheat for the world.

Saskatchewan has grown from buffalo trails and wilderness to a modern society, thanks to our pioneers. However, we in Saskatchewan are not without our troubles in agriculture. We rely on our federal Minister of Agriculture (Mr. Wise) and other Ministers to assist us in our time of distress—

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

* * *

ENERGY

OPPOSITION TO CONTINENTAL ENERGY POLICY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, today the Minister of Energy, Mines and Resources (Miss Carney) is meeting with her United States counterpart, the U.S. Energy Secretary, to discuss energy relations between the United States and Canada. I should like to take this opportunity to warn the Minister to stay away from any discussions with the U.S. Energy Secretary on a so-called continental energy policy.

Recently in a meeting of the Canada-U.S. Interparliamentary Group, held last May, the U.S. delegation proposed what

would be known as a North American, or continental, energy policy. One Senator said that its objectives would be to permit continental planning, to reduce transmission costs, and to rationalize supplies. On the surface that sounds good, but it really represents another attempt by the United States to obtain unlimited access to Canada's natural resources and to further its unspoken policy of treating Canada as a resource colony, or a milk cow, for the United States.

It may seem attractive to Canadian energy producers who are anxious to increase their sales and are hungry for new markets, but in the long run any merging of the Canadian and U.S. energy markets would only result in the United States swallowing our precious non-renewable resources such as natural gas which is now at bargain basement prices, while leaving Canada high and dry to pay higher prices in the future.

The Government of the Prime Minister (Mr. Mulroney) has already taken Canada down the road to losing our independence. We must not do it in an energy policy. Energy is a key area, and we should not have a continental energy policy.

* * *

[*Translation*]

AGRICULTURE

DAIRY INDUSTRY—GOVERNMENT POLICY

Mr. Gilles Bernier (Beauce): Mr. Speaker, this morning, 32 Conservative Members from Quebec were able to meet with the Executive of the Fédération des producteurs de lait du Québec.

The federation submitted its views to us in a very comprehensive brief on the long-term dairy policy. Personally, I can assure producers that the brief will not be set aside and forgotten, since it contains a number of constructive recommendations. In our election platform, we in the Progressive Conservative Party promised to put in place, with the co-operation of the sector concerned, a long-term dairy policy that would consider the needs of our Quebec producers.

The Minister of Agriculture (Mr. Wise) has set up a committee that will be reporting soon, and I may add that there is constant consultation going on between the Department, the organizations concerned and Quebec Conservative Members with respect to the needs of our farmers. Dairy producers and all farm producers in Quebec can rest assured that the Member for Beauce (Mr. Bernier) and his Quebec colleagues promise to listen to what they have to say and to support them at all times. We are visible, we are available and we are accessible. We consult a great before making decisions. Quebec farmers may be sure that we will support their cause, provided their demands are fair, equitable and above all reasonable.

[*English*]

HARBOURS AND PORTS

SIZE OF SMALL CRAFT HARBOURS BUDGET

Mr. George Henderson (Egmont): Mr. Speaker, small craft harbours all across the country are in a sad state of disrepair, and fishermen know that things are going to get a lot worse under this Government. This year's budget forecast is $60 million, or less than a third of what it was last year and what it should be. The Government is allotting a paltry sum to Canadian fishermen. My hon. colleague, the Minister of Fisheries and Oceans (Mr. Fraser), knows that the money in the small craft harbours budget is totally insufficient to honour the Department's mandate to maintain and upgrade small craft harbours.

When I toured fishing ports in my riding of Egmont this summer, I saw holes in the docks, holes big enough for a grown man to fall through. Those wharves are dangerous places to work. In my riding alone $3 million is needed to fix the wharves to make them safe. That is not an exaggerated figure; it is the Department's own estimate. The breakwaters need work, the docks need repair, and the harbours need dredging. The list goes on and on.

Everyone in the industry knows that the major problem with small craft harbours is underfunding. The budget should be tripled. It should be at least $160 million per year if the Government intends to honour its promise to maintain those harbours. It is time for the Minister to fight with his Treasury Board colleagues for more money for small craft harbours before fishermen lose their lives because of unsafe working conditions.

* * *

[*Translation*]

NATIONAL SOVEREIGNTY

CONSTRUCTION OF ICE-BREAKER—ASPIRATIONS OF LÉVIS CITIZENS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Secretary of State for External Affairs announced yesterday in the House a Government strategy concerning Canada's sovereignty in Arctic waters. Canada has for many years considered the continent and the Arctic archipelago as an integral part of its territory.

Mr. Speaker, as the Member for Lévis, I am the proudest citizen in my riding and in Canada, because yesterday's statement by the Secretary of State has demonstrated the continuing significance of the official act of possession of Arctic lands and waters by Captain Joseph Elzéar Bernier, a citizen of Lévis. Captain Bernier took possession of this territory on behalf of the Government of Canada on July 1, 1909.

In so doing, Captain Joseph Elzéar Bernier added 500,000 square miles to Canada's territory. In 1909, Captain Bernier's ship had left Lévis to conquer the vast territories of the Arctic.

Since the Secretary of State mentioned the Government's decision to build a Polar Class 8 icebreaker to affirm our sovereignty, I hope that this ship too will be built by Versatile Davie of Lévis, in Lauzon, in my riding, since the icebreaker's task will be to continue the work started by Joseph Elzéar Bernier.

In expressing this hope, I am also reflecting the hopes of the authorities of Versatile Davie, and of Mr. Robert Monette, President of the Employees' Union, Mr. Louis Larivière, President of the South Shore Chamber of Commerce, and Mr. Marcel Gosselin, President of the Lévis-Lauzon Economic Council.

I thank you, Mr. Speaker, and I hope Lévis will have its ship.

* * *

● (1410)

[*English*]

INDIAN AFFAIRS

ELIGIBILITY FOR NON-INSURED MEDICAL SERVICES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last March the Minister of Indian Affairs and Northern Development (Mr. Crombie) promised that Indians would receive funding for all the people who were recognized as band members, whether or not they met the federal Government's criteria for Indian status. As I said at the time, without that guarantee the right of Indian bands to determine their own membership would be meaningless. Now, however, the Government is singing a different song.

On August 12 the Director General of Operations for Medical Services in Health and Welfare issued a directive specifically repudiating the Minister's promise. The directive reads:

> Eligibility for payment of non-insured services is dependent upon being registered as a Status Indian.

This means that the Government plans to perpetuate a two-tier system of health care in Indian communities. The directive calls into question the credibility of the Minister of Indian Affairs. In the interests of Indian health and his own credibility with Indian people, the Minister of Indian Affairs should talk with his colleague, the Minister of National Health and Welfare (Mr. Epp), and urge him to provide full health services for all Indian people.

S.O. 22

[*Translation*]

AUTOMOTIVE INDUSTRY

INSTALLATION OF NEW PLANTS—NEED FOR GOVERNMENT TO CONSIDER CERTAIN FACTORS

Mr. Fernand Jourdenais (La Prairie): Last month, Mr. Speaker, the Toyota Company announced its intention to build an assembly plant in Canada. The moment I heard the news I immediately invited the company to build its plant in Quebec, more specifically at Brossard in my constituency of La Prairie.

The City of Brossard can offer a parcel of land of over five million square feet and all services required for the construction of such facilities, including railroads, a seaway, a highway just a few minutes from the American border and the airport, and all this for a very good price.

Later on other announcements were made by other companies. I must say that they are welcome as well.

Finally, Mr. Speaker, I might point out to the House that Quebec did not get preferential treatment from the previous Government when it comes to the auto industry. I therefore express the wish that our Government will steer those companies towards regions that offer them what they need, and that it will bear in mind the economic situation and the unemployment rate in the Montreal region where it is still very high.

* * *

[*English*]

FISHERIES

CONDITIONS IN NEWFOUNDLAND AND LABRADOR

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, a critical situation exists in the inshore fishery in Newfoundland and Labrador. Because of the failure of the inshore fishery close to 50 per cent of fishermen and plant workers in the province will not be able to draw unemployment insurance benefits this winter. That means that thousands of workers will be without income during the winter months. In the long term, this is a situation that must be dealt with through discussions dealing with the unemployment insurance review and the Macdonald Royal Commission. However, Newfoundlanders and Labradorians need help right now.

I call on the Government to allocate sufficient funds to provide work projects for fishermen and plant workers so that they can qualify for unemployment insurance and at the same time improve their working facilities.

Second, I call on the Government to supply offshore fish at inshore plants so as to ensure continued employment for plant workers. This is an urgent matter with which the Government must deal right now.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED STATES ENERGY SECRETARY AND NEW UNITED STATES AMBASSADOR

Mr. Speaker: I wish to bring to the attention of Hon. Members the presence in our gallery today of the Honourable John Herrington, U.S. Energy Secretary, accompanied by the new United States Ambassador, Thomas Niles.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—INQUIRY CONCERNING MINISTER'S CONVERSATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. The Government's handling of the Canadian Commercial Bank situation has been a national disgrace. The way that the Minister and his colleague, the Minister of State for Finance, have attempted to cover up the matter is even more serious and almost amounts, I believe, to a scandal. Canadian pension funds have lost millions of dollars and individual Canadians have been totally wiped out all because of the incompetence of two Cabinet Ministers. Will the Minister of Finance tell us with whom, other than his colleagues, the Prime Minister, and the Officials of his own Department, he had conversations with relating to the bank during the months of July and August?

• (1415)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to comment on the preamble to the question put by the Right Hon. Leader of the Opposition since I think certain matters have to be set straight.

The failure of this bank did not start on March 27, nor did it start on September 2. It started many years back. There are two factors which led to this. First, there were the decisions which have been made by the management of the bank that led to a deterioration in the loan portfolio of the bank and which resulted in a great many bad loans. That is what led to the insolvency of the bank. That is what led to the decision by the Inspector General to give his advice to the Minister of State and myself. One of the causes for that, as the hon. gentleman full knows, since he has spoken to this matter many times, is that the National Energy Program itself was at the heart of many of the bad loans that the bank wrote during that period of time.

I would also like to make it clear that there has been no attempt at cover up at all with respect to this matter. What we have offered to the opposition Parties is a full committee hearing in order that all the specific questions can be put, and in order that answers can be found.

In answer to the Hon. Member's specific question—

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): In answer to the specific question—

Mr. Speaker: Very short, please.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, when the Leader of the Opposition throws a great deal of innuendo out there—

Mr. Speaker: Order, please.

VIABILITY OF BANK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Finance made that same argument at the time of the original bail-out, news of which he brought before this House in March and April. When he brought that measure before the House, why did he and his colleague mislead the House with respect to the viability of that bank as a result of the bail-out?

Can the Minister assure us that no member of his staff, no senior official of the Department, or the Minister himself, had conversations with leading officers of the chief financial institutions of the country, or any customer of the bank, giving them the feeling or understanding that the Government was thinking about pulling the plug on this bank?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Leader of the Opposition would expect that either the Minister of State for Finance or myself would go to a few of the top bankers—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): —in order to see whether or not there was an interest on the part of those banks to participate in some means of saving this bank. We did that in the latter part of August and we make no apologies for it. That is something which we felt was our responsibility to do.

Some Hon. Members: Hear, hear!

TELEPHONE CALLS AND TRAVEL PLANS—REQUEST FOR DETAILS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in light of the Minister's answer, the Canadian people have a right to know just who destroyed this bank, who pulled the plug and who was an accessory to the pulling of that plug. I want the Minister of Finance to table in the House at an early opportunity a list of his phone calls and the phone calls of his senior staff and senior officials.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I want a list of the travel plans of the Minister and his senior officials covering the relevant periods in July and August so that we can have, with precision, the names of the people with whom they spoke, in order to compare that list to fit the list of deposit records of the Canadian Commercial Bank.

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition was casting a lot of innuendo outside the House of Commons yesterday about alleged phone calls which I had made.

Mr. Lapierre: You made some.

Mr. Wilson (Etobicoke Centre): And alleged phone calls which were giving inside information to the banks. I challenge him to step outside and give the names of those people to whom he says I have given inside information. And if he cannot prove that, resign.

Some Hon. Members: Hear, hear!

Some Hon. Members: Out, out!

An Hon. Member: Take a walk, John.

Mr. Speaker: Order.

INSPECTOR GENERAL OF BANKS—ADVICE GIVEN TO CHARTERED BANKS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. The Inspector General of Banks has stated that during the summer as he became increasingly concerned about the situation of the Canadian Commercial Bank, he advised the chief executive officers of the banks which contributed to the CCB bail-out. Will the Minister confirm that these calls were made under his authorization?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, those calls were made by the Inspector General of Banks. The Minister of State for Finance is the person to whom the Inspector General reports directly.

Mr. Lapierre: It's your responsibility. Come on.

Mr. Wilson (Etobicoke Centre): I cannot comment on the nature of the communication between the Inspector General and the Minister of State for Finance at that time.

Mr. Chrétien: You are the Minister of Finance.

Mr. Wilson (Etobicoke Centre): But I would encourage the Hon. Member to raise that point in the committee hearings—

Mr. Gauthier: Do it here . . . now.

Mr. Wilson (Etobicoke Centre): —that we have offered to the opposition Parties and to the people of Canada, so we can deal with what are very, very complex issues in a more appropriate way.

REQUEST FOR INFORMATION ABOUT DEPOSITORS

Miss Aideen Nicholson (Trinity): Mr. Speaker, some of the information which has been requested in committee has been denied us. Therefore I would now ask the Minister again if he will provide to the House full details of the names and addresses of all depositors over $100,000 in March, in June, and at the date of closing, September 2, so we can see what movement there has been. And can we also have full details of who bought the banks' loans at bargain basement prices?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is very well aware of the section in the Bank Act which prohibits the Government from releasing information which is of a confidential nature. We might like to do that. We are bound by law not to do that. That is the reason we cannot respond to those specific questions.

Some Hon. Members: Give us the names.

Mr. Wilson (Etobicoke Centre): The Right Hon. Leader of the Opposition, that great lawyer from Bay Street, says for me to break the law. Would he give me the legal advice as to how he would like me to break the law?

Some Hon. Members: Hear, hear!

MINISTER'S STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is always a pleasure to hear two boys from Bay Street fighting about the banks.

My question is directed to the Prime Minister and arises from an answer given yesterday by the Minister of State for Finance. The Prime Minister knows that in March the Government of Canada, along with the chartered banks, participated in a multimillion dollar bail-out of the Canadian Commercial Bank. Then the Government, as well as the chartered banks, assured credit unions, municipalities and others, that the Canadian Commercial Bank would be a profitable entity.

We now know that the same chartered banks which participated in the bail-out began to scuttle the viability of the Commercial Bank by making withdrawals. The Minister said yesterday it was her view that such withdrawals were perfectly normal commercial practice. Does the Prime Minister agree with that opinion?

• (1425)

Right Hon. Brian Mulroney (Prime Minister): First of all, Mr. Speaker, is my hon. friend certain that is what the Minister said?

Mr. Broadbent: Yes.

Mr. Mulroney: You are certain that is a direct quote from the Minister? Because I suggest, Mr. Speaker, that is at variance with what I recollect the Minister saying.

Perhaps I could tell my hon. friends this. If a support package were put together in the neighbourhood of hundreds of millions of dollars with a view to saving a financial institution in western Canada, when the Minister spoke to that issue it would have been contradictory in the extreme, having put together a support package to save an institution in western Canada, to then say: "I don't think it's going to work".

Mr. Broadbent: That is not the question.

Mr. Mulroney: Obviously the Government believed, the banks believed, and the Opposition believed, that the package put forward was designed to be of assistance to that institution, its depositors, and western Canada.

In regard to the question my hon. friend specifically raises, and we have to go very carefully to the premise, which is the alleged statement of the Minister, I will answer as follows. We asked and invited Members of Parliament to bring this matter to committee as quickly as possible, because if anyone, a chartered bank or anyone else, acted incorrectly, then let the public know, and if they acted illegally then immediate prosecution will be initiated against them.

Some Hon. Members: Hear, hear!

WITHDRAWALS MADE BY CHARTERED BANKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, given the proceedings going on both inside and outside this House, there may at some point be criminal charges. One hopes that is not necessary or the case, but it may happen. However, my question to the Prime Minister has nothing to do with that. It has everything to do with the fact that Ministers of the Crown have responsibility for millions of dollars of taxpayers' money and when they enter into an agreement with the banks they should make sure the banks do not scuttle the project. That is what the question is all about.

I ask the Prime Minister to answer the question this time. If he checks the record he will find the Minister of State for Finance in this House yesterday accepted as normal business practice the right of the banks to withdraw their deposits from the Canadian Commercial Bank even if it led to a scuttling of the project.

Mr. Clark (Yellowhead): Read the record.

Mr. Deans: I have read it.

Mr. Clark (Yellowhead): Read *Hansard*. Tell the truth.

Mr. Deans: I have read it.

Mr. Broadbent: Since we know the banks made a deal with the Government of Canada, and since we know that—

Mr. Speaker: Order, please. Could the Hon. Member come right to a question?

Mr. Broadbent: We know they withdrew their funds, which helped scuttle the project. Does the Prime Minister agree that they ought to have made that kind of withdrawal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what I know is that the chartered banks contributed something in the neighbourhood of $60 million as part of a support package to save that institution in western Canada. It would be preposterous in the extreme, having contributed the $60 million on a Wednesday, for them to withdraw it on a Thursday. It may be that that is the evidence to be adduced before a parliamentary committee. That is why we want this matter to go to a parliamentary committee so that value judgments can be made.

My hon. friend says the banks scuttled the project. He does not know that at all. Not at all. If that is the case, we will deal with the banks of Canada with the utmost severity, but we will not hang anyone until the proof is in. You want to hang people before the proof is in; that is what is wrong.

Mr. Broadbent: Mr. Speaker, I say to the Prime Minister that he ought to know now whether the banks made those withdrawals soon thereafter. He should not have to wait for an inquiry; he should know now.

CABINET RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has responsibility for his Minister of Finance and his Minister of State for Finance. Was the Cabinet not kept informed of the withdrawals that were being made? Was there not a continual monitoring of the process by the Cabinet in exercising its responsibility to the taxpayers? Or were Ministers prepared to sacrifice not only the Canadian Commerical Bank but the credit unions and municipalities, and then come back to all the rest of the taxpayers of Canada to ask for another $1 billion to pay out? I ask the Prime Minister is that responsible leadership?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am somewhat mystified by the line of questioning of my hon. friend. I know the Liberals would be. They are criticizing us for helping a fledgling institution. They didn't say a word when they pumped a couple of billion dollars into Canadair in Montreal and refused to allow an accounting here in the House of Commons. That is what happened. We want this to go before a committee.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I can remember asking a previous Prime Minister for a committee of the House so that we could examine and try to save that institution in Montreal, and the answer was no.

Some Hon. Members: Order.

Mr. Mulroney: I am telling my hon. friend that the matter arose and, in combination with all of the institutions, we tried to put together a support package to save this institution in western Canada. The Government believed, acting on advice, that it would work. I am sure that everyone in the House hoped that it would work because it would be in the interest of Canada and all of our national institutions. Obviously it did not, and there are consequences of that. The only way that we can objectively examine the responsibility for this is before a parliamentary committee and by having the matter adjudicated in a proper forum and according to the proper rules. I will not accept the notion that you hang them now and try them later. That is the NDP way.

Some Hon. Members: Order.

Some Hon. Members: Hear, hear!

[*Translation*]

WITHDRAWAL OF FUNDS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, it seems to be clear that the contacts were made by members of the Minister's official in financial circles. So would the Minister not agree that people thus contacted this way felt that it was in their own interest to withdraw their money from the bank at the earliest opportunity?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me ask the Hon. Member—

Mr. Lapierre: No, he is asking the question.

Mr. Wilson (Etobicoke Centre): —if he has specific information on which he is basing that allegation. If so, let me have it and I will respond to it. I am not aware of any contact that has been made, apart from what I mentioned in my response to the Leader of the Opposition. If he or his Leader has any other information, let me see it.

MINISTER'S POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, is the Minister saying that if it is established that such contracts were made by people in his office, then they contributed directly to the downfall of that bank and to the cost of $1 billion to Canadian taxpayers?

Some Hon. Members: Question.

Mr. Hnatyshyn: What is the question?

Mr. Johnston: Would the Minister agree that if it is established that those contacts were made, that that would have contributed directly to the downfall of the bank and a cost of $1 billion to Canadian taxpayers?

Mr. Mulroney: A hypothetical question.

Mr. Hnatyshyn: Out of order.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not understand the nature of the question. If he would like to repeat it more clearly—

Mr. Gauthier: Did you help the bank go down the drain?

Mr. Speaker: There are some traditions about hypothetical questions. The Hon. Member for Ottawa Centre.

[*Translation*]

REASON FOR GOVERNMENT DELAY IN ESTABLISHING TRUE SITUATION OF CANADIAN COMMERCIAL BANK

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister and deals with the same issue.

I have just found out today that the chartered banks which took part in the rescue operation of the Canadian Commercial Bank decided right from the beginning to write off the $60 million they put up for this rescue operation treating the whole amount as a loss.

Was the Cabinet or the Government aware of the opinion of the chartered banks, namely that it was a loss from the word go, with perhaps the possibility of earning a small return? If not, why did the Government fail to act for nearly four months before even trying to assess the real situation of the Canadian Commercial Bank?

Right Hon. Brian Mulroney (Prime Minister): Apparently, Mr. Speaker, the Hon. Member has information which is not available to the House. I mentioned that in the month of March the Official Opposition and the Government, the interested parties in this case, shared the common opinion—if I am not mistaken—that such action was likely to save this national institution located in Western Canada. That is why we acted as we did. Now if you tell me... Yes, but you were in agreement. It is because you believe—

Mr. Speaker: Order, please.

Mr. Mulroney: If you have new information ... All we knew at the time was that the bankers and the others believed that the operation was likely to save the institution in question. That is why we acted as we did.

[*English*]

CABINET'S KNOWLEDGE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is also directed to the Prime Minister. We are looking at the ability of the Government to manage the affairs of the country. It has now lost Canadian taxpayers $1 billion. The Prime Minister says that he is not aware of the

fact that the chartered banks wrote off the $60 million that they put into the rescue effort which they made in March. If the Cabinet was not aware of that, what kind of management were we getting for the people of Canada, and isn't that why we lost $1 billion of taxpayers' money?

Right Hon. Brian Mulroney (Prime Minister): I said no such thing. The problem with the NDP is that they ask questions and will not even listen to the answer. That is what is wrong with the NDP.

Some Hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHETHER STUDY MADE OF NORTHLAND BANK

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a question for the Minister of Finance.

It now seems obvious that we shall have to do without the Canadian Commercial Bank. Basic mistakes were made in this affair, but there is another bank which I believe might deserve to be saved, namely the Northland.

I would like to ask the Minister of Finance whether he or the Minister of State for Finance have reviewed the value of the assets of the Northland Bank to determine its viability.

We have learned that it took four months before a study was undertaken in the case of the Canadian Commercial Bank.

Can the Minister now tell us whether such a study has been made, and if so, whether this bank is viable?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is a former banker himself. He should know the answer to that question. There is only one basis on which I, as the Minister of Finance, can appoint curators for any bank. The only basis on which I can do that is on a report from the Inspector General of Banks. I have that report for both the Canadian Commercial Bank and the Northland Bank and the decisions were based on those reports.

[*Translation*]

REQUEST FOR DETAILS OF CERTAIN STUDY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to come back to this question because it is of capital importance and I believe that this is why the whole bail-out operation failed in the case of the Canadian Commercial Bank.

Is the Minister of Finance now saying that he has in his possession a study similar to that prepared by Mr. Hichman which led to the closing down of the Canadian Commercial Bank? Is that what the Minister has just said?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, do you think that I would make this decision just by pulling the answer out of the air?

Mr. Garneau: That's what you did. That's what you did in March.

Mr. Wilson (Etobicoke Centre): The Member for Laval-des-Rapides does not know what he is talking about. He is a former banker himself and he should have read the Bank Act before he took on the responsibilities that he held as a president of a bank. I have to have a report for both of those banks before I can appoint a curator. Both of those banks collaborated with the Inspector General of Banks to produce and provide the information on which the decisions were made. There is a report for both the Northland Bank and the Canadian Commercial Bank, based on a considerable amount of work done by the Inspector General.

GOVERNMENT DECISION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. He is well aware that the Canadian banking system is one of the most profitable banking systems in the world and that in the third quarter the Canadian banks indicated a profit increase of 27 per cent over last year's third quarter. The Minister will also realize that banking history has indicated that banks have always come to the rescue of their own during troubled times.

Why did the Government decide, in this instance, to break from that tradition and ask the taxpayers of Canada to cough up something in the neighbourhood of a thousand million dollars to bail out this particular bank, the CCB, as well as the Northland if necessary? Why did he break from that tradition?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in March we entered into an agreement with the banks, the Canadian Deposit Insurance Corporation, the Province of Alberta and the Province of British Columbia to do exactly what the Hon. Member is suggesting we should have done on September 2. We talked to the heads of those banks. There are a couple of other banks that came to us and said that they might be interested in merging with these banks. They looked into the situation and decided that they could not do so.

On that basis we felt we had to move the way we did. These are very complex areas and very specific questions which he is putting, and the Hon. Member will get more complete and comprehensive answers by putting those questions at the committee hearings.

REQUEST FOR LIST OF PROTECTED DEPOSITORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, does the Minister believe that he now has a right to ask the

taxpayers of Canada to come up with a billion dollars in bail-out money without providing a list of those people who will benefit from this bail-out? Whom is he trying to protect? Is this a cover-up? Are there firms that he does not want the people of Canada to know about in terms of this bail-out?

Mr. Clark (Yellowhead): Masters of innuendo.

Hon. Michael Wilson (Minister of Finance): Innuendo has been flying around this place, starting with the Leader of the Opposition and now the finance critic of the NDP. I encourage him to bring those questions to the committee.

Let me say one thing to him; you can't say that one can treat one depositor this way and another depositor that way. All depositors are equal.

Mr. Riis: Who are they?

Mr. Wilson (Etobicoke Centre): I remind him, if he would listen—

Mr. Broadbent: Why do you have an in-house committee then?

Mr. Wilson (Etobicoke Centre): If his Leader would listen to the answer to the question, the depositors are a wide range of people, be they individual Canadians such as farmers, or small businessmen from a number of small communities in Canada. There are hospitals that are depositors. We have seen the City of Kanata as a depositor. There is a wide range of people as well as some of the major—

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): They all have to be treated equally under the law.

* * *

EXPORT DEVELOPMENT CORPORATION

PLACEMENT OF LEGAL BUSINESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, yesterday the Prime Minister told us that he had nothing to do with Sam Wakim or Sam Wakim's firm getting the legal work of the Export Development Corporation. Therefore, I want to ask the Minister of State for International Trade who recommended that firm to the Export Development Corporation, and whether he or any members of his staff discussed with Mr. Wakim the prospect of the legal work which was to be awarded.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, upon assuming responsibility for the Export Development Corporation we reviewed many of its activities and noticed that outside legal work amounted to $1 million a year. We felt that other firms across Canada should have an opportunity to share in that work—

Some Hon. Members: Oh, oh!

Mr. Kelleher: We asked EDC to explore the possibility of retaining other legal firms. It said that it was prepared to do so if three criteria were met; expertise, an Ottawa office, and competitive rates. Weir and Foulds, a distinguished legal firm, met that criteria and were retained to do some of that work.

I would like to point out that EDC had been using that firm for legal work prior to the change in government.

Some Hon. Members: Oh, oh!

DISCUSSIONS INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, this is very interesting information. However, I want to repeat my original question to the Minister. Before the legal work was awarded to the firm that Mr. Wakim just joined, did the Minister or any of his staff discuss the prospect of that legal work going to the new firm?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would ask the Hon. Member to remember that the legal firm of Weir and Foulds was the one that was retained. Many lawyers, including Mr. Wakim—he was not the only one—discussed with me the possibility of doing legal work not only for EDC but other corporations that must report through me.

* * *

UNEMPLOYMENT INSURANCE

IMPACT OF PENSION INCOME ON BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Inco Limited of Sudbury announced yesterday that it would have to reduce its work force by up to 1,000 employees, based on production. It is preferable to the community and the workers themselves that an early retirement program be offered to protect the jobs of the younger workers. One deterrent to that is the present change in the Unemployment Insurance Act regarding pension income. Is the Minister prepared to abandon, or at least postpone, that whole proposal for pension income being used in calculating unemployment insurance benefits?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think we should be clear that the issue here is not unemployment insurance. The issue here is the behaviour of a company that has returned to a substantial profit margin—$33 million in the first half of this year—has done that on the backs of the employees, and is now threatening the employees, and indeed the community, with further lay-offs. By its own estimates the company has said that a substantial number of employees will accept early retirement knowing the UI provisions. I want to say to the Hon. Member that I find that kind of corporate behaviour irresponsible, and I hope he would as well.

Some Hon. Members: Hear, hear!

INCO EMPLOYMENT LEVELS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Prime Minister. I wholeheartedly endorse what the Minister of Employment and Immigration said. In light of the correct analysis which the Minister has given, what steps will the Prime Minister take to ensure that the employment levels at Inco will be kept at the present level?

Right Hon. Brian Mulroney (Prime Minister): I could speak to the Leader of the Opposition who is a former director of Inco, I think.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: No, he wasn't.

Mr. Mulroney: I just wanted to find out if he was awake.

As the Minister of Employment has indicated, we will work carefully to make sure that corporations fulfil their social responsibility.

Mr. Rodriguez: Like Iron Ore?

Mr. Mulroney: Pardon?

Mr. Rodriguez: Like Iron Ore?

Mr. Mulroney: Like Iron Ore, precisely, which we may use as a model of a program where there was no provincial or federal legislation. I had the honour of introducing and passing the most generous package for retirement in the history of Canada. That is what we are going to do.

Some Hon. Members: Hear, hear! More.

Mr. Speaker: Perhaps we could stick to the answer.

Mr. Mulroney: And I then ran in the riding where Schefferville is and I won every poll.

Some Hon. Members: Hear, hear!

* * *

● (1450)

CUSTOMS AND EXCISE

SERVICE AT BLUE WATER BRIDGE INTERNATIONAL CROSSING

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, my question is for the Minister of National Revenue. It is reported that the customs complement at the international crossing at the Blue Water bridge is faced with a further reduction in personnel. Can the Minister assure me that we will find a solution, first, to the existing problem at this customs entry point, which causes a backlog of vehicles and hour-long delays, prior to any further reduction in personnel considerations?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can appreciate the concern of the Hon. Member for Sarnia-Lambton with regard to the level of service and the problems that he has raised. I can tell him that I have already discussed the matter in a preliminary way with my officials. I will report back to him as soon as I have something of substance to tell him.

* * *

UNEMPLOYMENT INSURANCE

SITUATION OF NEWFOUNDLAND FISHERY WORKERS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Employment and Immigration. I hope her answer to this one is as good as her answer to the last question put to her. It also concerns a disastrous situation that affects workers. There is a complete failure in the inshore fishery in Newfoundland. The Minister knows that. She knows that 50 per cent of the plant workers and fishermen will not have enough to qualify for benefits this winter. What is she going to do? Is she prepared now to take measures that were taken before, and announce a special work program so that people will not have to be demeaned by welfare this winter?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I say to the Hon. Member that we are well aware of this situation. We have been following that matter very carefully. We know of the water temperatures and the failure in some parts of the fishing industry this summer. My colleague, the Minister of Fisheries and Oceans, is monitoring the situation in an ongoing way. Let me say to the Hon. Member that it would be premature to announce action at this point before we have seen the results of the fall fishing season. That is why we are keeping a very close watch over the situation.

REQUEST FOR WINTER WORKS PROGRAM

Hon. William Rompkey (Grand Falls-White Bay-Labrador): I would say to the Minister, Mr. Speaker, it is not the temperature of the water, it is the temperature of the fishermen I am concerned about. It is getting hotter. If we wait until the end of this season in November, it will be too late. We need money. We need it now. If the Minister waits, it will be too late. Will the Minister now announce a works program for this winter?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member knows that we took action this past spring in light of the ice conditions. We did that as we evaluated what was happening on an ongoing basis. We are doing exactly the same thing now. We will be in a position to see how the fall fishing season produces.

NATIONAL SOVEREIGNTY

ROLE OF INUIT IN ESTABLISHING CANADIAN POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs regarding Canada's new policies on Arctic sovereignty. The Minister yesterday laid claim directly through the Inuit to Arctic sovereignty since they have been there, to use the Minister's own words, since time immemorial on the lands and ice of the Arctic archipelago.

Since the Inuit and aboriginal presence is vital to Canadian sovereignty, is the Government now serious about settling matters of aboriginal title in non-treaty areas of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if I may depart very briefly from normal parliamentary custom, I would simply like to express my appreciation of the spirit in which the Hon. Member responded yesterday to the statement.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The answer to the Hon. Member's question, as my colleague, the Minister of Indian and Northern Affairs will confirm, is, yes.

SUBMARINE RIGHTS

Mr. Jim Fulton (Skeena): Mr. Speaker, let me pay tribute to the Minister also. I think some very important moves on behalf of our country were made by the Minister yesterday.

Some Hon. Members: Hear, hear!

Mr. Fulton: I will not go any further, Mr. Speaker.

On the new policy of Arctic sovereignty, the Minister was silent on a number of other vital matters related to securing sovereign title firmly in international law. Is he now going to order through the Canada Oil and Gas and Lands Act claim to the geographical maximum to submarine rights to all Canada's maritime boundaries, including the 141st meridian between Yukon and Alaska?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what I am going to do, and the thought occurred to me yesterday, is add the Hon. Member for Skeena to the list of people whom I consult closely on this question.

Some Hon. Members: Oh, oh!

* * *

PORNOGRAPHY

REQUEST FOR STRONGER LAWS

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of Justice. I applaud the Minister for having recently brought before this House progressive legislation to crack down on the problem of prostitution in our cities. In light of this initiative, can the Minister give us any indication of when he might, in an equally firm manner, bring forth measures that will strengthen our laws against pornography, especially that with violence and exploitive content?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to thank the Hon. Member for his thanking me.

Some Hon. Members: Oh, oh!

Mr. Crosbie: It is not too often one gets thanked in this Chamber, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Crosbie: If the Pied Piper arrived on the scene in Ottawa, we would have no Opposition left.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

An Hon. Member: He has been waiting all summer for that one.

Mr. Crosbie: These issues, as the Hon. Member knows, are very complicated. We are now discussing with the provinces and other very interested groups what our package should be. I hope we will have a package of legislation by Christmas, and if not, certainly shortly thereafter.

* * *

[*Translation*]

SOCIAL SECURITY

GOVERNMENT AID TO FAMILIES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister.

In the Prime Minister's first Throne Speech on November 5 last year, it says under the heading Social Justice in the paragraph on families with children, and I quote:

My Government has as a high priority measures to support and strengthen the Canadian family—

Could the Prime Minister inform our 3.5 million families in Canada that the message was that there would be a 3 per cent cut in the indexation of family allowance, a 3 per cent cut in the child tax credit, a $55 million cut in the benefit program for these families?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member has recognized the importance that both the Government and Canadian society place on the family unit. I think many of us in this House and in society generally feel that that concept had to be strengthened, that there were certain trends in society that were possibly reducing the importance of the family. This

Government wants to bring forward initiatives that will enhance both the Goverment's position relative to the family, but more important, show that the family is the cornerstone of society. I am glad the Hon. Member has recognized that.

Second, in terms of the family allowance proposal that the Member has put forward, I remind him that in 1976 when he was a member of the Government opposite, the Government froze indexing of family allowances.

[*Translation*]

Mr. Malépart: Mr. Speaker, I am not surprised at the Prime Minister's decision to remain seated, because it is embarrassing when the Government cuts $55 million from its spending program for families but can find one billion . . . I am not surprised he is embarrassed.

Mr. Speaker, my supplementary is directed to the Minister of Social Injustice in Canada. Speaking of the Throne Speech, the Minister said that it was his task to initiate action to improve the quality of life of our families. I am asking a straightforward question, and I would like a straight answer: Was it the Minister's task to cut $55 million from family benefit programs? Was that his position?

[*English*]

Ms. Copps: You guys think this is a real joke. Families don't.

Mr. Epp (Provencher): Mr. Speaker, perhaps the Hon. Member should look at the proposal the Government is putting forward. Most social agencies said: "Increase the child tax credit". We have done that. If the Hon. Member takes a look at the proposal that was in the Budget itself, the reduction of the escalation is less than what the Liberals imposed in 1976.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, September 10, 1985, meet the requirements of the Standing Orders as to form.

I have a ruling to render on a previous point of order.

The Right Hon. Leader of the Opposition (Mr. Turner) is rising on a point of order?

* * *

• (1500)

PRIVILEGE

CORRECTION TO STATEMENT OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. The responses of the Prime Minister (Mr. Mulroney) on a daily basis prompted me to rise to correct the facts. I know that he does not like facts interfering with the scope of his argument, but I just want to say to the House that I am not, nor was ever, a director of Inco.

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POINT OF ORDER

TABLING OF NOTICE OF WAYS AND MEANS MOTION—RULING OF MR. SPEAKER

Mr. Speaker: On Monday, September 9, 1985, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) raised a point of order as to the appropriateness and procedural acceptability of the tabling of a notice of a Ways and Means Motion by the Hon. President of the Privy Council (Mr. Hnatyshyn) on a point of order and thereby interrupting another Hon. Member's speech.

The Hon. Member for Ottawa-Vanier, in his submission yesterday morning, drew an analogy between the prohibition in our rules of moving motions to adjourn or of amendments on a point of order. He argued that the Hon. President of the Privy Council had acted contrary to our practices and precedents.

On that particular point, I would point out that motions to adjourn and amendments are subsidiary motions and consequently are related to and dependent upon a main motion before the House. That is why they must be moved within the confines of a particular debate and not in an incidental manner.

Standing Order 65 permits a Minister of the Crown to table Ways and Means motions at any time during a sitting regardless of the matter then before the House. However, the Chair has some difficulty in interpreting the words "at any time" in the absolute. For instance, it would not be proper to do so during Question Period. Our practice is certainly clear in that instance.

Having now had the opportunity to review previous cases, I can inform the Hon. Member for Ottawa-Vanier that the Minister has in fact not contravened our practices, nor set a precedent. I would refer him to the *Debates* of December 11, 1973, page 8639, where a similar motion was tabled by means of a point of order. While I must find, therefore, that the action of the Minister on Monday was in order, I hasten to add that I have some reservations about interrupting another Hon. Member in order to table such documents unless the adjournment hour is about to preclude such a tabling.

In the future, may I suggest, it would be preferable to table such notices of motions at the end of Government Orders and before Private Members' Business, or after a Member has resumed his or her seat and before another Member is recognized for debate.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am glad that in your ruling you identified and described precisely what I did last Monday.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

PORNOGRAPHY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour of presenting to the House a petition signed by 2,200 residents of the City of Hawkesbury and the Hawkesbury area, in which they express their grievances about pornography.

[*English*]

PENSION BENEFITS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to present a petition on behalf of a number of British Columbia residents. They call upon Parliament to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without a deduction of pension income.

YOUTH EMPLOYMENT PROGRAM

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a petition from a number of residents of Winnipeg. They call upon the Government to create a new youth employment program which will deal effectively with unemployment among all groups of young people, which will meet significant community needs and which will permit non-profit organizations as well as the private sector to benefit significantly.

PENSION BENEFITS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I should like to offer a petition on behalf of a number of residents of British Columbia. They point out that pension benefits are essential for the maintenance of family income and the compensation of workers for their lifelong contributions to society. They ask, therefore, that pension benefits not be deducted from their unemployment insurance benefits.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition from residents of Halifax, Nova Scotia. They call upon the Government to withdraw the provision in the Unemployment Insurance Act which would see pension income being used as earned income for unemployment insurance purposes.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the following questions will be answered today: Nos. 391 and 416.

[*Text*]

OPENING OF CANADA EMPLOYMENT CENTRES

Question No. 391—**Mr. Allmand:**

1. On Friday, May 3, 1985, did the Hon. Member for Timmins-Chapleau, on behalf of the Government, attend the opening of the Summer Student Employment Centres in Sudbury and Elliot Lake, Ontario and, if so (*a*) who invited him (*b*) what was his function at the openings (*c*) what was his mode of transport (*d*) what was his point of departure prior to his trip to (i) Sudbury (ii) Elliot Lake (*e*) how much did each trip cost (*f*) to which budget were these expenditures charged?

2. Was the Hon. Member for Parry Sound-Muskoka, on behalf of the Government, invited to attend the opening of the Summer Student Employment Centre in Espanola, Ontario and, if so (*a*) who invited him (*b*) what exactly was his function at the opening?

Hon. Flora MacDonald (Minister of Employment and Immigration): 1. Yes.

(*a*) The Hon. Member for Timmins-Chapleau was invited to attend the official opening of the Canada Employment Centre for Students in Sudbury and Elliot Lake at the request of the Minister of Employment and Immigration. (*b*) The Hon. Member for Timmins-Chapleau was representing the Minister of Employment and Immigration. (*c*) Automobile. (*d*) (i) From residence Iroquois Falls to Sudbury, (ii) From Sudbury to Elliot Lake. (*e*) (i) Trip to Sudbury-$265.87, (ii) Trip to Elliot Lake-$162.48. (*f*) The expenditures were charged to the Minister's office.

2. Yes. (*a*) The Hon. Member for Parry Sound-Muskoka was invited to attend the official opening of the Canada Employment Centre for Students in Espanola at the request of the Minister of Employment and Immigration. (*b*) The Hon. Member for Parry Sound-Muskoka was representing the Minister of Employment and Immigration.

SUMMER CANADA PROGRAM

Question No. 416—**Mr. Robichaud:**

1. In (*a*) 1984 (*b*) 1985, how many tourism-related jobs were created through the Summer Canada Program in (i) New Brunswick (ii) Canada?

2. In 1985, how many tourism-related jobs will be created through the Challenge '85 program in (*a*) New Brunswick (*b*) the Maritimes (*c*) Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): (*a*) In 1984, tourism-related jobs created through the Summer Canada program totalled 212 in New Brunswick and 4,809 in Canada. (*b*) Summer Canada did not operate in 1985.

2. Based on almost 100 per cent of contracts signed under Challenge '85, tourism-related jobs total: (*a*) 179 in New Brunswick; (*b*) 780 in the Maritimes, and (*c*) 7,073 in Canada.

[*English*]

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

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I ask the Parliamentary Secretary to draw to the attention of whoever is responsible for answering questions that some rather important questions have been placed, especially on page 26 of the Monthly Supplement to the Order Paper, for example, Question No. 386 dealing with the Public Service pension. I think it is important that those questions be answered in the near future.

Mr. Lewis: Mr. Speaker, I will take the Hon. Member's inquiry under advisement.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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MOTION UNDER S.O. 31

CANADIAN PARTICIPATION IN SDI RESEARCH

Mr. Speaker: I am in receipt of a notice of motion from the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) under Standing Order 31.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in accordance with Standing Order 31, I ask leave to move that this House do now adjourn for the purpose of debating an extremely urgent and important matter, namely, the undermining of Canada's national interest by various Ministers offering assistance to Canadian companies that wish to take part in star wars research, when the Prime Minister (Mr. Mulroney) clearly said on September 7 that participation would not be in Canada's interest.

If leave is granted, we in this Party will present the serious concerns of Canadians on this matter and will impress upon the Government the danger to Canada's national and international interests of any involvement in the Strategic Defence Initiative.

Mr. Speaker: The Hon. Member for New Westminster-Coquitlam has given the Chair the required notice of her intention to seek leave of the House to move a motion to adjourn.

While I appreciate that the matter she has raised is one in which she has a particular interest, as do many Hon. Members of the House, and is one of continuing interest to the House, I have been unable to find in her submission the elements of a genuine emergency. Consequently I cannot justify ruling in favour of an emergency debate.

Furthermore, to be consistent with the ruling that I gave earlier this week, I should remind the Hon. Member that the first report of the Special Joint Committee on International Relations is currently before the House and she may find therein a method to have a debate on the matter at some early moment.

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MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, if you will call Motion No. 2 in my name, I will request that it be transferred for debate.

Mr. Hnatyshyn: It cannot be done that way.

Mr. Speaker: It is perfectly reasonable to transfer it for debate if it is called. I am being asked to call Motion No. 2.

COMMUNICATIONS BETWEEN B.C. DEPARTMENT OF INDIAN AFFAIRS AND TO TOUSSOWASKET ENTERPRISES LIMITED

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all correspondence, notes, minutes of meetings, telephone calls, studies and other communications during the years 1980, 1981 and 1982 between (*a*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or any of his officials and Mr. Noll Derriksan or Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises (*b*) Mr. Noll Derriksan Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises Limited and the Indian Economic Development Fund (*c*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or any of his officials and the Westbank Development Company or any official or employee of the Westbank Development Company (*d*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or his officials and Mr. Ron Derriksan or the Westbank Indian Bank regarding Mr. Noll Derriksan, Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises Limited or the Mount Boucherie Trailer Park or any financial arrangements associated with the above (*e*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development and the Headquarters Economic Development Branch of the Department of Indian Affairs and Northern Development regarding Mr. Noll Derriksan, Toussowasket Enterprises Limited or any official or employee of Toussouwasket Enterprises Limited, the Mount Boucherie Trailer Park, Mr. Ron Derriksan, the Westbank Indian Band or the Westbank Development Company.

Mr. Speaker: Shall it be transferred for debate?

Mr. Hnatyshyn: Yes.

Mr. Speaker: Transferred for debate. Shall the remaining notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CROWN CORPORATIONS DISSOLUTION AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, September 10, consideration of the motion of Mr. de Cotret, that Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or repeal other Acts in consequence thereof, be read the second time and referred to Committee of the Whole.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, as I was saying yesterday, the intent of Bill C-60 certainly does not match the intent of the Government in its statements concerning Crown corporations prior to getting elected. I want to conclude simply by saying that we have under discussion in the House today the principle of this Bill. Hopefully, this non-Bill will be dealt with in Committee of the Whole, at third reading stage and disposed of very quickly. I say that because the Hon. Member who introduced the Bill, to use his exact words, said that it was an effort "to rationalize . . . Crown corporations". He also said that "we are going to dissolve at this time" these four Crown corporations. The fact of the matter is that these Crown corporations are not even in existence in reality.

● (1510)

The first Crown corporation with which we are dealing is Canadian National (West Indies) Steamships, Ltd. It has not been in operation for a couple of decades and was used as a shipping service to the West Indies. It was sold to Cuba.

The second Crown corporation of the four, St. Anthony Fisheries Limited, was formed only for a one-year period. Then it was taken over a couple of years ago by another Crown corporation supported by the present Government. It is a Crown corporation that has been spoken of in flowery language by the Progressive Conservative Premier of Newfoundland. As I said before, he said that it was the greatest thing to happen since confederation with Canada. The particular Crown corporation with which we are dealing in this Bill was dissolved. It was finished after a year.

The third Crown corporation with which we are dealing is a strange and important one. It is called the Societa a responsibilita Limitata Immobiliare San Sebastiano which, quite simply, was a Crown corporation formed to buy a residence for the Ambassador to the Vatican. Its one asset was transferred to the Government of Canada.

The fourth Crown corporation contained in this very important Bill before the House of Commons, a Bill enunciating government policy on Crown corporations, is the Crown corporation called Uranium Canada Limited. This corporation passed over all of its stockpile of uranium to Eldorado quite some time ago. It is really not operative.

We are debating the principle of this Bill. The principle of the Bill is really a big zero. The principle of the Bill is to dissolve things that are not even in existence.

I would ask Hon. Members to deal with this matter in a very fast manner and to ask the President of the Treasury Board, if he is going to say anything, to be very quick about it so that we can dispose of this Bill and get on to something of greater importance to the Canadian people.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I appreciate the Parliamentary Secretary's assistance in explaining just what these now insignificant Crown corporation are all about. However, he did not explain to me satisfactorily nor to my colleague, the Hon. Member for Gander-Twillingate (Mr. Baker), why with an unemployment rate of 10.5 per cent with British Columbia, the Atlantic provinces and part of Quebec suffering not continuing recession but real 1930s-like depression, this would be seen to be a priority by the Government.

Since the Government chose to bring the Bill forward, I thought that I would make a few comments with respect to Crown corporations in general because I think it is a subject which is extremely important and one in which there is scope for action by Government. Unfortunately, I am not sure if we will see such action from this particular Government.

There are some 400 or perhaps more Crown corporations under the purview of the Government of Canada. I do not think anyone knows exactly how many exist. The four that are mentioned in this particular Bill are, as the Parliamentary Secretary has said, not particulary important. There are others, however, like Air Canada, VIA Rail and Petro-Canada which are important. The operations of the Government of Canada through such Crown corporations touch almost every aspect of the lives of Canadians.

Crown corporations have been established at various times because the Government of the day was convinced that there was a need for the public to be involved and that this was not an area in which the private sector alone could be counted upon to do those things that were necessary to be done in the public interest. That is something that my Party has always accepted. We think that there is a constructive and positive role for the public sector to play. The fact that there is a substantial public sector in this country is part of our political culture. It is something which we feel is in fact an essential part of Canada. We would not have a country if we did not have a tradition of public involvement. As you know, Mr. Speaker, in the past the people of Canada contributed to the railways, some of which now form part of CN and, since you want me to come to order, CN eventually had a subsidiary called Canadian National (West Indies).

The point I would like to make is that we in Parliament do not have a mechanism for the accountability of Crown corporations. If these four particular Crown corporations had fallen into desuetude as they did several years ago and if there had been a regular review and accountability to Parliament, this matter would have come to our attention, recommendations would have been made and we would have done the appropri-

ate thing. The new Government has found this loose end dangling and it is now dealing with it in what amounts to a few minutes of Parliament's time.

Over the last 10 years, Auditors General and the Lambert Commission Report have spoken to the failure of Government to hold Crown corporations accountable and particularly the failure of parliamentary accountability. Some steps have been taken with respect to Government accountability but the fact is that in the busy life of Cabinet Ministers and the Government in general, the original purposes get lost. Crown corporations drift along. Their management does not quite know what to do about them. As I stated when we were debating the Canada Development Corporation, the idea of the distinctive economic activities of Crown corporations has basically been lost as far as the Government of Canada is concerned. I would appeal to the Parliamentary Secretary and through him to the President of the Treasury Board (Mr. de Cotret), a Minister who has a number of these Crown corporations under his wing, to look seriously at the fundamental question of establishing the mechanisms by which Parliament can in fact hold Crown corporations accountable.

I wrote at length about the Lambert Commission's recommendations in *The Parliamentarian* some two or three years ago. The Commission recommended that there should be the fullest possible disclosure of all relevant information to Parliament, that Crown corporations should adapt and share with Parliament a strategic plan including long, medium and short-range goals and that committees of the House of Commons should have the right to call the management of Crown corporations before them in order to get them to account directly for their stewardship of Crown corporations. As it exists now, when the Auditor General wants to find out about, for example, Petro-Canada, there is no power, either through the officer of Parliament or through the Public Accounts Committee, to get to the bottom of matters which are of grave concern and which may well have been extremely costly to the people of Canada.

There has been an agreement that this Bill go forward relatively promptly. You are encouraging me to continue, Mr. Speaker. However, I will not take up the invitation. I will simply say to members of the Government who are present and listening that this is a subject which was ignored by the previous Government. There are some models of this subject but not too many in the provinces. In the Province of Ontario, the legislature of which I was a Member previously, the Procedural Affairs Committee reviewed agencies, boards and commissions every summer. It looked rather lightly, I am afraid, at half a dozen of them. With the new committee procedure we have here whereby committees have the power to hire staff, there are the resources for committees of Parliament to spend time reviewing in much greater depth the operations of Crown corporations.

The President of the Treasury Board knows that he and his colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), do not have a great deal of time to look at these things. It might be helpful if, from time to time, their efforts to provide direction and a sense of purpose to Crown corporations were reinforced by Parliament. Since Parliament is the ultimate place where responsibility ought to lie, it seems to me that whether or not it would be useful to the Government, it would be appropriate if Crown corporations, which amount to tens of billions of dollars worth of assets and are an extremely important part of the economy, were not forever distanced from Parliament.

As the President of the Treasury Board will recall, when he was in opposition, there was a bail-out of Canadair and de Havilland. I am sure that he has asked himself, as I have asked myself, whether or not those companies would have got so far off the track if there had been some form of parliamentary accountability to find out what the devil they were doing and why they were taking on enterprises so far removed from their original intent.

The corporation to which we are now referring seem to have assets of $9 or a few hundred thousand dollars. They are trivial and will not be missed. However, I would urge the Government to look not just to a series of housekeeping Bills from time to time but, when they find curiosities, eccentricities or anachronisms in the area of Crown corporations, to look toward putting the management of Crown corporations and their accountability before Parliament on a much more substantial, positive and regularized basis.

• (1520)

Mr. Speaker: The Chair recognizes the Hon. Member for Athabasca (Mr. Shields) on debate.

Mr. Jack Shields (Athabasca): Mr. Speaker, I wish to remark briefly on the comments of the last Member who spoke who decried the position of the Government and the need for gaining control of Crown corporations.

I would like to remind the Hon. Member that gaining control of Crown corporations is done at the board of directors level. The way this is done at the board of directors level is to appoint a board of directors who will make themselves accountable to the executive of the Government. All of the appointments we have attempted to make to Crown corporations in this Government have been decried by the Hon. Member and the members of his Party. They have decried the fact that we appoint members to the boards of directors of these Crown corporations for the very control about which he speaks. I suggest that the Hon. Member is perhaps speaking from both sides of his mouth.

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

Some Hon. Members: Question.

Mr. Speaker: Mr. de Cotret, seconded by Mr. Hnatyshyn, moves that Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or repeal other Acts in consequence thereof, be read the second time and be referred to a Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Horner in the chair.

The Acting Chairman (Mr. Horner): Order. House in Committee of the Whole on Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or repeal other Acts in consequence thereof.

On Clause 2—*Procurement of Dissolution*

Mr. Baker: Mr. Chairman, I have one short question on this clause. I am sure the Parliamentary Secretary, according to his remarks with respect to the Bill, can answer the question. What is the amount of money that is outstanding? I believe the Hon. Member said it was something in the order of $900,000. To what Department will that debt revert? Will it revert to the Department of Transport?

Mr. Lewis: Mr. Chairman, it would be of assistance to me if the Hon. Member could tell me which Crown corporation he is referring to, since the Bill deals with more than one.

Mr. Baker: Mr. Chairman, I presume that since we are on Clause 2, as the Parliamentary Secretary should realize, it deals with Canadian National (West Indies) Steamships, Ltd.

Mr. Lewis: Mr. Chairman, as I have indicated to the House, the sum will go into the Consolidated Revenue Fund. I am not exactly sure whether or not it will be designated as funds of the Department of Transport. However, I think at this point it is a debt outstanding to the fund. It will not come into any particular ministry's funding.

Clause 2 agreed to.

Clauses 3 to 9 inclusive agreed to.

On Clause 10—*Procurement of Dissolution*

Mr. Cassidy: Mr. Chairman, Clause 10 deals with a very serious matter. Perhaps the Parliamentary Secretary can tell us who receives the $9 in assets for Uranium Canada, Ltd. and how it was overlooked and left in the account.

Mr. Lewis: It is my understanding that the Consolidated Revenue Fund will also benefit to the tune of $9. That amount was probably left in the account so that the bank account could be left open in case of additional funds being received.

Clause 10 agreed to.

Clauses 11 to 17 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the Bill be read the third time? By special order, now?

Some Hon. Members: Agreed.

Hon. Robert de Cotret (President of the Treasury Board) moved that Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or repeal other Acts in consequence thereof, be read the third time and passed.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to raise an important matter relating to Bill C-60. It is for the consideration of the President of the Treasury Board (Mr. de Cotret).

Mr. Speaker, it must be kept in mind that the President of the Treasury Board is really the man who keeps the Government going, supposedly on the right track. As he has stated many times, that track is to reduce the deficit but also to respond to special requests from Cabinet Ministers. With respect to Bill C-60, and in speaking about Canadian National and the dissolution of a Crown corporation, the November statement establishes a new Crown corporation to be created by CN Marine to manage its boats. Since Bill C-60 would get rid of a Crown corporation which used to manage CN's boats, I would like the Minister to keep in mind that to cut $21.5 million from a new Crown corporation to be formed by the Government is an exercise which should be followed with great care. You cannot cut that amount of money from a service and not have this service downgraded and not have people laid off. By the same token, Mr. Speaker, the Crown corporation referred to in this Bill by the name of St. Anthony Fisheries Limited was replaced by another Crown corporation. The situation in Newfoundland today is one of complete disaster. That Crown corporation which replaced St. Anthony Fisheries Limited is in great financial need. I am not all that concerned about the new Crown corporation. I could not care less whether it existed or not. I could not care less whether it made money or not. But we are concerned about the workers and the fishermen who were saved by the Crown corporation which is now under the control of another Crown corporation at a moment in time when there is an absolute disaster in the fisheries.

• (1530)

So I say to the President of the Treasury Board (Mr. de Cotret) that when the request comes from the Minister of Unemployment and Immigration (Miss MacDonald) and the Minister of Fisheries (Mr. Fraser), as I am sure it will, for additional funding from the Treasury Board for a special program to assist fishermen in the Province of Newfoundland, he should approve that expenditure, keeping in mind that he has done such a great public service in doing away with this Crown corporation which did not really exist.

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

Some Hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

Mr. Lewis: Mr. Speaker, did I understand you to declare the motion passed?

Mr. Speaker: Yes. That is why we read it a third time.

* * *

CUSTOMS ACT

MEASURE TO AMEND

Hon. Elmer M. MacKay (Minister of National Revenue) moved that Bill C-59, an Act respecting customs, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, what we are seeing here today is an initiative which had previously been attempted. The Customs Act, which regulates the flow of goods into and out of Canada, is one of the oldest federal statutes on the books of this country. In fact, one of the earliest undertakings of Canada's first Parliament was to pass Customs and Tariff legislation to give effect to the Customs union among Canada's provinces.

It is a unique opportunity for me today to discuss in this House a Bill to provide the first complete revision of the Customs Act in more than 100 years. This piece of legislation was introduced in substantially the same form by the former Government. At that time it was recognized as a Bill which was long overdue. Of course, amendments to the present Customs Act has been made from time to time but none of these represented a major restructuring of the law. Many of the amendments adopted over the years have remained in force long after the need which had prompted their adoption had disappeared. For example, the current Act still retains a provision enacted during prohibition regarding vessels found "hovering in Canadian waters".

What we have now is a hodgepodge of an Act, essentially a nineteenth century document trying to cope with modern needs. I believe all Hon. Members will agree it is time for a full-scale review.

As my colleagues will know, the Customs Act provides the legislative authority and powers for Customs to administer the law governing the import and export of goods and to collect customs revenues. This is not a tax Bill like the Customs Tariff. The Customs Act is essentially an admnistrative statute and, with this Bill, we are seeking to provide a complete revision of the Act for the first time since its inception.

For Canadians generally, Customs law is not a particularly high profile concern. The only contact most of them have with Customs is occasional dealing with Customs officers at border points, although with border crossings totalling about 80 million annually, this in itself represents an important segment of the work of the Department.

Like the tip of an iceberg, border control represents only one of the major responsibilities of Customs in administering legislation regulating the import and export of commodities and in collecting of Customs and Excise revenue. Canada, as we know, is one of the great trading nations of the world and Customs each year must oversee some 10 million commercial import and export transactions.

The need for an updated Customs Act which reflects the realities of the 1980s and beyond is very clear. The passage of this Act is especially timely, Sir, in view of Expo '86 which will be hosted by Canada next year. National Revenue, Customs and Excise, is responsible for collecting some $18 billion in revenues annually, almost 25 per cent of total federal revenues. It is therefore a major source of our country's total tax revenue and as such it behooves us to make certain that our laws in this regard are up to date, logical, efficient and equitable.

We must be fair and even handed in our approach but Canadian citizens must also be confident that Customs revenue which should be collected is in fact being collected.

In preparing this new Act, we were guided by these four overriding objectives: First, the need to eliminate provisions of the Act which were obsolete or inconsistent. Examples of obsolescence in the present Act include the provision for restricting importation to daylight hours; restricting Customs brokers' licences to British subjects; and allowing the seizing officer to share in the proceeds of a seizure.

Second, the desire to restructure the Act in a logical sequence. The new Act follows the natural sequence of Customs' requirements from report through transportation and warehousing, release, accounting and payment, tariff classification and valuation, appeals and refunds to seizures and forfeitures and offences and penalties.

Third, the need to provide greater flexibility so as to be able to respond to developments in transportation, communications and business practices is imperative.

Fourth, the need to redesign and modernize the provisions for the collection of revenue and enforcement generally is very important. The new Act will accommodate all modes of transport—which I am sure my colleague, the Minister of Transport (Mr. Mazankowski), will be very pleased to see happen—for example, pipelines, containerization and so on.

Modern business practices such as computerization are taken into account.

The new Act will provide for accounting and payment of duties after release of goods on a periodic basis. It will no longer be a "cash on the barrelhead" approach. I believe that in this Bill now before the House we have met these objectives.

In addition to meeting these broad objectives, we have, in reviewing and amending early drafts of the Bill, kept very much in mind some of the general commitments made by this Government in respect of its dealings with Canadian taxpayers. Specifically, Mr. Speaker, I believe Hon. Members will find that this new Bill reflects our commitment to fairness and equity in dealing with Canadian citizens; to clarity and simplification to the degree possible in the application of the law; and to consultation in developing regulations and administering the law.

It is not my intention to go into lengthy detail on the many provisions of the Bill at this time. There will be ample opportunity to do this later.

Hon. Members have had copies of the Bill and related material made available to them and I am sure they will wish to give it individual study. As I mentioned earlier, many of the principles outlined have been considered previously.

I would like to comment briefly, however, on a few of the features of this Bill which demonstrate our particular emphasis on aspects of fairness, simplification and consultation. With respect to the question of fairness and equity, Mr. Speaker, I would draw Hon. Members' attention to Sections 59 to 72 of this Bill which deal with those individuals or companies who disagree with a departmental or tariff board decision and request a redetermination of the tariff classification or a reappraisal of the value for duty of the goods they have imported. In addition, where a departmental ruling is successfully challenged by a member of the public, he or she will be entitled to receive interest on the duties paid. Conversely, interest will be charged where the decision is in favour of the department.

● (1540)

Concerning the collection of taxes of duties owning, our Government has been clearly on record as opposed to the "presumption of guilt" approach in disputes between the Government and individuals. I am pleased to say that with the passage of the new Bill, individuals who disagree with a ruling will not be forced to pay the duty before the matter has been resolved. They will have the option of depositing security in lieu of payment or, if they wish, making payment with the guarantee that interest will be paid on any refunds to which they ultimately may become entitled. I think this is a fair solution to a problem which has been a bone of contention. I believe it is one which will be well received by importers.

Protection of civil rights is reflected in a number of the provisions of the Bill. For example, in proceedings under the new Act relating to the importation or exportation of goods, the burden of proof of such importation or exportation will now rest with the Government. Under current law, the burden rests with the importer or exporter, a condition which we consider unfair. I believe, Mr. Speaker, that these and other proposed changes to the Customs Act reflect the spirit of the Canadian *Charter of Rights and Freedoms* and human rights legislation. The new Bill also spells out clearly the procedures to be followed by Customs officers in inspecting mail items, as is required in the course of their duties. As you know, Customs officers must have authority to inspect items which they have reasonable grounds to believe may contain material subject to Customs regulation. Otherwise, they would not be able to enforce fully the provisions of the Customs Act or the many other federal statutes for which they have certain administrative responsibilities.

To protect the public, the Bill provides that mail items 30 grams or less may not be opened without the consent of the addressee or sender. To the public, a letter is correspondence which can be mailed with a 34-cent stamp. Only mail items weighing 30 grams or less can be mailed for 34 cents—the average weight of such mail is around 20 grams.

In the course of their duties, Customs officers must administer and enforce parts of more than 60 federal statutes, many of which are designed to protect the social values of the nation or the health and well-being of individual Canadians. Customs officers have responsibilities ranging from checking certificates required by the Livestock Pedigree Act, to preliminary screening of travellers under the Immigration Act, through to stopping the importation of prohibited weapons under the Criminal Code. Laws such as the Food and Drugs Act, the Hazardous Products Act and the Cultural Property Export and Import Act and many others are administered in so far as they relate to the importation and exportation of goods by Canadians. This new Bill updates the provisions allowing Customs officials to search for, examine and seize goods, and thus confers on them the necessary authority to ensure compliance with these various important statutes. These officials are doing important work and they deserve to have a good framework in which to operate.

This new Bill has been radically simplified, Mr. Speaker, so that it may be more easily and clearly understood and acted upon by those who must comply with its provisions. The language used is simple and direct. The 290 sections of the current Act have been reduced substantially and the current 35 sections which deal with reporting requirements have been consolidated into just four sections. The current Customs Act contains numerous sections dealing with offences and penalties. In fact, only about half a dozen of these sections are actually being used now. The new Bill simplifies this area immensely and removes a number of sections which are covered by the Criminal Code.

I am confident that the business community which deals regularly with Customs matters will find this Bill clearer than its predecessor, more understandable and easier to comply with in all respects. Simplification paves the way for streamlining of operations. I believe the simplified approach embodied in this Bill is in line with this Government's commitment to the streamlining of government operations and to reducing, to the degree possible, the paperwork burden on those who must do business with the Government.

This Bill will provide the Department of National Revenue with the legislative flexibility to modify procedures to deal with changes in modern business, transportation and communications practices. In addition, Mr. Speaker, the new Bill makes specific provision that most regulations enacted pursuant to the Customs Act must be published a minimum of 60 days in advance of their coming into force. Exceptions will be regulations such as those dealing with the setting of fees, those which make no substantive change to an existing regulation. This will provide a final opportunity for those who may wish to comment on proposed regulations to do so. Further, Bill C-59 provides for ongoing parliamentary review of the operation of the Act and a comprehensive review of its operation within five years of its passage.

In conclusion, Mr. Speaker, we have before us for consideration today a very important and long overdue piece of legislation. This new Customs Act will, I am certain, commend itself to the public at large and in particular to the thousands of Canadian businesses whose activities must comply with Customs law. The new Act will enable the Department of National Revenue to carry out its responsibilities more efficiently and effectively, and it will help ensure that all Customs revenues due to the Government and to the people of Canada are collected in a fair and equitable manner.

I feel that all Members of the House, and in particular the members of the committee which will study this Bill will want to give it careful scrutiny. I welcome this and will personally review any comments and recommendations that may emerge from their deliberations. I will be co-operative in an attempt to accomodate any good initiatives to improve the nature and scope of what we are trying to accomplish. Indeed, I look forward to working with the Hon. Member for Gander-Twillingate (Mr. Baker) and the Hon. Member for Regina East (Mr. de Jong) in this regard. At the same time, I hope the House will see fit to expedite passage of this legislation as quickly as possible. It is a much needed statute and it will serve the interests of the country well if we enact it into law after proper deliberation at the earliest possible opportunity.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I think the Bill introduced by the Minister should have a fairly rapid passage through this Chamber. After all, most of the Bill was suggested by the previous Liberal Government and, as you know, anything suggested by the previous Liberal Government has to be good so far as regulations are concerned. There are some minor changes and I would like to speak briefly to those changes.

In introducing the Bill the Minister, certainly in his former capacity, had some input with regard to the changes made to the Bill proposed by the previous Government. Perhaps I could deal with a couple of those. As he stated, the Bill is certainly long overdue. The law relating to Customs in Canada was, I believe, made up of two main factors. Number one was the present legislation on the books which Customs officers had to follow. The other were the customs of Customs. Some of these customs of Customs dated prior to Confederation. So certainly we need a new Customs Act. As the Minister said, this Bill eliminates certain provisions of the existing law which are contrary to the Charter of Rights. Two clauses of the Bill eliminate the Writs of Assistance which were in effect continuous search warrants. In other words, the Customs officers were really under no obligation to go back to a judge for another search warrant, they could simply continue under these Writs of Assistance. Clauses 111 and 112 of this Bill will correct that fault in the existing legislation.

● (1550)

As the Minister stated as well, this Bill eliminates the necessity of paying immediately the import duties on any article imported into Canada. In other words, if someone were importing toothbrushes at the rate of 100 this week and 100 next week, he had to pay as the items crossed the border. This Bill will eliminate that and enable businessmen to make arrangements with Customs to pay weekly or monthly.

There is a new provision in this Bill which I would like to have come into effect in all government Departments. When the Government of Canada owes a Canadian citizen money, it does not pay interest, but if a citizen owes the Government money, he must pay interest. There is a clause in this Bill which eliminates that inequity.

The Minister referred to the parliamentary committee which will review and up-date this Bill every five years. That is good. The interpretation of the Acts under which customs was operative said that a Customs officer had the right to seize whatever was not declared. In other words, if you stretched it, as some interpretations by the courts did, if someone drove his car into the United States and then returned, the Customs officer could legally seize his car and even his underwear if he wanted to. Under the law he could seize anything the person had. That is eliminated in this Bill and it was included in the Bill introduced by the previous administration. It also clears up the Access to Information Act.

There is another clause in the Bill which warrants some discussion. Clause 99 of this Bill enables the Customs officer to open mail. I am sure that some groups will take objection to this clause. However, when the purpose of this clause is examined, I am not sure whether one could realistically take exception to it. When the Post Office Act came into existence in 1982 it defined a "letter". By government regulation in 1983 a letter was defined as anything under 500 grams, which is about a pound. Under the Customs Act which was in existence at that time, Customs officials were not allowed to seize or open any package under 500 grams, which was the definition of a letter.

This led to complications. One heard of cases of drugs and other illegal material being brought across the border into Canada. Before crossing the border people would mail the illegal material in packages of less than 500 grams which could not be seized or opened without their permission. They would then pick them up when they got into Canada. Upon examining the records of Canadian Customs one would find that that has been a prevalent concern of the Customs Department.

Clause 99(2) reads:

> An officer may not open or cause to be opened any imported mail that weighs thirty grams or less unless the person to whom it is addressed consents or the person who sent it has completed and attached to the mail a label in accordance with article 116 of the Detailed Regulations of the Universal Postal Convention.

Clause 99(3) reads:

> An officer may cause imported mail that weighs thirty grams or less to be opened in his presence by the person to whom it is addressed or a person authorized by that person.

I, quite frankly, do not like any intrusion into the privacy of the mail by the Customs Department. Prior to this Act being passed, a Customs officer could only seize and open packages weighing over 500 grams. With the passing of this Act he will be able to seize and open packages weighing over 30 grams. I

checked to find out what 30 grams is in relation to a letter. Thirty grams is an ordinary envelope and seven sheets of ordinary paper. If the Customs Department has reason to believe that a package weighing over 30 grams contains material which should not be entering the country, it has the power to open it.

Due to the movement of drugs and other material into the country, I believe that this particular clause is necessary. However, I would caution anyone who is writing a letter of over seven pages that perhaps they should break it into two letters so that the Customs officials would not be allowed to open it. I do not know what amount of drugs one could bring in in a letter of less than 30 grams. The terms "nickle", "dime", and "quarter", or something are used. That is supposed to be a gram or two grams. I do not know if they can flatten it out to make a gram, but they would certainly not make much money if they had to reduce the size of each package to less than 30 grams.

I hope the Minister will be prepared to provide us with any information that we require on Clause 99, which is the only questionable clause in the Bill. I believe that the Minister should be prepared to provide any information that anyone requires concerning this aspect. Again, this is essentially a Bill that was proposed by the previous Liberal administration and therefore I hope the House will give its speedy passage.

• (1600)

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to speak briefly to Bill C-59, an Act respecting customs. I understand that the debate will be short. When one is the third speaker on a Bill such as this, which does not have much ideological input, one does not have much left to say after the Minister introduces the Bill and the spokesperson from the Official Opposition covers most of the points to be made. There is not much disagreement among the Parties concerning this Bill.

It closely resembles Bill C-6 that was tabled by the previous Liberal Government in January, 1984. On June 25, 1985, the former Minister of National Revenue tabled Bill C-59 for first reading. According to the Minister's press release, the purpose of the Bill is to overhaul completely Canada's 118-year-old Customs Act.

Today, we have a new Minister of National Revenue and I want to congratulate him on his new portfolio. I look forward to working with him. Unfortunately, in the past Revenue Canada has been a Department whose Ministers were either on the way up or on the way down. I believe that its importance has not been recognized and I hope the Government will not follow past practice. I hope the Minister, whom I know on a personal level to be of good judgment, will continue some of the reforms undertaken by the previous Minister in the Department of National Revenue. It is an important Department which the Government should not neglect. We have seen how it has become a graveyard for some Ministers under the previous Liberal administration.

Let me return to the Act. The usual practice has been to amend the Customs Act periodically in response to specific situations. Bill C-59 seeks to address and remove a number of archaic provisions and redundancies while introducing measures which will bring the administration of the Act into a more contemporary vogue. For example, Bill C-59 will codify procedures for the reporting of persons, goods and conveyances crossing Canada's borders to four sections as opposed to the present 30 sections. Provision has also been made, which is an improvement on the Liberal Bill, for the payment of any interest on duties paid and later refunded. Notwithstanding the need for improvements, some questions remain and hopefully will be raised in the legislative committee.

The impact that the Customs and Excise Branch of the Department of National Revenue has upon not only the movement of individuals and goods but also upon the federal Treasury is worth noting. Collections from these sections have been as follows: In 1982-83, $17.3 billion in total, of which $4.4 billion was collected from the importation of goods. In 1983-84, $16.6 billion in total was collected from Customs and Excise, of which $5.2 billion was collected from the importation of goods. In 1984-85, $18 billion in total was collected, of which $5 billion was collected from the importation of goods. The total revenue collected by the Customs and Excise Branch constitutes approximately 25 per cent of federal revenues.

The Customs Branch is concerned primarily with the processing of goods and individuals across Canada's international boundaries. The point at which Customs officers are present include 114 border crossing points along the Canada-U.S. border, 17 international airports, and 176 other airports and points of entry. Customs officers are responsible for the enforcement in whole or in part of some 60 different Acts which include everything from the Aeronautics Act to the Fertilizers Act to the Visiting Forces Act.

A briefing document itemized the objectives of the Customs Branch in their order of importance under three headings: First, to ensure the collection of duties; second, to control the movement of people and goods; and third, to protect Canadian industry from real or potential injury caused by actual or contemplated import of dumped or subsidized goods and other forms of unfair competition. Customs Branch has allocated some 7,201 person years. It is this section that is the most visible of the Customs Branch.

In November, 1983, an evaluation study was undertaken in the Department. Let me quote from that study:

> A new breed of Inspector is being hired, who on average is better educated, better trained, has higher job expectations and different attitudes—The new recruit is believed to be more "enforcement oriented" and is having significant and unmeasured influence on the inspection role.

I put that on the record because despite all of the rules, regulations and safeguards that may exist, it comes down to the fact that the individual judgment of officers surely is most important. The study goes on to conclude that no matter how well intentioned entry laws may be, compliance with them is, in the final analysis, directly proportionate to the Depart-

ment's capacity to enforce them. In other words, we must not only be concerned with the ability of the individual Customs officer to enforce the rules and regulations, but with also his judgment and character because that will determine what experience the public will have with those officers.

For instance, we know that officers in the Taxation Branch of the Department of National Revenue had a variety of discretionary powers which they abused. This has also occurred in the Customs and Excise Branch. I had such a case this spring. A young American family was moving to Canada to establish a small business in Ontario. All of their immigration papers were in order and the husband had come to Canada to establish the business. The wife was driving from the United States with her child and their personal belongings. Upon entry to Canada, they were needlessly hassled by the Canadian Customs. The officer in charge decided to exercise all his powers—which he legally had—to the maximum and detained her at some length. She claimed that he was quite rude to her, inconvenienced her and caused the whole episode to be a bitter experience.

When we acted on her behalf after hearing he complaints eventually some money was refunded to her and the former Minister reluctantly admitted that the officier at that border crossing was somewhat over-zealous. However, he pointed out that the officer in charge did in fact have all those powers.

It is important that we not only concern ourselves with the rules and regulations governing the Department but with the training and type of individuals who are recruited.

I believe that Canadians expect their Customs officers to be civil and reasonable so that people will have a pleasant experience at the border. While I have had some unpleasant experiences going into the United States, I have never had an unpleasant experience at the Canadian border. I believe that 99 per cent of the people crossing into Canada do not have any ill intentions and therefore should have a pleasant experience at the border. That depends largely on the type of men and women who are our Customs officers.

• (1610)

It is important that the new recruits not be enforcement oriented per se but oriented more to serving the public. If they are enforcement oriented, this will result in many of the same unfortunate situations in which Revenue Canada officials found themselves a few short years ago. They became overzealous and started to view the general public in a paranoid manner and unpleasant experiences resulted.

The report also pointed out:

—the Department has yet to clearly articulate its policy on what "reasonable" means in terms of enforcement.

These observations are disturbing, given that the Customs Branch is part of the National Revenue Department which was plagued by the misguided leadership of senior management and by the complete inaction of the Minister at that time, resulting in enforcement practices by taxation officials which were nothing less than outright harassment.

What the 1983 report states quite clearly is that without a firm signal from those at the most senior levels of the Department beginning with the Minister, excesses would well occur. Unfortunately, the Conservative Government has seen fit to use the Department of National Revenue in much the same way the Liberals did, as a punishment for error-prone and incompetent Ministers. I do say that with some hesitation.

As I mentioned before, I know the Minister who is now in charge of the Department was Minister of Housing in the Clark administration when I was elected for the first time. I was the critic and I had a fairly good relationship with him. In fact, I found it unfortunate that the Clark Government was defeated because the Minister and I were working on a new idea which would have seen an imaginative approach to home insulation. We were talking about a joint project in Halifax and in Regina. Let me say to the former Prime Minister that I was not one of those who threw papers up in the air in jubilation when his Government went down to defeat.

Mr. Clark (Yellowhead): Neither was I.

Mr. de Jong: I am sure the Right Hon. Member for Yellowhead (Mr. Clark) remembered the evening very well. I do hope that the Conservative Government will not follow the previous practices of the Liberal Government of using the Revenue Department as a Department to appoint Ministers in on their way up or on their way down.

Another thing of concern to me is not addressed in this new Customs Act. It is a practice which continues to be applied on occasion, namely, the punitive manner by a Government in areas where firm policy positions have not been taken. For example, in May, 1982, the Customs Act and Customs officers were used in a campaign to harass and interfere with the importation of Japanese automobiles into Canada. At the time, the federal Government had not managed to negotiate an arrangement with the Japanese with respect to voluntary quotas. Thus Customs officers were sent aboard vessels on the West Coast to inspect all manners of licences to crews, et cetera, generally, to follow a policy of harassment. Automobiles were held for various reasons in the harbour areas for extended periods of time. For those individuals whose business it was to transport those automobiles, serious economic hardships were brought to bear because the federal Government was unable to act.

Unfortunately, there is nothing in this Bill that will prevent the present Government from behaving in the same manner as did the Liberal regime considering its notorious indecisiveness on important issues.

I hope the present Government will not use this Bill as an instrument to harass trade because of being unable to make the decision. I hope it will not use the Customs department to stall and play for time.

In the case of the Liberals and their harassment in 1982 on the importation of Japanese automobiles, the people who suffered were the small car dealers across the country.

We can look at some of the clauses. I am sure that in the legislative committee we will get into some of them in more detail and with most of them we will not have much problem. Again, one notes that a lot of power given to the individual customs officers are really arbitrary powers.

For example, Clause 98 provides officers with the authority to search individuals "on reasonable grounds" that a contravention of the Act has occurred, yet no real definition of reasonable grounds is given.

Clause 99, which the spokesperson for the Liberal Party pointed out, creates some concern for me as well.

Most private mail is more than 30 grams. A person living somewhere else in the world writing a long letter to a relative living in Canada might include in that letter a family snapshot, and pretty soon you find the letter weighs more than 30 grams. That this should be subject to inspection by a Customs officer is, to my mind, not a good practice. I understand that in the contemporary world of drug smuggling drugs can be smuggled through private mail. I am not certain whether 30 grams is a proper cut-off level or not. I am certain that you cannot ship too much heroin or cocaine when the restriction is a weight in grams. I understand 30 grams of heroin or cocaine still gets a good dollar on the street. Instead of selling one envelope containing 100 grams of an illicit substance, a drug smuggler could send three or four envelopes weighing less than 30 grams. What about our liberties, Mr. Speaker? I am sure private mail is one of the most important of our civil liberties. The price we are paying to forgo that civil liberty in the interests of dealing with a major problem—and drug smuggling is a major problem—is perhaps too high, and what we are buying is not that effective anyway. We might end up in a situation with fewer civil liberties and no effective measure in terms of controlling the flow of drugs.

Clause 110 could be used in an arbitrary manner. It provides the authority to officers to seize any goods, conveyances and to seize anything which the officer believes will afford evidence in respect of a contravention. Again the clause can be used in an arbitrary manner. As we have found with Revenue Canada, the important part is how the regulations get enforced. That depends upon the type of men and women one attracts. It depends upon the type of leadership which the Minister and the senior officials of the Department give to their employees.

Clause 113 is one that I do not quite understand, but I am sure we can get a further explanation. It is a limitation upon the period in which seizures can be made, which has now been extended from three to six years. We would like more of a detailed explanation concerning this clause in committee.

● (1620)

In summation, there are not many things with which we have difficulty in this clause. We congratulate the new Minister for shepherding in a piece of legislation which has not been updated for a hundred and some years. I think it is a good sign; he is off on a good mark, I would suggest, in modernizing this piece of legislation. It is as good a place as any to start with that Department. We wish him well in his new job, and I look forward to dealing in more detail with this Bill once it gets into committee.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Mr. MacKay, seconded by Mr. de Cotret, moves that Bill C-59, an Act respecting Customs, be read the second time and be referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY ACT

MEASURE TO AMEND

Right Hon. Joe Clark (Secretary of State for External Affairs) moved that Bill C-69, an Act to amend the Canadian Institute for International Peace and Security Act and certain other Acts in relation thereto, be read the second time and referred to a legislative committee.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. There have been discussions among House Leaders, and this is a Bill on which there is an agreement that we will deal with it through all stages today so that it can go to the other place to provide it with some matters to consider next week when that august Chamber reconvenes. As a result of my consultations, I think there is a disposition to accept the following motion and pass it without debate:

That, notwihstanding any Standing Order or other Order of the House, when Bill C-69, an Act to amend the Canadian Institute for International Peace and Security Act is called, the House shall consider the Bill at the second reading stage and not later than the end of the time provided for Government Orders this day, the Bill shall be referred to a Committee of the Whole, read a third time and passed.

Mr. Baker: Mr. Speaker, I have been asked to speak on behalf of our Party on this particular Bill. I did not know that there was an agreement to pass it through all stages immediately. However, after looking at it and seeing the very minor changes which are contemplated in it, I can understand there being such an agreement. I am sure we would all consent to its passage as quickly as possible so that we can get on to other things which are of concern to Canadians.

The Acting Speaker (Mr. Charest): Is the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) rising on a point of order?

Ms. Jewett: No, Mr. Speaker. I understood that we could each say a few words.

Mr. Hnatyshyn: There will be a debate.

The Acting Speaker (Mr. Charest): The House has heard the suggestion of the Hon. President of the Privy Council (Mr. Hnatyshyn). Is there unanimous consent?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Clark (Yellowhead): As the President of the Privy Council (Mr. Hnatyshyn) just indicated, this Bill concerns some amendments which guarantee that the intent of Parliament is respected with regard to the Canadian Institute for International Peace and Security.

Just to remind the House very briefly, the creation of this institute was a stellar, and an outstanding example of co-operation among all the Parties of the House, respected and supported by public opinion in the country, to establish in Canada along the lines of institutes established and operating effectively elsewhere in the world a Canadian institute for international peace and security. There was particular attention paid during the debate a year ago in June to ensure that the institute would have independence from Government and indeed independence from Parliament. The amendments today are designed to ensure that the intention of Parliament is in fact respected, because at about the same time that Parliament adopted this Bill establishing this institute, there were some amendments to the Financial Administration Act which inadvertently could compromise the independence that all Parties wanted to see attached to the Canadian Institute for International Peace and Security. Certainly a compromise of that independence is not a desire of the Government and, I feel confident, it is not the desire of any Party in this House.

So that the House may know the details of what is involved, there are portions of the Financial Administration Act which in effect require Crown corporations or agencies of the Government, including inadvertently this institute, to be subject to certain directions of the Government in Council. Under Section 96(1) of the Financial Administration Act, seven Crown corporations have been excluded from those provisions. Those organizations are the Bank of Canada, Canada Council, Canadian Broadcasting Corporation, Canadian Film Development Corporation, Canadian Wheat Board, International Development Research Centre and the National Arts Centre Corporation. In effect, what is proposed in these amendments today is that the Canadian Institute for International Peace and Security be added to that list and be made the eighth Crown corporation exempt from that kind of control, which I think is desired by all Hon. Members of the House. I will be tabling in Parliament next week the first report of the institute. I do not want to anticipate its contents or take a great deal of time in the House now, but I think it is appropriate to take this occasion to make the point that it is never easy to build an institution which can earn the respect of a demanding community and, indeed, which can establish international credentials and credibility. I think it is fair to say that the conduct of the board of the institute in its first year and the determination of all Members of the House to guarantee its independence mean that the institute is well along the road to achieving both the kind of influence and the kind of independence which all of us sought. Of course it is involved in the issuance of grants. So far, around $250,000 have been issued by the institute in grants for research or public education activity. It is working extensively with voluntary organizations interested in issues of peace and security in the country. I am advised that every three months some 50 or more applications are received by the institute for support. In October of this year it will be organizing a major conference on challenges to deterrents. In addition to those formal activities, it is gradually and effectively establishing its own standing as a respected institute operating internationally. It has been in consultation with the well-known Stockholm International Peace Institute about the possibility of some joint projects. There have been conversations with representatives of the Peace Institute recently established by the Congress of the United States and with representatives of various eastern European countries.

In addition to the changes guaranteeing the independence of the institute, there are also some minor changes. One has to do with the adequacy of the French in the title and in the description of the institute.

[*Translation*]

This is a matter on which Alberta Francophones like me would rather not voice an immediate opinion. However, it seems that according to all the advice we had from experts in the field, it would be useful to change certain terms in the official title of the Institute.

[*English*]

In fact, the board has requested that the French title be changed to *L'Institut canadien pour la paix et la sécurité internationales*, which replaces the earlier phrasing *L'Institut canadien pour la paix et la sécurité mondiales*. There will be a consequent change to the Access to Information Act and to the Public Service Superannuation Act arising from the change of the name in French. There will also be, I should advise the House, a change in the arrangement regarding travel and living expenses for directors of the institute. Expenses need not be fixed by the Governor in Council but will instead be such reasonable travel and living expenses incurred by each director while absent from his or her ordinary place of residence in the performance of duties as fixed by the Board. Given the world-wide nature of an institute of this kind, that seems to me to be a sensible change which was requested by the Board and one with which the Government is in agreement.

• (1630)

Finally, I believe I am speaking on behalf of many and perhaps all Members of the House when I say that while we are determined that the institute itself be able to operate with absolute independence from the Government and indeed from Members of Parliament, it is dealing with issues which are at

the heart and focus of our own attention and indeed the most urgent and important issues that any of us in public life can address. The seeking of independence from Parliament for the institute is not an indication of a lack of interest on the part of Parliamentarians. Quite the contrary; it is a recognition that on issues of this kind, if we want in fact to rise above the kinds of partisan considerations that sometimes properly and naturally engulf this House, there must be the certainty that there is an agency in Canada able to look at these questions and offer advice and observations without the suspicion that it is the instrument of a Party, a faction or a particular perspective. That was the earnest desire of all Members of the House when the institute was established. That will be given final realization with the adoption of the amendments that are proposed today.

[*Translation*]

The Acting Speaker (Mr. Charest): Order! In order to keep the proceedings in line with parliamentary procedure, I am just going to read the motion now before the House:

Mr. Clark (Yellowhead), seconded by Mr. Andre, moves that Bill C-69, an Act to amend the Canadian Institute for International Peace and Security Act and certain other Acts in relation thereto, be now read the second time and, with unanimous consent, referred to Committee of the Whole.

[*English*]

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, it is with great pleasure that I take this opportunity to say a few words about the Canadian Institute for International Peace and Security. I agree with the Right Hon. Secretary of State for External Affairs (Mr. Clark) who has said that the amendments before us today are largely housekeeping amendments. Like him, my British Columbia French is not quite good enough to determine the total significance of changing the French word "mondiales" to "internationales" and indeed I really have been challenged on that matter. I think I have come to understand the reason for it and so I thank the drafters of it for giving me an opportunity to work out the subtle distinctions between the two words.

The second minor amendment to which the Minister has referred is perhaps not quite so minor. It gives the Board rather than the Governor in Council authority to determine matters like the amount of expense account money members of the Board receive when they travel.

The third matter is of course more significant. It was never the intention of anyone in the House when we drew up the appendix outlining the amounts of money that would go to the institute over the first five years that that would in any way be tampered with or changed. Indeed, in my experience in Parliament, it has been quite rare to have a five-year projection of the amount of money that a body would receive. As the Minister has pointed out and as we all felt very strongly a year ago June when this Bill was passed and the institute was being created, it is absolutely essential that the institute be independent of Government both in terms of the membership of the institute board and its financial support. The final amendment which will relieve the institute from certain provisions of the Financial Administration Act was our intention all the time. To that extent, the amendment tidies up something that was always intended.

I believe all Parties in the House can take great pleasure in the fact that the way in which members of the board of the institute are appointed makes it extremely difficult to make appointments on narrow political or patronage grounds. Perhaps I will take advantage of this opportunity to say to the Minister that there are a few other institutes like the Ocean Institute to which he might give some thought in order to encourage this kind of a process for the appointment of members of the board. While the appointments may in fact be good appointments, there is not the same assurance that the Minister insisted most strongly on having for this particular institute.

In the case of the Ocean Institute and other research institutes, we are not provided quite the same assurance as we are for this one that there will not in fact be patronage appointments. Since this matter has been drawn to our attention again because this is the first time we have amended this Act and also because the first report of the institute will be tabled next week, perhaps this is a good time for the Minister to give some thought to extending this procedure for appointing board members to other institutes.

Earlier today the Minister suggested quite rightly that my colleague, the brilliant expert on matters of the North, might give him advice when looking at the question of northern sovereignty in committee. Perhaps he might now be good enough to suggest that I would be one of his advisers when revamping the way in which boards of comparable institutes are appointed.

We all look forward to seeing the first report of the institute. Most of us who were concerned with the creation of the institute have been following its activities and speaking to members of the board during the course of the past year. We have some idea of what the board has been doing. I am sure all of us thought at one time that there might be real problems for the board, not because of narrow political differences or matters of that kind but rather because of quite sharp ideological differences as the board was deliberately made fairly representative of the broad spectrum of opinion on international security and peace issues. Obviously the Members of the board have been engaged in very lively discussions among themselves, but everything that I have heard indicates that those differences, such as they are, have been muted because they have all had a very common interest in the development of a first-class research capacity within the Canadian public, the Canadian universities and the board itself to deal with many of the issues relating to international peace and security. They have also had a common concern about the public education side of the board's activities. Research and public education and the granting of research contracts have been things upon which there has been a very broad measure of agreement after very lively discussions among board members.

Unquestionably, the leadership of both the chairman of the board and the executive director have been important in that respect.

● (1640)

Another concern some of us had at the time the board was being set up was that it might render the activities of the Ottawa-based Centre for Arms Control and Disarmament unnecessary. It was felt at that time that the institute would somehow be getting into the area of activities already engaged in by the Centre for Arms Control and Disarmament. This has not taken place, nor do I see it likely to happen in the future. The centre has been doing a good job indeed on what one might call the day-to-day issues of peace and security, arms control and disarmament, and it has been issuing an excellent bulletin. As the Minister is aware, it has been giving excellent briefs with respect to the whole question of participation in SDI research as well. Through its bulletin, it has been keeping Canadians informed with respect to the debates taking place in the House of Commons and what transpired in the special joint committee this summer. The arms control centre has also been pretty active. However, as far as I can see, it has not been engaging in the type of broad-based research and public education activity that the institute we have been discussing today has been engaged in. That has been a plus as well. In a period of one year and a half, Canada has gone from almost zero in all fields relating to arms control and disarmament to having two very important and active, yet quite distinct, groups engaged in these matters. It seems to me there is no reason for concern with respect to the situation changing. The two bodies will continue to play an important role.

I am pleased to note that the conference which the Institute on International Peace and Security will be having in Ottawa will be with respect to the challenges to deterrents. With fairly substantial changes in American and possibly Soviet strategic doctrine, the whole question of the challenges to deterrents is of extremely grave importance right now. It is also significant at this time since the United Nations is about to embark upon a study of the doctrine of deterrents. It is a real first for Canada to have a Canadian institute playing a significant role in the examination and re-examination of the doctrine of deterrents and the challenges to that doctrine. It is very exciting indeed.

As I have said, a year and a half ago, apart from the work that was done in an isolated fashion in different universities, we had barely anything going on with respect to these matters. We now have a strong Institute on International Peace and Security researching in depth a number of important issues. We also have a companion Centre for Arms Control and Disarmament working more on the day-to-day issues.

It has been a pleasure to recall the discussions and sometimes arguments which we had when the institute was being created a year ago this June. It is also a pleasure to recall some of the differences which we reconciled and some of the amendments we put forward with respect to the proposed legislation at that time. With respect to those amendments, I might say that the Liberal Government of the day wanted to see those amendments put in place. It is good to recollect that out of those debates and discussions in committee and in the House of Commons we saw emerge a strong, independent and independently financed Canadian Institute for International Peace and Security.

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I want to apologize to the House and to the Minister for my absence. I am sure it is not the Minister's fault, but no one had advised me that the Bill was going to be considered in the House. I was attending my party's committee meeting, discussing similar issues, when all of a sudden I saw the friendly face of the Secretary for External Affairs (Mr. Clark). So I said: What is going on? And here I am, with another opportunity to speak to the House. I do not have many comments to make on the Bill, since I think these are mainly technical amendments that are justified. We should not, at this stage, criticize the substance of the Bill. On the contrary, speedy passage of the Bill is to be recommended. However, Mr. Speaker, since we so seldom have an opportunity in the House to raise certain issues, I think that when we have a Bill like this one, we should take advantage of that opportunity.

In recent months I twice had a chance to travel across the country, first as chairman of my party's task force on the Government's participation or non-participation in the United States Strategic Defense Initiative research program. I was really impressed, over the past four months, by the keen interest shown by Canadians, and especially by groups that took the trouble to prepare briefs—mostly opposing the plan—on the subject. The quality of these briefs was excellent, and Saturday I was delighted to announce I was happy with the Government's decision not to take part in the program referred to as "Star Wars".

There are those who object to this description. However, I would like to take this opportunity, without malice, I may add, to make it clear to the Minister that I would not like to find out that I had been had and the public as well, because I hope the Government is not letting in the back door what it says it will not let in the front door. I know that is certainly not the intention of the Secretary of State for External Affairs. I believe that Canadians are opposed, and the matter is related to disarmament and peace. The basic reasons why groups came to talk to us to voice their opposition to Canada's participation in President Reagan's strategic defense initiative are all part of the debate for which the Institute was created, and it was created largely to make it possible for Canadians to be well informed about what is going on both on the international and national scene with respect to the contribution of the Canadian Government and the Canadian people to peace and especially to disarmament, one of the great concerns of youth at this time.

I would therefore invite the Minister to clarify, if he can, the Government's position on this issue because the answer I was given yesterday by my hon. friend, the Associate Minister for National Defence (Mr. Andre), who has just made an appearance in the House, because, as I was saying, his answer created a great deal of confusion among observers when he said that the Government intended to give grants to any person who was involved in the Star Wars program, on the same basis as they are given to entrepreneurs or universities or industries that are engaged in research or development of the usual U.S. programs under the defence production sharing agreement.

I would point out to the Government that the American administration has made a firm decision to create a special group within the Government to show clearly that the star wars program is a special program and that a specific directorate will award all related contracts. It will therefore be very easy for the Government to find out, should a Canadian university or a Canadian company be working on the star wars project, that it is not a program like the one that is covered under other previous agreements. It is a new program of the American Government. I am convinced that Canadians do not want the Government to give grants to companies doing research for the star wars program.

● (1650)

[*English*]

I acted in very good faith on Saturday when I applauded the decision of the Government to not participate. I hope it is clear that we will not be using the granting functions of the different departments of the Government to help the people who participate in this program. I said that if someone wanted to do something in his basement there was not much policing I could do but because I thought of it in terms of the global strategy of peace in the world I felt that the "no" of the Government was a positive contribution. Now, only 72 hours after that decision, I begin to wonder what happened on Saturday. If it is a "yes" in the guise of a "no" I do not think that the Government will go through that very easily. We spent a lot of time in the spring and summer in committee gathering the views of Canadians. Of course, there were some surveys which said that perhaps the majority of Canadians were in favour, but it was always on one point. It was always on the point that if we were to be involved in SDI, it was in order to create thousands and thousands of jobs. I remember in front of the committee the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) asked that question of the witnesses many times very precisely, and I did the same thing as well. We asked how many jobs would be created and the only group which gave us the figures said it was something like 500 jobs.

Therefore, there was a qualification in the minds of the people because of the jobs. We took the view that jobs were irrelevant because there were matters in international policies which involve more than jobs. I remember when I was on the other side of the House the Leader of the Opposition at that time, the Minister of today, was always very quick on his feet to ask us, "Are you respecting the non-proliferation treaties? This Government has not signed this treaty so you should not get involved in selling it a Candu reactor", for example. We agreed at that time with the Leader of the Opposition that it was not a matter of jobs because to sell a Candu reactor to India or Pakistan would have involved a lot of jobs. It was unanimous in this House that we should not do this because they did not sign the non-proliferation treaty. I think it was a valid and good consideration and Canadians never reproached the Government of the day for having principles in these matters and standing firm in refusing to sell Candu reactors to countries which did not want to sign this treaty. We lost jobs. We are still losing jobs. When we do not permit de Havilland to sell planes to countries like Libya, we could lose jobs, but there are some standards which must be met.

I just want to tell the Government, as friendly as I can, not to spoil a good announcement which was made on Saturday by trying to be sneaky. I do not think that the Secretary of State for External Affairs (Mr. Clark) will be the one who will do that. I urge him to make sure that the Canadian position in Canada and abroad will be very clear on that point, that we are not part of star wars or SDI development because it is a very important development. When this decision was made by President Reagan, and I want to use this forum today to talk about that, it was a unilateral decision. It was made with no consultation with the NATO countries. Every country was taken by surprise. When the problem came into the House, there was unanimity. The Secretary of State for External Affairs was the then Leader of the Opposition and he rose and spoke on behalf of his Party to say that we should not be part of SDI. It was the same with the New Democratic Party. I know that the Right Hon. Minister does not like to change his mind.

He does not like to be forced to change his mind, so I appeal to him to remain consistent. He was right two years ago and I thought he was right on Saturday—I know he was right. I am afraid that some of his colleagues will try to do—now that the big political decision has been made officially—by the back door what the Minister said on Saturday was not to be done. This is one of the rare occasions when we have a Bill like this before us. I do not want to abuse the rules of the House of Commons—

Ms. Jewett: I rise on a point of order, Mr. Speaker. I believe the Hon. Member is abusing the House. He does not know anything about the Bill obviously, so he is taking this occasion to talk about an extremely important matter on which I tried to get an emergency debate today. I was not successful but we will have a debate, I was assured by the Speaker, as a result of the first report of the joint committee. I really do think, therefore, that it is not the occasion—

Mr. Axworthy: Oh?

Ms. Jewett: I am sorry, I really do think that the Canadian Institute for International Peace and Security, which is the subject of this debate today, deserves more respect than the

Hon. Member is giving to it by absolutely ignoring it. Therefore, he is totally out of order.

Mr. Chrétien: I have finished, anyway, but I would like to say—

[*Translation*]

On a point of order, Mr. Speaker, I want to say—

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Saint-Jacques (Mr. Guilbault) on a point of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would make the same point of order as the one just raised by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). I would remind Your Honour that on page 2 of the Bill one can read, under the heading "Role", namely the role to be played by the Institute, and I quote:

> The role of the Institute is to increase the knowledge and understanding of questions related to international peace and security from a Canadian standpoint, particularly with respect to arms limitation, disarmament, defence and resolution of conflicts, and:

If that is not precisely what my colleague is doing—giving his viewpoint on disarmament issues to enlighten the public—I am wondering what it is!

I would therefore ask Your Honour to put an end to those interruptions and let my colleague complete his remarks.

Mr. Chrétien: If Mr. Speaker does not intend to intervene, I will continue my remarks.

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Maurice (Mr. Chrétien).

Mr. Chrétien: It is therefore my view that the point of order was not well taken, and I think I said at the outset, Mr. Speaker, and I repeat it, that I have no intention . . . I believe this is a good piece of legislation. We established that institute, and when it was set up we tried to find a formula that would have its operations as far removed from partisanship as possible. There were amendments suggested from various quarters, and this is a completely non-partisan institute that is playing a positive role.

My party's task force on the problems I am discussing was given an opportunity to hear Mr. Pearson, the Executive Director of the institute, who submitted a very good brief. In my view, this is a very worthwhile institute.

However, I took the opportunity to caution the Minister, and I appreciated that opportunity. But now some doubts are arising, 72 hours later. I do not appreciate being tricked. There is an attempt at having Canadians believe we are not getting involved in the star wars, but then they are going to use taxpayers' money to finance programs that will do exactly what the Government said they would not do. We are fundamentally opposed to the star wars program. This is a unilateral program without consultation, a destabilizing program that could result in a global catastrophe. I therefore felt, Mr. Speaker, that this was a good opportunity to warn the Minister, and I tell him that if they are trying to do through the back door what the Canadian people will not have them do through the front door, sparks are going to fly.

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Saint-Denis (Mr. Prud'homme).

• (1700)

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I am somewhat unprepared also because I had no idea we were going to deal with this small Bill. But especially for the benefit of our new colleagues in the House, I think we should try to evoke the circumstances under which that Institute was set up in 1984.

You will recall . . . because, as I said, we have been caught unprepared, I am still looking for a quote by the Right Hon. Pierre Elliott Trudeau, the former Prime Minister of Canada, who dealt with this issue the day Parliament adjourned on June 29, 1984. I am glad changes have been made so that the English title is again consistent with the French title.

The Standing Committee on External Affairs and National Defence which I chaired had made a very long and exhaustive study of this issue which resulted in the creation of this very important Institute. We had decided at the time that its name would be as it is today. A number of things must have happened in the meantime, for Parliament adjourned, as you know, and the correction could not be made.

I am glad to report that witnesses from across Canada appeared before the Committee on which sat my honourable friend the NDP critic from British Columbia who was one of the most active women on the Committee.

I must add that it was also a painful experience which prompted our then Prime Minister, the Right Hon. Pierre Trudeau, to exclaim: "At long last, we have the Institute!". We have had to navigate a lot to obtain this Institute before the end of the session. In spite of that, I must say, and a number of my honourable friends will remember that we were pressed for time, because a few Members . . .I like to recall these historical events. This way, at least, young Canadians who are coming of age will know about the workings of politics.

Although they were in favour of the Institute, a number of Members made every effort to delay its study, knowing that if the Institute was not set up by the end of June, it would never become reality. That is why I want the new chairman of the Standing Committee on External Affairs and National Defence to know that these things can happen and that sometimes, although a bill introduced in the House may be quite good, there are people who will try indirectly . . . I must say that those who tried to kill the Institute sat on the side of

the Opposition at the time and are now with the majority. The Institute was created nonetheless.

I want to take this opportunity to say that, when we were looking for someone to lead the Institute, the Hon. Member of the New Democratic Party and myself suggested a few names. The name I had suggested from the beginning and which was rejected by everyone before being finally chosen was that of the son of the Right Hon. Prime Minister Lester B. Pearson, under whose leadership I was first elected. I am talking about Geoffrey Pearson, a great Canadian and former ambassador to the Soviet Union, who has now been chosen to head the Institute.

I hope that the Institute, which will now be called in French *Institut canadien pour la paix et la sécurité internationales*, as it should have been from the start, will have no hesitation in using the independence which Parliament wished it to have. I know that, in this regard, I have the support of those who want the Institute to keep its independence and to carry out its research without regard to the political effects of its findings in Canada. That is the first aim of the Institute, and Parliament and all three political parties clearly wished that it would have the independence required when it was created. I know that there are difficult problems to be examined in various parts of the world. Since the creation of the Institute, we have had this issue of the SDI. I understand that there are negotiations going on to my left, but I do not want to lose the thread of my comments. Mr. Speaker, I would appreciate it if you would ask them to hold their conference outside. Mr. Minister, if you please—

The Acting Speaker (Mr. Charest): If I may call you back to order . . .

Mr. Prud'homme: Even if I was not advised of this debate, I have to follow some logical reasoning.

The Acting Speaker (Mr. Charest): Yes . . . the Hon. Member for Saint-Maurice (Mr. Chrétien) and the Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Prud'homme: As I was saying, first of all, we are glad that the Institute has now an appropriate name and we are going to support the proposal of the Right Hon. Secretary of State for External Affairs (Mr. Clark). Second, we want to emphasize that this Institute was created as an autonomous body by Parliament and I hope that. Third, we wish Geoffrey Pearson, who will have to see to it that these studies are carried out properly, all the courage he will need to examine the real current issues. Among these, there is of course the issue of the so called Star Wars Project. I also hope that he will not hesitate to make the first step occasionally, as studies can be initiated either at the request of the Government or on the Institute's own initiative.

Well, I hope that the institute will enjoy that independence; I can never be too insistent that we should go forward even with respect to the most controversial issues, especially those involving world peace or international peace with which Canada is not necessarily concerned as opposed to other parts of the world, whether in the Middle East, in Asia or in Latin America. We are looking forward to the results of some of the first studies. We will read them carefully and support them. I will support them because I know that if a group is given the necessary independence to carry on beyond political considerations, it can only publish excellent reports that will enlighten Canadians.

Mr. Speaker, I will not proceed any further but I would like to thank you for having recognized me even if I had just learned that we were going to consider the matter. Nevertheless, I was anxious to take part in this debate, because when I was chairman of the Standing Committee on External Affairs and National Defence, and that was up to the very last day and practically the very last second of the previous Parliament, we had to struggle against what everyone thought were practically insurmountable odds.

I wish to thank the Members who were sitting on the committee at that time. I would like to mention the official critic for external affairs of the New Democratic Party (Ms. Jewett) who played her role as she always does. It was thanks to her co-operation and that of several Members of the new majority. I could refer to them specifically . . . On some future occasion I would like to elaborate on the work done by those Members who gave us their genuine support and who believed in what we wanted to do at the time. To be perfectly honest, no single party can take the credit and claim that it was thanks to the New Democrate or thanks to the Liberals that things got done.

There were Progressive Conservatives who had the wisdom and the intelligence to understand what this Institute would be able to do, and there were also those who were not very enthusiastic and who tried to delay consideration so the Institute would never become a reality.

That is what I wanted to say, first of all for the record, and second, when we have further occasions to consider international affairs, and I hope there will be many, I would like to have a chance to pay tribute to those Members of the new majority who were in the Opposition at the time and who also made an outstanding contribution to the creation of this Institute, which today has become a reality and will undertake studies, as I said earlier, on behalf of Canada, keep us better informed on major international problems and help us act responsibly when we are apprised of the conclusions of these studies. In any case, we will all act according to our own lights and act responsibly, even if the conclusions arrived at by some Members may be highly unpopular.

The Acting Speaker (Mr. Charest): Questions or comments. Debate. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I too, would like to offer some comments on this very important institution we are debating this afternoon. I think there is a certain flow in the history of events of this country where certain institutions all of a sudden take on special meaning and significance for the Canadian public. I can recall that over a year and a half ago, when we were still in Government, we were discussing the kinds of initiatives which could be taken to give further force and direction to the issue of arms control. The necessity for the establishment of a centre which would co-ordinate a number of important research projects was considered to be of the highest priority. I think the wisdom of that step was demonstrated to me very actively during this past summer when I was part of the special joint House and Senate committee which was looking at the star wars issue. I had the experience of observing the concern, care and interest of a large representation of Canadians which was expressed before that committee. I saw the necessity to have an outlet in this country for those cares and concerns.

• (1710)

We do not talk about peace and arms control in this country in much detail. However, I am reminded of the testimony of representatives of a group called Educators for Social Responsibility which is basically a group of high school teachers from across Canada who are interested in the issues of arms control and disarmament. We asked them where and how young people in high schools could discuss the vital issue of peace and they said that that did not take place in the schools because most teachers are afraid to bring forward such controversial topics as arms control in the classroom.

To my mind, Mr. Speaker, it is shocking that in the schools of this country it is difficult for teachers who are interested and involved to provide the forum in which young people can discuss an issue so vital to themselves and their futures. When we probed a little deeper we found that that intimidation was by school boards, administration, parents, and the community. It is considered to be a topic which is too sensitive to handle. It is considered to be a political topic and, of course, we neutralize our schools and do not want them to talk about politics. However, there are too many strong feelings on both sides. One teacher who was part of the delegation said that if he spoke in his classroom about the issues of peace and arms control, people would say he say a "pinko" and not a good hardliner like he is supposed to be. That is a more respectable position to take. The testimony of the educators was that on issues which are essential to survival and to the future there is a paucity of information, a lack of opportunity for discussion, and a lack of opportunity for people going through our school system to become aware and informed about them through good material and programs.

My caucus colleague from Saint-Denis said he hopes there will be lots of studies. We do need studies. There are many experts in the country and studies will certainly help Parliamentarians, bureaucrats, strategists, and the Armed Forces. God knows we can all use some help in coming to grips with these issues. I think this House has paid too little attention to them. I hope that the institute will not just do studies for the Ottawa crowd and expert analyses for the policy makers. I hope that the institute will undertake a more populist approach and use the resources which are given to it to disseminate information across the country into the schools, community clubs, and churches, and make it respectable to talk about peace in this country on a learned, informed basis. With that kind of underlying foundation of well-developed opinion and judgment we may ultimately get better foreign policies and results. I think it is essential that Parliamentarians have the opportunity to put forward what we think the agenda of the institute should be. Parliamentarians should learn from our experiences.

Ms. Jewett: They will do their own agenda.

Mr. Axworthy: I find that a highly elitist point of view, which is perhaps typical of the NDP—

Ms. Jewett: I want them to be independent.

Mr. Axworthy: —that they will set their own agenda and that Members of Parliament are forbidden to offer opinions and to express their heartfelt hopes and aspirations for this institute. After all, it was Parliament that established it. The previous Government put it in place and Members of Parliament voted for it, but now it is being taken over by the in-house crowd so that they can all get together. That is not what should take place. I think it would be a serious mistake if the Peace Institute became a little green house factory—

Ms. Jewett: You don't know anything about it.

Mr. Axworthy: —for people to do their own inside studies. Mr. Speaker, I want to say to the Member that I know an awful lot more about it than she does because I was in the Cabinet that put this into place and decided, so don't tell me that I don't know anything about it.

Ms. Jewett: You didn't even know about cruise missile testing when you were in the Cabinet. You didn't know anything when you were in the Cabinet.

The Acting Speaker (Mr. Charest): Order.

Mr. Beatty: Mr. Speaker, this is very unseemly.

Mr. Axworthy: It is very unseemly, but it is also very important. I know the Conservative Members are not particularly interested in this Bill because it is not of their own creation and they are houseworking on something that is very important, but let us talk about what we are saying is an important priority. I know the Member for New Westminster (Ms. Jewett) is not interested in a populist approach to these issues. That is too bad because her and her cosy club of friends would not want to share with the public at large. I think that that kind of elitism has been part of the problem with the making of foreign policy in this country. Part of the difficulty

has been that it has been an insiders' club. It has been too much contained within the boundaries of this city and is considered to be an exclusive preserve of those who have acquired the aura and majesty of being "foreign policy experts" like the Member for New Westminster pretends to be.

At this point in time this institute can do something much more dramatic and profound for Canadians. There are thousands of Canadians who want the information. I recall when the Educators for Special Responsibility brought a small document they had prepared before task force committee hearings. It was a very simple document which made a comparison between the various arms levels of the Soviet Union and the NATO alliance. It compared the number of ships, missiles, submarines, guns, and tanks. One of the important things about it is that it obviously disputed the kind of phobia which is too common and current in this country among people who say that there is some kind of a red menace hiding out there and that there is a great missile, tank, or airplane gap. The paper provided basic information to show where there is parity and equilibrium in the arms area. It also pointed out the potential for use.

When Members of Parliament go to high schools in their ridings and talk to students they will find that that is the kind of information they would like to have. If that information were shared with students we would be able to develop a public outlook which would give foreign policy the momentum which it desperately needs.

In the statement by the Prime Minister (Mr. Mulroney) on star wars on Saturday he missed the whole point. He said he is not going to get into the program but he did not understand why Canadians were opposed to it. They are opposed to it because they want this country to become a major peace seeker. They want this country to say a definitive no to star wars and to undertake other initiatives in the arms control area. They want to stop the new generation of arms development which star wars represents, a switch from a deterrent philosophy to a defence philosophy, which will bring the militarization of North America into place. They understand that. The Peace Institute now has the opportunity to provide the glaring light of good information and judgment that can be widely shared by all Canadians. That is why I feel it is important that we try to provide that kind of suggestion in this Parliament. I hope the Peace Institute or someone out there might be listening.

• (1720)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Charest in the chair.

Clauses 1 to 10 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

ROYAL CANADIAN MOUNTED POLICE ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Solicitor General of Canada) moved that Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof be read the second time and referred to a legislative commitee.

He said: Mr. Speaker, I am pleased to open the debate on second reading of Bill C-65, the Bill to amend the RCMP Act. The Bill is the result of a long review within the RCMP and among other Government Departments in which procedures for handling public complaints, internal discipline and grievance procedures within the RCMP were thoroughly examined. My friend, the Hon. Member for Burnaby (Mr. Robinson), was commenting to me before we began discussion of this Bill that this is the seventh effort that has been made for a Bill similar to this to be introduced in the House of Commons in the hope of getting it passed. I can certainly indicate that the process of review and study which has taken place over the years has been extensive and exhaustive.

Among other things, the proposed legislation will firmly entrench the rights of members of the Force with respect to matters like internal discipline and grievances, including the right to be represented by counsel at internal hearings within the Force. As important as this is, the Bill also ensures an equitable and independent process for dealing with complaints made by the public against members of the Force.

[*Translation*]

Mr. Speaker, many of the proposals contained in this Bill are based on the recommendations made by the Commission of Inquiry on public complaints, internal discipline and grievance procedures within the Royal Canadian Mounted Police. The Commission was chaired by Judge René Marin of the Ontario County and District Courts.

[*English*]

I had the pleasure in my previous incarnation as the Minister responsible for Canada Post Corporation of working with Judge Marin who is currently Chairman of Canada Post Corporation, and in that capacity developed a very deep regard for his ability and his dedication to public service. It is perhaps ironic that the first Bill I would bring forward in my new capacity would be a Bill which had its root in the Marin Commission which produced its report on January 16, 1976. The report's recommendations are characterized by a remedial approach which seeks to ensure that the rights of citizens and members of the Force are clearly respected. Its findings and

recommendations included measures relating to public complaints, internal discipline and grievance procedures.

When the Government received the Marin Report, it set up an interdepartmental committee of officials to co-ordinate and review implementation of recommendations. The interdepartmental committee concluded that a modernization of the RCMP Act and regulations was needed to reflect current times and changes in the Force's management. A significant concern of the committee was to maintain a balance between the needs and interests of the public and members of the RCMP, and the responsibilities of those charged with the management and continued effectiveness of the Force. Of the 135 total recommendations, 122 were accepted in whole or in part. Bill C-65 is the product of this process of fundamental reappraisal. The Bill addresses the essential themes of the Marin Commission in a number of innovative and effective ways.

The proposed RCMP Act set out in Bill C-65 is in eight parts. Let me briefly provide the House with an overview of the essential elements of each of these with the hope that the clearer understanding of these proposals can be achieved.

One of the most important proposed amendments to the RCMP Act is the manner in which it provides for the handling of public complaints against RCMP members. Bill C-65 proposes the creation of a Public Complaints Commission, an independent and impartial authority, which would be outside the structure of the RCMP. The major proponent for the establishment of such a body, I am pleased to say, has been Force management itself. The provinces also view public complaints as an extremely important issue. This is especially true for the eight provinces and two territories that contract for the use of the Force to provide policing services. As judicial decisions have ruled that the provinces cannot conduct investigations into the administration and management of the Force for constitutional reasons, the Public Complaints Commission becomes an avenue for ensuring that complaints are adequately investigated, that members of the Force whose behaviour has been found unacceptable are disciplined.

The Public Complaints Commission would consist of a chairman, a vice-chairman, a member for each contracting province and not more than three other members, all to be appointed by the Governor in Council. The fact of provincial representation means that the commission will be a truly national body. Members of the commission for contract provinces and territories will be empanelled to review complaints against the conduct of members of the RCMP providing provincial or municipal policing services under contract.

Let me digress briefly to say that in earlier versions of the Bill, concerns were expressed by the contracting provinces, suggesting that they should have the authority through provincial police commissions to locally investigate complaints addressed by residents of that province against members of the RCMP acting in their capacity as a contracting Force. Obviously, the Government recognizes the need to ensure that there is indeed provincial input where there are complaints relating to the Force's provincial activity. At the same time, the Force is a national Force. It is important for us to ensure that national standards are followed and that a member of the Force who is operating in British Columbia is treated in the same way as a member of the Force would be if he were operating in Saskatchewan or New Brunswick.

• (1730)

What the Government hopes to do with this provision is to ensure that we integrate the concerns of the provinces, that the provinces have a right to be heard when complaints are raised but also that national standards are met as well. What this provision will ensure is where a complaint is raised, the nominee of the provincial Government will be able to be present. He may well be the only member of the complaints commission who sits at the hearing. I think this is a measure that will help to reconcile the various concerns that we find arising in our federal system.

[*Translation*]

In addition, the Bill describes the procedure to be followed with respect to public complaints. Any citizen, whether or not he is involved under what constitutes the complaint, will be able to file a complaint directly with the board, a member of the RCMP or the provincial authority concerned. Normally, complaints will lead to an investigation by the RCMP. However, if in the opinion of its chairman a public hearing is in the public interest, the Commission may hold a public hearing to inquire into the complaint whether or not the RCMP has investigated it. The mandate of the Commission is to make recommendations to the Solicitor General and to the Commissioner.

[*English*]

I see the establishment of the public complaints commission an an amendment of paramount importance. It is a contemporary response to a need for objective, open and fair handling of complaints against RCMP members in a manner which will command public confidence.

What I view as the other most significant amendment is the creation of an external review committee. It will be made up of five members appointed by the Governor in Council. This committee, in an unprecedented way, will guarantee the rights of RCMP members themselves and will ensure to Parliament and to Canadians at large that individual members of the Force are dealt with fairly. This review authority will be external to the RCMP, independent of it, and will be able to look into certain grievance decisions, formal disciplinary sanctions and discharge or demotions.

[*Translation*]

After a review of the file, with a hearing if necessary, the Commission will submit its recommendations to the RCMP Commissioner. The Commission will be empowered to call and swear in witnesses and to take testimonies under oath. In cases where a hearing is required, the Commission will be authorized to travel and set its own practice and proceeding rules.

The Commission will submit its annual report to me so it can be presented to Parliament.

[*English*]

I believe that such an external review committee is an invaluable mechanism for ensuring to the Commissioner an impartial review of all issues. Such a committee is extremely important because its proceedings and recommendations will be open to scrutiny.

Part III of the Bill outlines the procedures for the handling and deciding of grievances for RCMP members, by which any member may grieve any act or omission in the administration of the affairs of the Force if no other process of redress exists.

What the Bill seeks to do in this area is to guarantee by statute an equitable grievance procedure. By these proposals, members will have an inalienable right to a hearing for any inequities they perceive to apply to them. To ensure full and informed grievances are presented, a member will be given complete access to the process without fear of reprisal, including all necessary policy documentation and the assistance of a representative for the preparation of any grievance. The Governor in Council prescribes certain types or classes of grievances which may be submitted by any member to the review committee after having exhausted the various appeal levels determined by the Commissioner.

Historically, a disciplinary process has always existed within the RCMP. The unprecedented addition to this process to be made by Part IV, of Bill C-65 is the definition in statute of what is expected of Force members in a set of standards of conduct. These standards are also intended to ensure full public confidence in the administration of the Force.

[*Translation*]

Along with these standards, a Code of Conduct will be implemented in the regulations. Any contravention to the Code by a member of the RCMP will be the object of an investigation and will be dealt with in the manner prescribed in the Bill. The Code of Conduct is not included in the Bill but it will be in the regulations so that the RCMP will be able to adjust to the verious circumstances by requesting if need be, that amendments be made to the regulations. A contravention to the Code of Conduct may be treated formally or informally, depending on its seriousness.

[*English*]

Minor contraventions of the code of conduct will be dealt with informally, by minor sanctions, including recommendations for special training, professional counselling or direction to work under close supervision, or reprimand. Appeal procedures will be available for the more severe of these disciplinary actions.

Formal discipline, for more serious breaches of the code of conduct, will be dealt with in a formalized disciplinary hearing. Hearings will be presided over by an appointed adjudication board of three officers, one of whom will be legally trained. Hearings will take place with a number of judicial safeguards to guarantee due process.

There will be occasions when it will be necessary to deal with a member who may no longer be considered suitable to continue to perform his duties. The Bill would enshrine in law a formal and open process to be applied in deciding on unsuitability, the one ground being repeated failure to perform the required duties. Again, the member in question has the right to know fully the particulars for recommending his discharge or demotion, the right to be represented, and in such cases, the right to have a discharge and demotion board set up to decide the issue. The remaining sections of the Bill provide for matters of constitution and organization and miscellaneous provisions.

I might disgress just briefly, Mr. Speaker, to give an assurance to the House, and particularly to my colleague, the Hon. Member for Burnaby who served with me on the Standing Joint Committee on Regulations and Other Statutory Instruments. I noted in reviewing the Bill that there were provisions made for the Governor in Council to make regulations which would flesh out the provisions included in the Bill. We believe those provisions are necessary.

As the Hon. Member knows, there is a long-standing concern that members of the Standing Joint Committee have about the so-called magic formula, where the Government in previous years has taken the position that unless the phrase "by order" is included in that particular section, the regulations that result from that might not be deemed to be statutory instruments, might not be required to be published, might not be required to be made available to the standing joint committee.

I give the House the assurance today that the Government will itself propose in committee, in any instance where we are seeking to give authority to the Governor in Council, to make regulations that the so-called magic formula will be inserted there as well to protect the the rights of Parliament and the rights of the public.

Let me conclude. I am satisfied that the proposed revisions to the RCMP Act have been thoroughly examined and the necessity for the implementation of these provisions has been well established. The recommendations of the Marin Commission are substantially implemented in this Act and considerable time and effort has been invested in developing revisions that will support and further the work of the RCMP and adequately preserve the delicate balance between the protection of the rights of the public and the individual members of the RCMP.

I have appreciated the discussions that I have had with my colleagues opposite and the interests they have taken in the provisions of the Bill. I know members of the Force, members of the public and certainly members of the contracting provinces as well will appreciate any co-operation that can be given by the House in speedy passage of this Bill. I undertake, again, voluntarily at this point, that the Government will listen with an open mind, to a legislative committee, to technical proposals that are made by colleagues to improve the Bill should some come up. We welcome input from Members on all sides of the House.

Some Hon. Members: Hear, hear!

Mr. John Nunziata (York South-Weston): Mr. Speaker, I would like to begin by congratulating the Minister for his recent appointment as the new Solicitor General of Canada. I am sure he will serve the position well. I am also certain that as long as he does not hold any private meetings at any hotels in town he will survive.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Bill C-65 is an extremely important piece of legislation. I would like to indicate at the outset that the Official Opposition supports the Bill in principle. A number of concerns might be raised with respect to the complaints procedure outlined in the particular Bill. Specifically, there are six concerns or issues which I feel ought to be addressed at committee stage. Indeed, we look forward to a very thorough investigation of the Bill at that stage.

● (1740)

The first concern or issue at which one ought to look is the definition of a complaint provided in the proposed legislation. The Marin Commission provided a more expanded definition of exactly what is a complaint. I will have more to say on the six points which I will raise at this time.

The second concern is with respect to the model of the complaints commission which was adopted by the Government. The Marin Commission recommended a police ombudsman, a single individual, to deal with complaints against the RCMP. Certain individuals have proposed other models, and I should like to discuss some of them today as well.

The third issue at which one ought to look is the powers of the public complaints commission. As the Minister indicated, the commission has the authority under the proposed legislation to make recommendations to the Commissioner and to the Minister. The commission does not have the authority to make final decisions, nor does it have any authority to conduct its own independent investigation. The Act provides that the RCMP will continue to conduct investigations into complaints by members of the public. Some would argue that the commission or the complaints procedure should provide for independent investigation of police complaints.

The fourth issue which ought to be addressed at committee stage is the size of the commission. As I indicated, the Marin Commission recommended that there be a police ombudsman, a single individual.

The legislation provides for a commission consisting of 12 individuals. As the Minister pointed out, four of those individuals would be appointed by Order in Council by the federal Government. The other eight would also be appointed by the federal Government in consultation with the eight contracting provices. It is also important to determine whether it is economical and appropriate to have such a large commission, whether indeed it is necessary to have 12 members. As the Minister indicated, there appeared to be a need or desire on the part of the contracting provinces to have some input into a complaints system or commission. I suppose the reason for the commission being so large is to accommodate the concerns of the various contracting provinces to ensure that they have some input.

The fifth concern which ought to be considered is the powers of the commission to hold *in camera* meetings. The legislation provides that under certain circumstances the commission could decide to hold *in camera* meetings. I should like to discuss that point later in my comments.

The sixth issue which I feel ought to be considered is the right of the Commissioner to refuse or to terminate an investigation. One could argue that too much power is vested in the Commissioner to deal with complaints against the force.

As I indicated at the outset, Bill C-65 is an important piece of legislation. It is virtually identical to other legislation which was introduced by the previous administration. The public has waited a long time for this particular piece of legislation with respect to the formal complaints procedure. Members of the force have waited a long period of time for that aspect of Bill C-65 which deals with internal grievance and discipline procedures. In my view the Bill will go a long way toward improving morale in what I consider to be the finest police force anywhere in the world.

I am not sure whether Hon. Members have stopped to think about it, but Canada is one of the few countries in the world, if not the only country, where a police force is identified as a national symbol. That says a lot about this country where we cherish above all else, peace, order and good Government. However, it says even more about the RCMP, its history, its record and its vital contribution to Canadian nationhood. The many tales of heroism and the quiet devotion to duty by individual RCMP officers form some of the most colourful stories in our history. As a nation, we owe them a great debt of gratitude, more perhaps than many of us appreciate on a daily basis. Of course the responsibilities of the RCMP have mushroomed since Sir John A. Macdonald decided in 1873 that a police force was necessary to keep law and order in the Canadian west.

Today the RCMP works to prevent, detect and investigate offences against federal statutes. Its members enforce laws, prevent and detect crimes, investigate offences, and maintain law and order in the provinces, territories and municipalities under contract. They work to improve police-community relations. They maintain internal security. They provide investigative and protective services to other federal Departments and agencies. Finally, they assist, upon request, all Canadian law enforcement agencies by providing specialized police training, forensic laboratory identification and information services.

Like any other organization which has seen fairly rapid expansion, as is the case with the RCMP, the RCMP has had its share of organizational and administration difficulties. Some of its problems were dealt with by the Macdonald Commission which recommended that the national security component of the RCMP be split from the force and delegated to a separate civilian agency. Other problems were examined by Judge René Marin in his commission of inquiry relating to

public complaints, internal discipline and grievance procedures within the RCMP.

As the Minister indicated, the report was commissioned in 1974 and it was released in early 1976. However, unfortunately it has taken a great deal of time to reach the floor of the House of Commons for debate. There is little doubt that the Bill has been on the legislative backburner for far too long. The first Bill, Bill C-19, based on the Marin report was introduced in 1978 during the third session of the thirtieth Parliament by the Hon. Jean-Jacques Blais, Solicitor General. It was followed subsequently by another Bill, Bill C-50, also introduced by Mr. Blais in the fourth session of Parliament.

Another Bill, Bill C-69, based on the Marin report was introduced by my colleague, the Hon. Member for York Centre (Mr. Kaplan), in the first session of the thirty-second Parliament. The same Bill was reintroduced during the second session of the thirty-second Parliament as Bill C-13, which was virtually identical to the Bill before us today. With time running out for the thirty-second Parliament, Bill C-13 was introduced in the Senate. Although it was debated and considered in committee, it died on the Order Paper. Essentially the measure which we are considering is a Liberal piece of legislation.

While we are supportive of the objectives of this legislation, we on this side of the House would also like to see it pass in the best form possible. I think we can and should approach this Bill in a spirit of non-partisanship.

As we know, and as the Minister indicated, the Bill has two main objectives. It proposes the establishment of a public complaints commission, and it also seeks to update the internal discipline and grievance procedures within the force.

The public complaints commission is intended as an external and independent authority composed of a permanent chairman and up to 12 members, as I indicated earlier.

Under the legislation any member of the public, whether or not he or she is affected by the subject matter of the complaint, will be able to file a complaint with the commission, with any member of the RCMP or with the provincial agency responsible for the receipt and investigation of public complaints against the police. The Bill also circumscribes the commission's authority in so far as they are limited to making recommendations to the Commissioner of the RCMP. The Bill also provides for the complainant and the Minister to receive a report on the outcome of the complaints.

● (1750)

As I indicated, I think we should approach this Bill in a spirit of non-partisanship. After all, what we are attempting to do is to find the proper administrative mechanics to deal with the problems before us. As such, there are a number of suggestions I would like to offer. In my view, for instance, the section dealing with the definition of a public complaint is rather restrictive. Part VII of the Bill, Section 45.35(1) states the following:

> Any member of the public having a complaint concerning the conduct of any member or other person appointed or employed under the authority of this Act may, whether or not he is affected by the subject matter of the complaint, make the complaint—

The operatives words are in Subsection (1) which states, "the conduct of any member or other person appointed or employed under the authority of this Act".

As I indicated earlier, the Marin Commission offered a much broader definition which I think is the sort of approach we should be taking in this particular Bill. After all, members of the public have to be assured that if they do have a complaint, they are not going to be tripped up in the process by an overly restrictive definition of what constitutes a complaint.

The Marin Commission offers a more expanded definition of a public complaint. The report reads:

> —any communication received from a member of the public, either orally or in writing, which criticizes the behaviour of a member of the force or alleges the failure of the force itself to meet public expectations.

The commission suggested that complaints received by the force could be divided into two categories: first, complaints alleging specific injury or abuse by a member or members of the force; and second, complaints of a more general nature such as matters of police service or the operational policies of the force.

The manner in which the legislation is presently worded, for instance, precludes a person from complaining to the force if he or she feels that certain RCMP policies or administrations are not effective or appropriate. If a person lives in a remote community and feels that the force has allocated insufficient resources to police that particular area, then that person, under the proposed legislation, is not entitled to complain. The question of high-speed chases has attracted considerable attention lately as well. This Bill would not allow someone to complain about RCMP procedures in that respect.

Obviously there is a balance that must be reached if the interests of the general public and the interests of the force are to be respected. The last thing any of us would want to see is a system which encourages complaints for the sake of complaints. Having said that, however, we must make sure that if legitimate complaints do exists, they are considered and dealt with.

One of the problems the Marin Commission discovered was that many people are reluctant to bring their complaints to the attention of the force. Among the reasons given to the commission were that the person involved did not know how to bring the complaint to the attention of the force and that some felt that a complaint would do no good since the force would simply cover it up. Others felt that retaliation in some form by the force would follow the lodging of a complaint. As well, some people who sought the advice of friends were discouraged from filing a complaint.

I think our object in connection with this aspect of the legislation must be to make the procedures as open as possible. I think that that is the only way one can instil public confidence in this type of a system.

Another issue that I would like to raise in connection with this Bill is the proposal in the complaint mechanism to have the force investigate itself. For example, we see in Section 45.36(4) that any complaint which is not disposed of informally is to be investigated by the force subject to Section 45.38. This Section states:

> The Commissioner may make rules governing the procedures to be followed by the force in notifying persons under this Part and in investigating, disposing of or otherwise dealing with complaints under this Part.

It would seem to me that this tends to give quite a bit of authority to the Commissioner. I do not doubt for a moment that the Commissioner would be totally circumspect in discharging this duty if it is given to him. However, in my view we must be concerned about the public's perception of the police investigating themselves.

As many Members may know, Professor Allan Grant of Osgoode Hall Law School, a former professor of mine, has done considerable work in the area of the control of police behaviour. Professor Grant is a former police officer and is renowned throughout the world for his expertise in this particular area. He has developed a number of models involving the external and internal functions of investigation, adjudication and discipline. My own predisposition is toward an independent investigation with external adjudication and discipline. It would seem to me that this would make the process meet the twin tests of Caesar's wife which are to be not merely above reproach but also appearing to be above reproach. In fact, I have a number of questions regarding some of the details of this Bill which I am looking forward to raising in committee.

In connection with the need for independence, the Marin Commission offered as a recommendation the establishment of the office of police ombudsman. From the point of view of independence, I am attracted to that recommendation. As I indicated earlier, the fact that a 12-member commission is recommended in this legislation might cause some concern. It is my understanding that the reason the legislation was drafted in this manner was to placate the provinces which wanted some representation on any body set up to deal with complaints. I think we should take a hard look at this justification to determine whether or not it is cost effective and in the public interest. After all, if we can get the job done with a minimum of resources, I think that Hon. Members opposite would agree that we should opt for this route.

I think there is a lot to commend the office of the ombudsman. First, the ombudsman derives his authority from and is answerable to Parliament. Second, he has powers to investigate all administrative but not legislative decisions. Finally, he has the power to criticize administrative decisions and recommend change. He does not have the authority, however, to reverse administrative decisions or to mete out discipline.

There are many other aspects of the public complaints commission about which I am concerned, but I note that time is running short. Another concern that was raised by a number of members of my caucus was the fact that a time limit was not put on dealing with a particular complaint. The legislation provides that a complainant is to be notified of the status of a particular complaint after 45 days, I believe, and to be advised of the status every month thereafter. However, there is no time limit with respect to how long it should take to investigate completely a complaint that is issued by a member of the public. As the old maxim states, justice delayed is justice denied. I am sure that an advisable and appropriate change to this legislation could result in a time limit being put on the investigation and disposition of a complaint made by a member of the public.

I would now like to deal for a few moments with the other major section of the Bill which contains provisions for revised discipline and grievance procedures and which formalizes rights for members of the force in these matters. I note that the time has expired for today and I look forward to continuing my remarks in the morning.

[*Translation*]

The Acting Speaker (Mr. Charest): It being six o'clock, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, September 12, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

ROYAL CANADIAN MOUNTED POLICE ACT

MEASURE TO AMEND

The House resumed from Wednesday, September 11, consideration of the motion of Mr. Beatty that Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof be read the second time and referred to a legislative committee.

Mr. John Nunziata (York South-Weston): Mr. Speaker, yesterday during my comments with respect to Bill C-65, I addressed the part of the Bill that deals with the Public Complaints Commission. I raised a number of questions that I thought should be addressed at the committee stage. First, with respect to the definition of a complaint, I asked whether the definition provided in Bill C-65 was sufficient or whether we as parliamentarians should opt for a more expanded definition of a complaint such as that definition which was adopted by the Marin Commission. I also raised the question of whether or not the model that is proposed in Bill C-65 for the Public Complaints Commission is the model that is the most acceptable. Hon. Members will know that there are a number of other models that were addressed in the Marin Commission. The Marin Commission recommended a police ombudsman to look into the entire question of public complaints. That Commission suggested a one-person commission to deal with complaints.

Professor Allan Grant of Osgoode Hall Law School, a world expert on police complaint procedures, developed five other possible models for public complaints. Arthur Maloney suggested a further model. The committee will have to see whether or not the model that has been suggested in this particular piece of legislation is the best model possible in the circumstances to deal with complaints against the Royal Canadian Mounted Police.

Another issue I raised yesterday during my comments was the question of the powers given to this particular commission. As Hon. Members know, under the proposed legislation this commission consisting of 12 individuals has the authority or power simply to recommend to the Minister and the Commissioner of the RCMP a certain resolution to a particular complaint. The commission will not have any investigatory power of its own but simply the power to review decisions that have been made by the Commissioner. That is another issue at which we ought to look in committee.

As well, we should discuss whether or not it is appropriate to have a commission consisting of 12 individuals. As I indicated, the Marin Report suggested one person. The proposed legislation provides for a 12-member commission. Hon. Members will have to determine whether or not it is economical and appropriate to create a bureaucracy consisting of 12 individuals and indeed whether or not it is necessary to have 12 full-time individuals dealing with public complaints.

Another issue that concerns me is the question of the powers of the commission to hold *in camera* meetings. The committee will have to decide whether or not that power should be given to the commission and, if so, under what circumstances the Public Complaints Commission should have the authority to hold *in camera* hearings. We will have to determine whether it is in the public interest to have all hearings held by the commission held in public or whether there is a public interest to be served in holding certain hearings *in camera*.

Another issue that was of concern to the Opposition was the right of the Commissioner to refuse or terminate an investigation. Should the Commissioner of the RCMP be given the authority to deem a particular complaint frivolous or vexatious and thereby not pursue the complaint? It is provided in the proposed legislation that a complainant can go directly to the Public Complaints Commission to lodge a complaint. However, those complainants who decide to lodge their complaints initially with the RCMP will be faced with the possibility of having the RCMP decide not to investigate for whatever reason.

The committee will have to decide if it is in the public interest to give the Commissioner of the RCMP the authority to decide that a complaint is frivolous. It will have to decide if that responsibility should not rest with an independent body. Is there a concern that if that authority is given to the Commissioner and to the RCMP the public will question the independence of the complaints procedure? There are those who argue that the mere fact that the RCMP will do the initial investigation would, in and of itself, suggest that there may be a bias in the investigation of a particular complaint made by a member of the public. The issue of whether or not the RCMP should have the authority to decide to investigate a complaint will have to be addressed.

• (1110)

For the remainder of my time, I would like to deal with the other major section of Bill C-65 which contains provisions for

revised discipline and grievance procedures and which formalizes rights for members of the force in these matters. These provisions include the establishment of a right to counsel. Prior to this point in time, members of the force who were subject to disciplinary action and who were involved in an investigation, either for criminal activity or for a breach of the code of conduct, did not have the entrenched right of representation by counsel. The legislation before us gives the RCMP officer who is under review the right to a lawyer. That is a tremendous step forward.

Members of the Opposition look forward to hearing from members of the force with respect to the whole aspect of Bill C-65 which deals with the internal discipline and grievance procedures, which have been long awaited by members of the force. Indeed, the Opposition is looking forward to the input from members of the force to hear what their views are with respect to the proposed legislation.

As Hon. Members know, Bill C-65 will create an external review committee composed of a chairman and four members appointed by the federal Cabinet to review grievances, serious discipline cases and orders for discharge or demotion. The committee will have the authority to make recommendations to the Commissioner who retains the authority to make the final decision. There are those who argue that this review committee should have the final authority to decide upon a particular grievance. There are others who argue that if that is allowed, then two separate reins of command will be established and the functioning of the RCMP and discipline within the force will be jeopardized as a result of giving a body outside of the RCMP the authority to make the final determination with respect to a grievance which has been filed. The committee which will be established under this legislation, like the complaints commission, will report annually to Parliament as opposed to the Solicitor General. That is a visible and appropriate provision in the Bill.

In June of 1984, a group known as the Association of 17 Divisions appeared before the Senate Standing Committee on Legal and Constitutional Affairs on Bill C-13 to respond on behalf of RCMP members. As I indicated yesterday, Bill C-13 was a Bill almost identical to the Bill which is before us today. That Bill was introduced by the previous Liberal administration. The Association of 17 Divisions appeared before the Senate committee and raised some interesting points which, in my view, should be considered and acted upon.

With respect to the issue of the suspension of a member from the force, Clause 13.1 of the proposed legislation gives the Commissioner of the RCMP considerable power. For instance, he can suspend without pay an officer who has contravened or is suspected of contravening the RCMP code of conduct, any Act of Parliament or any legislature. It would seem that in the case of a member who is simply suspected of having contravened the code of conduct, or any other law, that person should be presumed innocent until proven guilty by due process of law. That, of course, is guaranteed under the Constitution Act but not under Bill C-65. I think it would be an advisable amendment to the Act to provide that the Commissioner have the authority to suspend a member but to suspend that member with pay until a final determination is made with respect to the particular complaint against that officer.

• (1115)

Suspension from duty without pay also presupposes guilt and constitutes immediate punishment before due process has been completed. Whether rightly or wrongly, it is also perceived as exerting extreme pressure on a member of the force to resign, perhaps. It should be noted that suspension from duty with pay, pending completion of an investigation for an alleged offence, is considered an acceptable administrative practice. As a matter of fact, it was one of the recommendations of the Marin Commission. I should also add, Mr. Speaker, that one of the problems associated with suspension without pay is that the member of the RCMP who is suspensed is prohibited by current RCMP regulations from obtaining other employment. For example, a member who is suspended without pay can demonstrate how this power could cause untold personal trauma as well as much income loss.

In June of 1982, a member of the RCMP was arrested for an alleged offence under the Narcotic Control Act. Based upon preliminary information, the Commissioner had reason to believe that this member had committed a serious offence. In the Commissioner's judgment, the circumstances were so serious and extreme that he ordered the member suspended without pay notwithstanding that basic and fundamental principle of our justice system that one is presumed innocent until proven guilty.

When the Commissioner's legal authority was questioned in this particular case, the suspension was changed and the individual officer in question was suspended with pay. The officer was charged under the Narcotic Control Act. However, these charges were subsequently withdrawn by the Crown since the Crown was of the opinion that there was no evidence to warrant a prosecution.

In these particular circumstances, Mr. Speaker, one should ensure that these officers are not suspended without pay. It is not difficult to assume that if the Commissioner had possessed the authority to suspend this particular officer without pay, he could have been suspended without pay for the two-year period which was involved from the moment this person was suspected of contravening the Narcotic Control Act to that point in time when the charges were withdrawn.

Certainly, Mr. Speaker, there are situations which might arise in which a member of the force is alleged to have committed a serious criminal offence or has seriously contravened the code of conduct. In cases where the continued service of a member of the force cannot be tolerated, that person can be processed for a discharge on an urgent basis. In my view, at least, this section on suspension should be changed to allow the Commissioner to suspend the officer from duty with pay until the final disposition of that particular grievance.

In Part II of the Bill there is a section relating to eligibility to sit on the RCMP External Review Committee. As the Bill

reads now, no member of the force is eligible to be appointed. Representations by the RCMP Association of 17 Divisions which represents members of the force were made to the effect that no one who has ever been a member of the RCMP should be appointed to this particular committee. I think this is a reasonable suggestion which could enhance the fairness and objectivity of the committee.

Another recommendation made by the association was that the decision under the grievance procedure be rendered within a six-month period. This would appear to be a worth-while recommendation as well. It does place some demands on the review committee but these demands would not be either onerous or unreasonable. I think it would be abundantly equitable and fair to ensure that an RCMP officer's grievance is dealt with as expeditiously as possible. The association also recommended that where a decision is not rendered within six months, the decision be deemed to be in favour of the grieving member. That, in my view, would certainly provide an incentive to encourage swift decision-making by the RCMP and by the review committee.

Another aspect of this legislation which appears to be wanting is Subsection 33(4) which deals with the types of grievances which are referable to the committee. It says that the Governor in Council may make regulations prescribing the types of grievances to be referred to the committee. In my view, Mr. Speaker, it would be advisable if the grievances were spelled out explicitly rather than by way of regulation. That would serve to make the whole process more definite and add some certainty.

● (1120)

To conclude, I wish to reiterate that the Official Opposition supports this Bill in principle. We believe it should be dealt with on a non-partisan basis. The legislation has been on the back burner for far too long. Both the public and members of the force have been waiting for it. The sooner we deal with this Bill in committee, the sooner it becomes law, the better as far as the public is concerned. We look forward to a thorough debate of this Bill in committee. We will be raising the questions I have raised in my submissions and, hopefully, with the support of all Parties, we will make this a better piece of legislation. Thank you for the opportunity I had to speak on Bill C-65.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to join in this debate on Bill C-65, an Act which is long overdue. In fact, the Solicitor General (Mr. Beatty) indicated yesterday that this is the seventh attempt, since the report of the Marin Commission was issued in 1976, which successive Governments have made to deal with the important concerns set out in Bill C-65. I might say as well that, although the Solicitor General was not able to be present for the debate today, I do want to convey to him my best wishes on his appointment. This is the first Bill he has brought before the House in his capacity as Solicitor General and I know his reputation for fairness and integrity will serve him well in that very important position. I have had the privilege of working closely with the Hon. Member for Wellington-Dufferin-Simcoe over the past six years as a member of the Standing Joint Committee on Regulations and Other Statutory Instruments, and I know that members of that committee, indeed all Members of this House, would agree with me in saying that we welcome the appointment of that Hon. Member to this very important position.

In turning to the provisions of Bill C-65, I am not going to repeat all of the concerns raised in the context of committee study of this Bill and predecessor Bills. However, I do want to note that the essential purpose of the Bill is one which we in this Party welcome. Indeed, the purpose of the Bill is threefold. First, to establish a public complaints commission for the RCMP to ensure there is a forum for the adjudication of complaints about wrongdoing within the RCMP. Second, to establish an external review committee to review grievances by members of the force. In many ways the present grievance procedure is something out of the Dark Ages. It denies fundamental justice and fair play to members of the force. Finally, the external review committee would have the power to deal with serious discipline cases and provide for orders relating to discharge and demotion.

In a very general sense the Bill is based on the recommendations of the Marin Commission established in 1974 and which reported in 1976. However, there are a number of fundamental differences between the recommendations of that commission and those of the Government in Bill C-65. In most cases, I submit, the proposals of the commission are better than those of the Government and I will deal with the specifics when I come to those particular areas.

The last time this Bill or its predecessor in the last Parliament, Bill C-13, was given consideration was when the subject matter of Bill C-13, which, as my friend from York South-Weston (Mr. Nunziata) pointed out, is virtually identical to that of Bill C-65, was discussed last spring when it was before the Senate Standing Committee on Legal and Constitutional Affairs. That committee received an order of reference to study the subject matter of the Bill. None of the predecessor Bills were debated in the House. They were tabled for first reading, but this is the first time there has ever been a debate in this House on amendments to the RCMP Act.

● (1125)

The Senate committee heard from a number of witnesses. In addition to the Solicitor General and representatives of his Ministry it heard from the Attorney General of British Columbia, Mr. Brian Smith, counsel for the Canadian Civil Liberties Association, Alan Borovoy, and representatives of the Associations of 17 Divisions. I will have more to say about the very fine work that is being done by the association in a few moments. The committee heard as well from members of the Divisional Staff Relations Representative Program, the Div. Rep. Program as it is known within the force. The Senate committee also received written representations from a number of Attorneys General and other officials.

The study by the Senate committee focused on three or four specific areas; the public complaints procedure, discipline, discharge and demotion, and the procedure for dealing with grievances within the RCMP. In my initial remarks I would like to deal with the question of the public complaints procedure. Before doing that, however, I will note that the existing procedures in the provinces for dealing with complaints about improper conduct and wrongdoing on the part of members of the RCMP and of other police forces within their jurisdictions are very inadequate. The Supreme Court of Canada recently ruled in the Putman decision, which originated in the Province of Alberta, that provincial Government had no power whatsoever to impinge on the internal management of the RCMP. Those provincial Governments which attempted to bring RCMP members employed under contract with the province within the scope of their police complaint and discipline legislation, were denied the right to do so. That left a hiatus in the law because, on the one hand, the provinces had no power to deal with the complaints of the public and, on the other, at this point, there is no complaints procedure of any substance directly under the jurisdiction of the RCMP itself.

Constitutionally there are serious problems with respect to this question, but, as well, there are serious concerns with respect to the existing powers of provincial police commissions to review complaints by the public. The Attorney General of British Columbia argued that he wanted the provincial Government and the provincial police commission to have control over the complaints procedure. If that were implemented, many of us would argue that that procedure is very defective. In fact, in an annual report submitted about three or four years ago to the Government of British Columbia the former ombudsman of that province said, "Sometimes I wonder if the appeal procedure provided for in the Police Act was designed to discourage complaints". Indeed, that has, unfortunately, been the experience of too many complainants under the B.C. police procedure.

I am very pleased to be able to report to the House that the enlightened administration in the Attorney General's Department in the Province of Manitoba, under an NDP administration, has brought forward model legislation in the important area of complaints procedure for the police in that province as well as with regard to grievance and consideration of discharge and demotion. That legislation could well serve as a model to the federal Government. I certainly intend to bring the provisions of that Bill to the attention of the legislative committee which will be studying this particular Bill.

I suggest that we call witnesses from the Police Commission of the Province of Manitoba to indicate to the committee what their experience has been with that excellent legislation.

● (1130)

As well, the City of Toronto had a specific provision for a complaints procedure. I know that the Minister of Indian Affairs and Northern Development (Mr. Crombie) would be familiar with that. It is a procedure which, again, has been strongly commended by those who are active in this field since it does provide for independent investigation and an independent review process. I believe that the provincial legislation which authorized that independent complaints procedure in Toronto expired at the end of 1974. However, it certainly is another model which we will want to examine closely in determining what improvements might be made to this federal legislation which does fall short in a number of important aspects that I will deal with shortly.

In terms of the public complaints procedure, I have indicated that through the appearance before the Senate committee of the Attorney General of British Columbia and by way of written submission from Attorneys General from a number of other provinces, Attorneys General have expressed serious concern that in view of the fact that they pay the bill and that in eight of the ten provinces the RCMP is the contract police force, they should have a far greater role to play in the process of review of complaints by the public.

I do not concur in the suggestion of those who state that there should be no national standard and no national complaints procedure. I believe that the RCMP is a national police force and that the standards which are applicable should be national standards. However, I do believe that a number of representations made by provincial Attorneys General should be given very serious and careful consideration. Rather than delegating powers from the federal Government to the provincial Government to deal with complaints, they recommend the involvement of the provincial nominees or appointees in that process. I am pleased to note that this Bill, unlike the predecessor Bill, does make provision for consultation with the provinces on the appointment of eight of the 12 members of the Public Complaints Commission. Of course, that reflects the eight provinces which contract with the federal Government for the services of the RCMP. That is an important appointment process and I know it will be welcomed by provincial Attorneys General.

There are other possible improvements to the process. Yesterday in his remarks to the House the Solicitor General indicated that when dealing with a complaint from a particular province, the provincial nominee from that province would have the right to sit and adjudicate on that complaint, in some cases as the sole adjudicator. I do not read this Bill that way and would want to consider carefully whether that should be the case. For example, when a complaint comes from Alberta, should it be the Alberta nominee on that Public Complaints Commission, at least at the first instance, who hears that particular complaint? It may very well be that there will be a final review by the full commission but it would help to facilitate uniform standards within provinces if complaints from particular provinces were dealt with initially by the nominee from that province.

In other circumstances—particularly dealing with very serious complaints—it may very well be that the entire commission or a sub-committee of the Commission that comprises not only provincial nominees but federal nominees would want to look into those complaints.

Another important recommendation being made is that where a complaint is made directly to the commissioner or to the Public Complaints Commission, the Attorney General of the province within which that complaint is initiated should be informed of the complaints. Currently, a serious complaint can be made to the commission or indeed to the Commissioner of the RCMP. That complaint will not be forwarded automatically to the provincial Attorney General. I suggest that provincial Attorneys General have the right to know when there are complaints about the functioning of the force within their particular jurisdiction. That is a concern which was raised by the Attorney General of Saskatchewan as well as the Attorney General of Newfoundland and I suspect others would share that concern.

Finally, in dealing with the general concerns of the provincial Attorneys General, I note the suggestion that has been made by the Attorney General of the Province of Saskatchewan, Gary Lane, with respect to the ultimate powers of the Public Complaints Commission. He suggests that it is just not good enough that the commission should consider complaints, have findings and make those recommendations to the Minister, which then would be forwarded to the Commissioner of the RCMP who can then completely ignore those recommendations. If this process is to have any integrity at all, particularly in the eyes of the public, I would suggest that the representation of the Attorney General of Saskatchewan and many others on this point should be carefully taken into consideration and indeed adopted. It is that the commission's findings with respect to whether or not there has been misconduct by a member of the RCMP should in fact be final and binding. It should not be up to the Commissioner to ignore those findings after a study. The Attorney General of Saskatchewan goes on to say that if in fact as a result of such a finding there is a recommendation for discipline, the disciplinary consequences must flow. Once again, it is not good enough that there should be a finding of wrongdoing which is then turned over to the Commissioner of the RCMP who can proceed to ignore the recommendation made with respect to discipline. Obviously, there can be some discretion left in the hands of the Commissioner with respect to the nature or degree of punishment, but it is not good enough to suggest that he can simply ignore those recommendations with impunity.

In summary, those were the concerns raised by the Attorneys General with respect to the predecessor Bill, Bill C-13. There are two other fundamental concerns with respect to this public complaints process. Before dealing with those concerns which relate to who will investigate complaints and who will make the final decision, let me raise one further issue with respect to the appointments process to this Public Complaints Commission. It is essential that Parliament itself play a role in that appointments process. As early as 1976, the Marin Commission Report recommended that the external agencies—which were recommended by Marin—report not to a Minister but directly to Parliament. I suggest that not only is it essential that these committees report to Parliament, where the Standing Committee on Justice and Legal Affairs can consider them and in fact make recommendations for legislative change if necessary, but that Parliament should be involved as well in the process of appointment to both of these commissions.

The report of the Special Committee on Reform of the House of Commons is before the House. That is an outstanding committee which has done a great service to this Parliament in making recommendations for change to the process of appointments by Government. I would urge the Government to ensure that Parliament plays a role when appointments are to be made to the Public Complaints Commission and the External Review Commission. Furthermore, whatever process is envisaged for reviewing federal government appointments, that process should apply to appointments to these commissions as well. Not only would Parliament be involved in the appointment of these commissions, it would also be involved subsequently when the commissions would submit their annual reports to Parliament. I think that the involvement of those of us who are elected representatives, representing all parts of this country, is very important in terms of the integrity of this process.

I mentioned that there are two very serious concerns, both with this Bill and the predecessor legislation, in the area of the investigation of public complaints. The first concern is that as the Bill is now drafted, the investigation of any complaints against the RCMP will not be made by an independent investigator or investigators who are on the staff of the Public Complaints Commission but in fact will be made by the people who are being investigated. The Bill provides that public complaints about the RCMP shall be investigated by the RCMP. I do not think that is good enough. I do not think that is an appropriate means of dealing with the concerns of individual Canadians or groups of Canadians with respect to possible wrongdoing by the RCMP. My friend, the Hon. Member for York South-Weston (Mr. Nunziata) referred yesterday to the very positive perception with which the RCMP is regarded in Canada. He is absolutely right about that. It is essential where there is a possibility of wrongdoing, either institutionally or on the part of an individual member, that complaints about wrongdoing should not be investigated by the force that is itself subject to a complaint, but should be in investigated independently.

● (1140)

I mentioned that the counsel for the Canadian Civil Liberties Association appeared before the Senate committee studying this Bill. He pointed out that if we leave it up to the RCMP to investigate the RCMP, there are at least three serious concerns.

First, in a number of cases people will simply just not be prepared to make a complaint. Even though it is quite possible that the RCMP would fully investigate, the perception on the part of many members of the public would be that if there is not an outside investigation, they will not bother complaining. People who have legitimate complaints will simply not make them because they feel they do not want an internal review process.

Second, there must be a complete investigation made without any possibility of extraneous considerations. The general counsel, Mr. Borovoy, pointed out that the commission would not be in a position to perceive any defects or gaps in the material presented to it or in the manner in which the investigation was carried out. As he said:

—unless you are talking about glaring inadequacies in the investigation, it would virtually take clairvoyance to spot defects in the investigation from reading an investigation report. It will not be good enough and the commission is virtually dependent on the investigation that is done by the R.C.M.P.

The third major area of concern with respect to an internal investigation of complaints is that such an internal investigation is vulnerable to the suspicion that there may be internal or inter-departmental jealousies or that the considerations of public relations may prevail over the interests of objective fact-finding.

That is a well founded concern, and another reason for rejecting the proposal in this Bill that there should be internal investigation. Rather than a form of internal investigation, the Canadian Civil Liberties Association recommended that the Public Complaints Commission should have an investigative capacity similar to that employed by the metropolitan Toronto police complaints commissioner who can independently inquire into and investigate the allegations of a complaint without relying upon someone within the police force to investigate a complaint about the police force. In addition, that investigator can have full access to all police records and premises. He can appoint persons to assist him in his investigations and can apply to a Justice of the Peace for a search warrant to assist in the investigations.

There are similar powers and the Manitoba legislation, to which I referred earlier.

The Association of 17 Divisions made a representation as well with respect to the process of investigation of public complaints. It suggested that the rules which govern such investigation should be enumerated in statutory form. I am not sure that they have to be enumerated in statutory form, but they should be clearly set out in regulations. Those regulations should be subject to review by the Standing Joint Committee on Regulations and Other Statutory Instruments.

I was very pleased yesterday to note that the Minister had given a commitment that all regulations and all regulation-making powers in this Bill will ensure that there is a review by that important standing committee, and that the so-called magic formula will be used to remove any doubt about the possibility for review by that committee on regulations which are promulgated pursuant to this Act.

The first area of concern, Mr. Speaker, with respect to the public complaints process, is the question of internal investigation, but there is a second very fundamental area of concern, namely, who makes the final decision. After there has been an investigation, who will make the decision if it is found that a complaint is well founded? Who will make the decision as to whether or not there will be any form of disciplinary action or a change in policy and procedure? In the Bill, as it is presently worded, it is the Commissioner of the RCMP himself who makes that decision. I suggest that that process undermines the public confidence that justice is being done and, more important, that justice is seen to be done. I do not think we can overlook the history in this area as well.

The report of the McDonald Commission documented not only clear instances of individual abuses, illegality, breach of the law, but it went so far as to talk about institutional contempt for the law. Yet, despite the documentation of this wrongdoing, of this illegality, to this day there has not been a single disciplinary action taken against any member of the RCMP who was involved in that wrongdoing or illegality.

This nation is founded on the principle of the rule of law. That principle requires all of us, be we Members of Parliament, police, or ordinary Canadians, to be subject to the same law. I suggest that the failure on the part of the Attorney General of Canada (Mr. Crosbie) to prosecute where there was evidence of wrongdoing, and in this context the failure of the Commissioner of the RCMP to take disciplinary action where such action was clearly warranted, undermines that fundamental respect for the rule of law which is so important in Canada.

The McDonald Commission documented a whole series of wrongdoings, whether illegal mail-opening, illegal access to government records, income tax files and other government records, illegal access to medical records, kidnappings, post office and barn burning. The list went on and on. What this Bill would condone is a process whereby if individuals who were wronged by actions of the RCMP, similar to those unfortunate reprehensible actions, made complaints, went to the public complaints Commissioner tomorrow and that commission reviewed the evidence, came to the conclusion, as did the McDonald commission that the complaints were well founded, the commission would have no power to do anything about it. What the commission would then do would be to turn the matter over to the Commissioner of the RCMP. They would say, "Here you are, Mr. Commissioner. We believe the law was broken. We believe there was misconduct and we believe there should be discipline". The Commissioner of the RCMP can say, "Thank you very much, but forget it. I do not intend to implement your recommendation". That is precisely what this Commissioner did when he received evidence of wrongdoing previously. He was asked to review evidence for the possibility of disciplinary action. He reviewed the evidence and said, "Forget it. There will be no disciplinary action whatsover".

I know constituents of all Members of Parliament, including our distinguished Speaker, share the concerns that the rule of law must be obeyed. I hope he will share the concern that this Bill undermines this fundamental principle. As my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow) has pointed out, in some cases those who were involved in this wrongdoing, far from being disciplined, were promoted. Once again, that is unacceptable.

I would strongly urge the Government to reconsider this provision and to provide, as the Attorney General for Saskatchewan, the Canadian Civil Liberties Association and

others have recommended, that the final decision with respect to discipline be in the hands not of the Commissioner of the RCMP but of the Public Complaints Commission itself.

I refer as well in this context to a letter which was written by Clay Ruby, a very distinguished and outstanding Canadian lawyer who, in referring to the previous Bill, said the Government's Bill:

> —leaves the final decision on a complaint by a member of the public against a member of the RCMP to be decided by the RCMP itself. The independent commission of inquiry can be ignored by the RCMP. Based on their track record of ignoring ministerial directives, the law of the land, the Criminal Code and standards of ordinary decency, this does not give one much room for hopeful expectations.
>
> ● (1150)
>
> When will politicians understand that the public is no longer prepared to accept that it is proper, fair or just for a police force to investigate itself and make decisions about what disciplinary action to follow from its own misdeeds?

I think Mr. Ruby puts it very well, and I wholly support the concerns which he raised.

My final point in this particular area concerns the nature of complaints which can be investigated by the Public Complaints Commission. My colleague, the Hon. Member for York South-Weston (Mr. Nunziata), touched on this issue yesterday. Before the previous Government got cold feet on this question, it introduced Bill C-19 in 1978. Both in that Bill and in the report of the Marin Commission there was a recommendation that the Public Complaints Commission should have the power not only to investigate individual complaints by members of the pubic with respect to individual acts of wrongdoing, but a broader power to investigate matters of general concern, allegations of general wrongdoing or questions about RCMP policy. That was the strong recommendation of the Marin Commission in 1976, and it was contained in a predecessor Bill. As it stands now, the Bill would allow a complaint only with respect to the conduct of any member or other person appointed or employed under the authority of the Act. I suggest that that is far too narrow. If there is a concern on the part of a man or woman anywhere in Canada with respect to RCMP policies or administrative matters, he or she should have the right to bring that concern before the Public Complaints Commission.

The next major area in the Bill is the one which deals with discipline and demotion. The major representations made in this area were those made by the Association of 17 Divisions. I should like to take this opportunity to say a few words about that association. I believe that its 2,500 or 2,700 members are very well represented, and I believe that its fundamental objective, which is to accord collective bargaining rights to members of the RCMP, is one that the House should in fact support. This Bill does not remove the impediments in the Public Service Staff Relations Act to the right to full and free collective bargaining on the part of members of the RCMP. The history of the response of senior officers within the RCMP, indeed the Commissioner, to the Association of 17 Divisions is not a particularly happy one. As far back as 1980, the Commissioner of the RCMP sent out a directive indicating the position of the force with respect to that association—"do not recognize it either positively or negatively".

The RCMP is the only major police force in North America which does not have the right to collective bargaining. I emphasize that we are not talking about the right to strike. The Association of 17 Divisions made very clear that it was not seeking the right to strike. Surely we should recognize in this day and age the right of members of the RCMP, under the provisions of the Charter of Rights which accord freedom of information, to collective bargaining on issues of concern to those members, issues of concern such as pay and working conditions. The fundamental right to full and free collective bargaining continues to be denied to members of the force. In effect there is a staff relations representative system, but that so-called Div. Rep system has not worked well at all. It is perceived by many to be too closely aligned to management within the RCMP. The reality is that one divisional representative under the present scheme has to speak for some 800 to 1,000 constables, NCOs and certain civilian personnel. Quite simply, he cannot deal with the many complaints about transfers and so on with which a union such as the Association of 17 Divisions could deal.

I should like to note a couple of the successes of the Association of 17 Divisions. It was thanks to the work of that association in a court case in British Columbia, the Husted case, that members of the RCMP who were up on internal disciplinary proceedings within the RCMP were given the right to counsel. It was not until the association intervened that they got that basic right to counsel. In fact, after that, a superintendent in Vancouver went on to say that a ruling may have been won with respect to two officers but that in all fairness the accused should not get the benefits of counsel which had previously been denied to others. I do not think we should pursue that logic too far. Unfortunately it is a mentality which is a little too prevalent within the RCMP hierarchy.

The second major victory of the association was with respect to pay. The previous Government brought forward a pay package which was to take effect four months after the expiry of the previous pay package. Members of the RCMP right across Canada voiced their outrage or their sense of betrayal that the previous Government was prepared to allow three months to go by without any form of pay increase whatsoever. It was only when that association intervened very forcefully right across the country that the previous Government backed down on the decision to deny retroactive pay to members of the force. It left a bitter taste in the mouths of many members. Unfortunately it demonstrates that without full bargaining rights that kind of thing could happen tomorrow, that members of the force are still at the whim of the Government. The association speaks with a voice which should be heeded by the Government and the committee which will study the Bill.

The provisions with respect to discipline contain a number of areas which we will want to consider closely in the course of this debate. For example, an informal disciplinary action can be taken against a member, that is, a recommendation for transfer can be imposed without recourse by management to

the elaborate hearing and adjudication procedures set out in the Bill. Obviously a recommendation for transfer can constitute a punitive action which is in some cases greater than an actual breach of discipline. A member could be required to sell his home, incurring substantial financial loss.

The Hon. Member for York South-Weston spoke of a number of concerns yesterday, for example, the concern that under the provisions for discharge and demotion there were procedural inadequacies. Also there is a concern that under the grievance procedure the Commissioner is the final and binding authority, subject to review under the Federal Court Act. Both the Canadian Civil Liberties Association and the Association of 17 Divisions are of the strong view that if a grievance deals with dismissal, suspension, financial penalty or questions of basic policy, it should be subject to review, if not by the external review committee, then certainly by the Public Service Staff Relations Board.

I am pleased to note that the concern with respect to the membership of the external review committee is one which the committee will be addressing. The previous Bill provided that there had to be three members in the internal review process, and this Bill goes on to provide that one of those members should have legal training. That is a good recommendation. However, we agree as well that no member of the force, or person who has ever served on the force, should be entitled to be a member of this external review committee in order that it be seen to be completely independent. I also support the provision for a time limit with respect to decisions on grievances as was suggested by the Association of 17 Divisions.

The protection against possible future incrimination with respect to statements made in the course of investigations should apply to pre-existing criminal charges or disciplinary proceedings. As the Bill now stands, it does not do so. I suggest that that is a serious flaw in the Bill which may very well run counter to the provisions of the Charter of Rights and Freedoms.

• (1200)

The question of whether or not compelled testimony can be used in future disciplinary proceedings is one which was raised as well in the course of the Senate Committee hearings and is one with which the legislative committee will want to deal carefully. As well, I have noted the question of pay and allowances. I believe that in the absence of some form of collective bargaining—and I believe there should be full collective bargaining for members of the force—there should be a formula incorporated into regulations to ensure that the RCMP do not fall behind other police forces in Canada with respect to pay and benefits.

I emphasize that we do recognize that this Bill does constitute a significant step forward. The present provisions for dealing with public complaints, grievances and discipline are inadequate. However, I hope the Government will be prepared to heed the representations which have been made by the Civil Liberties Association, the Association of 17 Divisions, Attorneys General and other concerned Canadians and give this Bill the teeth that are lacking in it so far. More important, I hope that it will give this process the integrity and appearance of integrity and independence which is so important in this essential area.

[*Translation*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on the following motion: Mr. Wise, for Mr. Beatty and seconded by Mr. Hnatyshyn, moves that Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Charest): Motion carried on division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*English*]

SEEDS ACT
CANADA GRAIN ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved that Bill C-64, and Act to amend the Seeds Act and the Canada Grain Act be read the second time and referred to a legislative committee.

He said: Mr. Speaker, the amendments with respect to the Seeds Act contained in this Bill which was introduced in the House of Commons today, Bill C-64, are obviously long overdue. I welcome this opportunity to outline them to my colleagues in the House and I welcome the opportunity to discuss them in brief form.

The Bill will benefit Canada's important seed growing industry and will further enhance the country's already enviable reputation as a reliable supplier of quality grain. It will help to ensure that farmers get what they pay for and that the owners of seed varieties are in a fair competitive position.

A great deal has happened in the seed growing industry since the last time any major amendments were made to the Seeds Act in this House back in 1959. The industry has doubled in size during the past eight years both in terms of acreage and of authorized establishments. It generates about

$350 million in sales annually including domestic and export markets.

Perhaps the most significant change in recent years has been the trend toward privatization of variety ownership. It is a healthy trend and certainly one in keeping with the Government's main thrust and policies. We must continue to support this trend if we are to maintain a quality seed growing industry and a good reputation with our export customers.

This Bill proposes several amendments to the Seeds Act, the most important ones dealing with matters arising out of the privatization trend. Before going into detail, I would like to point out that extensive consultations have been held with all provincial Governments and with all major associations whose members will be affected by this Bill. These groups include the Canadian Seed Growers' Association, the board of which contains representatives from every provincial Government; the Canadian Seed Trade Association; SeCan; and the Canadian Horticultural Council. Our recommendations are well known, well understood and indeed widely accepted.

The most significant provision in the Bill is one to establish more specific regulations for the advertising of seed varieties. I understand that my good friend and colleague, the Hon. Member for Wetaskiwin (Mr. Schellenberger), may have some concerns with reference to this particular amendment to the Bill. As he knows, this is a Bill which we are not moving through the House in all stages today. It will simply be moved from here to the Standing Committee on Agriculture. I know that that is the appropriate place for discussions of that kind to take place. I know from experience that this Government has utilized that opportunity and made that committee work. Indeed, we have accepted amendments at committee stage before and it might well be the case that, upon evidence submitted by my colleague, the Hon. Member for Wetaskiwin, we can clarify or resolve this concern that has been expressed to me.

For some years now, the seed associations have been expressing concern about distorted or even false advertising of so-called varieties. Their interest is understandable because the owners of pedigreed seed have worked hard to acquire registration and deserve protection against those who use variety names to advertise unlicensed seed. In addition, farmers should not have to worry about whether the seeds they are buying are in fact as advertised. This Bill will halt false or distorted advertising practices by providing for the disclosure of certain information when seed is advertised and by prohibiting the use of variety names when seed is not pedigreed.

Tied to this are provisions in the Bill to raise significantly the penalty for violating the Act. The maximum penalty will be raised from $2,000 to some $25,000. This new level is a more effective deterrent and I believe more accurately reflects the seriousness with which we regard violations under this Act. We also intend, through the Act, to extend the time period for instituting procedures by way of summary conviction. This will allow more time for proper investigation of complaints and for the initiation of legal proceedings.

The House will note the provision in the Bill of a registration system for crop varieties to replace the present system of prescription. The current administrative procedure which has been in effect since the last amendment in 1959 requires a ministerial order process, and that makes it nearly impossible to keep our list of varieties amended on a day-to-day basis. The proposed registration system will provide for daily amendments to the registry of varieties.

I would also like to highlight a new bonding provision in this Bill. My Department finds that it is frequently necessary to impose bonding requirements on seeds imported into this country and it is a measure by which we ensure that imported seeds meet our requirements. Currently the Government enforces these bonding provisions through the Customs Act which creates some administrative difficulties in my Department. This Bill will provide bonding authority under the Seeds Act.

The remaining provisions of the Bill are relatively minor but are necessary measures for the tightening and updating of the Seeds Act. I will outline them briefly this morning for the benefit of my colleagues.

A provision to modify the definition of the term "sell" in the Act allows for the coverage of contractual agreements. This is recognition of the fact contractual agreements often occur between seed growers and seed companies.

• (1210)

Another provision in the Bill clarifies the role of the Canadian Seed Growers Association in the Act. Members of the House may know that this fine organization has formal responsibility under the Act for the certification of all seed stocks in Canada, except potato and tree seeds.

As I mentioned at the beginning of my remarks, the provisions contained in this Bill have been required for some time and, therefore, I am anxious to see it passed. I hope all Members of the House will agree that we ought to take every step necessary to protect our fine international reputation as producers of high quality grain. By improving the process for registering seed varieties and by ensuring that farmers are buying legitimate varieties, this Bill will enhance our country's image and build our trade position.

Quality control has been the key to our success in the past and this Bill will help to maintain our high standards. The Food Production and Inspection Branch of my Department is actively involved in quality control through the provision of independent reports on pedigreed seed production.

I am proud too, of the role my Department plays in the development of new seed varieties. Wheat varieties developed by Agriculture Canada account for 90 per cent of Canada's total wheat acreage. I can assure the House that this Government is committed to continued research because we recognize its importance in fostering greater efficiency and improved production. The federal Government, the provinces, seed growers, the suppliers and producers are all partners in the same game. In our common pursuit of quality, we are continually improving crop varieties. That is good business.

Discussions which began back in 1977 with seed associations and provincial Governments have finally culminated in the introduction of this Bill. The industry supports it and I am sure Members of this House will want to do so as well.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on behalf of my Party I am pleased to participate in the debate on Bill C-64, which proposes amendments, in part, to the Seeds Act. We know that while the Bill is an important one it is really a housekeeping Bill and one which wil not raise a major controversy in the House today. I am sure we will not hear the bells ringing for the rest of the afternoon over a major disagreement on the issues at hand as they pertain to the Bill.

However, there are concerns in the agricultural areas which I wish to bring to your attention, Mr. Speaker, knowing the great interest you have in this subject. The fact is that we seem to be spending a great deal of time discussing agricultural Bills, which is fine; but I really wonder why it is that this Bill was felt by the Government of Canada to be the most urgent as opposed to so many of the other fundamental and important agricultural issues which face our nation at this time. Perhaps in his response the Minister will tell us why it is that we are not dealing today with red meat stabilization legislation or the effects of countervailling duties on our agricultural industry. Perhaps the Minister will tell us why we are not dealing with the fuel tax, since that is the issue the farmers of my constituency want us to talk about. Of course, they feel that the Seeds Act is important. However, if I were to conduct a poll today of the agricultural constituents in my riding and ask them: Since we can deal with only one agricultural Bill today in the House of Commons, do you think we should provide emergency financial assistance to farmers or adopt modifications to the Seeds Act? I am sure that the constituents I represent would feel that the priorities should be somewhat different from those enunciated this morning by the Minister of Agriculture (Mr. Wise). Since the Minister is here today in the House, I am sure he will undoubtedly use the opportunity to announce other interesting and productive measures for the agricultural industry of Canada. Of course, he is with us and he will have the floor later. I know that being interested in the agricultural industry the way he is he will use that opportunity to maximum benefit. The people of Canada and the farming sector in particular will rejoice.

Mr. Henderson: Don't hold your breath.

Mr. Boudria: As the Hon. Member for Egmont (Mr. Henderson) has so eloquently put it, I will not hold my breath. Well, we won't. Not because we have doubts as to the good faith of the Minister but because we know that his boss, the Minister of Finance (Mr. Wilson), does not have agriculture as one of his major priorities. We know that the Minister of Finance and the Prime Minister (Mr. Mulroney) have made several commitments, which is a euphemism for campaign promises. They made several commitments to the people of Canada and to the farmers of this country. There was a commitment with respect to modifications to Section 31 of the Income Tax Act, with which I am sure you are familiar, Mr. Speaker. What happened to the doubling of those provisions as proposed by the Finance Committee? We did not hear mention of it in the Budget of the Minister of Finance. No doubt it was simply an oversight on his part. However, if the Minister of Finance can make a change in the Budget to take something away from it, which he did recently, I am sure that he could put something back into it such as assistance for farmers. I know that in his response the Minister will say that, of course, financial assistance has been provided through our enhanced capital gains provisions. That is all very nice, Mr. Speaker. It makes it easier and more attractive for a farmer to get out of the business than it does to stay in it. That is fine if one wishes to retire; but if one wishes to continue farming, then it provides no assistance whatsoever.

I am sure that the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais), who is whispering in the Minister's ear right now, is telling him how the pork producers of Quebec need assistance. I wish to tell the Parliamentary Secretary that I agree with him when he tells the Minister that because the pork producers of my riding also need assistance. I thank him for his agreement with me. I am reasonably confident that together we will succeed in twisting the arm of the Minister in obtaining assistance. Perhaps all of us could muster up enough arm-twisting strength to twist the arm of the boss of the Minister of Agriculture, the Minister of Finance, who really holds the purse-strings and who, in fact, has the clout which, unfortunately, so many of his Cabinet colleagues do not seem to have.

Perhaps we can also ask the Minister to describe to us another related issue. I am referring to what is happening with the promised dairy policy. It was promised many times. Dates were even promised and then broken.

I see that I have touched a tender nerve, Mr. Speaker, since the Minister is rising to his feet.

Mr. Wise: Mr. Speaker, I rise on a point of order. Since the Hon. Member made some reference to the conversation which was taking place between myself and my Parliamentary Secretary, and since he suggested we were talking about hogs, I would like to point out that he is, basically, wrong again. We were just feeling sorry for his constituents.

● (1220)

Mr. Boudria: I was hoping, Mr. Speaker, that at least the Minister of Agriculture was listening to my remarks and was interested in agriculture. I am sorry I gave him that kind of credit and I apologized for having told him that he knew what he was doing. I was wrong. He does not know what he is doing so I apologize to you, Mr. Speaker, profusely for giving the man a compliment which he undoubtedly does not deserve. Perhaps, Mr. Speaker, I was wrong when I said that he knew about agriculture and was interested in the issue surrounding that industry. Evidently he is not when he thinks that it is not important that we address issues like the massive increases in gasoline prices.

An Hon. Member: They are lower.

Mr. Boudria: Those increases in gasoline prices have a devastating effect on the agricultural industry.

An Hon. Member: They are lower.

Mr. Boudria: But the Minister is not addressing that and he just admitted that that is not what he was talking about to his Parliamentary Secretary, either. Undoubtedly, they are not concerned about those issues. If they were concerned, surely that is what they would have been talking about. And the Minister just admitted that they were not.

There is a well-known chicken producer, Mr. Speaker, whom I know would be interested in that issue, sitting right across from me, namely, the Minsiter of State for Small Businesses (Mr. Bissonnette), who would be interested in those issues.

[*Translation*]

Mrs. Mailly: Mr. Speaker, on a point of order. I believe Members are not supposed to refer to either the presence or absence of a specific Member in the House.

[*English*]

Mr. Boudria: I am sure you will want to correct the government Deputy Whip, Mr. Speaker, who should know that although one is not supposed to mention the absence of a Member, what I was referring to is the fact that all Members were present. Surely, Mr. Speaker, you will agree that we all are in this Chamber this morning. That would straighten out that Hon. Member and put her back in order. I am sure you will, the minute you have a chance, Mr. Speaker, correct her and familiarize her with parliamentary procedure in this House. Once she has been here for a little while, perhaps she will be more familiar with it. But although she is here today, perhaps her attendance is irregular, and that is why she is not familiar with procedure. But as she is here now I cannot refer to her absence.

[*Translation*]

Mrs. Mailly: Mr. Speaker, this is all quite hilarious, but I think we should realize that the issue is a serious one, and I think the Hon. Member should stop joking and perhaps settle down to the subject at hand.

[*English*]

Mr. Boudria: If the Hon. Member thinks that the subject is serious, Mr. Speaker, perhaps she should stop interrupting those who know something about agriculture—

Some Hon. Members: Oh, oh!

Mr. Boudria: —leaving it up to those who do to speak on the issues. Perhaps that would solve the problem. The Minister of State for Youth (Mrs. Champagne), I am sure, would be concerned with these issues and she should perhaps treat them more seriously as well. She would know that these issues are very important both in the province she represents and elsewhere.

I am not trying to downgrade the Bill which is in front of us today, but with the economic difficulties suffered in the constituency I represent and other farming constituencies across Canada, one cannot help but wonder if this is not just an act of presence on the part of the Minister to introduce every three or four weeks a token Bill which does not deal with the difficulties of the farming sector and with the vicious attacks perpetrated on that industry by the Minister of Finance in his disastrous Budget, which does not deal with the cut-backs in the economic statement of last November 8 and with the $50 million cuts proposed in the Deputy Prime Minister's so-called review—

Mr. Gauthier: A slashing exercise.

Mr. Boudria: —which is really, of course, a slashing exercise, as the Hon. Member for Ottawa-Vanier (Mr. Gauthier) so aptly put it. That is what is wrong. There has not been a meaningful effort on the part of the Government of Canada to deal with agriculture. Every now and then there is a token Bill presented on issues which may or may not be important. We see token Bills introduced which deal with housekeeping issues Bills or which were introduced by the previous Government and which died on the Order Paper. Those kinds of Bills are the ones we see introduced by the Government instead of providing the assistance which it chose to promise to the Canadian people last July and August.

I hope that in the response delivered by the Minister of Agriculture or more probably now by his Parliamentary Secretary, those issues will be addressed and that we will hear statements as to the farm debt crisis, the dairy policy and the drought aid for the West. What is going to happen with the fuel tax? Are there going to be rebates? Has the Minister made representations to the Minister of Finance on behalf of the farmers? Where are we with the red meat stabilization plan at this point in terms of negotiation with various groups? What about bankruptcy legislation and all the other issues with which we should be dealing? That is what I want as well as my colleagues in our Party, and I am sure all Hon. Members of this House want the Minister of Agriculture to address these issues with or without the introduction of the new Seeds Act.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise with some trepidation in this debate because one of the main things this Bill does is to insert a word into an existing Bill. That word is "quality". So if we are going to have you, Mr. Speaker, interpret the happenings in this House as being out of order unless we are behaving in that manner, I will feel quite insecure about rising. But I have at least had the example of the two previous speakers and I do not feel quite so put upon at the moment because it appears that the order and method of carrying on debate in this House has changed very little as the result of the insertion of the word "quality" into the debate of the day.

That, I think, stresses very much what is happening with these amendments to the Seeds Act, Mr. Speaker. Who can object to the word "quality" being inserted into the Seeds Act?

We now have an Act respecting the testing, inspection, quality and sale of seeds. This is something which seed-growers have requested for some time. They have found themselves somewhat at a loss when looking at advertisements in the farm press or the general press to see seeds being advertised which do not meet the standards of the impression given in the advertisements. Advertisements for seeds which should not carry the designation "registered" have been appearing. No. 1 seed shows up quite regularly. This Act, as I interpret it, the last clause, at least, would require that advertisements of seeds which are not on the variety list would, have to be shown if they were given a designation, to be of the lowest quality for that particular kind of seed whether it be fescue seed or brome grass seed, wheat or whatever. So this does change in a very substantial way the method whereby seed is traded in the farming communities.

Whether the penalties and implementation being proposed here will make the new designations any more enforceable than were the old designations remains to be seen and I will come to that again a little later in my remarks because I have some concerns about the way we are apparently unable to regulate the laws which exist as they apply to seeds in this country. I am going to spend a few moments talking about the semi-dwarf wheat fiasco we went through late last winter and early spring. In the meantime, I would just like to continue with the evaluation and assessment of the words presented to us in this Bill which, other than what I have mentioned to this point, make very few changes.

● (1230)

There is a change to the penalties levied against those found guilty of an offence under the Act. Such offence must be prosecuted within two years of the alleged offence having taken place. In certain circumstances that could be extended to three years. A fairly major change is that the fines have been increased for offences under this Act. Formerly, the maximum fine was $500. That has now been increased to $25,000. The Minister is obviously attempting to bring the penalties up to date and I think this better reflects both the potential harm which can occur if the seed being sold is not what it is purported to be and the necessity for a deterrent for those who may have engaged in shady practices in the past. I suppose it is also in part a reflection of the inflation which has occurred since the last changes to the Seeds Act. I note, however, that the maximum jail penalty has not been changed, it is still two years. For clarification the Minister and the Government felt obliged to say that anyone not paying the fine does not automatically receive a jail sentence. So there have been some changes other than simply paying lip service to the fact that "quality" will now be part of the Act.

As well, there have been some slight changes to the definition of "sell". Previous to this Bill the Act gave only a short description of what selling seed was. That definition has been broadened to include "agree to sell or keep, transit, send, convey, deliver for sale or agree to exchange". All of those categories are now within the ambit of the Act and, hopefully, will make possible better control over the advertising and marketing of seed products in this country.

The move to present the Canadian Seed Growers Association with some more responsibilities and powers is, I think, acceptable to most farmers. The exact extent of those powers and responsibilities is still not fully understood by all sides, but I think the committee is the place to investigate that further and I am prepared to pursue that when we get to committee.

There are some questions which have not been answered by these proposed amendments to the Act which I think are pertinent. I would have preferred that the Minister address these questions along with these amendments and I am sorry that he chose to introduce fairly limited amendments, thereby avoiding some of the larger issues surrounding the production and sale of seeds. In reinserting the issue of quality into the Act the Government is just bringing it up to date with what the seed growers have been trying to achieve over a number of years. They have always attempted to produce high quality seeds and maintain the highest possible standards for registration and grading. However, that raises some very pertinent questions given the cut-backs announced in the Budget last spring. As you will recall, Mr. Speaker, cut-backs were announced in the area of the monitoring of seeds, establishing seed laboratories to test for germination and purity and to do quality control work. It seems a little ludicrous to insert the word "quality" into the system at the same time as the money which is used to maintain the system is being reduced. How are we going to maintain this quality that the Minister so proudly includes in the new title of his Act if the money and laboratories and personnel charged with maintaining that quality have been reduced? This question was not referred to by the Minister but I think he will have to give answers to the members of the committee when the Bill gets to that stage. How can grass seed producers in the Peace River area be certain of getting adequate tests on time if they have to rely on the private sector to build up gradually the expertise and equipment when they know that the process takes three or four years? How is the quality of a specific seed going to be maintained during a period of cut-backs when the procedures are not available quickly and consistently? It does not help a seed producer very much if he has to wait months for a purity or germination test. If he has a bunch of product waiting to be cleaned and there is some doubt about whether the germination or purity standards will be met, then he is going to be reluctant to go to the extra expense of cleaning it, bagging it and putting on the various tags and seals. Before they do that they have to clean a small sample and send it away to have these various tests done to see whether the binful from the field is of a quality that would warrant this being done. These kinds of questions have not been answered by the simple step of putting the word "quality" into the Act.

As well, I was a little unhappy that the Minister did not address the question of how we handle the unlicensed semi-dwarf wheats which are being grown in this country. They were never licensed to be grown here; they were imported illegally, on the surface at least. While the Minister had the

Act open I would have thought he would attempt to do away with the shortcomings in the law which have permitted the illegal importation of varieties which are not visibly different from the higher quality wheat that we grow in this country.

• (1240)

Canadian wheat is of the highest standard in the world. We make sales because of that reputation. We make sales to countries which are self-sufficient in wheat but need a stronger wheat to mix with their domestic varieties because theirs will not produce a good, consistent loaf of bread. Our reputation has kept Canadian wheat selling in world markets when the rest of the wheat-producing countries have found their granaries to be full before the new crop is harvested. Europe and the United States are sitting on huge surpluses, but we have been able to dispose of our wheat, in large part, because of the extremely good quality which we have maintained for that exportable product.

American plant breeders have not tried to produce these lower quality unlicensed semi-dwarf wheats in a way which will make them visibly different from our high quality bread wheats. Canadian plant breeders have a consistent and long-standing policy of ensuring that higher yielding but lower quality wheat is visibly different than higher quality wheats. We have licensed the semi-dwarf wheats which have higher yields than our hard red spring wheats which are of a higher quality, but one can see the difference because some of the kernels are of a lighter or white colour.

The Americans have been producing varieties that cannot be licensed in Canada because they are visually indistinguishable from our high quality wheat. Farmers have been bringing this wheat across our big undefended border. It is apparently very simple for them to bring it across. There is no provision in the Seed Act or in the Canada Grains Act to inspect or stop those grains which will be affected. Although the Minister has the Act open, he is not making any such proposals. Instead, the Minister of State for the Wheat Board (Mr. Mayer) decided, almost on his own, but apparently with the approval of the Government, to change very effectively our whole quality system of wheat and grain production by sending a message to the farmers that it is okay to grow these unlicensed varieties. That is not acceptable in a parliamentary system. In the legal sense it is a very questionable process, but, what is more important for the farmers on the land, it puts our whole export potential in jeopardy.

About 80 per cent of the grains produced in western Canada are exported and a big portion of those grains consists of wheat. I pointed out earlier in my remarks that the sale of that wheat depends on the customer's understanding of the very high standard which we have. For the Minister to change those standards in a very derogatory was is a terrible thing for Canada's farmers. It is not maintaining the high quality that Canadian farmers expect and are used to. It denigrates the effort that we are trying to make through the Seeds Act to reintroduce quality.

The Minister should study this Act and consider ways to introduce quality into the export of wheat from this country. While preparing legislation which would include quality he should have kept the question of unlicensed semi-dwarf wheat in mind, addressed it in a realistic way, and presented proposals to the House of Commons so that the people of Canada would have a chance to comment on it. The Minister has abrogated his responsibilities. He has decided to work around the law and tell the farmers that it is all right to grow an unlicensed wheat which has never had the sanction of Canadian quality standards. You may think that this is a small thing and that it will all work out in the end, that the grain handling system will figure out a way to look after the problem, but how can it do so in a realistic way?

Consider the elevator agent who is the first in line receiving grain when it comes to market. A farmer can come in with a fine looking load of wheat and not say what variety it is. The elevator agent looks at it and says that it looks like a No. 1. The farmer has decided not to say anything even though he knows it is an unlicensed semi-dwarf wheat. Who can stop it? Chemical and baking tests will be made at the terminal elevator and that truckload may be caught there, but by that stage no one will know who delivered that grain. The elevator company which attempted to move it through the terminal system will be penalized because that grain will not be worth as much as was paid for it. They will have to find a market for that product now identified as being inferior. But what was there, in the initial stages, to keep that producer from accepting a higher price and higher grade on the understanding that it was high quality wheat? I submit there is nothing.

Given the current economic pressure that farmers are under—

Mr. Wise: Farmers are honest.

Mr. Althouse: The Minister says that farmers are honest. I agree with that but that is the point I am getting to now.

Mr. Wise: You are saying that they are not.

Mr. Althouse: I am saying that, given the economic pressure that farmers are under now, if they have the opportunity of getting an extra 60 cents a bushel by saying nothing, most of them are going to slough the honesty question aside and say nothing.

Mr. Wise: Are you saying we should remove the right for them to grow semi-dwarf?

Mr. Althouse: I am saying that the Minister should be looking at—

Mr. Wise: If so, what would be the economic impact?

Mr. Althouse: The economic impact that the Minister raises would not be very large. He has licence HY-320, which is virtually as good as the ones that you cannot distinguish. HY-320 has white wheats in it. You can tell visually that it is a lower quality wheat because of the colour constraints. The

market for those lower quality wheats can be met by HY-320. HY-320 does have a higher yield than the higher quality but higher priced regular wheats. There is no constraint in that case since HY-320 has been licensed, is legitimate and visibly distinguishable for farmers. However, to persist in permitting the illegal and unlicensed varieties which have never been sanctioned by the seed trade, the Department of Agriculture or the grains people in this country smacks of ineptitude. I believe the Government should have taken a much harder line on this issue and been much more honest with the farmers of the country with respect to the economic impact.

• (1250)

Many false figures were published last spring which indicated that there might be 20 per cent or 30 per cent of the wheats seeded to these particular unlicensed varieties. The Minister decided to be lenient with the farmers. The first figures that were released toward the end of the crop year and the beginning of the next crop year claimed that 20 per cent of farmers produced unlicensed wheats. However, when the figures were recalculated it was discovered that rather than 20 per cent, it was one-twentieth or 5 per cent rather than one-fifth. There was some expert juggling among some of those who supply information which I believe has created the kind of response given by the Minister.

I believe the ministries were misinformed as to the extent of the unlicensed varieties that were going to be seeded. I think they could have been much more firm and said that they do not sanction the seeding of these varieties because of the great impact not only this year but next year and the following year. Even if we tried to eliminate those varieties tomorrow, now that they have been expanded to such an extent in this crop year they will be coming through the system for years to come. They can be stored in granaries until they are no longer scrutinized. They can be blended with other higher quality grains which will make them very difficult to find. I believe we have left a bad mark on the reputation of Canada as a supplier of high quality wheat.

I admire the Minister for attempting to increase the quality standards of the Canada Seeds Act but I wish that, while he was trying to increase the quality of Canada seeds, he had addressed more directly and properly the problem of unlicensed semi-dwarf wheats that have been coming into this country illegally from the United States and elsewhere. It has become a blot against our reputation as a supplier of high quality red baking wheats in the world.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I welcome this opportunity this morning to take part in the debate on this legislation and express my support for Bill C-64, which will soon be referred to the Standing Committee on Agriculture, where we hope to hear from the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), who tends to rattle off what he has to say in two and a half minutes here in the House but is never around to discuss the substance of a particular topic. Unfortunately, he is much too busy to attend committees of the House. That is too bad, because committees are often ideal for discussing legislation and making improvements, in this case, for the benefit of the Canadian public and the Canadian farm producers he is always referring to.

Mr. Speaker, in a number of ways this Bill is particularly significant for the seed industry here in Canada.

[*English*]

Pedigreed seed is the vehicle for transmitting the benefits of plant breeding research to the producer. That is why it is so important to guarantee that the farmer actually receives the product he assumes he is buying.

[*Translation*]

Under the present system in this country, it is very important, and has been for years, to safeguard the interests for the public and our producers.

The commercial seed industry, Mr. Speaker, generates $315 million in sales annually in this country alone, and forms the basis for Canada's grain industry, which exports surpluses with over $4 billion annually, while Canadian seed grain exports also represent some $50 million per year.

[*English*]

Without question, seeds are the single most important farm input. Without the proper seed planted at the right time, the impact of all other farm inputs—pesticides and fertilizers, for example—would be greatly diminished.

The last major changes to the Seeds Act were made in 1959 and a great deal has occurred in the seed growing industry since then. The legislation before us today has been in the works for several years, since 1977 as a matter of fact, and I commend the Minister of Agriculture (Mr. Wise) for taking the initiative to finally bring it forward. I think it is very important.

The Government of Canada has been involved in the regulation and control of seed varieties for the past 80 years. When our involvement began in 1905, the main objective was to control the sale of low vitality seeds, or seeds containing harmful weeds. In subsequent years, as the seed industry developped, the Act was amended to include a grading system for seed quality, a licensing system for crop varieties and labelling requirments that help the buyer to identify quality seeds.

[*Translation*]

Since major amendments were made to the Bill in 1959—

[*English*]

—the seed growing industry has undergone a number of important changes. It has grown dramatically and, as the Minister pointed out in his remarks, there has been increasing involvement by the private sector in plant breeding and ownership.

One of the key elements of this Bill is that it will provide greater authority under the Seeds Act to protect against false

advertising and to strengthen the seed licensing system. This is an especially important initiative in view of the Minister's stated intention to bring forward plant breeders' rights legislation in the near future.

[*Translation*]

Mr. Speaker, the amendments to the Seeds Act being examined today will ensure that further privatization can proceed. In this way, there will be proper regulation and control of the quality and sale of seeds in this country. By making the—

The Acting Speaker (Mr. Charest): I am very sorry to have to interrupt the Hon. Parliamentary Secretary to the Minister of Agriculture. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

FISHERIES

RECOMMENDATION TO ENLARGE HERRING QUOTA

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, herring stocks have proved to be plentiful this fall in northwestern New Brunswick.

In fact the quota allowed by the Minister of Fisheries and Oceans (Mr. Fraser) was caught within five days. Reaching the quota in so little time does show that herring stocks in the gulf are huge.

The fishing industry is now asking that the quota be raised so that fishing might continue. The industry has been unable to meet the market demand and is afraid of losing its foreign markets if it cannot fill its orders.

Given the high unemployment rate in the fishing communities of New Brunswick and Prince Edward Island, I urge the Minister to raise the quota immediately.

Undoubtedly the Minister is aware of the fact that this fish quota allocated to all New Brunswick fishermen has been caught only by fishermen from the northeast region.

Unfortunately the fishermen from the southeast region did not have an opportunity to take part in fishing because herring stocks had not yet reached the strait of Northumberland.

I would therefore urge the Minister to allocate a separate quota to fishermen of the southeast region so that, in the future, southeastern New Brunswick fishermen will be sure to take part in herring fishing.

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LABOUR

RECOMMENDATION TO POSTPONE DATE FOR CLOSURE OF GULF REFINERY IN EAST MONTREAL

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, I have the honour to speak in my capacity as chairperson of the special committee established to make a study concerning the Eastern Montreal Gulf refinery located in my riding; this committee was struck by the Quebec caucus.

Considering the situation of the workers, Mr. Speaker, I would therefore ask the House and the Minister responsible to open discussions immediately with the owners of the Eastern Montreal Gulf refinery with a view to putting off any action and delaying the shutdown of the refinery until May 1986. Mr. Speaker, we hope that such a delay will enable prospective buyers to make their move and that our Government will find a solution.

* * *

[*English*]

CANADIAN PACIFIC RAILWAY

ANNOUNCEMENT OF WINNIPEG LAY-OFFS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Canadians who watch television have been unable to avoid the slick ads appearing almost every day telling us what a great company CPR is, how it is involved in every aspect of Canadian life, how eager it is to serve the needs of the Canadian people, and how its employees are all part of one big family who just love to work for the C.P.R. Those ads would make hundreds of CPR employees laugh if recent decisions of the CPR were not having such adverse effects on them.

CPR has announced lay-offs in its Weston shops in Winnipeg, affecting some employees who have worked for the CPR for almost 30 years. Similarly thousands of CPR employees have been laid off from one end of Canada to the other in recent years.

CPR employees remember the promises made by the former Liberal Transport Minister who, along with the CPR and the CNR, assured the people of Canada that if only Parliament passed the legislation, which they brought forward wiping out the Crow rate agreement, thousands of new jobs would be provided.

In the same vein, when the new diesel shop was opened in Winnipeg by the CPR the former Minister assured people that 200 to 300 jobs would be created. Those of us who questioned the extravagant claims of the then Government and the rail-

ways were laughed at. Unfortunately, the concerns we expressed were only too true. In fact we were not tough enough in our criticisms.

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

* * *

INDUSTRY

EFFECT OF FOOTWEAR IMPORTS

Mr. Gus Mitges (Grey-Simcoe): Once again, Mr. Speaker, I am bringing to the Government's attention the plight of the Canadian footwear industry which is desperately trying to stay in business in the face of unfair competition from off shore countries.

The Canadian footwear industry has been constant in its endeavours to secure a realistic limit on imports of footwear from other countries. It is not asking for the moon. It is not asking that imports be eliminated. What it is asking could not be more fair. It is that the Government limit imports to 50 per cent of the domestic market. The removal of footwear quotas would sound the death knell for the industry as well as cause the loss of 20,000 jobs.

Not only would the removal of the quotas result in lost jobs, but there would be the added burden on UIC and welfare, not to mention lost taxes at all levels of Government.

The extension of quotas on footwear imports for five years at 50 per cent of the Canadian market would create at least 6,000 new jobs, a positive shot in the arm for our economy. Therefore, Mr. Speaker, I call upon the Government to address itself to this problem in a positive way.

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[*Translation*]

AGRICULTURE

RECOMMENDATION THAT ONTARIO BE DECLARED BRUCELLOSIS FREE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, earlier this year, Quebec was declared brucellosis free. Although this is very good news and Quebec farmers are pleased, Ontario unfortunately was not so designated, which has created a major problem between Eastern Ontario and Quebec, especially in connection with the livestock trade.

In fact, today it is harder for a livestock trader in my riding to sell to Quebec than to the United States.

Since Ontario has had no cases of brucellosis for more than a year, I would urge the Minister of Agriculture (Mr. Wise) to have Ontario declared brucellosis free immediately. Further delay will cause inconvenience and mean additional expenses for farmers and livestock traders in my riding and throughout Eastern Ontario.

[*English*]

SHIPBUILDING

CONSTRUCTION OF POLAR 8 ICEBREAKER—SUPPORT SOUGHT FOR BRITISH COLUMBIA SHIPYARDS

Mrs. Mary Collins (Capilano): Mr. Speaker, all Members applauded the announcement by the Secretary of State for External Affairs (Mr. Clark) on Tuesday asserting Canadian sovereignty in the Arctic and that part of this affirmation would be the construction of a Polar 8 icebreaker which could provide a continuous Canadian presence in our Arctic waters.

Today I would like to state the interests of British Columbia shipbuilders in the construction of this half a billion dollar vessel. As we well know, British Columbia shipyards, in their expertise and experience in the building of major icebrakers, are second in the world, second only to Finland, and have recently formed a consortium to bid, internationally, for building such icebreakers.

Let me say as well, and I am sure my Quebec colleagues, upon reflection, would have to agree, that if the construction of this icebreaker takes place in British Columbia, shared between North Vancouver and Victoria, substantial economic benefits will still accrue to central Canada, particularly to Quebec, which will supply much of the materials and components.

However, to construct the icebreaker in British Columbia would enable the West to share in these substantial benefits. So I urge my colleagues, given comparable costs, that in the interest of fairness for all Canadians, and to enable all parts of the country to benefit from this major project, they should to support a proposal from British Columbia shipbuilders to lead this project of such significance to Canada's sovereignty in the Arctic.

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FORESTRY

CANADA-UNITED STATES TRADE—THREAT TO LUMBER EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, the forest industry in Canada faces a crisis as a result of the failure of the Mulroney Government to inform consumers and users of wood products in the United States properly about the implications of the Gibbons Bill now before the U.S. Congress.

This protectionist legislation, now supported by three-quarters of Congress, is likely to move forward in a matter of weeks. Within the Bill is a removal rights clause which will effectively change the rules of the game and allow the United States to place tariff walls and countervailing duties against our forest products.

Forestry is Canada's largest industry and largest source of balance of trade. One Canadian in ten relies on forestry for employment.

The Minister of International Trade (Mr. Kelleher) gutted Canada's strong position at a meeting with the Congressional

subcommittee on trade in Vancouver a month ago and has compounded this with further written criticism to Congress this week.

Surely with the United States moves on hogs and fish the Prime Minister (Mr. Mulroney) has awakened to the economic guillotine raised by the Gibbons Bill. I trust he will be making a statement in this House on actions he is taking to remedy the U.S. proposal and to prepare a survival plan for the 300 forest based communities that are at risk should the Gibbons Bill become law.

* * *

UNEMPLOYMENT INSURANCE

BRITISH COLUMBIA FOREST FIRE-FIGHTERS—EXTENSION OF COVERAGE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, during the summer recess of the House, Kootenay West was hit very hard by forest fires. Other ridings were similarly affected, although not all as severely as mine. As a result of this long hot summer, over 10,000 people were temporarily employed by the Province of B.C. to combat these fires. They worked hard and long and, at times, in serious danger. However, they were the unfortunate victims of a provision in the Unemployment Insurance Act which denied UIC coverage to temporary provincial governemnt employees working in a disaster situation.

In the remarkably short period of less than 30 days, the Cabinet responded to my urgent request that the UIC Act be amended to provide UIC coverage to forest fire-fighters.

• (1410)

There are those critics who suggest that to provide this UIC coverage to fire-fighters is to invite arson by those who would seek to generate their own employment by starting a forest fire. To my knowledge there were only two cases of arson involved in all the hundreds of forest fires this summer in British Columbia. I have more faith in my fellow Canadians than to believe that the change in the Act invites arson. Therefore, at this time I should like to express my appreciation, and the appreciation of fire-fighters to the Minister of Employment and Immigration (Miss MacDonald), the then Minister of National Revenue (Mr. Beatty), and the Minister of Fisheries and Oceans (Mr. Fraser)—

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

S.O. 22

[*Translation*]

SOCIAL SECURITY

RECOMMENDATION TO INCREASE FUNDS FOR LOW-INCOME FAMILIES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, Canadian families are increasingly at a loss to understand the attitude of the Prime Minister and Conservative Members. Most of them wonder why families with children should give up $56 million in family assistance programs, when the Government has no trouble finding one billion to help people with deposits in excess of $60,000 in a bank that is in difficulty.

Mr. Speaker, I do not think the Conservative Members realize that low-income families, . . . even if the child tax credit is increased during this particular time and I am referring to the back-to-school season, most spouses need the family allowance cheque every month to buy school supplies and to pay for their children's recreation and extracurricular activities, so that children of poor families do not feel left out when they compare notes with children from families with average incomes.

Mr. Speaker, in the first year, that is 1986, the result of the Government's decision will be to reduce the family allowance by $22. Hon. Members here may think $22 is not much over one year, but most of these families need this money for their children.

Mr. Speaker, I therefore urge all Members of this House to ask the Prime Minister to establish a policy on the family, not by reducing spending on improving the quality of life but by increasing amounts available for improving the quality of life of families with children.

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[*English*]

MEMBERS OF PARLIAMENT

CONDUCT DURING QUESTION PERIOD

Mr. John Reimer (Kitchener): Mr. Speaker, among the many justifiable expectations the Canadian people have of their Members of Parliament is that we shall be competent, conscientious and courteous in the manner in which we conduct ourselves as their elected representatives. It is an unfortunate though largely unavoidable fact that many Canadians can only judge whether or not their expectations are being met by what they see during Question Period.

During this past spring and summer I received more negative comments concerning the conduct of Members during Question Period than on any other issue or topic. Indeed, the general consensus of opinion was that the cynical laughter, the pejorative mutterings, and the overt and often entirely irrelevant one-upmanship were more in keeping with immature school children still wrestling with their developing egos, than

with competent representatives consciously grappling with weighty matters of state.

It is of utmost importance that we remember who we are, where we are, and why we are here. Therefore I call upon all Hon. Members, myself included, to conduct ourselves in a manner becoming our privileges and responsibilities as Members of Parliament. I urge you, Mr. Speaker, to exercise the full weight of your authority to deal quickly and firmly with any Members violating the letter and spirit of the rules of the House, so that Canadians can be justifiably proud of their institution and their representatives.

* * *

AGRICULTURE

CANADA-UNITED STATES TRADE—LEVY ON HOG EXPORTS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, for years Canada and the United States have had virtual free trade in red meats. Imports by Canada of U.S. pork have at times amounted to between 14 per cent and 15 per cent of our pork consumption. While Canadian producers perceived the imports as reducing their price and market opportunities, they did not move to stop them even though subsidized corn was used in their production.

Now the situation is reversed and Canadian hog producers are stunned and confused by the signals being sent by the Americans who, when faced with less than 3 per cent of their market being filled by Canadian pork, moved quickly to file a countervail of 5.5 cents per pound against Canadian products. After spending several millions of dollars fighting the levy, Canadian pork producers succeeded in getting a partial lifting of the countervail on processed products, but it is still in effect on live hogs.

United States pork prices have not been changed by the levy. Canadian producers have suffered a general price decline of 5 cents or 6 cents per pound. If our two countries are serious about furthering free trade, then both countries must be involved in solving these trade disputes. Leaving that power with the International Trade Commission of the United States Department of Commerce does not provide any appearance of fair dealing on sensitive issues involving producers in the two countries. Such powers have to be shifted to a bilateral body if the current laudable efforts toward open and honest trade are to be continued. Failure to establish such an international body makes further free trade talks pointless until we can make the existing agreements work.

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—REQUEST FOR LIST OF DEPOSITORS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. The Government will be proposing a Bill to reimburse depositors in the Canadian Commercial Bank to the tune of about $1 billion. These depositors were persuaded to invest or leave their money with the bank because they were misled by the Minister of Finance and the Minister of State for Finance. Yet the Minister, yesterday, refused me and Parliament the list of depositors at all relevant dates.

Before the Prime Minister brings in a Bill to rescue those depositors, would he guarantee and undertake to give us a full list of depositors in the Bank at all relevant dates?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have been asking from the beginning for a parliamentary committee to examine all the facts that the law allows. As soon as that committee is up and working, all the relevant information which we think Canadians should have, and which the Opposition thinks Canadians should have, will be available to the Canadian people.

Mr. Turner (Vancouver Quadra): Parliament sitting, as a whole, is larger than any committee, and the question is perfectly relevant here on the floor of the House.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR EXPLANATION OF DELAY IN APPOINTING EXPERT INVESTIGATOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wish to direct one more question to the Minister of Finance.

Why did the Government wait until July to ask George Hitchman to evaluate the assets of the Canadian Commercial Bank? Why did it commit tens of thousands of dollars of taxpayers' money before knowing the facts?

Why did it wait three months before retaining the services of a professional expert to evaluate the Bank?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already explained to the House that we took appropriate steps through the spring and in the summer to protect taxpayers and the integrity of the banking system in the country. In the 16 years that that Party sitting over there was in office, it never made one single move, not one, to change the supervisory structure of the country.

Some Hon. Members: Hear, hear!

Mr. Axworthy: And no banks collapsed, either.

Mrs. McDougall: They brought in, through three former Finance Ministers sitting over there, revisions to the Bank Act. There was the trust company event in 1982 and 58 new foreign banks, and they never made one move, one move, to help protect those institutions and Canadian depositors.

REQUEST THAT MINISTER OF FINANCE RESIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of State for Finance and the Minister of Finance do not seem to understand. Here is what happened. In March there had been no evaluation of the assets of the bank. The bail-out was brought before Parliament. No monitoring was done. Finally, in July, four months later, an analysis was ordered to be undertaken by George Hitchman, and it was only upon receiving that report that the Government knew where it stood.

A third of the loans of that bank in March were sour; that is why the assets were not valid. The banks were sucked in; Parliament was conned; pension funds were destroyed; and schoolboards and municipalities were left holding the bag. I ask the Minister of Finance whether in the circumstances the only honourable course for him is to resign.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition is getting a little carried away with his own rhetoric. What I would suggest to him is that if he has all this information—and some of the statements which he just made are patently false—let's get the matter into committee where the complex questions surrounding—

An Hon. Member: Do it here.

Mr. Wilson (Etobicoke Centre): I hear the Hon. Member saying: "Do it here". Mr. Speaker, you know, I know, and I think Hon. Members know that this matter is an extremely complex one. They are asking for long lists of depositors, which amount to thousands of people.

Mr. Ouellet: Table them.

Mr. Wilson (Etobicoke Centre): We are saying that that should be the subject matter of a committee review and a subsequent report.

• (1420)

CONFIRMATION OF BANK'S ASSETS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. On March 25 the Minister said that the Canadian Commercial Bank bail-out was based in part on an on-site assessment of assets. We now learn that the $255 million price tag was provided by the bank itself and that there was no confirmation of bank assets until mid-August. Will the Minister tell the House why she waited so long to confirm the bank's figures?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Inspector General was looking at the bank during the spring. We were monitoring the funding side. We were attempting to get directors for the bank. We took consistent steps throughout the spring, something that that Party never did, for its supervisors.

BANK'S VIABILITY—MINISTER'S STATEMENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is to the same Minister. Depositors were encouraged to keep their money in the bank by the Minister's statements. Why did the Minister keep saying that the bank was viable when she really did not know or have evidence to support that?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, based on the information that we had, that bank was viable at that time. When we were faced with a situation of the bank not being viable, rather than waffling and not dealing with the issue like the former Government, we did deal with it and we did take the necessary action.

NORTHLAND BANK—ACTIONS OF ROYAL BANK

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is also directed to the Minister of State for Finance. When the Minister of State first found out that the Royal Bank was raiding customers of the struggling Northland Bank, what did she do about it?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I spoke with the president of the Royal Bank of Canada today. He has assured me that that story is categorically wrong and he will be issuing a press release which will indicate exactly what his instructions were to his bank.

WITHDRAWAL OF DEPOSITS BY ROYAL BANK

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, dealing with the same bank, when the Minister found out that the Royal Bank, the biggest bank in Canada and the largest private participant in the Canadian Commercial bail-out package, was withdrawing deposits from the CCB in May and June, what action did she take at that time?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the President of the Royal Bank went into great detail in committee this morning about exactly what happened with deposits. He was perfectly open with that committee. That indicates just why we have to get back into committee.

Oral Questions

MINISTERIAL RESPONSIBILITY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, yes, indeed, the explanation was made that deposits were in fact withdrawn. What did the Minister, who is responsible for this fiasco, do when she found out that that bank was making those withdrawals? Did she inform the Minister of Finance and the Prime Minister?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Minister of State for Finance has absolutely no power to make a bank keep its deposits in a certain place, and the Minister has no such power over any other Canadian for that matter. Public information was made available after the parliamentary committee reported at the end of May. The funding side was not the problem, it was the asset side as the Hon. Member well knows.

ALLEGED DISCUSSIONS BY DEPARTMENTAL OFFICIALS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, now that the Minister of Finance has had some time, will he confirm that members of his staff or members of the staff of the Minister of State for Finance spoke to people in the financial community other than bankers about the circumstances of the Canadian Commercial Bank during the critical period last summer prior to the announcement of the Minister on September 1?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have already answered this question. This will be the third time that I have answered it. I have asked my staff if these allegations are true. I am advised by my staff that there is no basis for what the Hon. Member suggests right now. They did not speak to anyone in the financial community to in any way give inside information on which people could make decisions.

REQUEST FOR TELEPHONE AND TRAVEL LOGS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister of Finance is telling us that no one in either of those offices spoke to any member of the financial community about the circumstances of that bank during the summer. In that event will the Minister table, as requested by the Leader of the Opposition yesterday, all relevant information with respect to telephone logs and travels of those staff members during the summer months so that this cloud—and I assure the Minister that it is a serious matter—can be lifted from the entire Government?

Hon. Michael Wilson (Minister of Finance): Mr Speaker, there is only one cloud, and that is the cloud that the Hon. Member is trying to take from over his head and put over mine. If he has any information whatsoever, he should not make statements of innuendo. He should not smear other people who might be caught under this umbrella. He should make a specific statement here on the floor of the House of Commons, a statement with which I will deal.

Mr. Gauthier: Table the documents.

Mr. Wilson (Etobicoke Centre): Until the Hon. Member and the Leader of the Opposition make specific statements of fact, I will not respond to them.

Ms. Copps: Table the document.

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

WITHDRAWALS MADE BY ROYAL BANK

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of State for Finance who knows that if she did not have the specific power to get involved with the banks, she could have sought that power either by discussing it with the cabinet or, if necessary, by seeking legislation. Therefore I would repeat the question put by my colleague, the Hon. Member for Kamloops-Shuswap. When the Minister learned that the Royal Bank, a senior partner in the rescue effort, was withdrawing its deposits and therefore undermining the rescue effort, what did she do?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, during the spring we were watching very carefully the funding in the bank and we determined that the Bank of Canada was replacing that funding. We had a growing concern around what was happening with the bank and we examined the asset side of the bank, and that is where the real problems turned out to be.

[*Translation*]

WITHDRAWAL OF DEPOSITS BY CERTAIN BANKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary is directed to the Right Hon. Prime Minister. Yesterday, he said that if one of the chartered banks had helped to undermine the rescue plan for the Canadian Commercial Bank, it would be dealt with with the utmost severity.

Could the Prime Minister explain to the House why, since the Royal Bank did exactly that by withdrawing its deposits, no steps were taken at the time to deal with the utmost severity with the Royal Bank of Canada?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I said that we presumed that all of the Canadian banks that involved themselves in this initiative did so in good faith and the effort was designed to try to help a fledgling institution that was in difficulty. We sat here while the Leader of the Opposition smeared the leaders of the banks of Canada and all bankers, without naming anyone. We sat here while members of the NDP arbitrarily and unfairly accused bankers who have no less rights than any other Canadian citizens.

Let us move this matter to committee. Let us stop the pejorative allusion and the unfair smears. Let the matter go to committee. Let everyone be heard so that fair value judgements can be made without the McCarthyism and unfair

smears that we are hearing from Members of the Opposition and the NDP.

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FISHERIES

CANADA-UNITED STATES TRADE—RULING BY U.S. TRADE COMMISSION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Minister for International Trade. Yesterday we heard news of a very disturbing ruling made by the International Trade Commission in the United States, a ruling that puts in jeopardy the East Coast fishery in this country, a billion dollar industry. What is even more disturbing is the suggestion that over 58 basic domestic programs of this country, such as the unemployment insurance scheme and the small craft harbours scheme, are in fact considered to be unfair trade practices. What immediate action will the Minister take to protect our fishing export industry? Does he intend to denounce immediately the notion that these vital domestic programs of the Government are considered unfair trade practices by the United States?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the hon. gentleman that we are aware of the ruling. We are very concerned about it. We, as a Government, will be doing everything we can to protect our fisheries. However, I would point out to him that it was a ruling as to injury. As yet they have not made any ruling, and will not for several months, as to whether or not there were subsidies involved and whether or not countervail is possible to them.

• (1430)

I wish to state categorically to the House that this Government has no intention whatsoever to give up the types of programs that we have in place to assist our citizens.

Some Hon. Members: Hear, hear!

BILATERAL DISCUSSIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am pleased to hear that the Government intends to take action. I hope it is quicker than the Minister suggests because the preliminary decision will be made by October 29 and not several months hence. I hope that he would speed up his machinery somewhat and improve his timetable.

Considering the intention of the Government as announced by the Prime Minister to bring forward a plan to commence negotiations with the United States within a matter of days, will the Minister, or the Government, announce a set of guidelines, as recommended by the parliamentary committee this summer, which will clearly state that it is non-negotiable to have any of our domestic programs considered as bargaining tools in any trade agreement with the United States?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to advise the hon. gentleman that we are already taking action. We have already made representations. We are already working with the industry in assisting them prepare their case. I think we will just have to wait and see what is said in the statement when the Government makes its announcement as to whether or not it will be going ahead with trade negotiations with the United States—and that decision has not as yet been announced or made.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. HUGH PLANCE, MINISTER OF ECONOMIC DEVELOPMENT AND RESPONSIBLE FOR SCIENCE AND TECHNOLOGY, FOR ALBERTA

Mr. Speaker: May I interrupt the proceedings to advise the House of the presence in our gallery of the Hon. Hugh Plance, Minister of Economic Development and responsible for Science and Technology for the Province of Alberta.

Some Hon. Members: Hear, hear!

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—WITHDRAWALS MADE BY CHARTERED BANKS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is for the Minister of State for Finance. When the Minister became aware that the major chartered banks, the major private partners in the rescue attempt, were pulling out, what did she do?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am not willing to come into the House and ask for legislative powers to force anybody to keep deposits in any institution, whether it is my widowed mother or a banker. I am not about to do that. I do not have legislative power to ask people to keep deposits in any institution.

INQUIRY OF PRIME MINISTER

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is for the Prime Minister. Considering that the major partners in the bail-out were withdrawing their money and that there were millions of dollars of public money at stake, what did the Prime Minister do, if and when he was informed by the Minister of State for Finance, or the Minister of Finance, that the major partners in the rescue were pulling out? Considering that hundreds of millions of dollars of public money were at stake, what did the hon. gentleman do?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to make two points. First, the support package which was put together by the Minister of State for Finance

and myself involving the banks, two other Governments besides ourselves, plus the CDIC, stayed in place. There was no withdrawal of any of those funds. That stayed in place as a basis for trying to save this young bank.

The second point I wish to make, and I wish to be very clear on it, is that the problem of solvency of the Canadian Commercial Bank was not on the liability side, it was on the loan side. There were just too many bad loans which had built up over the years based on, in part, bad management decisions and, in part, the weak economy in western Canada, which was directly linked to the National Energy Program. Those were the reasons that led to the insolvency of the bank.

Some Hon. Members: Hear, hear!

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AUTOMOTIVE INDUSTRY

HYUNDAI MOTOR COMPANY—LOCATION OF ASSEMBLY PLANT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. It concerns the Hyundai Motor Company of Korea. As the Minister knows, the people of British Columbia, Quebec, Nova Scotia and Ontario are all bidding to have the assembly plant located in their particular province. Will the Minister indicate to the House what community he and his Department are supporting with respect to the location of this plant, indirectly, secretly, or otherwise?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I missed the first part of the Hon. Member's question. I believe he is referring to the Hyundai Motor Company of Korea car plant. Is that correct?

An Hon. Member: Yes.

Mr. Stevens: The Government of Canada, as it does with respect to other car plants coming into Canada, explains the relative programs which are available across the country and in the regions of Canada with respect to the building of such plants. However, the Government stays neutral as to where the plant might eventually be situated. In particular, the Government feels that that must be a decision of the company which, naturally, wants to have a viable enterprise.

In the case of Hyundai let me be clear that that company prefers the Province of Quebec at the present time. Some 40 per cent of its sales to date have been in the Province of Quebec. The company believes that Quebec might very well be a good home for its plant.

Some Hon. Members: Hear, hear!

MINISTER'S RESPONSIBILITIES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my Supplementary question is directed to the same Minister. I am rather surprised at the Minister's statement because it puts him in breach of the legal mandate of his Department, which states, in part, that his responsibiities are, and I quote:

—to promote economic development in those regions of Canada in which opportunities for productive employment are exceptionally inadequate.

Is the Minister of Regional Industrial Expansion saying no to the poor regions of the country or will he continue what he has been doing for the last 12 months, that is, pork-barrelling his own riding?

Some Hon. Members: Hear, hear!

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Prime Minister pointed out yesterday, certain members of the Opposition ask questions but do not listen to the answers. I clearly stated that we point out to various companies the relative program advantages across the country, be they provincial or regional. This includes the IRDP tier system and the available programs in the various provinces. However, it is their final choice as to whether they choose the Province of Quebec, the Maritimes, or B.C.

In the case of the Hyundai of Korea car plant, their representatives are saying that their preferred area would be the Province of Quebec. I welcome that decision on the part of those living in Quebec and all of Canada.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Perhaps this could go on somewhere else some other time.

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TRADE

CANADA-UNITED STATES TRADING REGULATIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is clear from yesterday's decision that Canadian fishing communities have now joined lumber producers, hog farmers and steel workers as the latest victims of trade blocks in the United States. My question on this matter is for the Prime Minister. How can the Prime Minister continue to promote a freer trade deal with the United States when these sectors where we are supposed to have free trade, such as fish, pork and lumber are the very sectors in which trade barriers are being put in place against our producers and against their jobs? Will the Prime Minister personally contact President Reagan to protest these moves?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is because we are trying to make sure that in the future these types of impediments do not exist, and that Canadian fish products, timber products in British Columbia, steel manufacturers in Sault Ste Marie and in Sydney, Nova Scotia, and codfish, raspberries, strawberries, and iron ore have secure

access to the United States market that we are considering these types of programs. We would hope that that kind of protectionism ceases to exist because we believe that fair trade and enhanced trade mean jobs for Canadians, and that is what we are committed to and trying to create.

● (1440)

DURATION OF TALKS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I want to ask the Prime Minister if he is aware that both the special joint committee this summer and the Macdonald Royal Commission report indicated it would take at least two years for such trade enhancement talks to reach an agreement. Is he therefore saying to Canadian producers like these fishermen that they must wait two years for urgent action on the part of the Government?

Right Hon. Brian Mulroney (Prime Minister): On the contrary, Mr. Speaker. We would assume that we would be able—as we have been able in the past—to eliminate these irritants, to the extent humanly possible, as they arise, as an indication of the kinds of ongoing and more durable relationships which can exist between our two countries.

We have addressed some in the past. For example, I remember one just about this time last year, September 17 or September 18, which could have cost between 3,000 and 5,000 jobs in the steel market in Ontario and Nova Scotia, which was a protectionist measure.

Ms. Copps: It's still a problem.

Mr. Mulroney: It is substantially less of a problem today than it was then because we were able to intervene and eliminate that irritant and save 3,000 to 5,000 jobs in Canada. That is what we are going to continue to do while we engage in ongoing negotiations—if that is the determination of the Government—with the United States of America, which is our friend and ally and our great trading partner.

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CRIMINAL CODE

PROCLAMATION OF AMENDMENT DEALING WITH IMPAIRED DRIVING

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Justice. As the Minister is aware, on June 20, 1985, Bill C-18, the Criminal Law Amendment Act, received Royal Assent. Could the Minister please inform this House how soon he will be proclaiming the section which deals with impaired driving?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we intend to proclaim the major amendments which the House passed with respect to Bill C-18 as soon as possible. The only cause for delay is that a number of the provinces are asking us to postpone proclaiming the legislation in order to give them time to implement the sections and to speak to the various police forces, the correctional services, and the courts. I will be informing them, however, that the legislation will be proclaimed at the very latest on December 2 of this year so that it will be in full force and effect for the next holidy season. I hope that all Hon. Members of the House will agree that this should be done and that we cannot afford to wait any longer.

* * *

[*Translation*]

AUTOMOTIVE INDUSTRY

ESTABLISHMENT OF FOREIGN COMPANIES IN CANADA

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. First of all, I would like to congratulate the Hyundai company on preferring Quebec, and I would go even further to express the hope that it will prefer Bromont, Mr. Speaker. However, the Minister is aware that there is also the matter of Toyota and Suzuki. What I want to know is who is telling the truth in this Government. The Minister says that he is taking a strictly hands-off approach, his Minister of State tells us that he is sending all kinds of letters and that the Government favours Quebec, while the Prime Minister says that they have a moral obligation to intervene. It is a regular circus on that side of the House.

Could the Minister inform the House who is speaking for the Government in the automobile plant issue?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am constantly amazed at how the Opposition reacts to good news.

Some Hon. Members: Hear, hear!

Mr. Stevens: The fact is that when I met with Mr. Toyota, the chairman of the Toyota Motor Company, he confirmed that it is planning a $300 million plant for Canada. It has received letters from seven of our provinces inviting the company to be established in those provinces. Those submissions are being considered and before this year is out it will have come to a decision as to the province in which it will situate its plant.

Suzuki and General Motors are conducting a feasibility study with a view to establishing a plant in Canada. It will perhaps be the largest of all three of the plants, but to date the feasibility study is continuing. They are particularly anxious to make sure that they will have a happy labour relationship wherever they establish in Canada, and that is what they hope to determine this month.

[*Translation*]

GOVERNMENT POSITION CONCERNING QUEBEC

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. The Minister did not answer the question. What I want to know is, since he says in English they are not and his colleagues are saying in French that they are intervening in favour of Quebec, what I want to know is what the Government's policy is. Are they intervening, yes or no?

[*English*]

Yes or no, for God's sake?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a job in Quebec—

[*English*]

—is a job in English or French.

* * *

EMPLOYMENT

INCO—PROJECTED LAY-OFFS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday the Minister talked tough in the House and outside the House.

Mr. Crosbie: So did you.

Mr. Rodriguez: Will the Minister give a guarantee to the workers at Inco and to the community of Sudbury that there will be no job losses at the Inco operation?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, what I said yesterday was that I thought that Inco was not fulfilling its corporate responsibilities. What I would do today is to say that all Hon. Members of this House, including myself as Minsiter of Employment and Immigration and the Hon. Member as the Member of Parliament for Nickel Belt, should join in urging Inco to fulfil those responsibilities and to urge as well all the other Hon. Members of his Party to do likewise.

Mr. Deans: After we have urged them, what then?

REQUEST FOR LEGISLATION TO PROTECT JOBS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is also directed to the Minister of Employment and Immigration. It is fairly obvious that the Minister does not care about the people of the Sudbury Basin.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: She does not care about the workers. Yesterday she promised the possibility of legislation to force the company to recognize its responsibility to the community. Will the Minister give us a time? Will she tell us when she will introduce legislation to protect the jobs in the Sudbury Basin? Stop the rhetoric and put up some action.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, how quickly the Hon. Member changes his tune. Yesterday he was saying it was the fault of the unemployment insurance and I said to him at that time that the company had already determined that a substantial number of employees would take early retirement knowing the provisions. What they were speaking about was additional lay-offs and he accepted the premise that there should be those additional lay-offs. That is the difference between us. He accepted that premise without argument and I do not accept it without argument.

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COINAGE

PROPOSED DOLLAR COIN

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, my question is directed to the Minister of Supply and Services. I would like to ask the Minister if any final decision has been made with respect to the use of a $1 coin. And has consideration been given to requesting any comment from the individual consumer on its use and acceptability?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, this particular matter was the subject of a hearing before an all-Party committee and its particular report, which is rather voluminous, is now being studied. There are questions of utility, cost, and timing. A report will be made to the Cabinet with appropriate recommendations we hope in the very near future. We are still open to briefs and representations. In particular, the Consumers Association of Canada has been invited to comment.

* * *

[*Translation*]

AIR CANADA

LANGUAGE REQUIREMENTS—TRAVELLERS' SAFETY—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport who must know that Air Canada regulations section 356 provides that, for service and safety purposes, a bilingual flight attendant must be on duty at all times to serve passengers in both official languages.

However, it would appear that this section of the regulations has been disregarded ever since the flight attendants went on strike.

Does the Minister intend to make representations to Air Canada and make sure that the linguistic and safety provisions

will be respected at all times so that the traveling public may use Air Canada aircraft without difficulty?

• (1450)

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this allegation, as well as others, is being investigated. I would like to point out to the Hon. Member that the alleged infractions presented to me by CALFAA are being examined by Transport Canada. Twenty-eight have been examined and have proven to show no safety fault. Another 43 are currently being considered and I will be glad to report to the Hon. Member on the specific point he has raised today.

[*Translation*]

CONSEQUENCES OF LABOUR DISPUTE

Hon. André Ouellet (Papineau): A supplementary, Mr. Speaker. In answer to a question I asked him earlier this week the Minister told me that negotiations were progressing. Well, it would seem that negotiations were suspended last night and that, in the past few days, two incidents have paralyzed services in Montreal.

Does the Minister understand that he is dutybound to step in before the situation gets out of hand, or has he asked the Minister of Labour to intervene directly and personally in the dispute?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member has said, the talks between Air Canada and the Canadian Airline Flight Attendants' Association recessed yesterday at the request of the union. The union will be consulting with its membership, I am sure, for further direction. Hopefully both parties will be able to resume direct negotiations rather than having them imposed by this Minister or any other Minister in the House.

MONITORING OF CABIN CREWS

Mr. Les Benjamin (Regina West): Mr. Speaker, last Tuesday the Minister of Transport told this House he had some 200 inspectors monitoring safety standards of replacement flight attendants on Air Canada. But his own assistant stated clearly in the media that there are only eight inspectors actually monitoring cabin crews for all airlines, let alone Air Canada.

The Minister asked CALFAA to provide him with information which his inspectors should be getting, and which I sent over to him the day before yesterday. I would like to know if the Minister had word of any of these infractions before CALFAA provided these documents to us and, if so, what action did he take? Did his inspectors report any of these to him? If so, what action did he take? Will he put more—

Mr. Speaker: Order. I think that is enough for the first question.

Mr. Benjamin: —cabin crew inspectors in place at this time?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in addition to the eight specialist passenger safety inspectors, Transport Canada has deployed a total of 79 air carrier inspectors, 185 engineers and technical inspectors, and Transport Canada senior officials who frequently fly are also monitoring the safety operations of Air Canada. I would like to report to the Hon. Member that we are informed that only one major violation has been reported.

As to the other part of the question, as near as I can inform myself, I was not advised of any infractions other than the one referred to earlier. As I indicated, the alleged infractions are being examined by my officials. So far 28 reports have proven to have no safety fault, and the remaining 43 are still under investigation.

RECRUITMENT OF REPLACEMENTS FOR STRIKING FLIGHT ATTENDANTS

Mr. Les Benjamin (Regina West): Mr. Speaker, may I return to the Minister of Labour? Since I know he works hard at being a neutral factor in labour disputes, would he tell the House whether or not he has spoken to the Minister of Employment and Immigration about the recruiting of amateur and unqualified flight attendants, which is strike breaking and which compromises the neutrality of the Minister of Labour and his Department in these negotiations?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker—

Mr. Benjamin: I asked him the question.

Miss MacDonald: The Hon. Member does not want me to answer.

I would like to make clear to him that my Department's policy in this regard is to remain neutral. We continue to accept requests from companies where there is a labour dispute, as we continue to accept requests from people seeking jobs. But in all of those cases we notify the individual, both in writing and orally, that there is a labour dispute in progress. We make no recommendation as to what that individual should do because to do otherwise would be to abandon the neutral position we maintain.

* * *

EXPORT DEVELOPMENT CORPORATION

PLACEMENT OF LEGAL BUSINESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, yesterday the Minister of International Trade admitted that he had discussions with Sam Wakim about taking on the Export Development Corporation's legal business. I want to ask the Minister when that meeting took place and which law firm Mr. Wakim was working with at that time.

Mr. Crosbie: Order paper.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as I advised the Hon. Member and the House yesterday, Mr. Wakim and a number of lawyers came to see me, as has happened to all Cabinet Ministers including the Hon. Member when he was a Minister, and discussed with me, as they all do, the possibility of doing government work.

MEETING WITH MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, that was what the Minister said yesterday but I would like to ask him today, and I repeat the question, when the meeting took place and which law firm Mr. Wakim was working for? Bearing in mind that the EDC had set down criteria that the law firm doing the work should have that expertise and have an office in Ottawa, was Mr. Wakim in a position to even be considered for the work of the EDC?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I point out that the law firm appointed to do the legal work for EDC was appointed by the EDC. It was the firm of Weir and Foulds, an excellent law firm.

Mr. Guilbault (Saint-Jacques): We know that. The question is when?

Mr. Kelleher: That is who is doing the work for them, not Mr. Sam Wakim.

* * *

SOCIAL SECURITY

CHILD TAX CREDIT PROGRAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister of National Health and Welfare takes pride in himself for feeling priority should be given to those in greatest need. Will he confirm that budget measures applying to family allowances and child tax credits mean that poor families with an income of only $10,000 will lose money under his program by 1990? Is this his plan for helping those most in need?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member looks at the program put forward by the Minister of Finance in the Budget she will know that the tax credit helps exactly those families she has identified. The Government has also said that as the economy improves we would like to do more in this area, and that of course remains an option.

GOVERNMENT POSITION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister did not answer the question. He knows that social policy groups have documented that poor families will lose under his program by 1990.

Since he is so determined to undermine universality, either by deindexation or by supporting the Macdonald guaranteed poverty proposals, did he mean yesterday that he really cares about the importance of families? If so, why is he allowing the Government to reduce the amount of money going to families by some $600 million by 1990? What is this going to do for families?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this Government is not reducing or changing universality. It was the Hon. Member who said on television that she would be willing to tax pensions at a higher rate than those not getting pensions. What this Government is doing—

Ms. Mitchell: What about the Macdonald Commission?

Mr. Epp (Provencher): She does not like to be reminded of what she said, but I intend to do that.

Under the Budget the very families she identifies will get more in a more progressive manner, one which social agencies generally approve. As the economy improves we will do more for families. She should get her head out of the sand and stop being so antediluvian.

* * *

• (1500)

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, September 11, 1985, meet the requirements of the Standing Orders as to form.

[*Translation*]

The petition presented and laid on the Clerk's Table by the Hon. Member for Windsor West (Mr. Gray) also meets the requirements of the Standing Orders as to form.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader (Mr. Hnatyshyn) what the business of the House will be under Government Orders for the coming week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in this new part of the session I welcome the traditional question from my colleague, the Hon. House Leader of the Official Opposition (Mr. Gray). We have made good and constructive progress in terms of legislation this week. I am grateful to both opposition Parties for the progress that we are making.

At the present time we are considering second reading of Bill C-64, an Act to amend the Seeds Act and Canada Grain Act. When this debate is concluded, which it may be later this afternoon, I anticipate that we will then have an opportunity to consider the provisions of Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, and Bill C-68, an Act to amend the Parole Act, the Penitentiary Act, the Prison and Reformatories Act and the Criminal Code for the balance of today and tomorrow.

I anticipate that certain items of legislation will be introduced for first reading before next week. It is my expectation that we will start on Monday dealing with a Bill that I anticipate will be forthcoming, an Act to amend the Family Allowances Act. There are other pieces of legislation which we may be able to deal with during the course of next week, including a Bill relating to redistribution. The basis of that legislation was considered last June by the Standing Committee on Privileges and Elections.

I will continue to consult with my colleagues, the House Leaders of each of the Parties, to give maximum notice with respect to legislation. I hope that we will, as we did last year, operate in a spirit of co-operation and accomplishment.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, recognizing the necessity for preparation time, I was wondering whether the Government House Leader might consider having those Ministers, who intend to introduce legislation for first reading today or tomorrow, communicate with their counterparts in each of the two Parties today and give them at least an outline of the content of the legislation they intend to introduce in order that my colleagues would have an opportunity, on Saturday and Sunday, to prepare themselves for the debate on Monday.

Mr. Hnatyshyn: I will certainly do that, Mr. Speaker. In fact I fully expect to be able to table the Bill with respect to the Family Allowances Act amendments tomorrow in Routine Proceedings. Being an experienced parliamentarian, the Hon. Member will know that the Bill will put in place, legislatively, the provisions of the Budget of last May. With regard to the other Bill to which I alluded, but which has not yet been introduced, think that the Hon. Member, who will probably be the spokesperson for his Party on that, is aware of the essential basis of that legislation. There will be some refinements with respect to redistribution. I will table that Bill at the earliest possible date and will be glad to discuss with him and with my colleague, the House Leader of the Official Opposition (Mr. Gray), the provisions of that legislation at any time.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the day before yesterday the President of the Privy Council (Mr. Hnatyshyn) bootlegged in the Ways and Means motion on a point of order. Would he tell the House whether he is looking for concurrence of that Ways and Means motion before we proceed to the Family Allowance Bill?

Mr. Hnatyshyn: Mr. Speaker, I have a long history of being against bootlegging, either in the House or outside the House, so I do not understand the premise of the question. Having said that, I will make it a point to give advance notice to the distinguished Whip of the Official Opposition before I make any move in connection with the Ways and Means motion to which he refers.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, on the question of the deposition of the Bill on Family Allowances, am I to understand from the Government House Leader that we will have the Bill tomorrow? It will be deposed in the House tomorrow so that we can examine it on the weekend prior to the commencement of debate on Monday?

Mr. Hnatyshyn: Yes, Mr. Speaker. If the Hon. Member will look at the Order Paper she will be aware of the fact that I gave notice yesterday. The purpose of that was to enable me to bring it forward before the weekend if at all humanly possible.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

UNEMPLOYMENT INSURANCE REGULATIONS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the honour to present a petition signed by approximately 74 members of the Millwrights and Machine Erectors Local 1151, which covers most of northwestern Ontario. They are calling upon the Government to change the Unemployment Insurance Commission regulations to allow them once again to use pension moneys, vacation moneys, and severance pay as savings as opposed to earnings insofar as the unemployment insurance regulations apply.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the privilege of presenting a petition from citizens of Hamilton humbly pray and call upon Parliament to ensure that retiring employees keep their pension benefits and receive unemployment insurance benefits without deduction of pension income.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by many members of the Ontario Secondary School Teachers Federation which calls upon Parliament to withdraw the proposal with regard to unemployment insurance which would require pension benefits to be calculated for unemployment insurance purposes.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have the honour to present a petition from many people in British Columbia asking that the Government ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefit without deduction of pension income.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to advise the House that question No. 392 will be answered today. I would ask that the remaining questions be allowed to stand.

[*Text*]

HIRING OF UNEMPLOYMENT INSURANCE AGENTS

Question No. 392—**Mr. Allmand:**

Since September 4, 1984, were 700 unemployment insurance agents hired to more closely monitor the unemployment insurance system and, if so (*a*) what is the salary range of each individual (*b*) what is the regional breakdown of these employees (*c*) what kind of training did they undertake (*d*) what is their job description?

Hon. Flora MacDonald (Minister of Employment and Immigration): No. (*a*), (*b*), (*c*) and (*d*) Not applicable.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

Mr. Gauthier: I rise on a point of order. I wonder if the Parliamentary Secretary could take it under notice that we would appreciate very much if he would give us the percentage of questions that the Government has answered as of today. It is usual for the Government to account for the question that it answers. We have noticed that fewer and fewer questions are being answered. There was one today and one yesterday. I just wondered if he could give us the percentage of questions that have been answered as of today?

Mr. Speaker: I will allow the answer but it is not normal to allow that either as a statement or as a question. However, this time I will allow it.

Mr. Lewis: Mr. Speaker, if the Hon. Member checks *Hansard* he will find that two questions were answered yesterday rather than one. Without checking the figures, I assure him that it is substantial.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1510)

GOVERNMENT ORDERS

[*Translation*]

SEEDS ACT
CANADA GRAIN ACT

MESURE TO AMEND

The House resumed consideration of the motion of Mr. Wise that Bill C-64, an Act to amend the Seeds Act and the Canada Grain Act, be read the second time and referred to a legislative committee.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, at the specific request of my colleague from Ottawa-Vanier (Mr. Gauthier), I have decided to continue where I left off. I felt I could not leave any loose ends, especially since the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) is in the House. I am delighted with this unique opportunity to see the Hon. Member taking part and listening to the debate in the House. I shall nevertheless be brief, Mr. Speaker, since the time of the House is a precious commodity and we have already established some agreement on the Bill and its consequences.

Mr. Speaker, just before the House took recess this morning, I was saying that the new legislation will provide for more satisfactory regulation and control of the quality and sale of seeds in this country, by improving our system and making it more flexible. I think now we can say we have guarantees, as far as that is possible against the introduction of inferior varieties that are not adapted to our climate, and that for the years to come.

I want to proceed quickly with another important aspect, and I am referring to the increased penalties provided under the legislation. If we refer to page 4a of the Bill, we see that far more severe penalties are now provided under the proposed legislation and that persons who contravene its provisions will be severely punished. I feel this adds a guarantee of a certain degree of security to the present legislation.

I see that my comments command the sustained attention of the Opposition as usual, when we are talking about serious matters, Mr. Speaker. They must be having a hard time deciding who is going to be the new Opposition critic for agriculture. There seems to be a lot of enthusiasm for the job.

Mr. Speaker, in concluding I would also like to comment on the work done by representatives of the Canadian Seed Growers Association whom I was able to meet several times and who must feel very uncomfortable when they hear what Opposition Members in the House have to say, because there is a vast difference between what they say and the interests of the Canadian associations. The sustained interest shown by this association over the past years has made it possible for the Government to introduce and improve legislation, with the

result that if the passage of this Bill is expedited, we shall have legislation that will be truly beneficial to our Canadian producers.

Mr. Gauthier: A comment, Mr. Speaker.

The Hon. Member for Bellechasse (Mr. Blais) made two factual errors in the course of his remarks. First he said that the Bill would be referred to a standing committee. The House adopted a resolution under which the Bill will be referred to a legislative committee. That is one correction and I am sure he will agree with me on that and that there is no problem.

Second, he said in his remarks that the Member for Glengarry-Prescott-Russell (Mr. Boudria) is a Member who does not attend Committee of Agriculture meetings and who is not often in the House. I think that as Party Whip and one who ought to know the answer I will inform him, even though the Member for Bellechasse does not seem to know.

The Hon. Member for Glengarry-Prescott-Russell—one must not forget the three ridings, that is very important—is the official Liberal spokesman and critic with respect to Supply and Services. On top of that he is vice-chairman of the caucus committee. He is the Ontario Liberal caucus vice-president. But with respect to parliamentary business, House attendance, if the Hon. Member wants to see his file I can give it to him because I look after the files, and his record is as good as anyone else's.

The Member for Glengarry-Prescott-Russell is among those who regularly attend House and committee proceedings. He sits regularly on three committees and, in my opinion, it is unfair on the part of the Hon. Member for Bellechasse to impute to a hard-working colleague motives as vile and as ridiculous as saying that he is not here and what have you—

Mr. Blais: He is never here, Mr. Speaker! Considering the experience of my colleague the Member for Ottawa-Vanier (Mr. Gauthier), I am surprised that the Member for Ottawa-Vanier would use a language . . . I would dare say as ridiculous and inappropriate, to use his own words.

Mr. Speaker, far from me to point out the absence of the Member for Glengarry-Prescott-Russell (Mr. Boudria). On the contrary! But everytime he speaks in the House a few minutes after he is gone. He raises questions and then out he goes, so no one can give him an answer.

Still I am pleased to have been brought up to date with respect to the curriculum vitae of the Hon. Member for Glengarry-Prescott-Russell. Mr. Speaker, he will need all the experience he can get after the next election if he wants to be hired somewhere because there is no assurance he will be able to come back to the House of Commons.

Mr. Rossi: And that goes for you too!

Mr. Boudria: Thank you, Mr. Speaker. I have a comment to make about the Hon. Member's statement. Without bragging, Mr. Speaker, I would point out to the Hon. Member for Bellechasse (Mr. Blais) that after the so-called Conservative Party sweep I happened to be the Opposition Member who was elected with the largest majority in Canada. I am sure he cannot claim a similar achievement, much less so after the next election.

Mr. Rossi: How true! How true!

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to join the debate on Bill C-64, an Act to amend the Seeds Act and the Canada Grain Act. Because this Bill was introduced on short notice, it was difficult to prepare for this debate and be briefed on the Bill. However, the Minister stated that this is a technical Bill which should be beneficial to groups involved in the production, marketing, distribution and maintenance of seeds. Of course, this is an important topic, especially in a highly developed and technologically advanced country like Canada. When this Bill goes to the legislative committee—the Hon. Member for Bellechasse (Mr. Blais) does not seem to realize that we have established a legislative committee to look after Bills in the future—I hope we will be able to study it in greater detail.

It appears from a quick review of the Bill that the Government, apart from clarifying definitions of such words as "to sell" and "grade", seems to have taken unto itself a great deal of power by regulation.

For instance, Clause 4 of the Bill gives the Governor in Council vast new powers relating to information, registration of seeds, and specifying terms and conditions under which seeds can be registered.

• (1520)

It also prescribes procedures for review of cases involving the refusal, suspension or cancellation of registration of seeds. In Clause 4(h.5) of the Bill it gives the Governor in Council the power by regulation in:

determining the cases in which and the conditions, including provision of a bond, under which seeds shall, for the purposes of this Act, be transported and stored on importation.

There is a great deal of concern in the agricultural community with the powers the Minister already has by regulation for the inspection of crops, especially with the decision made last November 8, a day which has become known in the agricultural community as black Thursday. The Government imposed an unprecedented $32 million worth of inspection charges on Canadian agriculture.

I have in my hand a letter from the Nova Scotia Federation of Agriculture denouncing those charges which have been imposed on agricultural production. These charges have come at a time when agricultural producers right across the nation are feeling disposessed by this Government. They are declaring bankruptcy and the incidents of foreclosure are in record numbers. In the first two months of this fiscal year, the Farm

Credit Corporation reported foreclosures were taking place 87 per cent more rapidly than last year, which works out to about 11 foreclosures a week.

Pressures are great on the producers and commodity prices are low. For instance, I am told the price of potatoes to the producers in Prince Edward Island and in New Brunswick are running at 2 cents a pound or a little over that while production costs are well above 4 cents a pound. How the Government can be imposing new inspection charges at this time is puzzling. These charges amount to 3 cents a pound—that is for the average 600 acre potato farm in Prince Edward Island—or $3,600 per farm. It is a massive increase for something which historically has been paid for by the Department of Agriculture on the understanding that the Government has a certain responsibility for quality, grading and inspection of crops in order to protect the quality, the sizing and the trade aspects of agricultural commodities.

The Government is claiming more regulatory powers in this Bill. We wonder whether this is just another phase of increasing these fees. In a letter, a copy of which was sent to me by the Secretary Manager of the Nova Scotia Federation of Agriculture, he speaks about inspection licence and fees regarding field crops. He points out that the new aspect to this issue is the requirement for a mandatory licensing for all shipments crossing provincial boundaries, for which a $500 annual licence fee will be required, and a 3 cent per hundredweight inspection fee. Prior to June, 1984, shippers of fresh products on a small scale individual farm basis have been exempt from licence fee which then was only $25. We see the licence fee going up from $25 to $500. No actual inspection of the product is conducted nor is it planned that such an inspection service should be provided. I inquired of the program officer in Moncton as to whether one licence by a commodity group or a maritime association such as like the Maritime Strawberry Council could accommodate the requirement of the regulation, and was told that it would not. Each individual shipper must be licensed whether selling his own product or someone else's product. I pointed out that this regulation effectively put small producers with sales of $1,000 a year out of business. Therefore, it would be in the best interests of Nova Scotia producers to protest the manner in which the inspection fees are being applied. A $500 annual licence fee for which no service is provided, thus effectively putting fresh dairy and vegetable producers out of business runs contrary to Nova Scotia federal agreements and a host of other goals for our crop community groups.

We can see that those fees which were imposed last fall, besides being unfair and unjust could hardly have been imposed at a worse time for so many commodity groups in Canada. They were just not imposed for horticultural products but only for meat inspection, hogs, beef and so on. It was done without very much concern for the current difficult time we are in. That $32 million in service charges was combined with drastic cuts in many other areas and was supplemented later in the Budget with another $50 million cut, about which everyone in the agricultural community is holding his breath because people do not know where the other shoe will drop, whether there will be more service charges, a cut in the dairy subsidy, a cut in transportation or research. I hope the Minister when we get him before the committee will be able to clarify that point.

We do have new regulatory powers. We will want to know exactly how the Government plans to use those in the weeks ahead, if and when this legislation is passed by the committee and by the whole House. The Government seems to have imposed Draconian penalties under this Bill. The summary conviction penalty now of $500 for a minor infraction of the Seeds Act would seem to be adequate. That $500 penalty is to be increased to $25,000. I know we cannot ask questions in the House today at second reading as to why that amount is being increased, but surely a $25,000 fine is a very severe penalty for a minor infraction under this Act? As well, when a proceeding commences in a court on conviction on indictment, Clause 7 of the Bill reads:

(*b*) on conviction on indictment, to a fine in the discretion of the court or to imprisonment for a term not exceeding five years or to both.

A five year penalty for an infraction of this Act seems a very severe penalty. I hope the Parliamentary Secretary or the Minister, whoever is carrying this Bill in the committee, will be able to explain why we would want to incarcerate somebody for five years for an infraction of the Seeds Act. I hope that that can be clarified for the members of the committee.

There is another aspect of the Bill about which I wonder whether it is in contravention of the Charter of Rights and Freedoms. Under Section 7 there are very broad powers regarding seizure. It seems to me that this Bill would give an inspector the right to seizure under Section 7. I am wondering whether that procedure can be exercised without the benefit of a search warrant. Surely an inspector cannot make seizures without the proper authority of a search warrant as is required by that section of the Charter of Rights and Freedoms. Yesterday we discussed in the House amendments which would do away with writs of assistance in drug legislation.

• (1530)

The concern of the House—and it is certainly that of Hon. Members on this side—is that although this Bill is probably necessary to improve the operation of the Seeds Act, why has the Government not come forward with substantive legislation? I am not aware of massive problems in the areas of licensing and the regulation of seeds. Obviously this legislation will enhance those processes. However, why has the Government not dealt with many other problems which are facing the Canadian agricultural community today? Why has there been no decision on drought assistance for the agricultural community in western Canada? The Hon. Member for Assiniboia, the Parliamentary Secretary to the Prime Minister (Mr. Gustafson), has been thrashing around on this issue for two or three months. The Minister of Agriculture (Mr. Wise) said that he could not make a decision because that Parliamentary Secretary has been unable to make a report. Also he said that he hoped a report would be forthcoming in a few weeks.

I find it difficult to understand how the Government of Saskatchewan was able to make a decision in late July that it would pay a wintering benefit of some $60 per head of cattle, yet it took the Government of Canada and the committee it established another three or four weeks to decide to provide $30 per head for wintering and drought assistance. That announcement was made with a grand flourish and, lo and behold, we found that the Premier of Saskatchewan reached out and grabbed that $30 per head or $16 million and took it unto himself. The result is that farmers are no better off. It was a beautiful song and dance show. It was almost like the "sham on the rocks" in Quebec City. After the federal announcement, livestock producers ended up with the same $60 per head. As a matter of fact, they probably thought something would be forthcoming from the federal Government, but they ended up with nothing. The provincial Government effectively set the policy for assistance to the livestock industry back in late July. Why has it taken the Parliamentary Secretary to the Prime Minister so long to reach a decision about assistance or to make a recommendation to the Government in favour of assistance to grain producers?

I had an opportunity in late July to visit areas in southwestern Saskatchewan and to see the burnt crops. There will be no crop or very little crop this year. The Government brings in technical legislation when it should bring in substantive decisions and solutions. If it is beneficial, desirable and necessary for the Government to make known to livestock producers in southern Saskatchewan and Alberta how much will be available for this coming winter to keep their basic herds intact, surely it is equally valuable for grain producers. Although a seeds Bill is important and valuable, it seems to me that we should be talking about assistance to the wheat and grain growers of western Canada. In early August the wheat pool indicated that a program involving some $50 per acre or $500 million was needed. I had hoped the committee on the government side which is studying this matter sat down with the Saskatchewan Wheat Pool and other agricultural groups in Saskatchewan, Alberta and the Peace River country to get on with reaching a decision. When I asked the Minister about it in the House this week, he said that it would be another two or three weeks.

The situation is really desperate. Many of us have had a chance to visit those areas. We have seen the clips on television of farmers lining up at welfare offices looking for assistance. We have seen the statistics of the Farm Credit Corporation which indicate that in the first two or three months of this fiscal year that some 35 per cent or 40 per cent of foreclosures were on farm property. As a matter of fact, all foreclosures and bankruptcies are running at a rate of some 87 per cent or some 11 per week. Although we are glad to see this Bill before the House today, we would like to see substantive legislation and programs to rescue agricultural producers from the desperate situation in which they find themselves today.

Mr. Gustafson: Mr. Speaker, I should like to make a couple of comments about some of the suggestions and accusations which were made by the Hon. Member, particularly those relating to the drought. There is no question that the drought is a very serious situation and that it is very frustrating for farmers. It has gone on for a number of years in some of the serious drought areas and has involved a number of acres.

The Minister of Agriculture (Mr. Wise), the Prime Minister (Mr. Mulroney) and that task force on drought have responded quickly. We felt that the main consideration had to be the livestock area. The Government supported the recommendations of the task force. We moved, and some $48 million is being paid right now—and many farmers have received their cheques—in terms of feed assistance for their herds. We felt that this was most important and we moved on phase one. The Hon. Member raised what we call phase two relating to crops and grain production. Surely he must understand that the crop reports have to come in. We are not only dealing with southern Saskatchewan. We are also dealing with Alberta, the Peace River and into British Columbia. I have recently checked with some Hon. Members from Alberta and they indicated that the crops in that area were less than 5 per cent harvested. It is impossible to get results from the crop insurance people. As well, in terms of what the Government has done, I am sure the Hon. Member is well aware that the federal Government does pay 50 per cent of the crop insurance premiums. In addition to that, last year the Government paid into the drought areas some $250 million. It is estimated that this year, the dollar value will probably go beyond $250 million. We have responded very positively. It is a downright shame that the Opposition has tried to capitalize on a very serious drought situation in order to make political headway. I can assure you, Mr. Speaker, that they are not going to do this on the backs of western Canadian farmers.

• (1540)

Mr. Foster: Mr. Speaker, the Hon. Member says that he has responded. The Premier of Saskatchewan responded about two or three weeks before he did. The province essentially set the rate and the Government of Caanda simply offered half of the help. That is history now.

It is rather interesting that the Parliamentary Secretary has indicated that he made a report. If I heard the Minister of Agriculture (Mr. Wise) correctly yesterday, he said that he could not really make a decision because he was waiting for a report from the Parliamentary Secretary. It seems to me that they should get their stories straight so that they are both saying the same thing.

Dealing with the task force, the Parliamentary Secretary has said that it really cannot make a decision until all of the crop reports are in. There are many areas in western Canada where there are effectively no crops. I visited Assiniboia and southern Saskatchewan almost two months ago and there was no crop at that time. Things certainly have not improved since. As a matter of fact, getting the crop off is the problem. I believe we are talking about a question of confidence. We should ask if the Government is going to provide the assistance that is necessary.

In 1984 when the Liberal Party was in Government, there was a demand by all Members of the Tory Party who were sitting on this side of the House that the Government commit itself to crops that were destroyed in northeastern Saskatchewan. The Hon. Member who represents that area is in the House today. It was demanded that the Government make a commitment and the then Prime Minister, the present Leader of the Opposition (Mr. Turner), did make a commitment of $20 per acre. The Tories only paid half of that when they came into power.

For opposition Members to be asking when the Government is going to make a commitment to western agriculture at a time when the Saskatchewan Wheat Pool has been demanding a commitment for the last three or four weeks is certainly not too soon. I am disappointed that the Parliamentary Secretary to the Prime Minister (Mr. Gustafson), who obviously wields a great deal of power not only in his caucus but in the councils of the Government, was not able to say that the Government will make a decision within a week. If the Parliamentary Secretary makes a further comment today, I hope he will be able to make a commitment as to when the Government will help the grain producers of western Canada.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, it is an honour to have you in the chair today to listen to a very important debate on agriculture. I am sure this debate is of grave importance to members of your constituency. Many of us in the West raise bird seed and I am sure many of your constituents, Mr. Speaker, feed canaries, budgies and so forth. I am pleased that you are here to listen to this debate.

Obviously the Member who just spoke was caught without his notes on the Seeds Act so he quickly grabbed some notes on the drought and decided to make a little speech on drought assistance. His argument dealt with who responded first. That is a typical Liberal argument. Liberal Members are not really sure what to do. There is no point in consulting so they just respond first and take credit for action on behalf of farmers. It does not really matter if they help the farmers or not. It is only important for them to get a press release out. That is the way the former Minister of Agriculture acted so often, unlike this Minister who has acted through legislation. Members of Parliament were busy last year and are already busy again dealing with issues that are important to agriculture.

During the previous Government, we often waited patiently for Mr. Whelan to come forward with legislation. The only times we debated agriculture were when we had an Opposition Day and opposition Members raised issues that were important to agriculture.

The question of who responded first is not important in my mind. The Parliamentary Secretary has done an excellent job on behalf of western farmers in being on the scene. He has discussed with them the difficulties that they face and has asked the farmers and organizations about the best possible way to respond to this year's drought. As he adequately explained, there was a need to act quickly as far as livestock producers were concerned because green feed had to be cut and farmers had to know whether or not they could afford to purchase green feed for their livestock this year. That action has been taken and $48 million has been allocated by the federal Government. As well, monies have been allocated by the provincial Governments to respond to this very serious drought situation.

Now we are facing a serious problem for the cereal and oilseed crop farmers as well. The task force is making recommendations to the Minister for action in that area. We have made the commitment to assist the western Canadian farmers regarding the drought and we will. At the same time, the payments have gone out under the Western Grain Stabilization Act because of amendments that were made in this House. Crop insurance has been adjusted so that payments and adjustments can be made quickly. The Government has acted in a number of other areas of legislation that has been brought before this House. I find the arguments made by the Hon. Member for Algoma (Mr. Foster) to be pretty weak.

Not so many years ago, I sat in the spot of the Hon. Member for Algoma. It was much easier to criticize than to defend. The Hon. Member visited the drought areas. I would ask him if he made observations, decided on possible solutions and mailed those solutions to the Hon. Member for Assiniboia (Mr. Gustafson). I see his head shaking in the negative. Therefore, we have not heard his suggestions as to how that assistance might be offered. We have only heard criticism. At any rate, I know that suggestions we will hear will be adequate and the farmers will be pleased with the assistance that will be offered in the next few weeks.

I wish to make some comments on the Seeds Act. The Seeds Act is very important to farmers across the country. Canada can be proud of the legislation that has allowed proper research to take place into the various varieties of seeds that have been offered to Canadian farmers. The legislation has put before us a system of which we can be proud, a system that takes seeds from the research centres and puts them in the hands of farmers so that farmers can take that progeny and expand on it so that it can be made available very quickly to ordinary commercial seed growers or farmers. That is something of which we have to be very proud. That Act was brought in, I believe, back in 1905. It was written with such thought at the time that few amendments have had to be made up to this point in time. A minor amendment was made in 1977. As the Minister has stated, we are now attempting to adjust the Seeds Act in a mainly technical manner to ensure that it will be more beneficial to farmers than it is at the present time.

● (1550)

I have no argument with most of the sections of the Act. However, I do have an argument with one in particular. I wish to raise that matter in my short address to the House this afternoon. I approve of the amendments which are being proposed to many of the sections which have to do with the importation of seeds, the bonding of importers and the seizure of improper seeds coming into the country. The penalties which were originally brought in in 1905 are outdated at this

time. They need to be adjusted so that farmers will take them more seriously. The status of the Canadian Seed Growers Association is also dealt with in this legislation.

However, as is often the case when departments draft Bills of this type, it is possible for them to put into the legislation powers with which I have some concern and with which many legislators would have concern, if they were to give it some deep thought. We were warned of the possibility of changes to the manner in which farmers may be able to advertise seeds in this country because the legislation which is before us now has been talked about for some years. Those of us who represent grain-growing areas have consulted with our seed growers and with commercial farmers as to whether or not they have had any difficulties with the legislation. I sent out hundreds of letters in my constituency to farmers who produce grain and seed asking for their comments. Most of them commented in favour of the legislation with the exception of one section.

That section has to do with Clause 4(2) of the Bill wherein a number of powers are being added by regulation. The one that is of most concern is that with respect to the advertising of seeds. Under the present legislation, it is only possible for a registered seed grower to use the term "registered seed" or "certified seed". Usage of those terms signifies that the grower has a licence to take progeny from the agricultural research stations or scientists at universities who produce such seed, expand it and make it available in true variety to farmers. However, in the past, under the Act, farmers who have purchased registered seed have been allowed to grow that seed and advertise it as commercial seed grown from registered seed. For example, Johnson barley which is purchased as registered Johnson barley is grown on a commercial farm and then offered for sale in advertisement as commercial seed grown from registered Johnson barley. Many seed growers have stated that there is the possibility that a farmer looking in a newspaper without proper scrutiny will think that he is buying true variety. That is generally not the case since most commercial farms are not as cautious as they should be with respect to ensuring that the fields they plant of this true variety are free of other varieties. Thus, I can see the reasoning for putting forward such an amendment. However, I believe the point has been carried too far.

The reason I believe it has been carried too far is that the legislation now states that no farmer shall be able to advertise a variety of crop for sale but that he will only be able to advertise, for example, barley for sale, oats for sale or wheat for sale. I can imagine if I were a farmer that I would want to purchase not registered seed from a registered seed grower but a commercial seed, perhaps because my crop froze last year, I do not have the seed available and I need to purchase seed for my whole farm. Registered seed generally sells at $1 to $3 a bushel above commercial seed. To buy seed for hundreds or even thousands of acres can be extremely expensive if only registered seed is bought. Thus, many farmers who make a practice of buying commercial seed are not concerned about it being 100 per cent true to variety. They are concerned about getting as true a seed as possible in the ground in the spring. Therefore, they buy from neighbouring farms a variety which they believe is close to true and has a good germination factor. It is important that we continue to allow commercial seed growers to advertise the variety name. I hope I can convince the Minister and the officials when we meet in committee that we should not allow commercial seed growers to use the term "grown from registered seed" or "grown from certified seed", but that they can continue to use the variety name.

The point I am making is a very narrow but important one. It is important to many farmers. I speak from the experience of western Canada; however, I am sure the case can be made across the country. I believe, then, that there will be adequate distinction between certified seed or registered seed and seed which is grown on a commercial farm. That would make it much easier, in the early spring, when most farmers are looking for seed for their farms, to go down the advertising columns in search of seed. For example, if I am looking for Johnson barley for my farm I will be able to see whom I have to call to inquire about the seed because it will be listed as Johnson barley. I will also know that it is not registered or certified and that it is not intended to be totally true to variety and that there may be some possibility of wheat seeds present in the sample.

I hope to bring this issue with some vigour and backing by my constituents to the legislative committee so that we can receive an indication from the Minister and his officials as to why he feels it improper to continue to use the variety name. I hope that we will hear not only from the registered seed growers but from the commercial farmers as well with respect to the difficulties this suggested amendment will cause. Perhaps we can come to a compromise amendment which will be of assistance to farmers when they are attempting to purchase seed in the spring.

• (1600)

You will find, Mr. Speaker, that there are many times more commercial growers in Canada than registered seed growers. They do produce a relatively good sample for farmers and over the last century many, many farmers in Canada have utilized the commercial seed grower and have received good results from that seed. I also commend the registered seed growers who have served this country well. They are very diligent in their practice of providing adequate and true seed for farmers. They have abided very well, in large, by the act over the last number of years. Therefore, I support the Bill with the exception of that section. I intend to raise it in committee. I am pleased that we are dealing with this very important Bill in such a proper and concise manner today.

Mr. Foster: Mr. Speaker, I just wanted to comment on the speech of the Hon. Member for Wetaskiwin (Mr. Schellenberger) because he really tried to lead the House to believe that the Government was taking very substantive action with regard to agriculture. I was amazed because it seems to me that we essentially have had a tremendous stall on any number of issues facing agriculture. The Bill today, although it is important in a technical sense and beneficial to the registered

seed growers and to the commerce of that whole industry, is surely not as important as the other issues facing agriculture in Canada today, such as the drought in western Canada.

The Hon. Member asked what the Liberals would do. Last year we made a commitment in the Mackenzie area of north-eastern Saskatchewan of some $20 per acre. Perhaps it should now be $25 and the provincial Government should match it. However, when we were in power we made that kind fo commitment late in July. It is now getting into the middle of September and the Government still has not made any commitment for the grain industry even though it is facing a desperate situation.

I would like to read briefly in a report from a newspaper article in which the Saskatchewan wheat pool calls for $.5 billion program in drought aid. The proposal would involve payments up to $50 an acre to farmers in the most severely affected areas. Mr. Avery Sahl, the vice-president of the Saskatchewan pool said that even $50 an acre will barely be enough to help the most drastically affected to survive, particularly producers who spent thousands of dollars fighting grasshoppers this summer. Mr. Sahl is also a member of the Canadian Wheat Board Advisory Committee. He said that 30,700 Saskatchewan farms have been affected by the drought in varying degrees.

I think the most important part of the article is Mr. Sahl's comment with regard to farm families because the drought is one thing with the loss of crops and so on but the impact on the families is equally important. He went on to say, and I quote:

> Some farm families are literally destitute in our part of the province, ... Others are not far behind, and the communities which rely on agriculture are severely strained.
>
> In a major portion of the province, the whole rural economy is bordering on collapse.

Therefore I believe that urging the Government to make a decision and take action now is not out of line. I am sure that sentiment is echoed by every western producer who wants to see the Government take action.

The Hon. Member says that the Government is bringing forward a lot of substantial legislation. The Minister of Finance (Mr. Wilson) published a paper in January and gave his views of Canadian agriculture. He put out a white paper on taxation issues in agriculture and said essentially in that paper that farmers were well off, they made twice as much money as the average Canadian and paid a quarter as much tax. I question and I believe every farmer in this country questions whether that is not really the philosophy of the Government. I am not speaking about the backbenchers because the Hon. Member for Wetaskiwin (Mr. Schellenberger) was a very active Member on the Committee on Finance, Trade and Economic Affairs. He made some very worth-while recommendations and suggestions to the committee. However, what happened to them? With respect to the farm debt crisis, which is certainly worse than in the 1930s, no action has been taken, even though the farm debt crisis has exacerbated. The number of farmers in serious financial difficulty has risen from 17 per cent or 19 per cent last year—depending on how you calculate—to 20 per cent of the farmers in Canada today. For the Hon. Member to suggest the Government is bringing forward momentous decisions is really not true because those decisions are not there for the farm debt crisis. Certainly no decision has been made on the red meat stabilization plan. One of the decisions which was made in the Budget was to assist farmers to get out of farming. Another decision was to impose a nine cent a gallon excise tax on fuel. That was a major campaign commitment just a little over a year ago when the Conservative Party were on the hustings. Within nine months of taking that tax off fuel, they imposed a tax of nine cents a gallon which in the West is being called the harvest tax. On June 1, they removed the exemption on the petroleum compensation charge which was another six cents or seven cents a gallon. In the last three months, therefore, the Government has really imposed some 15 cents or 16 cents a gallon fuel tax. A year from January it will be imposing another four cents a litre or 18 cents a gallon of new tax. Surely that is not the kind of dramatic action about which the Hon. Member spoke because it just exacerbates the situation and imposes that much more hardship because of the increase in farm input costs.

The Hon. Member says the Government is taking action in bringing forward legislation. We have not seen a decision on the dairy policy or on the farm debt crisis. We have a debate going on between the Minister of Agriculture (Mr. Wise) and the Minister of Consumer and Corporate Affairs (Mr. Côté) as to whether they are going to put in place a prebankruptcy or preforeclosure arbitration procedure. We know the Budget of the Department of Agriculture is going to be cut by some $50 million but we do not know what that is going to affect. We have seen worse kinds of difficulties with trade issues in this past 12 months than farmers have faced in many years. We are supposed to have a new era in our relationship with the United States and other countries but all we see is something like a thousand carcasses of EEC subsidized beef being dumped into our Canadian market. We see a countervail on hogs going to the United States of 5.3 cents a pound. I would like to believe the Hon. Member. I know he is a dedicated and committed Member, one who has worked very effectively in the committee on farm legislation, but I really do not see this dramatic and effective legislation coming forward which he talked about when he spoke this afternoon.

• (1610)

Mr. Schellenberger: Mr. Speaker, the Hon. Member has a selective memory, and that is allowed when you are in opposition. Perhaps it is typical. He ought to make it clear that the reason they acted so quickly in July of last year was because there was an election on and it became very important to offer quickly a supposed solution to the drought situation. We have acted quickly, as I said in my speech, with the $48 million allotment for cattle, and we will act, after full consultation, for the grain farmers in western Canada. He knows and I know that in the committee we dealt with the financial paper and we pointed out many of the errors. We made recommendations which I think are adequate and proper for farming, and some

have been acted on. The Red Meat Stabilization Bill was passed and it will be used by farmers.

As his Party's agriculture critic the Hon. Member has been very busy this year. The reason for that is that the Minister of Agriculture (Mr. Wise) has been very busy in acting for farmers across this country. I hope the Hon. Member continues to be very busy.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

Resuming debate? Question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Mr. Epp (for Mr. Wise), seconded by Mr. Hnatyshyn, moves that Bill C-64, an Act to amend the Seeds Act and the Canada Grain Act, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 46, it is my duty to inform the House that the questions to be raised at the time of adjournment are as follows: The Hon. Member for Shefford (Mr. Lapierre)—External Affairs—Importation of Japanese cars (a) Government position. (*b*) Statement by United States official; the Hon. Member for Essex-Windsor (Mr. Langdon)—Industry—Mitel Corporation—British Telecom takeover proposal; the Hon. Member for Algoma (Mr. Foster)—The Budget (a) Impact on agriculture. (*b*) Excise tax.

GOVERNMENT ORDERS

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): I rise on a point of order, Mr. Speaker. There have been discussions among the Parties and I believe there will be consent for the adoption by the House of this motion, namely:

That when the Order for the second reading and reference to a legislative committee of Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, is called, the following Order shall also be deemed to have been called:

"for the second reading and reference to a legislative committee of Bill C-68, an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act, and the Criminal Code; and

That when the motion for second reading of these Bills is adopted, they shall both stand referred to the same legislative committee.

The Acting Speaker (Mr. Charest): The House has heard the motion. Does the House agree to the terms of the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Solicitor General of Canada) moved that Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, be read the second time and referred to a legislative committee.

* * *

PAROLE ACT, PENITENTIARY ACT, PRISONS AND REFORMATORIES ACT, AND CRIMINAL CODE

MEASURE TO AMEND

Hon. Perrin Beatty (Solicitor General of Canada) moved that Bill C-68, an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act, and the Criminal Code, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, because of other business I was not able to be here in the House this morning when the House was completing debate on Bill C-65. However, my colleague from Burnaby was kind enough to come over and tell me that when he spoke this morning on Bill C-65 he was virtually bubbling over with generous comments about my appointment as Solicitor General. I want to thank him for those kind comments. While he is in such a good mood I thought it would be timely for me to call debate on Bill C-67 and Bill C-68 in the hope that that spirit of enthusiasm and goodwill and all-Party agreement which has characterized our relationship to date will continue throughout the course of the day and that in the course of the next 45 minutes we will see these two measures adopted.

Mr. Robinson: Don't push your luck.

Mr. Beatty: My colleague issues a minor caution. I thank him again for his kind comments this morning.

I am pleased at this point to open the debate on second reading of Bill C-67 and Bill C-68, and I want to deal with each of them in turn. At the heart of Bill C-67 are important amendments to the Parole Act and the Penitentiary Act which will effect changes to the correctional program and conditional release known as mandatory supervision. Provisions in the Bill

will tighten some of the features of that program for penitentiary inmates who pose a high risk of violence. These changes are clearly required and they have long been advocated by police, victims' organizations, and many concerned private and professional groups and individuals. At the same time the Bill contains balancing provisions which will ensure that inmates who are considered good risks while under supervision in the community will be considered by the National Parole Board at the earliest possible point in their sentence.

In its first Speech from the Throne the Government expressed its intention to respond to public concerns with regard to our system of criminal justice. We promised to correct defects in that system to ensure the best protection of the public from criminal acts which can be devised. Bill C-67 is not the total answer to that promise but it is a very important beginning. It contains measures which were urgently required and could be introduced quickly while awaiting the outcome of broader policy reviews currently under way in my Ministry and in the Department of Justice.

Perhaps the most pressing matter dealt with by this Bill is that aspect of the existing law which compels the automatic release of penitentiary inmates on mandatory supervision as a result of earned remission. The law now allows an inmate to earn the remission of up to one-third of his sentence through good conduct. An inmate who has earned all of his earned remission must by law now be released after serving two-thirds of his sentence. The last third is served in the community under mandatory supervision. Such a release must be granted even if there is a consensus among correctional and parole officials that he poses an imminent risk of violence to the community. Situations such as this have occurred in the past, too often with tragic results. We on this side of the House find it abhorrent that this situation shoud be allowed to continue. That is why a mechanism was provided in this Bill to give the National Parole Board the authority to prevent releases in certain cases.

The schedule to the Bill identifies a group of offences which, by their nature, involve violent conduct. Inmates serving a sentence for one of those offences will no longer be unconditionally entitled to release on mandatory supervision. Their earned remission will be used to calculate a presumptive release date but they will be liable to have their release on mandatory supervision denied if certain other conditions are met.

I would digress here to say that where the Government enumerates lists of offences like this, there is certainly room for debate and discussion about the list, whether the number of offences it lists is too long or too short, and we are prepared to listen with an open mind when this matter goes to committee. However, we feel it is important that the House give guidance to the parole service for some of those offence where it is clear that an individual has been involved in violence in the past, where there is a potential for violence in the future, to ensure that before potentially violent criminals are released back into society the NPB has an opportunity to review those cases. Correctional officials will examine these cases, Mr. Speaker, when the presumptive release data draws near. They will determine if, in addition, serious harm, which is defined in the Bill, or death, was caused to another person in the commission of the offence. If this criterion is also met, it will then be decided if there appears to be reasonable grounds to believe that another offence causing serious harm or death would be committed while under mandatory supervision if that person were released. Should such grounds appear to exist the case will be referred to the National Parole Board. This is a mechanism to trigger a review by the NPB to ensure the rights of ordinary, innocent, law-abiding Canadians, their right to be free from violence, are respected. The Board will review background and other information that is material to the case, including the assessment of experts where necessary. A hearing will be held at which the inmate will be able to make representations on his own behalf. Procedural safeguards will be provided throughout this process so that the inmate is aware of the information being considered by the Board, is able to present his own case and be assisted at the hearing, and is aware of the reasons for the decision that is ultimately taken by the Board.

• (1620)

Time limits are prescribed in the Bill and others will be contained in the regulations. These will ensure that, barring exceptional circumstances, the process will allow enough time before the presumed release date for the inmate to apply for a re-examination of the decision by a different panel of Parole Board members, and to apply to the Federal Court for a review if he feels that he is not being treated fairly.

Following its review and hearing the Board will decide if there are reasonable grounds to believe that the inmate would commit an act of violence while under mandatory supervision. If so, the Board will be empowered to order that the inmate not be so released and remain in the penitentiary until the expiry of the full sentence or until the detention order is lifted. Lifting the order would reinstate the balance of the mandatory supervision period. Should the Board decide that it would only be safe to release an inmate under strict conditions, it would be able to require such conditions to be met before allowing the release to take place. These conditions could include residence in a community-based residential facility operated under a private or public auspices, including low security penitentiary facilities usually referred to as community correction centres.

[*Translation*]

Mr. Speaker, these measures will enable us to fill a gap by providing the correctional system with the possibility of singling out potentially dangerous inmates and preventing their release on parole, or of releasing them under mandatory supervision under very strict conditions.

[*English*]

They will do so while fully protecting the rights of inmates not to be treated arbitrarily or capriciously where their liberty is at stake. While it would be vain to hope that all potentially dangerous inmates can be identified, or that all violence by released inmates can be prevented, these measures will ensure

that we are able to effectively intervene when there are reasonable grounds to anticipate violent conduct during the sentence that it is our responsibility to administer. Although the number of such cases may be few, the additional protection this will offer to the public will be significant.

I think it is appropriate for me to digress briefly at this point to say that I am new to my responsibilities and am looking forward to having a chance to learn more about them as I go along. I am not a lawyer, as was mentioned at the time I was appointed. I am new to the criminal justice system. I hope that on behalf of the people of Canada I will be able to bring a fresh perspective to the criminal justice system. Most importantly, I hope to be able to represent some of the concerns that are felt by ordinary Canadians with regard to violent crime. What is significant to me, Mr. Speaker, and to the people that each of us in the House of Commons represents, is that in a democracy like ours the most basic liberty that we have is the freedom from violent crime. The most basic responsibility that each of us has as a member of this House is to speak up on behalf of innocent Canadians, people who are guilty of no crimes, people whose lives or safety could be placed in danger if we were not to act.

It is always essential in any measures which are taken in the field of correctional institutions or penal law that there be checks and balances put in place to ensure the basic civil liberties of all people in the system. We believe that these measures in no way derogate from that responsibility, but we believe as well that it is essential to never forget that our most basic responsibility is to assure innocent people the freedom from violent crime. As long as I am Solicitor General of Canada that will remain my highest priority. I make that undertaking to the people who we represent.

The second major feature of this Bill also applies to those inmates identified by the first criterion I have mentioned, that is, conviction for one of the offences contained in the schedule to the Bill. Inmates falling into this category who are not found to pose an imminent risk of violence, and who are released on mandatory supervision, will be given only one chance to succeed. If that first release is revoked for any reason, be it a new offence or breach of a condition, they will not be released on mandatory supervision again during that sentence.

At the present time inmates who have their mandatory supervision revoked begin to earn remission again as soon as they are readmitted to penitentiary. They may, therefore, sometimes be released more than once during the same sentence leading to what has been termed the "revolving door syndrome". It is difficult to justify the risk of giving inmates, who have committed violent crimes and then demonstrated an inability to successfully readjust to the responsibilities of the free community, more than one such opportunity.

We accept that society at large must take risks and that our goal must be the rehabilitation of people convicted of offences under the law. However, we also have the responsibility to provide for the protection of the public at large. Having given that opportunity to someone who has been convicted of a serious offence, the onus is then on him or her to prove worthy of the trust which society has vested in them.

The foregoing elements of the Bill are designed to deal more effectively with inmates who are judged to pose an exceptional danger to the public. The third major component is, on the other hand, aimed at those who are considered to be exceptionally good risks. The Bill will require the Parole Board to review and grant a hearing in person to every inmate earlier in his sentence than at present. This will not alter existing limits on parole eligibility in any way. It will only require that the Parole Board grant a full review and hearing in every case when the first eligibility date is reached. This will occur, in most cases, after one-sixth of the sentence is served, rather than one-third as is now the case. By these means the best risks can be identified and granted some form of conditional release as early as possible consistent with public protection. Even those who are not considered ready for release will be given guidance early in their sentence as to what is expected of them so that if they choose, they can begin to work toward the objectives that will lead to their eventual conditional release.

I believe that taken together these measures form a balanced package that should lead to a more rational correctional system that directs scarce resources to where they are most needed, namely the more secure and more costly environment of the penitentiary for those who pose a high risk of violence, and supervised community based programs for those who pose a low risk of violence and a higher likelihood of a successful return to the community and to a law-abiding lifestyle.

The balancing and rationalizing character of this Bill is very important to avoid unacceptable human and monetary costs while protecting the safety of the public and the rights of offenders. It was astonishing to me to discover, upon becoming Solicitor General, that today it costs on average over $40,000 a year for every inmate maintained in a penitentiary whereas it costs just over $4,000 to supervise one parolee in the community. Moreover, many argue that the longer one spends in prison the more difficult is his eventual transition back to the community.

On both grounds, correctional and fiscal, it makes good sense to discriminate as effectively as possible. The good risks who stand the best chance of a successful return to society should be placed in community programs as early as possible with all the support and supervision that they require. The high risks who are potentially dangerous should, on the other hand, be kept in secure custody as long as they are under sentence. These measures will help us to do so more effectively than is the case at present.

Some critics of the correctional system have advocated the simple abolition of mandatory supervision because of its purported failure. The huge costs of such a proposal and the relative success of the program make it clear that this would not be a justifiable option at this time. Abolition of mandatory supervision or, in other words, the elimination of release due to earned remission, would effectively increase by one-third the sentence length of all inmates serving a definite term and not

release on full parole. Such a categorical approach would punish the deserving along with the undeserving. About 3,000 inmates would be affected each year, half of whom now complete mandatory supervision successfully. Moreover, Mr. Speaker, it could lead to the construction of as many as six new penitentiaries at a capital cost of about $50 million each in addition to millions of dollars in annual operating expenses.

Those who would argue that this is a justifiable cost in view of the protection that it offers often do not recognize that of the 50 per cent who have their mandatory supervision revoked, about half or 25 per cent of the total have committed no new offence, but have simply broken a condition. In these cases the revocation is a preventative measure taken by the Parole Board to avoid the commission of a crime as the end result of deteriorating adjustment of the parolee. Indeed, of the total number of inmates released on mandatory supervision, 25 per cent commit a new offence while still under sentence but only 2.7 per cent commit an offence involving violence and another 3.3 per cent commit robbery; for a total of 6.6 per cent of the total if we lump these two categories together.

• (1630)

The costs and the inequities involved in such a categorical approach outweigh the benefits and has therefore been rejected. In my view, the measures contained in Bill C-67 make such better sense since they are aimed at identifying those inmates from whom society clearly requires protection, and in providing mechanisms for protection from them for as long as legally possible while not interfering with the majority who give no indication of posing an exceptionally high risk.

[*Translation*]

Finally, Mr. Speaker, I think that the measures I have just outlined will enable us to correct some of the most obvious and criticized deficiencies of the present system of parole under mandatory supervision. Yet they will not in any way curtail the rights of inmates, no more than they will unfairly penalize those inmates who are obviously not prone to violence.

They will offer Canadians better protection against delinquents who can rightfully be expected to resort to violence, yet without having to dramatically increase expenditure as would be the case if we were to apply such measures indiscriminately to all inmates.

[*English*]

I believe that it is a fair, rational and balanced package that I am eager to have reviewed in committee. I would also indicate today, as I did yesterday with Bill C-65, that there are provisions in the Bill which provide for the Governor in Council to make regulations. In those instances where that provision is included in the Bill, I will see to it that the Government moves a motion to insert the magic formula of "by order" to ensure those regulations are considered to be statutory instruments, are published and are made available to the Standing Joint Committee on Regulations and Other Statutory Instruments. I have already received certain constructive representations from interested members of the public and professional groups and welcome similar observations from Members of the House on whom I urge speedy passage of this much needed Bill.

Looking back on my own responsibilities as Minister of National Revenue and the measures which the Government took in terms of bringing down a declaration of rights for taxpayers for Canadians for the first time and measures we took to build into the Income Tax Act provisions to ensure that innocent people are treated with decency and respect, I think it demonstrates the commitment of the Government and perhaps all Members of Parliament to ensure that innocent people have their rights fully respected. We hope to continue that philosophy throughout my tenure as Solicitor General, to ensure that the rights of the accused are properly protected, that we recognize that they do have rights and those people who are incarcerated in penal institutions are fully respected as well.

My colleague, the Hon. Member for Burnaby (Mr. Robinson), is in the House. I watched with interest on Sunday as he and his colleagues were leaving Mont St. Marie where they were having a meeting. The news media indicated that his Party would begin to reopen a theme that it used during the course of the last election campaign—speaking up for ordinary people. I say to you, Mr. Speaker, that it is for ordinary people that all of us on both sides of the House must speak. I say in particular that I believe that the ordinary person is honest, that he is law abiding and innocent and he deserves to have his rights fully protected by the Government.

Ms. Mitchell: Mr. Speaker, I rise on a point of order. I am sorry to interrupt but I really believe it is important that the Hon. Minister include women in his terminology. Perhaps he would say "he and she".

The Acting Speaker (Mr. Charest): The Hon. Member knows that that is not a point of order.

Mr. Beatty: Members on this side of the House respect the rights of both men and women and recognize that both men and women are honest and law abiding. It is precisely for honest men and honest women that we are bringing in this legislation. We believe that the most basic right that any Canadian has—and it is nowhere more evident than in violence against women—is to be protected from violent crime. Our obligation on both sides of the House in speaking up for ordinary Canadians is to see that honest, law abiding people have their rights respected and are protected from violent crime. It is for that reason that I believe the provisions of Bill C-67 deserve the support of members of all sides of the House.

[*Translation*]

Mr. Speaker, allow me now to speak to Bill C-68 entitled an Act to amend the Parole Act, the Penitentiary Act, the Prison and Reformatories Act and the Criminal Code.

Unlike the provisions of Bill C-67, these are housekeeping amendments designed to clarify the calculation and administration of sentences, and to facilitate the operations of the Correctional Service of Canada, the National Parole Board and the provincial correctional institutions.

[*English*]

The last significant amendments to the Parole Act, Penitentiary Act and Prisons and Reformatories Act were made in 1977. Oversights made at that time, changing circumstances and concerns that have arisen with experience require amendments to clarify, consolidate and correct the statutes.

Some of the amendments proposed in Bill C-68 have appeared with more substantive amendments in previous Bills which were not adopted by Parliament. Many of the amendments reflect longstanding concerns of provincial Governments which we are pleased to be able to rectify. All of the amendments are designed to correct oversights and deficiencies in the correctional law statutes, and contribute to the efficient, orderly and fair operation of federal and provincial correctional programs.

I would like to highlight for the House examples of the type of amendments which we are proposing under each Act. First, I refer to the Parole Act, which provides for the calculation of sentences for inmates in federal penitentiaries, as well as for the release of these inmates on parole or under mandatory supervision. Since its proclamation in 1959, the Parole Act has been subjected to periodic amendments, largely initiated in response to immediate pressures and events. The Board has grown from five decision-makers to close to 100 permanent and temporary members; from a centralized establishment in Ottawa to one stretching from Vancouver to Moncton; from the provision of parole reviews on paper, to hearings providing an array of procedural safeguards; from almost no judicial scrutiny, to a heavy caseload of litigation. In many cases, correctional authorities are attempting to cope with the current situation with an inadequate and out of date framework of legislation and regulations. The amendments to the Parole act contained in Bill C-68 do not attempt to address long-term problems, problems which are now undergoing comprehensive review. Rather, these amendments address urgent and long delayed matters of technical but nonetheless significant concern.

Of primary concern with respect to the Parole Act which Bill C-68 addresses is that of ensuring that sentences of inmates confined in federal penitentiaries are calculated so as to accurately reflect the intent of the judge who sentenced the offender. Section 14 of the Parole Act was originally enacted to facilitate the administration of sentences by correctional authorities. The section attempts to achieve that purpose by deeming different terms of imprisonment which were imposed either at the same sittings of court or at separate occasions, and for which there would normally be different parole eligibility dates and release dates, to constitute one single sentence for which there is only one parole eligibility date and one release date. I emphasize that the deeming provision does not modify the duration of the sentences imposed by the courts.

Mr. Robinson: Explain.

Mr. Beatty: I was hoping that my hon. friend would ask me to explain because I have done my homework on that. The concern we are trying to address with this particular provision arose from an instance where an individual received two separate sentences for two separate offences. As a result of a provision in the law which was a technicality, the courts found that this individual, between the completion of his incarceration for his first sentence and incarceration for his second sentence, was allowed out on parole in the meantime. It was a provision which, on its face, made very little sense. Although it is not a problem which has cropped up regularly throughout Canada, we felt it was something that should be addressed to ensure that we would not have the anomaly of an individual being released as a result of a technicality in the law in between the serving of two prison sentences for offences which had already taken place, already been tried by the courts and for which he had already been sentenced to prison. Can I give my hon. friend any further elaboration?

Mr. Robinson: No.

Mr. Beatty: That may exhaust my knowledge of it, anyway.

The single sentence it creates begins on the earliest day on which any of those sentences commenced and ends on the final day of the last to expire.

Although there is no doubt that Section 14 has been of great assistance in the administration of the majority of sentences, as I have already stated, its present wording suffers from certain shortcomings which limit its application and prevent correctional authorities from giving the full and proper effect of sentences imposed by the courts.

• (1640)

For example, under the present Section 14, situations have arisen where a judge has sentenced an offender to a substantial term of imprisonment only to find that the offender is immediately eligible for, or indeed is released on, parole due to the effect of combining the new sentence with the old. Such anomalous results are a source of great concern both to the public and to correctional authorities, and appropriate amendments are contained in Bill C-68 to correct these unintended effects in sentence calculation.

Now we get to the really meaty elements of the Bill. I know my colleague, the Hon. Member for Burnaby will be anxious to follow this with fascination.

Other amendments to the Parole Act will not so much correct oversights as they will simply eliminate redundancies and obsolete provisions. For example, the definition of "magistrate" will be deleted. The substantive section to which it related was repealed by previous legislation. Similarly, portions of the Penitentiary Act will be transferred to the Parole Act, so that all matters pertaining to the jurisdiction of the National Parole Board will be found under one statute.

Some of the amendments will facilitate the day to day operations of the National Parole Board by clarifying certain sections of the Parole Act. For example, amendments to Section 3 of the Act will clarify the authority of the Executive Committee of the Board to vote on parole hearings or reviews. Other amendments will provide specific regulation-making

authority for certain matters, instead of the current statutory structure which provides only a general "basket clause" to authorize the enactment of regulations. This can, at times, leave in doubt the authority to enact certain regulations.

The second group of amendments in Bill C-68 pertain to the Penitentiary Act, the Act which provides for the administration of federal penitentiaries. Again, these amendments do not embody substantive changes in policy, but rather attempt to correct some long-standing technical problems.

I know that my colleague from Burnaby has long been vexed by the question of the name of the Canadian Penitentiary Service. For that reason, we will be changing that name to the Correctional Service of Canada. This will reflect in statute the amalgamation of the Canadian Penitentiary Service and the National Parole Service. This amalgamation took place eight years ago. This long overdue amendment for which the Hon. Member has fought long and hard will permit the official use of the designation "Correctional Service of Canada", which has been used in practice since 1977.

Similarly, another amendment will designate all officers and employees of Correctional Service Canada as "members" of the service. The 1960 Penitentiary Act referred to the two former categories of employees of the service, however, the basis for this distinction has completely disappeared with time. Confusion has resulted in the continued reference to the two categories in the Act, which this amendment will now resolve.

A related amendment will restrict the designation of peace officer status to only those members of the service so designated by the Commissioner of Corrections. Under the current legislation, all officers of the service are automatically designated as peace officers. Such a sweeping provision in our view, is unnecessary and in some cases counter-productive for those members of the service engaged in rehabilitation, rather than strictly custodial functions.

While amendments such as these are designed to facilitate the operation of the Correctional Service of Canada, other amendments will have a more direct impact on inmates in assisting their reintegration into society. For example, a section will be added to the Act to enable an offender who has been released on parole or under mandatory supervision to be lodged, temporarily and at his or her own request, in a penitentiary. This provision is considered desirable primarily during times when an offender may be experiencing difficulty while on conditional release. This would provide the offender with a short period of relief when the stress of returning to society may be compelling him or her to less constructive options for coping.

[*Translation*]

Thirdly, Mr. Speaker, Bill C-68 features several amendments to the Prisons and Reformatories Act. This federal legislation deals with questions of administration of sentences to be served by inmates of provincial correctional institutions. There are close ties between federal and provincial jurisdictions with respect to the implementation of correctional programs and I am pleased about the excellent spirit of cooperation between the provincial Governments at the operational level when there is interaction between the institutions and the probation and parole programs.

As well, we share a number of common endeavours with the provinces and we work in close cooperation with them in such fields as crime prevention and assistance services to victims of criminal acts.

[*English*]

In this light, Bill C-68 contains amendments to the Prisons and Reformatories Act to deal with a variety of provincial requests, some of which have been outstanding for many years. In the coming months, suggestions for additional amendments to the Act will also be considered. Throughout these activities we will seek to reduce to a minimum any unnecessary involvement in provincial corrections while seeking mutually beneficial joint action.

As one example of the amendments proposed by Bill C-68 in this regard, provincial correctional authorities have requested a clarification in statute of the status of inmates while they are temporarily outside the correctional institution. This would include, for example, inmates on work details outside the institution or inmates who require emergency medical treatment at a hospital. In consequence, we are proposing a new section in the Act which would clarify that such inmates are in custody for the purposes of this Act and any other Act of Parliament.

Some of the amendments to this statute deal more with terminology. For example, the use of terms "rules" and "regulations" will be made consistent throughout the Act. The repeal of obsolete provisions relating to the forfeiture of statutory remission will reflect previous changes made to the Act as long ago as 1978.

An amendment to Section 10 of the Act will change the terminology of the section to accord with the terminology and age provisions of the Young Offenders Act. The provisions for holding young persons separately from adults in provincial institutions will also be made consistent with the Young Offenders Act.

Fourth, one amendment will be made to the Criminal Code in consequence of the amendment to the Penitentiary Act respecting the limited designation of certain members as peace officers.

In conclusion, Mr. Speaker, I believe that these proposed amendments embody a number of long-needed clarifications and corrections to the statutes in question. Their timely passage through this House will facilitate the fair and efficient administration of the federal and provincial correctional systems.

These two Bills represent an important beginning in the Government's efforts to rationalize and modernize correctional programs. They deal with some of the most pressing and apparent problems. I am confident they will lead to a more efficient system and more secure environment for all Canadians.

I thank my colleagues for their attentiveness during my remarks. I look forward to listening to theirs and also to receiving suggestions from them and from interested Canadians at the committee stage.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise on debate of these two Bills that have been grouped, Bill C-67 and Bill C-68. I intend in the course of my remarks on these Bills to address initially the question of the underlying objectives set out by the Minister in these Bills. I intend to focus, I might say, on Bill C-67. While a number of the subjects addressed by the Minister in his learned discourse on Bill C-68 were obviously of vital concern, I believe the issues raised by Bill C-67 are so fundamental and so important in the criminal justice system that I intend to focus my remarks on Bill C-67.

I will briefly go through the background objectives of Bill C-67, Mr. Speaker. I propose then to examine the history of mandatory supervision, what it was that lead to mandatory supervision, how it has worked in practice and briefly touch upon some of the studies that have been done in terms of the effectiveness of mandatory supervision, and mention concerns that have been raised by the community and by prisoners. I will then turn to the changes proposed by the Minister to the system of mandatory supervision. In fact, there are two major areas of change dealing with what has been called the revolving door syndrome, and as well institutionalizing a system of what has been called gating.

I intend to deal with what we in this Party believe to be some very serious problems with the Minister's proposals in these areas. I intend to set out in some detail our concerns with respect to their proposals. Finally, in the time remaining, I hope to be able to discuss alternatives which we in the New Democratic Party have for dealing with what is a very legitimate and real concern on the part of the community with respect to violence, in particular to the victims of crime who are too often overlooked in our system of criminal justice.

As I said, the purpose of this Bill is set out, and was clearly set out by the Minister, to address the concern of the community respecting the revolving door syndrome, that is the syndrome whereby prisoners who are on mandatory supervision may have their mandatory supervision revoked, be returned to prison, serve a period of time, come out, have their mandatory supervision revoked, go back and so on. The first objective of the Bill is to put an end to that and to provide, where mandatory supervision is revoked, that there will be no further remission of sentence. The second and very important objective of the Bill is the provision which in effect would grant a sweeping new power to the National Parole Board to designate certain individuals, at the time they become eligible for mandatory supervision, as individuals who should be denied their liberty, denied mandatory supervision and held, in effect, until the remainder of their term.

• (1650)

I suppose one could ask what is objectionable about those provisions or what we feel is harmful about provisions which, on their face, appear to be in accord with the concerns of the community. It will be my submission that far from responding in a real way to the concerns of the community, the Bill really provides an illusion of security and an illusion of safety to the community when in fact precisely the opposite will be the effect. I am not only speaking on my own behalf and on behalf of members of my caucus. However, I think it is fair to say that it is virtually the unanimous view of those who are active in the criminal justice system and the correctional service, barring, I might say, the police. I believe it is only the Canadian Association of Chiefs of Police which advocated these sweeping measures. All others, particularly those involved in after-care, including the John Howard Society, the Canadian Association for the Prevention of Crime, the Elizabeth Fry Society and so on, have condemned this approach.

Why have they condemned it? They have condemned it because instead of reducing the level of violent crime in our communities, the approach which is being taken by the Government will in fact increase that level and will increase the danger to those innocent men and women about whom the Solicitor General (Mr. Beatty) spoke earlier. The proposals will result in a dramatic increase in the population of our federal prison system at a time when that system is already seriously overcrowded. Not only will that overcrowding lead to significantly increased tension in the prison system, which makes it more difficult for prison guards and results in increased violence, both prisoner to prisoner and also with respect to those who work in the institutions, but it will lead to a significant increase in cost to Canadian taxpayers. I would have thought that the Government would have looked more closely at this proposal before recommending to Parliament a scheme which will dramatically increase the cost to Canadians of operating the federal penitentiary system. My friend, the Solicitor General, has already pointed out that it costs some $40,000 per year to incarcerate a prisoner in that federal system. Indeed, it costs about $120,000 to build a new prison cell. One must contrast that to a cost of some $3,000 or $3,500 per year for after-care out in the community.

I have mentioned the concerns with respect to an increase in danger to our community, an increase in violent crime, the problem of overcrowding and the problem of a greatly increased budget for prisons. As well I would note that this proposal will result in reducing the good behaviour incentive for prisoners within the federal prison system. In effect it cuts back substantially on earned remission. The reality is that there will be an air of insecurity within the institutions. It is for that reason that prison wardens recommended against the kind of proposal which is being put forward by the Solicitor General to Parliament. The views of prison wardens in this area, those who are on the front lines, so to speak, should be given very careful consideration. Certainly they should be invited to appear before the legislative committee which will study this matter.

Finally, this Bill will do a profound injustice to prisoners and to those who are serving sentences in the community. While it is often unpopular to speak of injustices to that community, we

must bear in mind the remarks of Windston Churchill many decades ago when he said in effect that the mark of civilization in a community was not how it treated the elite in its society or those in positions of privilege, but how it treated the poor, the downtrodden sand, in particular, how it treated prisoners.

In light of the concerns which I have outlined, I want to examine the proposals of the Government. There are two major thrusts to the Bill. First, it would allow the National Parole Board to refuse mandatory supervision to certain serious offenders who are perceived as a threat to the community. As it stands now, the granting of mandatory supervision is automatic as long as a prisoner has displayed good behaviour during his or her term of imprisonment. At the end of two thirds of the sentence, the granting of mandatory supervision is automatic. This Bill would remove that feature and allow the National Parole Board to attempt to predict future behaviour and to attempt to predict violence.

In seeking this new power from Parliament, the Government and the Solicitor General should bring forward some evidence to back up their suggestion that it is possible to predict violence. In the absence of such evidence, in the absence of evidence indicating that a national parole board or a quasi-judicial body can in fact look at an individual prisoner and say on the basis of observing his or her record that it is in a position to predict violence, of course the Government's argument falls down. I suggest to the Solicitor General that no study, not just in Canada but anywhere else in the world, has shown that it is possible to predict violence in this manner. On this subject the former Liberal Solicitor General commissioned a very exhaustive study of mandatory supervision. A report was prepared and submitted to the Government in November 1980 by a committee which was chaired by Joan Nuffield. That report clearly recommended against any measures which would involve an attempt to predict violence. After an exhaustive review of the evidence and research studies, the report found that there was no basis to the suggestion that that could in fact be done.

There is a more fundamental and a more basic concern than the one to which I have just referred. This Bill overlooks the fact that while those who are predicted as possibly being violent can be held behind bars, they will not be held indefinitely. In fact, in many cases they will be released at the end of their sentences, more bitter and more antagonistic, not having been dealt with in terms of the threat which they pose. They will not be released in a gradual manner with some sort of assistance, but they will be released directly from prison, in some cases directly from maximum security prisons on to the street. That is a threat to our communities which is far greater than the existing system.

I intend in my remarks tomorrow, because I believe it is five o'clock, to continue by addressing some of our very serious concerns with respect to this Bill.

[*Translation*]

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

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING ABORTION PROCEDURES

Mr. John Gormley (The Battlefords-Meadow Lake) moved that Bill C-226, an Act to amend the Criminal Code (abortion), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is my honour to rise today on behalf of many of my constituents of The Battlefords-Meadow Lake in northwestern Saskatchewan and many of my friends across Canada to address the issue of abortion in Canadian society. This issue has had an impact on many Canadians and has been a painfully divisive and often controversial subject. Abortion has divided emotions and opinions. It has pitted often extreme points of view against one another. Beyond this, abortion has resulted in at least 65,000 human beings not being born every year in Canada and the latest figures place the estimate at close to 80,000 abortions per year. In other words, every week, 1,500 unborn children are aborted in Canada.

Regardless of one's view, abortion profoundly affects lives, the lives of living Canadians and the lives of those who one day will live. It is one of the most important and compelling struggles facing all of us.

Abortion is a medical, ethical, legal and theological issue touching all facets of human existence. Above all, abortion is a political issue that must be addressed by politicians in this Parliament. It is my hope that in this Private Members' Hour, politicians can address this matter in a non-partisan, constructive fashion. It is for this reason that I have proposed Bill C-226 for discussion.

What does this Bill propose? Presently, under Section 251(4) abortion is illegal except in cases where the life or health of a woman may be endangered or may likely be endangered. Bill C-226 proposes to amend the legislation to remove the words "or health" from this particular provision. As a result, this would make abortion less available than it presently is. I hope that in this hour, we may have a discussion on this issue and that I may be able to say why I feel the Criminal Code should be amended to make abortion less available.

The legal background of abortion in Canada predates Confederation itself. In 1803 in what was later to become the Criminal Code, the law that governs Canada today, a prohibition on abortion existed. This traced its roots back to England in the year 1603 when British law originally codified centuries of convention, convention that had established that abortion was illegal, wrong and that society should not accept abortion as an alternative.

Section 251 of Canada's Criminal Code has remained essentially the same for all of these years. It remained the same until the year 1969. In that year, Canadian law was amended to add three subsections to Section 251 of the Criminal Code. The subsections allowed certain immunities from the illegal nature of abortion. Abortion was still illegal following the amendments of 1969 but it was permissible if it was performed in an accredited hospital by an accredited doctor with the approval of a therapeutic abortion committee if that committee has approved an abortion certificate. The certificate was to be approved because it would be proven to the therapeutic abortion committee that the mother's life or health was endangered or likely to be endangered.

Bill C-226 proposes to address the Section of this law that deals with the endangerment of health. What constitutes the meaning of health? Most of us would interpret a literal meaning of health to be a sense of physical well-being. If physical health were the interpretation, it would clearly specify the acceptability or non-acceptability of abortion. However, health has been interpreted in many different ways.

The Health and Welfare Committee of this Parliament, when it studied the amendments to the abortion legislation in 1969, began hearings into the suggested changes in 1967. Obviously I was not a Member of this House then but I have found that on March 13, 1968, the Standing Committee on Health and Welfare made its report to Parliament. At that time, there was concern expressed about the meaning of the word "health". A partial transcript of the Committee Report reads as follows:

> There has been a great deal of concern over the definition of health in the proposed amendments and in the Committee's interim report . . . the Committee feels that a simple amendment to the proposed legislation should establish that a clear and direct serious threat to the mother's health must be present.

The fear of the committee at that time, a fear that was later borne out by Canadian legal and medical history, was that the word "health" could be interpreted in the same way as the World Health Organization interprets it. The WHO definition of health reads:

> Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

Health by that definition became a rather ambiguous description of what many of us would take to be physical health. In defining such a large parameter including areas of social well-being, the health provision made abortion more available. If health was well-being and if that well-being could be demonstrably proven to be threatened to a therapeutic abortion committee, an abortion would be granted by that committee.

The Badgley Commission dealt with the question of therapeutic abortion committees. In testimony before the Badgley Commission, it was shown that up to 80 per cent of abortions were being approved for reasons other than physical health. Obviously this ambiguous meaning has come to allow an unacceptably high number of abortions per year.

Just how many abortions take place in Canada and just how many take place because of this ambiguous term "health"? It is obviously difficult to assess in a statistical way how many are allowed through the interpretation of health, but I think we can look at the over-all statistics. The Badgley Commission, using a system of averaging and survey, reported that before 1969, fewer than 10,000 abortions were performed per year in Canada. Since the amendments of 1969 and the inclusion of this controversial word "health", according to the 1982 census, there were 66,400 abortions performed that year. That is down slightly from the late and mid-1970s but on average, in excess of 65,000 abortions are performed per year. In some circles, it is estimated that if one takes into account the entire number of therapeutic abortions now being performed this year in Canadian hospitals, the number could indeed approach 80,000. In other words, every day that Canadians go to work, almost 400 pregnancies are ended.

Was this the intention of politicians back in 1969? The then Minister of Justice, now the Right Hon. Leader of the Opposition (Mr. Turner), is by all accounts, a very honourable man. The Prime Minister of the day was well regarded by Members of this House. Surely it could not have been the intention of the Leader of the Official Opposition who was the Minister of Justice at the time to allow, by an ambiguity, a law that would allow abortions to increase six and sevenfold, a law that in a sense became a loophole.

Both in committee and in debate on the floor of the House of Commons, many politicians thought that by defining life or health, they were being called upon to legalize a few hundred abortions that were being performed anyway. Many of these politicians considered that there were serious medical reasons and by putting the words "or health" in the particular legislation that they were simply making valid what had gone on for some time.

• (1710)

Also, we should take into account the context of the times. In the intervening years between 1967 and 1969, the argument, when one debated abortion, was largely women's rights competing against the rights of an undifferentiated mass of cells. That was the argument that was often heard in those times. Later on, I think we will see that both the terms of the argument and the magnitude and importance of that argument has changed somewhat in the intervening years.

In 1969, did politicians have insight? Did politicians envisage that by amending that particular legislation they would, in a sense, be opening that door to this number of abortions? Recently, a distinguished colleague from this House, the Hon. Member for St. John's East (Mr. McGrath), who was here in

1969, addressed a meeting here in Ottawa. In that address the hon. gentleman, when speaking about 1969, said, and I quote:

> Are we prepared to recognize that our laws must accord intrinsic worth and equal value to the life of every human being regardless of its stage of development or condition?

He went on on to say:

> I believe that all Members agonized over this question. In the collective wisdom of the House, a law was passed. It is not perfect, and it has not worked perfectly. No one is totally satisfied with it.

The issue of abortion, as will be touched on doubtlessly by other speakers, often involves very separate but inter-related issues. I would like to deal briefly with three of them. The first is the viability of the foetus; or, when does life begin? The second issue is freedom of choice. The third issue is: Every child a wanted child. This is what I call the theory of wantedness.

With respect to the viability of the foetus, the perception and the reality of this question has probably changed most dramatically since the years 1967 to 1969 through the advent of medical and scientific research. One recalls the words of Bernard Nathenson, an American doctor who was one of the founders of the National Abortion Rights Action League of New York, who has since become an outspoken critic of abortion, after being a leading physician at the leading edge and performing a number of abortions. Dr. Nathenson spoke of what became the turning point for him. It was what is called the study of foetology. In foetology, physicians are able to perform surgery and do comprehensive medical work on a child who is still a foetus, who is legally not born, who is within the womb of its mother. Dr. Nathenson has recounted, often stirringly, about the large hospital where he performed abortions where, on one floor, physicians at the leading adge of foetology were doing research and treatment on children within the wombs of their mothers, while on the floor below Dr. Nathenson and his colleagues were performing abortions on foetuses who were at the same age of foetal development.

If we look at one single year, 30 babies in Canada were relieved of hydrocephalic pressure on the skull, a build-up of water at the base of the brain. This surgery is performed within the uterus, within the womb of the mother. We can look at something which has gone on for many years, that is, the practice of inter-uterine blood transfusions.

With respect to the point of when does life begin, we must look at the advances in genetics and the advances in work on the beginning of life itself. We see that there are separate chromosome and gene patterns. Based on a preponderance of medical evidence, it is clear that the question of viability, or the question of life, is no longer such a large and looming question as it was in 1969.

Another point I would like to deal with is the freedom of choice. If we think of life as really a collection of choices, with some moderation of restraint or constraint upon us, obviously, all of us in life would like to be free to make choices. The oldest example of this is the English jurist who spoke once about the right of free movement and the right to swing one's arm. One had an unfettered right to swing one's arm; but that right ended at the precise point where the next fellow's nose began. The question of rights and freedom of choice presupposes that the right of one person shall not adversely affect the condition of others. That is a presupposition to any freedom of movement or freedom of choice. Obviously, if we accept that there is a question of life, then surely the right of one person to exercise a choice infringes upon the life of another.

The third point which I wish to touch upon briefly, given the well intentioned nature of this argument, is the theory of wantedness. A well respected group in Canada has as its motto on birth control and planning "Every child a wanted child". That, indeed, is well intentioned. However, the theory wantedness becomes profoundly disturbing when we look at it in the context of: What about the unwanted? Many people in society have not wanted women; and we see the hard work and the many miles ahead on getting true equality for women. We see the exploitive nature of wife battering, of pornography, of abuse against women, because some people do not believe they "want women" to the same extent as they may want others. In post-colonial America, people did not want blacks and that justified slavery. In a Europe of 45 years ago, Nazis did not want Jewish people. That was used as a justification for genocide. So I caution Hon. Members against the theory of wantedness.

If we remove from the Criminal Code Section 251, the section on health, and we leave only the endangerment of life as admissible grounds for abortion, is this acceptable? I believe it is acceptable because the endangerment of life is directly related to the question of physical health. If one's physical health is endangered to the extent that it would endanger a life, then abortion, in my opinion, should be allowed. In this respect, to simply leave the endangerment of life encompasses the original interpretation and meaning of physical health and, obviously, protecting the life of an adult person. If a law can be used to remove a healthy living foetus from a physically life-endangered woman, then medical attempts can be made to save both persons as independent persons. In the case of the foetus which does not survive, then it is, yes, an exercising of rights, but the right to life of a physically endangered adult.

The present abortion law is in need of clarification, definition and substance. In the debate today I think I can say on behalf of all Members of the House from all political Parties that we have philosophical differences. Many Members agree with my amendment. Some suggest an even more restrictive amendment to the present abortion laws. On the other hand, many of my colleagues do not agree with my amendment. They would suggest that abortion be made completely legal. It has not been my intention to further polarize public opinion, or opinion within this Chamber. Further, I do not want to inflame the emotions or temperaments of those who sit in Parliament. However, it is clear we must address this issue.

I ask today that Members think very carefully and thoroughly, not so much about the specifics of this Bill but the adequacy of our present abortion legislation. If this Bill is talked out, which in the parlance of Parliament means that by the end of this hour someone will still speak and, thus, relegate

this Bill to the bottom of the Order Paper—and I hope that someone would not be from my own political Party, but I know that it may well in fact happen—then this matter will not likely be heard again in this Parliament. I ask all Members, in conscience, to think carefully about the decision to talk out this Bill. I ask that this Bill be referred to the House of Commons Parliamentary Standing Committee on Justice and Legal Affairs. And if an Hon. Member believes that the Bill does not go far enough or should go further, it is in the forum of that committee that there will be an opportunity to examine and thoroughly study the existing legislation and this important issue.

● (1720)

In conclusion, Mr. Speaker, while opinions are certainly divergent and points of view differing, only Members of Parliament can address this most vital issue. By inaction we do a service to no one. By upholding the *status quo*, we allow an unacceptably high number of abortions to continue to be conducted every single day in this country. Failure to address this issue amounts to standing mute while lives are ruined. Let all Hon. Members of Parliament remember this.

Mrs. Mary Collins (Capilano): Mr. Speaker, I am happy for the opportunity to speak on the motion which has been put forward by my most distinguished colleague. As he may remember, I spoke some months ago in March of this year on a motion not similar but which did deal with the matter of abortion. As I said at that time I did not believe that Private Members' Hour was the appropriate forum in which to discuss a matter which is so difficult and upon which there is a divergence of opinion within the Canadian community. I would suggest to my colleague, therefore, that while this issue is of great importance to the Canadian public, this particular time is not the appropriate time for its discussion.

I would urge my colleagues again to remember that no matter what their views on this issue of abortion, whether they hold to the view of enlarging the scope to enable women to have greater choice or whether they would wish to restrict, as my hon. colleague is suggesting, the right of women to an abortion, we as parliamentarians have a greater responsibility to ensure that there are appropriate educational and counselling facilities for the women of this country. We must put the emphasis on the prevention of unwanted pregnancies rather than having to deal with the situation once it occurs.

I believe my colleagues on all sides of the House would join with me in the belief that this issue has not been addressed fully and adequately. I know from my own experience, as I mentioned back in March, that there are many young people in our society today who do not fully understand the implications of sexuality and of pregnancy. They find themselves in the situation of being pregnant where it would be extremely difficult for them to go through with the pregnancy and, of course, they wish an abortion. I feel if we had greater emphasis on education within the schools, homes and other social institutions of this society and supported the community groups who focus on this need, we would be a lot further ahead.

I would have to speak today against the motion of my dear friend and colleague. I know we agree in many different areas but this, as he said himself, is an area that even within our own Party there are many different points of view. I guess I would disagree with my hon. friend on several points. First, with respect to the justice of the issue itself and, second, on the mood of Canadians with respect to this issue. First, my colleague is suggesting amendments to the Criminal Code which would delete the right of women to have an abortion if it would endanger their health and therefore restrict the rights of women to have an abortion to only those circumstances where there would be an endangerment to life itself. My mind goes back to situations which happened some time ago, before the liberalization of the law as it now stands and I believe that would indeed be a retrogressive step. From my own personal point of view, I would want to see in the future further changes made and that ultimately we could come to a situation where the issue of abortion is removed from the Criminal Code entirely because in my view the issue of whether to continue with a pregnancy or not is the right of the woman in consultation with her physician or others who may be able to provide her with advice and counselling. Ultimately it should be the woman herself who should make that decision. To further restrict what we have now in legislation seems to me to be a dreadful disservice to the women of this country.

I am sure Hon. Members are all aware of the kinds of cases in past history of women seeking abortions and not being able to have them under proper facilities and being subjected to the kitchen tables. I am sure we all remember the tragedies, the maiming and the deaths which resulted under that system. Surely, none of us want to go back to the antiquated system we used to have.

The issue of abortion is not only a woman's issue because I find that both men and women across the country are increasingly coming to support the right of women to make a decision on this issue. I am sure that many of my colleagues read the poll which was reported in June of this year in *The Globe and Mail*. It indicated that 53 per cent of those Canadians surveyed agreed that every woman who wants an abortion should be able to have one. An even larger majority thought the Government should ensure that there are abortion facilities in areas where hospitals do not currently perform abortions. In fact, that has been an issue raised in the Committee of Equality Rights under the Canadian Charter of Rights and Freedoms which I had the honour to sit on. Our present legislation does not meet the criteria of Section 15 of the Charter of Rights because it does not provide equal accessibility to women throughout the country. I think the results of this survey of Canadians support the view that women should have accessibility to facilities in hospitals or in appropriate clinics in order to obtain safe abortions.

There are other interesting comments from this survey as well. When we look at the breakdown of the people who responded to the survey, it is interesting to note that among

those with post-high school education, 62 per cent supported the freedom of choice position. That seems, in my opinion, to indicate that as people have the opportunity to become more familiar and more understanding of the issues involved, they are prepared to support the freedom of choice position. People in higher income groups and those living in larger communities tended to be more supportive of choice as well. I think that is understandable, knowing the make-up of Canada and the attitude of Canadians on this issue. The age group which is most likely to be personally affected by abortion, that is, women of 18 to 29 years, were also the most in favour. That is indicative that the women who are most affected by this issue understand and recognize that there should be freedom of choice. Fifty-eight per cent of those in that age group agreed with freedom of choice as compared with only 41 per cent of respondents over 60 years of age.

There was a further question as to when a woman should be able to obtain a legal abortion. Of those surveyed, 78 per cent thought it should be possible if the abortion had been approved by a therapeutic abortion committee, 87 per cent approved if the woman's health was in danger and 93 per cent approved if the woman's life was in danger. I believe one can see from that 87 per cent of those surveyed—and this was a poll taken right across the country—that a woman should be able to have an abortion if her health was in danger. Therefore I do not think the proposal my dear friend is putting forward is consistent with the general attitude of Canadians.

● (1730)

Finally, in this particular report there was something which I found very interesting and perhaps some of my colleagues are not aware of it. Religious differences on access to abortion were not as great as might be expected. Some 60 per cent of Protestants and 57 per cent of Catholics surveyed favoured increased access to abortion facilities. While more Protestants agreed that a woman should be able to obtain an abortion when she wanted one, a high percentage of Catholics, 57 per cent, also took this position. I think that indicates that this is not an issue divided purely on religious lines and we can take heart from that.

Recognizing the concerns in the community my friend represents, and the concerns of many Canadians that there should be some change in the law regarding abortions, I have to say to the Hon. Member that, while he is certainly not alone, there is a big difference in attitude about the changes that should be proposed. He proposes further restrictions. I, and I hope many of my colleagues, see it as being a time to give full consideration to broadening the kinds of facilities in which abortions can be performed. We should work with the provinces on that. As well, we should work to ultimately remove from the Criminal Code the issue of abortion to enable women to make that kind of choice themselves.

To come back to the point I made earlier, a one-hour debate in Private Members' Hour is not sufficient to hear all the views so sincerely held by my colleagues. I am sure that at some future time we will have the opportunity to express our views on this most vital issue. I would like to thank my colleague for bringing this matter to the House today, but I do not propose to support his motion and I ask for the support of my colleagues for the position I have taken.

Mr. Jim Jepson (London East): Mr. Speaker, I welcome the opportunity to speak on Bill C-226 introduced by the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley). The right to life is one of the basic premises of our society and I share my hon. colleague's views, as I am sure all Hon. Members do, that protection for the unborn is of the utmost importance. This simple statement is of crucial significance, particularly to the abortion debate. It is becoming increasingly apparent that there is a significant decrease in concern for the sanctity of life around the world.

Respect for life has undergone a tragic change in recent years. It has gone from "sacred" status down to "important". In society today it is more and more widely held that life should be protected but only until some other "important" consideration comes along. The obvious examples of this today are the increasing popularity of concepts like euthanasia and abortion on demand. Some people today say it is all right to have an abortion if you have an important reason. This kind of excuse has been broadened to include the most trifling inconvenience. Obviously when people say life is sacred, they mean completely different things.

The point of this Bill, which I wholeheartedly support, is that most Canadians believe life is sacred. Unless this belief is reflected in legislation, we will be guilty of raising a generation which has no conception of lasting values. They will have been sacrified for expedience and convenience. Society's laws are always a reflection of the moral norms which anchor our society. The abortion rights' movement has reversed this relationship. By putting something into law they can restructure our values. By legalizing abortion on demand they can create a new morality for our society. Whenever society believes it can create its own morality, it is in trouble. The most obvious result of this self-reliance is irresponsibility to any sense of value altogether. History has shown us that rebellion, disorder and confusion inevitably follow. We must focus today on responsibility, not on rights.

This excellent piece of legislation will have the opposite effect. It will restore the legal framework of our society to a state consistent with the values which have formed the bedrock of not only our society but every society which comes to mind. This legislation confers respect on the most important moral law by giving meaning to the expression we all uphold, that of the sanctity of life. It seems ironic that in a day and age when we are spending billions of dollars to save lives through medical research, we are at the same time permitting the murder of thousands and thousands of unborn infants.

I would like to conclude by once again thanking the Hon. Member for The Battlefords-Meadow Lake for sponsoring this excellent and timely piece of legislation. I hope Members of this House will take the opportunity they have to make this most significant improvement to our Criminal Code by giving their support for this Bill and allowing it to go to committee.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I am pleased to have the opportunity to rise and debate this issue in the House, even though it may be for the hundredth time that I or Members of the NDP have spoken on a motion from a Member from one of the other parties which is basically an anti-choice motion. However, I still feel it is worth it. We are a Parliament which reasons and it is worth continuing to talk in favour of choice on abortion.

It seems to me that the sentiment which very often motivates people to introduce Bills such as this is not dissimilar from the sentiment which motivates us to vigorously support choice. We both feel we are upholding certain broad principles and I guess the disagreement comes as to who is most faithfully upholding those principles. For example, we are all agreed that we do our best to represent our constituents and their views in this House, and that is a principle of representative democracy. As the Hon. Member for Capilano (Mrs. Collins) has just indicated by citing the very thorough polling which has been done on this matter, a large majority of Canadians favour choice. Indeed, they would like to see Section 251 removed entirely from the Criminal Code so that the termination of a pregnancy is a matter for the woman and her doctor to decide. On the specific item that the Hon. Member is trying to remove from the present Section 251, namely that a woman could no longer secure a therapeutic abortion if her health was endangered, 87 per cent of those polled said that they thought health should continue to be a criterion for therapeutic abortion. I do not suppose that we all know exactly what our constituents think about this matter, but if 87 per cent of the people in Canada would be opposed to the motion that the Hon. Member brings forward today, then I think it would be right to argue that the principle upon which he and I agree, namely, that we want to be good representatives of our constituents, would be best carried out by keeping health in Section 251. It is interesting that there is no significant statistical distinction between the wishes of Catholic and Protestant men and women on this matter. Sixty per cent of protestants and 57 per cent of Catholics want to have the continuation of important grounds for enabling a woman to secure a therapeutic abortion.

• (1740)

Another matter upon which I think most Members would agree is that we are also elected to protect the fundamental rights and freedoms of all Canadians regardless of religious belief, race, colour, sex, and, I would hope, sexual orientation. In order to protect those fundamental rights and freedoms we cannot impose upon one group in society the moral values and beliefs of another. I am sure that the Hon. Member, who has left now, if he were here—

Mr. Gormley: I am still here.

Ms. Jewett: I am sorry, I will look at him then. I am sure that he would say he would agree that we must not allow one group in society to impose its moral values and beliefs on another. However, when it comes to defining more precisely what they mean by that, I would say that he, and others like him, are imposing upon myself, and others like me, a certain set of moral values and beliefs. They are, in the course of doing so, robbing me, and others like myself, of my fundamental rights and freedoms, including the freedom of choice.

In fact, if we look at the current law on abortion, Section 251, we see that it in itself is an attempt to legislate morality. It is an attempt to tell one group of people, women, what values and beliefs they must adhere to on the matter of choice, and to limit their choice in a rather narrow way, which the Hon. Member now wants to limit even more on the matter of abortion. In the process it violates the fundamental right of many women in Canada to equality before and under the law, and the right to the equal protection and benefit of the law without discrimination as is defined in the Charter of Rights and Freedoms. Some Members may remember the very hard battle fought by women to win this provision.

As Norma Scarborough of the Canadian Abortion Rights Action League pointed out to the parliamentary Committee on Equality Rights in June of this year:

> Our law discriminates by limiting a woman's right to control her fertility. A man suffers no such restrictions on his reproductive choice . . . Further, the law treats a medical procedure that pertains only to women in a way it treats no other medical procedure. Any man is free to decide on medical treatment in consultation with his physician, but a pregnant woman has no such freedom in making the abortion decision.

We have often pointed out, Mr. Speaker, that since 1971 the Canadian Medical Association has urged the Government to repeal Section 251 so that abortion will be a decision between a woman and her doctor. Since 1971 we in the New Democratic Party have been calling for the same, as have individual members of the Liberal and Conservative Parties, but unfortunately it has only been a minority in each of those Parties. We feel that decisions about the moral question of abortions are as much a fundamental right of individual women as the moral or religious beliefs of anyone else in our society.

It has been particularly good today to listen again to the Hon. Member for Capilano. Often in these debates over the past many years there have been no women speaking other than those in this Party. It has been refreshing to hear another woman speak in favour of choice on abortion. I remember one debate we had a few years ago in which all the speakers except one were men. I listened to the whole debate and began to get the feeling—although I do not ordinarily feel particularly feminist on this issue—that men were regulating something in the lives of all women that was not up to them to regulate.

The Acting Speaker (Mr. Charest): The Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) on a point of order.

Mr. Gormley: I very much do not want to interrupt the Member for New Westminster-Coquitlam (Ms. Jewett), so I will endeavour to deal with this quickly. I noticed that in the printing of my Bill there is an indication reference that the Bill is to be referred to the Standing Committee on Justice and Legal Affairs. At the end of June there were changes to the orders dealing with legislative committees. As a matter of a technicality, I would like the reprinting of the Bill to indicate

that it should be referred to a legislative committee. Would it be possible, Mr. Speaker, to have the consent of the House to agree to that? Then we could continue where we left off with the Member for New Westminster-Coquitlam.

The Acting Speaker (Mr. Charest): The Hon. Member for the Battlefords-Meadow Lake (Mr. Gormley) points out that he does not want to interrupt his colleague, but he is obviously not doing a very good job of that. He seeks the unanimous consent of the House to amend the motion. Is there unanimous consent?

Ms. Mitchell: No.

Ms. Jewett: No.

The Acting Speaker (Mr. Charest): There is not unanimous consent. The Hon. Member for New Westminster-Coquitlam (Ms. Jewett).

● (1750)

Ms. Jewett: Mr. Speaker, before the point of order raised by my friend, I was speaking about listening to these debates over the years and the feeling one had as a woman that men were trying to run and control an issue relating to women and their reproductive rights and that they really were not entitled to do so. I feel similar grief when I see a film like *The Silent Scream* which claims to depict the reactions of a foetus to abortion. I cannot help but feel that this is nothing more than shocking and alarmist propaganda which is very damaging to our ability to make informed, intelligent and reasonable decisions on this issue. As has been pointed out by people more qualified than I, the film is medically very inaccurate. Furthermore, it grossly misrepresents the work of organizations like the Planned Parenthood Federation.

If there is one thing that we want to do, it is to prevent unwanted pregnancies by assuring that women, particularly young women today, do not in fact become pregnant if they and their partner do not wish to have a child. Therefore, the Government should contribute a great deal more financial support to organizations such as Planned Parenthood of Canada. However, in the last two years of the Liberal Government there were cuts to Planned Parenthood and very recently the present Government cut 12.5 per cent from the budget of Planned Parenthood. The money was given to another organization that promotes only one method of birth control, namely the so-called natural method, when Planned Parenthood has been doing effective research and counselling of a variety of methods of available birth control for a number of years. Unfortunately, I am sure many Conservative members do not realize that the Government, at the same time, has decimated the budget of the Montreal-based Canadian Committee on Fertility Research from $110,000 to $30,000. That is the budget of an organization which is conducting very critical research on health risks associated with various birth control methods, including the pill and intra-uterine devices. It is learning from experience in other provinces and the experience of a variety of women throughout the country on what is the best method of birth control for certain types of women, including those who live in certain regions of the country as well as what may be the least effective types of brith control for those groups of women. If we want to ensure that there are fewer abortions in our society, surely one of the most important ways to accomplish this is to make more effective birth control possible.

With respect to the sexual education of young people, I was particularly affected by the March 4 speech given by the Hon. Member for Capilano. I keep referring to her because I have never had someone else on the right side of the issue. On March 4, as reported at page 2715 of *Hansard*, she said:

> We must make those kinds of fundamental changes—

that she has been talking about—

> —in assisting young Canadians to become more responsible, to have a greater understanding and to have access to information and services. We should put the emphasis on the prevention of unwanted pregnancies rather than on having to deal with the growing number of abortions, many of which are related to the socio-economic conditions of the women involved who have not had access to appropriate information. Perhaps they have been reluctant to have access to that information.

The Hon. Member continued:

> I think birth control information should be more publicly accessible to young women rather than in under the table discussions with girlfriends.

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member but her time has expired.

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I decided to speak about this Bill to amend the Criminal Code in relation with abortion because I do not agree with the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) about changing the present wording of the law to remove the words "or health". I can assure you, because, being a devout Christian and Roman Catholic, I have always been consistent in opposing abortion, but I do not agree that the words "or health" should be deleted.

I have always been in favour of abortion when the life or health of the mother is endangered, especially when a therapeutic abortion committee has examined her case. The mother's health means both her mental and her physical health. If a woman has a depression because she is pregnant and already has other children at home and life is not easy for her, or if her pregnancy brings on a depression for any other reason and she decides to commit suicide, it will not solve anything. In addition, if her physical health is so affected that she can no longer look after her other children or her husband and cannot meet all her other obligations, and if a therapeutic abortion committee has examined her case and decided that the physical health of this woman could be affected, we have to believe that the doctors are acting like responsible people. The wording of this section should therefore remain as it is.

I believe that the family unit is important. When the mother can no longer function properly because her pregnancy makes her sick, I believe that she should be able to decide—

The Acting Speaker (Mr. Charest): Order, please. I am sorry, but the hour provided for the consideration of private members' business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

EXTERNAL AFFAIRS—(A) IMPORTATION OF JAPANESE CARS—GOVERNMENT POSITION. (B) STATEMENT OF UNITED STATES OFFICIAL

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am delighted to take part in the adjournment debate and to consider more specifically a question I put to the Secretary of State for External Affairs (Mr. Clark) a while ago regarding the future of the automobile industry in Canada and Japanese car imports.

Mr. Speaker, the day I asked my question, there were a lot of developments. And I think the announcement made by the Minister of Regional Industrial Expansion (Mr. Stevens) today is very reassuring. I would like to join all Members of this House in congratulating the Hyundai company, which not only has confidence in Canada but, from what the Minister told us, decided on its own to consider locating in Quebec.

Mr. Speaker, at the present time the Lavalin group, for instance, is proceeding with studies to determine the best location for the company. I have a few suggestions to make.

I see the Hon. Member for Brome-Missisquoi (Mrs. Bertrand), and I am sure she will agree with me when I sing the praises of the City of Bromont which is located in her riding but provides jobs for both her riding and mine.

Mr. Speaker, you may know that demographically speaking, the City of Bromont has a population that is growing at a slightly faster rate than Quebec as a whole. The Bromont region, which, of course, includes Granby, Cowansville, and Waterloo, has great potential for Hyundai because it has a young population with more people under 25 and fewer people over 35, compared to the rest of Quebec. The population has a varied linguistic background, a large percentage of university graduates and a highly skilled labour force.

Consequently, Mr. Speaker, as far as industrial considerations are concerned, Hyundai would do well to consider the City of Bromont, because the region has had the benefit of prudent and enterprising municipal authorities who, by creating industrial parks and promoting their availability, have been able to attract over 250 businesses and generate nearly 17,000 jobs in industry.

The area has a very diversified industrial makeup with industries representing most of the major sectors, with particular emphasis on high technology sectors. I do not think it is necessary to refer to them by name since Hon. Members know of them and they would only be jealous.

As far as recreation and quality of life are concerned, I am sure that future Hyundai employees will find happiness and tranquility in the Eastern Townships.

I am therefore pleased with today's announcement, Mr. Speaker, and I dare hope that our wishes will be fulfilled. I must say, however, that I am disappointed with the attitude of the Minister of Regional Industrial Expansion who washes his hands of the other matters just as he did of the Hyundai matter. A Toyota plant is coming and I know that the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) has put together a group to attract it and I support her in her efforts. I hope that she will tell the Parliamentary Secretary, among others, to intervene on behalf of the Eastern Townships, as we have some 12,000 unemployed who are on welfare and anxious to work for the Toyota firm, Mr. Speaker. We are also interested in a Suzuki plant. Of course, there is the Bombardier company who operates already in the city of Valcourt and which has made a name for itself in the building of jeeps, military trucks, and which was awarded a great many contracts under the Liberal Government. It has acquired much expertise and trained a pool of skilled workers and is itself eager to start one day a car manufacturing company of its own. Mr. Speaker, I do not claim that we will some day resemble the South-Western Ontario area, but I am convinced that if there is a political will and if the various authorities consider objectively—I repeat, objectively—the conditions which exist in the Eastern Townships, they will immediately realize that it would be the perfect site for such a plant.

Over the next few weeks and months, I think that we will make a point of keeping an eye on the situation as it develops, because the Minister of Regional Industrial Expansion is not particularly keen on our region. As you know, we have had the Domtar experience, and if the past is any indication of the future, we know that we should not rely too much on him. I urge therefore my Quebec colleagues to be vigilant. This past Summer, I reminded some of them that it was their duty to work on the automobile plant issue and I see my friend the Hon. Member for La Prairie (Mr. Jourdenais) who woke up and precisely sought for his riding what I am seeking for mine, Mr. Speaker. I am sure that the Parliamentary Secretary will have no choice but to stand up and confirm that I am entirely right.

Mrs. Monique Bernatchez Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I should like first to thank my colleague for Shefford (Mr.

Lapierre) for his fine statement on conditions in his constituency. I think it would be advisable in his case as in the case of all Quebec members whose constituencies are ready to welcome major investments, especially where the automotive industry is concerned, to commend their situation to the company involved since it will be making the investments.

The Minister has already answered the question in the House today and I hope that my colleague has already made his representations, that his file has already reached Toyota because we all know that very soon the company will be making a decision based on an analysis of the various proposals.

We should also take in consideration the fact that other sites in Quebec as well as in many other areas have been proposed and the Minister has said that he let the company know about all possible locations in Canada and I think it would be the best way to help us in Quebec by letting the company know about these locations. It is precisely what my colleague for Shefford (Mr. Lapierre) has done as many others and I hope that he will be as successful with Toyota as he is with us.

• (1805)

[*English*]

INDUSTRY—MITEL CORPORATION—BRITISH TELECOM TAKEOVER PROPOSAL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I am almost tempted to say something about the great automobile City of Windsor and its super offer to Toyota. It would give magnificant possibilities to the many unemployed in my constituency. However, that is not the question before us this evening.

My question concerns Mitel. Of course it may seem a little out of date to be returning to a question which was raised on May 15. However, interestingly enough, the question is even more striking now than it was at the time. At that point the Minister of Regional Industrial Expansion (Mr. Stevens) was asked whether he would meet urgently with Mitel management to urge them to accept an 18 per cent takeover bid from British Telecom instead of the 51 per cent takeover which they wished to accept.

If that 18 per cent had been accepted, this would have given Mitel the cash which it required to do what was necessary to restore its financial viability by reducing its debt load. The basic problem of Mitel is a very significant debt load which has to be paid off and is responsible for the significant losses which the company continues to experience.

Originally our problem with the suggested takeover was that British Telecom was far too much influenced by and subject to the pressures of British legislation and British Government ownership. Second, we felt that this helped to contribute to the likely shift of employment from here in Canada to the United Kingdom and third, that as a follow-through from this job loss, there was also the potential that research and development would shift from Canada to Britain as the ownership and control by British Telecom came into place. Frankly, we also felt that Mitel was one of the important high-tech players in our economy and that it was important for our economic future for Government to support the role of high-tech industry.

• (1810)

Interestingly enough, the last two months of recess of the House have shown in dramatic fashion that the concerns we raised about Mitel were absolutely justified. We have seen that the Mitel takeover in Britain has been referred to the Monopolies Commission of that country. The Monopolies Commission in Britain has very significant powers. It has flexibility and a capacity to set conditions on takeovers, a capacity which is far beyond anything we have in the Canadian economy. While it is quite unlikely that the British Monopolies Commission will refuse to permit British Telecom to make any purchase of Mitel shares, it is quite likely that the Monopolies Commission will put in place severe conditions on the takeover.

Some of the conditions that are most likely to be put into effect come from the fact that the companies concerned in Britain are the potential competitors to Mitel for British Telecom business. They are particularly concerned that Mitel would be given preferential treatment as a supplier to British Telecom. That, incidentally, was the point used by the Minister of Regional Industrial Expansion to defend his support of the Mitel takeover.

It is quite likely that, because of the concern of these British companies, one of the conditions which the British Monopolies Commission will impose will be that Mitel will not be able to have a preferential position with respect to purchases made by British Telecom of telephone equipment. We are likely to lose that potential advantage. A likely additional condition that could be imposed by the British Monopolies Commission will be the authorization of a percentage of takeover lower than 51 per cent.

The second major development in the Mitel saga has been the recent announcement by the company that 440 jobs will be cut from its operations in Canada. Some of these jobs are in fact being shifted to other operations in Canada, but some are being transferred, as we predicted, to the U.K.

• (1815)

That brings me to a set of questions, Mr. Speaker. First, where was government leadership in trying to make Mitel a continuing high-tech leader in this country? Did the Government explore other private sector options? Dit it have discussions with Mitel to offer government help? Finally, why did the Government not take the advice we offered in May to have Mitel adopt an 18 per cent share offer from British Telecom which would have avoided the subsequent problems with the British Monopolies Commission, leaving Mitel and its employees very much hanging in limbo?

We have asked these questions. We hope the Government will finally give us some answers to them.

[*Translation*]

Mrs. Monique Bernatchez Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, following the Hon. Member's request last May, the Minister did in fact meet with the President of Mitel to find out where the company was headed.

At the time, Mr. Matthews informed the Minister that British Telecom was seeking to acquire control over the company, following common practice by taking an unconditional option on the purchase of 18.5 per cent of Mitel common shares. This percentage constitutes the maximum allowed under the regulations of the stock exchange and is meant to protect British Telecom from speculation on Mitel shares, pending decisions by the shareholders, the regulatory agencies and the courts. If the proposal is not accepted, British Telecom will have to decide whether or not to lift its option. Since the option on 18.5 per cent of the shares is unconditional, Mitel management might not be able to influence British Telecom's decision. Investment by the latter in Mitel would inject $320 million of fresh equity into the company, which it urgently needs to finance future expansion.

Mitel has needs that are common among hi-tech companies, in that it requires rapid access to capital as the company develops. During the last two years, it was able to maintain a remarkable rate of growth in sales, but on the whole, its financial results have been meagre. This poor performance has closed the doors to the financial markets to which its competitors have access and has severely taxed the resources of management which had to find alternative solutions.

Mitel recently launched a new type of automatic switcher, the SX 2000, developed in this country by Canadians with federal assistance, which will be one of Mitel's main products in the future. It will not be offered on the traditional markets, and to ensure its success, the company must dispose of the funds required to set up new distribution channels. If as a result of Government regulation, Mitel is prevented from getting access to financial markets, there is a possibility that Canada will not enjoy any of the financial benefits.

Mitel has shown it is capable of developing and manufacturing, in Canada, products that can be sold on the international market. The international telecommunications market is highly regulated and protected, and the fact that Mitel was able to overcome these obstacles demonstrates its strong competitive position.

Canadian businesses must have access to the most sophisticated communications techniques available to remain competitive, and Canadians who design and produce this technology should not be discriminated against in their own country.

In its report entitled *Telecommunications in Canada, Part III, The Impact of Vertical Integration on Equipment Industry,* tabled on January 7, 1983, the Restrictive Trade Practices Commission recommends that Bell be more receptive to innovations developed in Canada by businesses other than its own subsidiaries.

I would also like to come back to what the Hon. Member said about the transfer or loss of jobs at Mitel. The decision made by Mitel to transfer part of its production is an attempt to improve its operational effectiveness and profit-making position. For the last two years, this company has suffered losses. It has indicated that it is facing excess capacity. By transfering production and employees from Kanata to Renfrew, it would be in a better position to compete.

Estimates by the company itself clearly indicate that the number of jobs lost is, will be significantly lower than the one mentioned by the Hon. Member, and this decision will allow at least some Mitel employees to keep their jobs.

• (1820)

[*English*]

THE BUDGET—IMPACT ON AGRICULTURE. (B) EXCISE TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, on June 26 I asked the Minister of Finance (Mr. Wilson) if he would be willing to consider giving an exemption to farmers from the two cents a litre, nine cents a gallon, excise tax which he imposed in his Budget of May 23. In his response he was very evasive. He suggested that in fact the price of gasoline was going down for farmers. That was highly prophetic because when he spoke in the House and ate his humble pie, due to the old age pension reversal of the Government two days later, he in fact added another cent per litre or four and a half cents a gallon.

The reason I asked that question, Mr. Speaker, was that in the election campaign a year ago the Government made a clear statement that second on their list of agricultural commitments was a reduction in the price of farm fuel by 20 cents a gallon by removing the nine cents a gallon federal sales tax and by not collecting the current excise tax. It is my understanding that the Government is still collecting that original excise tax although it is being refunded.

Last November in fact the Government removed the excise tax on gasoline and gave an exemption to the petroleum compensation charge. That amounted to 4.8 cents per litre of gasoline for primary producers. However, on the first of June the Government moved to world price for gasoline and the exemption for farmers of 1.8 cents per litre was, of course, cancelled. However, the price of gasoline did not go down so that exemption was not available. In fact, the price of gasoline to farmers went up by 1.8 cents a litre on June 1. On September 3 the Government increased the excise tax on gasoline by 2 cents a litre, 9 cents a gallon. If we add the two together, the increase in price on June 1 and September 3, the primary producers end up paying 3.8 cents per litre additional or some $130 million on an annualized basis.

The Government clearly made a committee in the election campaign that it would take away the excise tax and reduce the price of farm fuels. I would hope that the Parliamentary Secretary, a distinguished Member of Parliament who I know

has the best interests of agriculture at heart, will want to come clean and indicate that the Government is prepared to keep its election campaign promises and will remove that excise tax. It clearly is unfair. It is being imposed at a time when western Canada, all parts of Canada, are facing severe stress in agricultural commodities, such as the prices for hogs, beef and grain. On top of that, there are drought conditions in the west which are absolutely devastating.

I mentioned earlier that the Minister of Finance was going to impose an additional cent per litre on January 1, 1987. Of course, the other three cents per litre runs out on December 31, 1986. So during the next 16 months, combined with the last three months, we will see an increase in fuel prices for farmers of at least 31 cents or 32 cents per gallon, which is totally and completely contrary to what was promised during the election campaign.

• (1825)

There is a very serious situation in agriculture today. Bankruptcies and foreclosures are rising dramatically. World commodity prices for beef, hogs, and grain are dropping. In view of this, I hope the Government will decide to keep its campaign promise and reduce the two cents per litre or nine cents per gallon excise tax on farm fuels which it imposed just last week.

Everything I have said applies, of course, to the forestry, fishing and mining industries. There was a campaign promise that the excise tax would be removed, yet the Budget indicated that the tax is going to go up at a time when fuel prices should be going down. I hope the Parliamentary Secretary is able to tell us that the Government is prepared to keep its promise and remove the excise tax.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is a constant surprise to see the Hon. Member for Algoma (Mr. Foster) persist with that kind of questions. His is a consummate adeptness to behold the straw in his brother's eye, while not seeing the beam in his own. Knowing what they did in the past and our experience with the price of gasoline, they defeated the former Government of the Right Hon. Joe Clark in 1979, on a mere increase of 18 cents per gallon, only to impudently raise it afterwards by more than a $1.

And now they want to split hairs about that increase, all the while forgetting, whether willingly or not, my feeling is it is unwillingly, all this Government has done for farm producers over this last year. More has been done in twelve months than in twenty years, because for once we have moved in the interests of farm producers, something which had not been done for years.

[*English*]

Let me first of all state the Government is fully aware of and sympathetic to the extreme hardship being experienced in certain areas of agriculture. The drought and the grasshopper infestation in areas of western Canada are creating particularly severe problems for farmers. The Government is very concerned about the immediate problem facing farmers as well as the longer term challenges facing this vitally important component of the Canadian economy.

[*Translation*]

We are fully aware, Mr. Speaker, of all the problems now facing farm producers. We have reduced the cost of gasoline and removed taxes. These measures will come into force on December 1st, 1985.

[*English*]

The Petroleum Fuel Tax rebate reduced the price of farm fuels by 21.6 cents per gallon. When added to the rebate of the excise tax the effective saving to farmers was 28 cents per gallon.

[*Translation*]

It must be kept in mind that all these efforts have been made during the year. We are going to do more. We have fulfilled almost all our election commitments, Mr. Speaker. My colleague from Algoma (Mr. Foster) knows this very well for he is monitoring activities in committee and in here. He is aware of our work, and it is my view that this Government, through the Minister of Finance (Mr. Wilson) and the Minister of Agriculture (Mr. Wise) has met its obligations to Canadian farm producers, Mr. Speaker.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, September 13, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

NATIONAL PARKS

CALL FOR CREATION OF QUEEN CHARLOTTE ISLANDS PARK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wish to draw to the attention of the House the situation in South Moresby in the Queen Charlotte Islands. I had the opportunity last week, along with my wife and other friends, including Bill Reid, the famous Haida artist, to sail for six days around the South Moresby parts of the Queen Charlottes visiting the traditional Haida sites, seeing the most magnificient primeval forest on the face of the globe, which is really an environmental treasure. There is limitless aquaculture, among the richest in the world. It is nesting grounds for hundreds of varieties of birds.

This, of course, is the traditional home of the Haida nation.

For over 4,000 to 6,000 years they have lived there and built up a unique culture and tradition, and depended upon the resources of the islands and the sea for their livelihood. That is all threatened, of course, by prospective off shore drilling. It is also threatened by indiscriminate logging, particularly on Lyell Island and, potentially, some of the rest of South Moresby. If this continue indiscriminately, the country will lose a priceless heritage.

I wish to suggest to the new Minister of the Environment (Mr. McMillan), and congratulate him upon his appointment, that he, buttressed by the Minister of Indian Affairs and Northern Development (Mr. Crombie), negotiate with the Province of British Columbia for a national park, recognizing the traditional rights of the Haida people in such negotiations and making an accommodation with the logging industry so that selective logging can still take place in other parts of the islands.

Some Hon. Members: Hear, hear!

[*Translation*]

REGIONAL DEVELOPMENT

CONSTRUCTION OF LOCK ON RIVIÈRE DES PRAIRIES

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, the Rivière des Prairies was savagely closed in 1929. Since then many representations have been made by the *Association pour l'aménagement de la rivière des Prairies* to open the river to boating through what is called a lock.

Last June 12, I had a special meeting with representatives of the association and seven other departments involved. This organization has been fighting for many years to have a lock built across the Rivière des Prairies and it deserves much better attention. For Parks Canada, nothing seems to be too positive, yet they adamantly refuse because they have no direct interest. Closed for 56 years, this navigation channel has not been the source of development which is going on elsewhere.

Things do change, Mr. Speaker. On March 14, 1985, Quebec Government Minister Brassard announced a $4.5 million contribution to finance the Rivière des Prairies lock. We also have the support of the neighbouring communities, but we are still waiting for the federal Government.

The Trent-Severs Canal has 45 locks, many of which have been rebuilt, repaired or twinned by the Government and Parks Canada, no less. Since then, a dam is the only thing that has been built across the Rivière des Prairies. The residents of Duvernay and Laval have made several official requests to the Liberal Government but they have yet to hear a favourable response.

Mr. Speaker, those people are full-fledged citizens, they have always paid their taxes and they rightfully expect their fair share of funding. In short, our aim is to re-open this waterway in the interest of the people of Laval and Montreal because the river—

Mr. Speaker: Order, please. I regret to inform the Hon. Member that his time has expired.

[*English*]

Mr. Robinson: Mr. Speaker, the simultaneous translators must have had a nightmare with that one.

S.O. 22

WOMEN

SEXUAL VIOLENCE STATISTICS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the annual Take Back the Night Marches being held across the country this weekend and next weekend serve to highlight the pervasive problem of violence in our society. Studies indicate that 83 per cent of women have experienced sexual violence and that violence of this kind is on the increase. Indeed, the statistics are chillingly familiar. One woman in ten is beaten by her husband or mate, and a rape is committed every half hour in this country. According to Pierre-Marc Johnson, the Quebec Justice Minister, some 256,000 in that province alone are chronically beaten.

Unfortunately the Conservative Government to date has done little to respond to the plight of Canadian women. As part of its election platform, the Tories promised to increase funding to sexual assault centres which provide essential counselling and support services for the victims of sexual violence. To date we have seen no action taken on this promise. In fact the Tories have indicated their intention to cut transfer payments to the provinces. Rather than providing greater support to sexual assault centres, this may have the effect of a reduction in funding for transition houses and other shelters for battered women. Nor has the Government seen fit to provide adequate funds for research on batterers. Given the documented increase of violence against women at all levels of our society, this oversight is inexcusable.

We call upon the Government to take urgent action on this serious problem.

* * *

[*Translation*]

TEXTILES AND CLOTHING

NEED TO ENSURE SURVIVAL OF DOMINION TEXTILE

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I wish to draw the attention of the House to the situation now prevailing in the Canadian textile and clothing industry, and voice the concerns of employees in the industry, business people, mayors and chambers of commerce in the Valleyfield area and the population in general.

Not long ago, Canada's biggest textile manufacturer, Dominion Textiles in Montreal, announced it was closing its plants in Saint-Jean and Valleyfield, thus adding to a long list of shutdowns and jobs lost in the textile sector.

Mr. Speaker, Dominion Textiles maintains it had no choice but to proceed with these shutdowns, considering the dramatic increase in clothing imports in Canada since 1979.

Despite an ambitious program, the industry has been unable to compete with foreign imports, especially from countries with low labour costs.

We have no reason to believe that the industry alone will be able to improve its competitive position in the foreseeable future.

Mr. Speaker, that is why I want to ask the Minister responsible for these issues to immediately take steps to ensure the survival of an industry that employs more than 170,000 people in Canada, 90,000 of whom work in Quebec.

Finally, I want to ask the Minister of Regional Industrial Expansion (Mr. Stevens) to provide for a long-term textile and clothing policy. Such a policy would ensure that Canadian manufacturers have a share of the domestic market, thus guaranteeing the industry's viability in this country.

Mr. Speaker, the future does not look promising.

Mr. Speaker: Order! I am sorry to interrupt the Hon. Member, but his time has expired.

* * *

[*English*]

FINANCE

HEALTH PRODUCTS TAXATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I was going to use this opportunity to register my objection and the objection of my Party to the move by the federal Government to deindex family allowances. However, I have just been handed a letter from a Chairman of one of the Conservative caucuses which I felt deserved reading into the record.

Dear Ms. Copps:

Thank you so much for your letter of September 3rd, 1985 on the subject of tax on health products.

By now you will have undoubtedly heard that a sympathetic and compassionate Conservative government has not only undertaken not to impose any such new taxation but also to remove taxes imposed on health products by the former heartless and contemptible Liberal government.

Please, when you rise in your place, to bestow thanks and appreciation upon the Minister of Finance try to control your understandable emotions of gratitude and affection towards the Prime Minister, the Minister of Finance and Conservatives in general since ladies ought to appear seemly at all times.

The letter is signed by the Hon. Member for Western Arctic (Mr. Nickerson). I thought this matter deserved attention in the House, particularly in light of the fact that the statements in this letter are absolutely false.

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, recently the Minister of National Health and Welfare (Mr. Epp) stated that the Government wants to bring forward initiatives which will enhance both the Government's position relative to the family but, more important, show that the family is the cornerstone of society.

It is ironic that while he extols the virtues of the family in theory, in practice his Government is reducing the indexation on family allowances, is reducing the eligibility and indexation for the child tax credit, is cutting transfer payments to the provinces for family health and education, and is chopping funds for planned parenthood.

I am tired of this Minister's platitudes about helping those most in need while the government Budget widens the gap between rich and poor, subsidizes failing banks, and attacks universal family allowances. Social policy groups have shown that lower and middle groups will be the losers by 1990 as a result of this Government's Budget. Families will lose $600 million in family benefits by 1990.

• (1110)

I call upon all people who care about families, especially those who won the fight for universal pensions, to reactivate this fight now on behalf of Canada's children. Universal family allowances must not be decreased by a reduced indexation.

* * *

FORESTRY

CANADA-UNITED STATES TRADE—STATEMENT MADE BY NDP MEMBER

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, yesterday in this House, while discussing the controversial Gibbons Bill now before the U.S. Congress, the Hon. Member for Skeena (Mr. Fulton) stated that our Government was not doing enough to prevent this legislation. And I quote from *Hansard* at page 6539:

Surely . . . the Prime Minister . . . has awakened to the economic guillotine raised by the Gibbons Bill.

I travelled with the Hon. Member for Skeena to Washington this summer to discuss the issue of countervailing duties against our softwood lumber products with a group of American Congressmen. Our Government invited the Hon. Member for Skeena to take part in even further discussions with Congressman Gibbons in Vancouver last month.

The Hon. Member knows that we are very much aware of the inherent dangers in protectionist legislation south of the forty-ninth parallel, but when he talks of "waking up" to the issues, perhaps he should counsel his own Party and, while he is at it, the Liberal Party as well.

Those Hon. Members have to learn that they cannot continue to talk out of both sides of their mouths when it comes to the Americans. There is a iplace for valid criticism but you cannot attack the United States on the one hand, abusing, demeaning, and insulting it, while on the other hand you are pleading with it to buy our B.C. lumber. These people are our friends and our greatest market-place. They have no friends in the New Democratic Party or the Liberal Party. What the opposition Parties have to wake up to, Mr. Speaker, is the fact that, when you talk out of both sides of your mouth, people stop listening.

S.O. 22

INDUSTRY

SYDNEY STEEL CORPORATION—SIZE OF RAILWAY ORDER

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, over the summer the people of northeastern Nova Scotia, who are already hard hit by the Government's Budget, received yet another economic blow. Canadian National Railways, the biggest customer of the idle Sydney Steel Corporation, announced in July that it had decided to purchase almost 30,000 tonnes of rails from foreign suppliers.

CN officials also confirmed at that time that its purchase of rail from Sydney Steel for the coming year would be down significantly, indeed, that it would actually be less than one-third of the tonnage which CN purchased from Sysco last year. All of this occurred despite the promise of the Conservative Member of Parliament for Central Nova (Mr. MacKay) that CN would purchase rail exclusively from Sysco.

While Rome burns, the Government and the Minister of Regional Industrial Expansion (Mr. Stevens) continue to fiddle. At the time of the announcement the Minister even admitted that he was completely unaware of CN's decision to buy rail from foreign sources. Over the last year we have continually been told that the federal and provincial Governments were very close to reaching a cost-sharing agreement on the second and final phase of the modernization program at Sydney Steel. The replacement of Sysco's outdated hearth with a new basic oxygen furnace is desperately needed.

Surely, Mr. Speaker, the Government of Canada and the Government of Nova Scotia ought to come together forthwith to give a clear, firm, positive commitment with respect to the modernization of Sydney Steel and they must stop their deception and deceiving tactics, not only for the sake of the steel workers in Sydney, Nova Scotia, but for all Nova Scotians—

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

* * *

INTER-PROVINCIAL TRADE

ONTARIO BRICKS BANNED IN QUEBEC

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, at a time when we find the Conservative Government expounding the merits of free trade with the United States, I think it would be well for it to look at something which has happened only a short distance from Parliament Hill.

[*Translation*]

When I got off the bus Wednesday night, I saw a hole where the sidewalk used to be.

[*English*]

M.J. Robinson Trucking Limited has been forced to tear up $8,000 worth of laid brick sidewalk in Aylmer, Quebec, because the bricks were manufactured in Nepean, Ontario. The spokesperson for the Quebec Transport Ministry, which is sponsoring the construction, stated that by law all goods used

on work for the Ministry must be manufactured in Quebec. The Government should look at the potential of free trade in our own country before rushing headlong into negotiation of free-trade arrangements with our neighbour to the south.

* * *

VISIBLE MINORITIES

REPRESENTATION IN PUBLIC SERVICE

Mr. Sergio Marchi (York West): Mr. Speaker, on Monday we learned that Canadians from visible minority communities represent only 1.7 per cent of all employees within the federal Public Service. The under-representation of visible minorities within the federal Public Service was not a well concealed secret. Monday's findings, however, clearly demonstrate the alarming degree of this imbalance, especially when one considers that the presence of visible minorities within the Canadian labour force is estimated at 4 per cent.

In response, the President of the Treasury Board (Mr. de Cotret) announced a number of measures. While they are no doubt a beginning, they largely focus on data collection and monitoring rather than on immediate hiring and training and a workplace free of discrimination.

• (1115)

If the Government is to encourage other levels of government and the private sector to pursue employment equity successfully, then bold and decisive action should be the order of the day. In June of last year the Prime Minister (Mr. Mulroney) declared: "I believe there is no obligation more compelling and no duty more irresistible than to ensure our minorities live at all times in conditions of fairness and justice." It would be highly appropriate for the Conservative Government to recall those words, for Canadians are anxiously waiting for these statements to be translated quickly into reality. Surely the time for platitudes is over.

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—AUTHORIZATON OF BAIL-OUT PACKAGE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Prime Minister. The Minister of Finance and the Minister of State for Finance have created a financial nightmare. It is absolutely sickening to think that two Cabinet Ministers could have been so grossly irresponsible with the taxpayers' hard-earned money. Therefore, why did the Prime Minister authorize the bail-out package when it must have been obvious that the Minister of Finance did not have the foggiest notion of what the true assets of the Canadian Commercial Bank were in March? The Minister was flying by the seat of his pants. Why did the Government and the Minister brazenly pretend that they knew what was going on when they hadn't a clue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose there is one way to find out whether my right hon. friend is telling the truth or is whistling in the graveyard. And that is to do what is provided for by the rules of this House, namely, that a matter of this complexity be analyzed in a fair and above-board manner by a committee of this House so that appropriate value judgments can be made.

There can be no doubt but that the Minister of Finance and the Minister of State for Finance, when confronted with a difficult situation, consulted the appropriate officers of the Government of Canada and brought forward a recommendation. This was then discussed with the Opposition and received, as I recollect, the benediction of the Official Opposition.

Mr. Broadbent: Right!

Mr. Mulroney: We recognized, and I think everybody in Canada recognized, that it was in the interests of all to attempt to save that fledgling institution in western Canada. It was done in good faith, and it clearly did not work out. Well then, if there is responsibility or blame to be apportioned, there is a fair and honourable way of doing it, that is, through a dispassionate and objective analysis in a parliamentary committee. We have been recommending this for some days and I hope my right hon. friend will agreed that is the fair way to do it.

[*Translation*]

INQUIRY WHY GOVERNMENT DID NOT CONVINCE MAJOR BANKS TO LEAVE DEPOSITS UNTOUCHED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary for the Minister of State (Finance). The Liberal Party went along with the assurances given by the Prime Minister and his Ministers that the arrangements made for the Bank in March were worthwhile. They were not. Why did the Minister of State (Finance) not try to persuade the big banks to leave their deposits with the Canadian Commercial Bank? Was it because she was unable to provide the arguments that would convince them? Why did she give Parliament the impression that she had actually set up a rescue plan with the CCB, although no sensible arrangement based on fact existed?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have explained to this House that we went to the Canadian people with the best information we had available in a situation where there were depositors and borrowers in the western economy at risk. I would be very interested in knowing, based on that information, if the Opposition would have supported us if we had shut the bank down at that time.

MINISTERIAL RESPONSIBILITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have just a short question for the Minister of State for Finance. What does it feel like being responsible jointly with the Minister of Finance for the biggest bank fiasco in Canadian history?

Some Hon. Members: Hear, hear!

• (1120)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I stand here and say that I am a very proud associate of the Minister of Finance of this country.

Some Hon. Members: Hear, hear!

Mr. Deans: You also said that the banks were safe.

Mrs. McDougall: I can also say that I am very proud of the actions that we have taken to enhance the supervisory capability in this country, which is something that his Government never did.

Some Hon. Members: Hear, hear!

Mr. Deans: Think how proud she will be when they do something right.

ROLE OF CHARTERED BANKS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. On Friday, March 22, the Government brought together representatives of the major banks and urged them to contribute millions of dollars to rescue the Canadian Commercial Bank. Will the Minister confirm that these banks, when presented with a segment of the CCB's loan portfolio—a segment identified by CCB management rather than by Government regulators—asked for examination of the entire CCB portfolio and offered to provide enough people to do the work over the weekend, and that their offer was refused?

Some Hon. Members: Oh, oh!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the discussions that were carried on were between the bank and our officials. The package that came together did so out of mutual agreement. I cannot comment on a discussion to which I was not a party.

EXPENDITURE OF TAXPAYERS' MONEY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the same Minister. What possible justification can the Government have had for expending millions of dollars of taxpayers' money, not only without security, but without any information other than that provided by the organization asking for the money?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the management of the bank came to us and presented us with a problem which they had identified, and they made available to us the best information that they could at that time. We presented that same information—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: How did you verify it?

Mrs. McDougall: Mr. Speaker, we based our support package on our discussion with the banks which, at the end of the day and the end of the negotiations, were prepared to participate in the system. I do not know what went on behind closed doors. We had no reason to challenge the figures that were presented by the bank—

Some Hon. Members: Oh, oh!

Mrs. McDougall: —based on the information that was available to us at that time.

Mr. Cassidy: Incompetence, that's what it is.

Mrs. McDougall: As the Hon. Member knows, we moved on behalf of the depositors and borrowers of that bank. That is something which we felt responsible for in the failing economy which that Government created.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): They laugh at western bankruptcies.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, that is like saying that the fire department has no reason to challenge the word of an arsonist.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I want to understand the Minister's position as she has explained it this week. She has given two reasons for the fiasco at the Canadian Commercial Bank. One is that there was a confidence problem related to the level of deposits. The second explanation she has given is the bad debt position.

If the problem was one of bad debts, why in heaven's name did the Government not take the three days which were necessary in March to have a comprehensive assessment of the debt position of the bank done? Or, if the problem was one of deposits and the withdrawal of money after the bail-out took place, why did the Government not insist that the chartered banks, which were part of the deal, accept their moral responsibility by keeping their money in the bank? In either case, will the Minister admit that there was a monumental goof on the part of the Government with the taxpayers' money?

• (1125)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the Hon. Member has had that question answered many number of times—

Mr. Broadbent: No. Not at all.

Mrs. McDougall: —and this is exactly why we have been asking to put it into the committee. I went before the Standing Committee on Monday, at my request. I talked to it for about three hours around the situation in the bank. At the end of that three hours I said I was prepared to go back at any time.

We have been attempting—

Mr. Deans: Why don't you answer the question?

Mrs. McDougall: —to have a reasonable and rational discussion about every aspect of what has happened in this bank, and I am asking you today to agree to this committee discussion so that we can carry on a rational conversation about this.

Mr. Broadbent: The questions that the committee can deal with are important. They concern a lot of technical information. However, the issue at stake here in this Parliament of Canada is the willingness of the Government of Canada to accept ministerial responsibility. That is what we are talking about today.

MINISTERIAL DECISIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Prime Minister, and I will ask it carefully. The Minister has given two reasons for the Government becoming involved in this fiasco. The first was that the fiasco was a byproduct of the banks withdrawing money after the original bail-out took place. She shifted ground yesterday and said no, the real reason for the problem was the assets of the bank.

Will he not admit that, in either instance, it was ministerial decisions that were involved? If it was an asset problem originally, why did the Government not take the time to do the three-day assessment to look at those assets, instead of putting millions of dollars of taxpayers' money at risk? If it was a withdrawal of money in recent months, why did the Prime Minister not phone the heads of the banks and tell them to leave their deposits there?

Mr. Speaker: Order.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, he has asked a number of questions and I will try to deal with the fundamental one. What transpired was that the Minister of State for Finance and the Minister of Finance, for both of whom I have the highest regard and great confidence, were confronted with a very serious problem. Nobody likes it. Canada has a strong banking system and nobody likes to be confronted with a problem of this nature.

The problem was that a relatively small financial institution based in western Canada ran into a serious problem of liquidity. It came to Ottawa and to the chartered banks. All of the appropriate officials were consulted.

Mr. Deans: No.

Mr. Mulroney: I am trying to provide an answer. The appropriate officials were consulted and a package was put together in co-operation with the chartered banks pursuant to the best advice that was available.

The alternative at that time was to say no, that we would allow a western Canadian institution to fail without any help from the Parliament of Canada. We were not going to do that and we did not do that. I think it is a tribute to the Minister of State for Finance and the Minister of Finance that what they did was to come forward to Parliament and say that it was a serious matter and present the serious types of packages that were designed in a way which we believed would save this institution. We received the benediction of the Official Opposition—

An Hon. Member: On your assurances.

Mr. Speaker: Order.

Mr. Mulroney: And that was the best assurance that anyone can give.

Mr. Speaker: Both the questions and the answers should be shorter, please.

Mr. Broadbent: I simply say to the Prime Minister that if he had taken three more days last March he might have saved the taxpayers of Canada a billion dollars. That is what he ought to have done.

WITHDRAWALS MADE BY CHARTERED BANKS

Hon. Edward Broadbent (Oshawa): The purpose of my question to the Prime Minister is to find out who is really going to pay for all of this, and who benefits. The banks withdrew some $386 million since March, which they will obviously keep. Yesterday we learned, incredibly, that they will be paid back their original $60 million which we thought was going to be at risk.

• (1130)

We thought that was going to be at risk, which means that the banks—

Mr. Speaker: Order, please.

Mr. Broadbent: Considering that the taxpayers are going to pay about $1 billion and that the banks are getting all their money back, when is the Prime Minister going to stand up for the taxpayers of Canada instead of the bankers of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have indicated, and I think it is consistent with Canadian

traditions, that first we hear the evidence before we hang anybody. All we are saying is in a complex—

Mr. Deans: Why didn't you get the evidence before?

Mr. Mulroney: I ask the Hon. Member if the bankers are all presumed to be criminals, why do you have your money in the banks? The New Democrats have their money in the bank.

Mr. Deans: You are at fault.

Mr. Mulroney: Presumably these are honest people entitled to the benefit of the doubt. I have said this and I will repeat it, the matter ought to go to committee for a fair hearing—

Mr. Deans: You ought to accept responsibility.

Mr. Mulroney: —so that full light can be cast upon all transactions. If there has been anything improper, that will come out. If there has been anything illegal, we will instantly prosecute. We are here to defend Canadians and that is what we are going to do.

Mr. Deans: Yes, six months later.

[*Translation*]

REQUEST FOR EXPLANATION OF MINISTER'S STATEMENT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of State (Finance). Last March, the House was informed that an injection of $255 million would save this Bank. This was stated very clearly by the Minister. We were also informed that the banks had taken part in a full evaluation of the assets and that they had helped to establish that the 255 million would save the Bank. However, yesterday we were informed by the bankers themselves that this was not the case and that the Minister's statements on the subject were not very accurate.

The *Calgary Herald* reports that the Minister of Finance—

Mr. Speaker: Order! I am sure the Hon. Member has a question.

Mr. Garneau: Indeed I do. My question is quite simple: Why did the Minister mislead the House?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I take that accusation very seriously. I have never deliberately misled this House, as the Hon. Member knows. We were faced with a situation in March where western depositors and western borrowers were going to face a real problem. We had two choices. One was to close down the institution based on the information we had, and the other was to look after the depositors and the borrowers of that institution based on the information we had. We chose to look after the borrowers and to look after the depositors.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR DETAILS OF LOAN MADE TO NOVA SCOTIA PROMOTER

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if the Minister had a duty to protect the borrowers, as she just said, does she think it fair that after the Government of Canada invested $255 million in this Bank, the Bank's management should grant loans bearing 30 per cent interest to a developer in Nova Scotia? Does the Minister really think she is protecting taxpayers' money by letting this kind of thing happen?

[*English*]

Mr. Mulroney: That is why it should go to committee.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we began with the problem in March in which we put money into an institution that we felt was well worth the effort of trying to give it a future.

An Hon. Member: Risking our money.

Mrs. McDougall: We continued to monitor that situation. We continued to watch what was happening in that bank. When we discovered that another decision had to be taken, we took that decision, based on the problems on the asset side of the balance sheet.

CHARTERED BANKS' RESPONSIBILITIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Prime Minister. We now know that the banks were depositors in March at the time of the bail-out. We now know that the banks throughout the summer withdrew substantial sums of money, over $300 million, money which was replaced by the Bank of Canada—by the taxpayers of Canada—and we now know the banks are having whatever is left that belonged to them covered by the taxpayers through the Government's actions. Not once, not twice, but three times a bail-out.

I ask the Prime Minister why did the Government permit the banks to transfer their responsibilities to the Canadian taxpayers?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am not sure whether the Hon. Member is referring to the support package and the way it appeared in today's press, but the legislation that we will be presenting next week will not include funds to be paid to the banks.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I am not really quite sure where the NDP got that idea.

Mr. Turner (Vancouver Quadra): From you.

Mrs. McDougall: They never got it from me. The position will be, Mr. Speaker, and I would like to take a minute on this,

if I could have the attention of the House, to explain, because the position in the support package—

Mr. Ouellet: Statement.

Mrs. McDougall: —the position of the support package in non-technical language—

An Hon. Member: Go back to school.

Mrs. McDougall: Do you want the answer?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: I will give the Minister a little bit longer. She may be verging on what should properly be a statement. However, go ahead.

Mrs. McDougall: I am trying to respond to the question around the ranking of banks, Mr. Speaker. The ranking is that the banks in the support package rank with depositors when assets are liquidated in the event of a winding-up. Our legislation will be presented showing that we are taking over the uninsured deposits and become the uninsured depositor, which ranks equally with the banks when the assets are liquidated. There will be no funds asked of Parliament for the banks. I am not sure where Hon. Members over there got that idea.

USE OF TAXPAYERS' MONEY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is relatively simple and it is for the Prime Minister. Given what we now know about the amounts of money taken by the banks from the Canadian Commercial Bank over the summer, and given that we now know that the Bank of Canada, using taxpayers dollars, put the money back that was taken out, is the Prime Minister prepared to stand up and tell the people of Canada, the taxpayers, why their taxes will have to be raised in order to cover up the incompetency of the Government's actions last March?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let us understand it. Is the Member for Hamilton Mountain, on behalf of the NDP, telling the people of Canada that last March, faced with an important matter involving western Canada, the Government of Canada, which has pumped, for example, hundreds of millions of dollars into Canadair in Montreal, should have said no to western Canada? Is that what the Hon. Member is saying? Because that is not the position of this Government.

Some Hon. Members: Hear, hear!

Mr. Deans: I will tell you what you should have done.

Mr. Hnatyshyn: You are anti-west.

Mr. Deans: You should have looked into it.

Mr. Mulroney: That is what they are saying—

Mr. Speaker: Order, order!

Mr. Deans: You had time to look into it.

Mr. Mulroney: You are going to have to answer for the position you have taken.

Some Hon. Members: Shame.

Mr. Gauthier: Is this civility?

Some Hon. Members: Oh, oh!

Mr. Mulroney: Next?

Mr. Clark (Yellowhead): Here is the Ontario leadership of the NDP.

Mr. Speaker: It seems to me that the more serious the subject, perhaps that we ought to pay greater attention to try to deal with it calmly. The Hon. Member for Algoma.

* * *

AGRICULTURE

BEEF STABILIZATION PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, we have seen a great example of the Prime Minister's civility this morning.

My question is for the Minister of Agriculture. In his absence, perhaps I might put it to the Prime Minister. He knows that the agricultural industry, especially the red meat sector, is facing one of its most desperate periods in history, and especially the red meat industry as a result of the low prices caused by the American countervail and the millions of pounds of EEC subsidized beef being brought into the country.

On August 29 the Minister of Agriculture met with the hog and beef producers and made a commitment to bring a stabilization program before Cabinet this week. Did the Minister of Agriculture keep his promise? Did he bring a stablization program to assist this industry before Cabinet this week? Was the Cabinet able to deal with it—

Mr. Speaker: Order. Order. That is two or three questions.

● (1140)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, perhaps I could respond on behalf of the Minister of Agriculture. He is seized with this particular issue at the present time. He has brought it before Cabinet, and it is currently being considered.

TIMING OF GOVERNMENT ACTION

Mr. Maurice Foster (Algoma): Mr. Speaker, it seems that a matter like providing $1 billion to a busted bank, when in the end we only have a busted bank, can be decided on in a weekend. However, this matter has been going on for several weeks—

Mr. Speaker: Order, please. The Hon. Member had a very long preamble to his first question. Does he have a question immediately, please?

Mr. Foster: Is the Minister aware that by delaying this decision, it further balkanizes the agricultural market of the country, that we are pitting one province against another in stabilization programs, and that we are really bringing on countervail duties by the United States and other countries?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Minister of Agriculture is very deeply concerned about continued balkanization. He is trying very desperately to work together with the provinces to reach an agreement so that we can have a national stabilization program which will be effective all across the country.

With respect to the earlier part of the Hon. Member's question, may I just remind him that the Government has unleashed $1.2 billion worth of money to the agricultural industry since it took office.

An Hon. Member: It also unleashed Barbara McDougall.

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—WITHDRAWALS BY CHARTERED BANKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. It concerns the events surrounding the collapse of the Canadian Commercial Bank and the events of last March. He just told the House that in March it was a liquidity problem as far as the Government saw it. Could he, therefore, explain why it was, when it became evident very soon thereafter that the chartered banks and other banks were withdrawing hundreds of millions of dollars from that bank, that he and the Government did not get on the phone and make the bankers who had participated in the rescue effort keep their funds in rather than contribute to the liquidity problems of the CCB?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first the question was: Do you assist, do you attempt to assist, or do you turn them down and say no. We felt that it was worth while trying to save that financial institution. Some time later in the course of events, which has been described and responded to by both Ministers in the House, changes arose that clearly resulted in—and it can only be qualified with an understatement—a regrettable situation. We want all the facts out. We have nothing to hide. We want all the facts out. Even if there is blame to be apportioned, we want the genesis of this to be examined as well—what gave rise to that economic situation in western Canada which caused such damage to these kinds of brand new institutions.

I invite my hon. friend to accept the reference of this matter to committee so that all these questions can be fairly put and fairly answered, so that Canadian people can make up their minds.

[*Translation*]

WITHDRAWAL OF DEPOSITS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I shall repeat my question since I failed to elicit a response from the Right Hon. the Prime Minister.

If it was a cash flow problem in March, why did the Government not do anything to prevent the chartered banks and the other banks from withdrawing deposits of hundreds of millions of dollars, that is the liquid assets of the Canadian Commercial Bank during the months of March, April, May and June? Why did you not take action and insist that they assume their share of responsibility, which would have been to keep the bank solvent?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe I have already said that it is indeed the kind of value judgement which a parliamentary committee would make in an enlightened and reasonable manner, if that was warranted by the situation. As I said, the bottom line is if anyone has misled Parliament, if someone is guilty of any wrongdoing, we will take full legal action. I would suggest however, and I think you will agree with me, that the appropriate forum to make such recommendations is a parliamentary committee appointed to shed light on the whole issue. We have absolutely nothing to hide. We want to make that quite clear to all Canadians and we do urge Opposition Members to endorse the immediate creation of a parliamentary committee.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

EXTRADITION OF ALLEGED AMERICAN CRIMINALS

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Justice my question is directed to the Secretary of State for External Affairs. A great many Canadians are most concerned about the continued presence in our country of Charles Ng and Joseph Kindler, two Americans who have allegedly committed very serious crimes in the United States. Are they to be extradited and, if so, when will they be extradited to the United States?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, in the absence of the Minister of Justice perhaps I could respond on his behalf. As the Hon. Member will know, this is a matter which is before the courts at the present time and it would be inappropriate, as a consequence, for the Government to comment. I will bring the concerns of the Hon. Member to the attention of the Hon. Minister. I know that he is certainly aware of the concerns of many Members in the House on the subject.

Oral Questions

FINANCE

DRUG TAX EXEMPTIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Prime Minister. Last May his Government introduced certain illness taxes on over-the-counter drups. When the political heat was on in August, certain drugs were exempted. How did the Government arrive at the drugs which were exempted?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the decision that was arrived at was very sensitive to the fact that there were some people who were more affected than others and, after consultation with them, the Minister was in a position to say that there were things to which he would like to have a sensitivity.

REQUEST FOR REMOVAL OF KALL DRUG TAXES

Ms. Sheila Copps (Hamilton East): Again I will direct my question to the Prime Minister. Does the Minister not have a sensitivity to cancer, glaucoma, Parkinson's disease and heart disease? These are some of the treatment drugs which were not included in his exemptions. Will he not state in the House today that the time has come to remove illness taxes, once and for all, for all Canadians who need over-the-counter drugs?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member asked that question. As she has identified in the House, the Minister of Finance removed the taxes not only on some of the items which would have been covered under the Budget in May, but in fact he removed taxes of the Liberal Government which had been in effect since 1968. For instance, it had taxes on such things as sugar testers or glucose monitors for people who suffer from diabetes. Those have been removed as well.

I would suggest to the Hon. Member that she should be careful when she talks about illness taxes. However, the Minister has even gone further. We are having further consultations with groups such as the ones she mentioned to see whether or not other steps should be taken. Not only have we gone further than the Budget of May, we have even removed taxes which they imposed in 1968. They saw no moral issue at that time but sure do now that they are in opposition.

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—GOVERNMENT POSITION

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Prime Minister. In an attempt to sort all the factors concerning CCB, we come upon some conflicting statements. The Prime Minister stated that liquidity was the problem and that the Government had to act in order to protect all depositors in western Canada. Now we hear that the reason the Government had to pull the plug on CCB was the extent of the non-performing loan portfolio. Could the Prime Minister explain the difference and the reasoning behind the difficulties of CCB as the Government sees them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, all I can indicate to my hon. friend is something which I know he understands. Given the complexity of this kind of situation, the only forum in which it can be properly discussed with maturity and fairness, where cross-examination can take place, where proper depositions and witnesses can be heard, is a parliamentary committee. We have been suggesting that, in fairness, so that reputations are not unfairly tarnished, that the truth comes out, and that it be done in a spirit of openness. We have absolutely nothing to hide. We want all the facts out so that Canadian people can make an appropriate judgment.

POSITION OF CHARTERED BANKS

Mr. Simon de Jong (Regina East): Mr. Speaker considering that Bill Mulholland, Chairman of the Bank of Montreal, told us in the Finance Committee last night that all the bankers or experts in that room, when the package was being considered, told the Government that its information was insufficient or suspect, why did the Government decide to proceed and risk $1 billion of Canadian taxpayers' money?

• (1150)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have never, ever denied that it would have been nice to be able to spend the weeks involved in looking at the balance sheets. I am a balance sheet analyst. I know how long it takes to perform this task. If they felt that they had inadequate information at that time, they were free not to participate but the decision had to be made in a way that looked after those depositors and borrowers. The risk that we were prepared to take, and that they were prepared to take, was that this institution could succeed. We were on the side of the people involved in this bank as depositors and borrowers as it was an important western Canadian financial institution, something to which this Member should be sympathetic.

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AGRICULTURE

FEED FREIGHT ASSISTANCE PROGRAM—PLIGHT OF FARMERS IN ATLANTIC CANADA

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is for the Acting Minister of Agriculture. As has been pointed out by a previous question, the agricultural community in Canada is experiencing extreme hardship, particularly in the East due to the inequities in the Feed Freight Assistance Program. Can the Minister advise the House what the Government intends to do to assist farmers in the East address this very serious problem concerning the Feed Freight Assistance Program?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I know the Minister of Agriculture is looking at this particular issue and I will certainly draw the Hon. Member's representations to his attention next week.

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EXPORT DEVELOPMENT CORPORATION

PLACEMENT OF LEGAL BUSINESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister for International Trade and concerns the Sam Wakim affair. When the Minister evaded a straightforward question that I asked him yesterday on a matter directly within his personal knowledge, he gave the impression that he was trying to hide something. I will ask him again. When did the Minister have that meeting with Sam Wakim? What firm was Mr. Wakim representing at the time? Who was it who initiated that meeting?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I want to assure the Hon. Member that I have nothing to hide. Late last fall a number of lawyers, including Mr. Wakim approached me to discuss the possibility of performing legal services for EDC. We felt that other firms should have that opportunity and so we asked EDC to explore that possibility. EDC advised us that it was prepared to explore that possibility if three criteria were met. I told the Hon. Member of those three criteria. I passed that information on to Mr. Wakim and others. It was available to anyone else who wanted it. EDC, not I, set the criteria, determined whether or not those criteria were met, and retained Weir and Foulds.

The last point I would like to emphasize right now is that I could not and did not any time give assurances to Mr. Wakim or anyone else regarding EDC's legal services.

REQUEST FOR COMMITTEE REFERRAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, my supplementary question is directed to the Prime Minister who must surely see that the questions I asked were not even addressed in the answer given by the Minister. The Prime Minister made several long statements today advocating the use of a parliamentary committee to review matters and has established a patronage review committee. In the spirit of that committee, I would ask that the matter of the appointment of his friend Sam Wakim to do important work which could be worth $1 million per year, work that affects Canada's external trade and image, be referred to that committee.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have been reading lately of a good lawyer friend of mine, a classmate, who apparently did business with the Government, and this has caused us some concern. I am of course referring to a good friend of mine, Raynold Langlois, son of Liberal Senator Langlois, who got $368,000 from the Government last year and who was a classmate of mine. I never complained about Raynold Langlois getting that business. I never complain about any Liberal lawyers getting $400,000 or $500,000 worth of business. I never try to sully their reputations. It was printed yesterday that my old pal, Raynold Langlois, received $368,000—

Mr. Ouellet: My old pal?

Mr. Mulroney: He is also a friend of the Hon. Member for Papineau. We all went to law school together. He has done amazingly well. He has not been harmed by his membership in the Liberal Party. Why do Liberal Members not talk about that every once in a while rather than trying to savage people's reputations?

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HOUSING

SOCIAL HOUSING PROGRAMS—FEDERAL-PROVINCIAL NEGOTIATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, in the absence of the Minister of Labour who is responsible for housing, my question is addressed to the Prime Minister. Will the Prime Minister confirm to the House that in the Minister's negotiations to hand over delivery of social housing programs to the provinces he has decided to divert federal taxes to provincial shelter allowance schemes and to require that poor people pay 30 per cent of their income for rent-geared-to-income housing, or in some cases 35 per cent, rather the the present 25 per cent?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Minister of Labour, the Minister responsible for Canada Mortgage and Housing Corporation, I will take notice of that question and ensure that the Minister gets back to the Hon. Member at the earliest possible date with the detailed answers that have been requested today.

ELIGIBILITY FOR SOCIAL HOUSING

Mr. Dan Heap (Spadina): Mr. Speaker, while that request is being conveyed to the Minister of Labour responsible for housing, I would ask that the House Leader also ask him to confirm that it is his intention to disenfranchise childless couples and childless singles from eligibility for rent-geared-to-income housing.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, without accepting for a moment the premise of the question, the answer to the Hon. Member's first question applies to the second as well.

Oral Questions

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—REQUEST FOR MINISTER'S RESIGNATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister will have the weekend to reflect. I believe that the evidence that has come before the House, the country and the committee during the week, has revealed a shameful incompetence on the part of two Ministers, and incompetence costing the country about $1 billion. I believe that the Prime Minister will recognize that some heads should roll. I am not talking about officials, I am talking about Ministers because under parliamentary government there is ministerial responsibility. Will the Prime Minister, during the weekend, hold the Minister of Finance and the Minister of State for Finance to account and ask for their resignations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I understand the role of the Opposition and the important responsiblities that the Leader of the Opposition must assume in a parliamentary democracy. I have had the honour of serving in that position myself and I believe I understand the imperatives of the job.

The Right Hon. Leader of the Opposition refers to the question of shameful incompetence. He is entitled to that opinion in regard to the Minister of Finance, in regard to myself, or in regard to anyone else. I would be surprised if it were otherwise. However, that is not a view that is sustained by any evidence whatsoever. It is not a view that has been tested, as it always must be, in the fairness that prevails in the parliamentary tradition, and that is why I have been pointing out respectfully to my right hon. friend the danger of the smears in which he has been involved. They are not in keeping with his character or his reputation and not in keeping at all with the honourable reputation he has established in this House.

I would say something to my right hon. friend that I think he already knows. The Minister of Finance and the Minister of State for Finance are two extremely impressive, loyal, and honourable public servants. If there are any attacks against their reputations, I would ask my right hon. friend to make those attacks in a precise way. However, he ought to have no objection whatsoever to agreeing immediately to the creation of a parliamentary committee so that on Monday morning we can begin the objective analysis that will allow Canadians to make the appropriate judgments.

Some Hon. Members: Hear, hear!

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● (1200)

SEARCH AND RESCUE

PROTECTION OF OFFSHORE OIL RIG WORKERS

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of National Defence. Is it the intention of the Government to implement the recommendations of the Royal Commission on the *Ocean Ranger* dealing with search and rescue and, specifically, does the Government intend to acquire helicopters with the range and hovering capability to protect our offshore workers, as recommended by the commission, in time for winter drilling?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member has long displayed intense interest in the improvement of search and rescue facilities, particularly in Atlantic Canada. I can tell the Hon. Member that of the 66 recommendations which came forward in the first report, 55 of them have either been implemented or are on their way to being implemented. Of the 70 in the second report, some 50 have been implemented or are on their way to being implemented.

The report of the royal commission to which the Hon. Member refers was received by me on behalf of the Government on June 28. As he knows, being as familiar as he is with the rules of the House, the Government has 120 days to respond. At least, that is the target. We should know the answer to the specific question he poses when we come forward with our response to that report.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Thursday, September 12, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

CABINET COMMITTEES AND ACTING MINISTERS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 47(2), I have the honour to table in both official languages copies of Order in Council No. 1985-2653 concerning the composition of Cabinet committees, the lists of Acting Ministers and Ministers who may act for the Prime Minister.

As tradition has it, Mr. Speaker, unanimous consent of the House must be obtained to have this lists published as an appendix to *Hansard*. I would ask for that unanimous consent in this instance.

Mr. Speaker: The House has heard the suggestion. Is it agreed?

Some Hon. Members: Agreed.

[*Editor's Note: For list referred to above, see Appendix p. 6615.*]

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APARTHEID

STATEMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I wish to speak to the House about apartheid and about what Canada can do to end a repugnant racist system. I am guided by two realities: first, that Canadians are offended by, and abhor, the practice of institutionalized racism by a society which claims to share our values; and, second, that Canada's influence is limited but real, and our challenge is to take practical steps which help to end apartheid.

Expressing our outrage is part of our duty and those Canadians citizens who join in peaceful protest and demonstration help to show the South African Government how deeply the people of this country are offended by their racist practices.

It is also part of our duty to make clear to South Africa that Canada is prepared to invoke total sanctions if there is no change. As a general principle, we believe that diplomatic and economic relations should exist even though Governments might disagree. Indeed, if we had accepted six months ago the advice of some groups that we break all diplomatic and commercial relations with South Africa, we would be in no position today to act individually or in concert with other nations to add to the pressure being felt by the South African Government.

We fully recognize, however, that Canada has a responsibility to provide both moral and practical leadership. The Government of South Africa should have no doubt that we will invoke full sanctions unless there is tangible movement away from apartheid.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I will be reviewing today the actions Canada has taken, announcing new initiatives and asking the House to consider avenues of influence which we, our fellow citizens and our friends in the world can pursue. However, first, I think it helpful to indicate some of the changes we seek to bring on those norms of behaviour we expect of all civilized countries, changes which would prove that South Africa is moving away from apartheid.

[*Translation*]

The changes we are seeking include first of all, establishing common citizenship, which means the same political rights, including voting rights, for all and eliminating the different classes of citizens.

Second, abolishing the laws by which South Africans are classified according to colour or race. Third, freedom for all South Africans to live, travel and work without being subject to arbitrary constraints.

Fourth, independence for Namibia in accordance with United Nations Resolution 435. This would be a major indication that South Africa is willing to accept its neighbours and live on peaceful terms with them. However, the most important points are those I am about to announce now.

First, liberation of political prisoners—the liberation of the leaders of the African National Congress and the United Democratic Front who were forced to resist the apartheid system.

Second, the establishing of a process of consultation and negotiation with the true leaders of those who are referred to as Indians, blacks and coloureds. In other words, such consultations cannot be restricted to the leaders of the Homelands.

[*English*]

Finally, the initiation of a process of reform based on consent, not imposition or coercion. Such a process would clearly lead to representative institutions which include blacks. These are key steps, for it is not Canada's or any other country's consent or support which is crucial to this process. It is the consent and support of South Africans of every race and colour which counts.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): What we are witnessing in South Africa, rather than change, is a deepening crisis. Demonstrations, strikes and acts of resistance against an injust system continue. They continue to be met with violence, arbitrary arrest and detention—measures of repression and control rather than conciliation.

We condemn the detention of the leaders of the United Democratic Front—Professor Farouk Meer, and others. We are shocked by the detention of Allan Boesak, the President of the World Alliance of Reformed Churches, who a short while ago visited Canada and spoke to us not of revolution or violence, but of justice, equality and reconciliation. We deplore the heartlessness of a Government which keeps behind bars the now seriously ill Nelson Mandela.

We call on the South African Government to release all those whose offence is simply to oppose apartheid.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We add the names of Tutu and Boesak to that of Mandela among those who should be invited for dialogue, not rebuffed, relegated to silence, or dismissed with concept.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It would be tragic if history were to repeat itself and the UDF were to be cast in the role of ANC as something to be stopped, repressed, rendered illegal.

Bishop Tutu can no doubt bear his rebuff from President Botha. Both Nelson Mandela and Allan Boesak may bear their imprisonment. But can South Africa bear the result? It is clear that one more community in South Africa, the business community, is beginning to have its doubts. Their confidence shaken, business and investors within and outside South Africa have fostered a wave of disinvestment—without the prompting of Governments, but surely reflecting both the events on the ground in South Africa and the signals many Governments have sent. If some South African entrepreneurs have, for too long, lent support to apartheid, the consequence of their movement now cannot be overstated.

• (1210)

Canada's contribution to bringing about those new realities, recognized by South African businessmen, has been significant. Our policy, through several administrations, has been one of consistent opposition to apartheid.

More recently, at Baie Comeau on July 6, I issued a statement of policy on behalf of the Government of Canada. Basing ourselves not on our own righteousness, but on our common humanity, we introduced 10 steps, including certain economic sanctions, to strengthen our opposition to apartheid, and two measures to foster peaceful change.

We ended the Program for Export Market Development and the global insurance policies written by the Export Development Corporation in so far as they applied to South Africa. That lived up to the pledges of the former Government and stopped all official support for trade and investment in South Africa. These two trade measures sent very distinct signals.

We broadened and tightened application of the United Nations arms embargo so as to include a broader range of high-technology items, including computers. We have been the only Government to announce the abrogation of our Double Taxation Agreements.

[*Translation*]

We have drawn the attention of Canadians to the resolution of the Security Council prohibiting the sale of the krugerrand. We were not disappointed in our hopes that the people selling these gold coins in Canada would get the message, since sales have practically ceased altogether.

We have drafted policies on sports events, official meetings and co-operation. We have made it known that the custom processing of Namibian uranium would come to an end upon expiry of current contracts, at whatever cost.

We have announced the appointment to our embassy in South Africa of an officer responsible for labour issues, in order to maintain direct contacts with those South African workers who support reform. The officer will be selected in consultation with the Canadian Labour Congress.

We have more than tripled funds earmarked for the education and training of blacks, which means we will be able to provide 40 bursaries during the present financial year. We are delighted with the Canadian labour movement's decision to support the training of blacks in South Africa, and we shall welcome any initiative or contribution from other sources.

[*English*]

But that has not been all. Other levels of Government have also sent strong signals. A number of provinces have seen this as a special case and have shown by their actions that Canadians in all parts of our country abhor apartheid. In addition, private Canadian companies have voluntarily announced that they will no longer purchase South African products. Canadian labour has consistently spoken out against apartheid, and now some Canadian unions have refused to unload a ship carrying South African steel. Universities are debating disinvestment of their South African holdings. This issue has, in a dramatic manner, affected Canadians as a people, and South Africans who condone apartheid should know that they offend not just the Government of Canada, but our people and our values.

In focusing that anger, in applying steady pressure for change, we must have the best information and judgments we can get on how to use our influence most effectively. We will work closely with our friends. The distinguished African leader, the Chairman of the Front Line States, President Julius Nyerere of Tanzania, has been invited by the Prime Minister (Mr. Mulroney) to pay an official visit to Canada which will take place from September 24 to September 26. The Secretary General of the Commonwealth will visit Canada in early October. We will seek their advice and that of other leaders opposed to apartheid, particularly in the Commonwealth and among the front line states. We expect the meeting of the heads of government of the Commonwealth in mid-October to provide an opportunity for common action against apartheid.

We are taking a number of further measures as the Government of Canada as part of our continuing pressure against apartheid. First, as I believe the House knows, I am meeting with a number of representatives of Canadian business and finance in order to examine areas of co-operative action against apartheid because I believe that there is a very real possibility that where Governments may not have influence on some levels of the business community and the bureaucracy in South Africa, Canadians active in business could well have the influence which could add to what Governments, Parliament and public officials are trying to do.

The first meeting took place on September 9. The others will follow shortly, on September 17 and September 20.

Second, the Canadian Government is introducing a voluntary ban on loans to the Government of South Africa and all of its agencies. We are asking all Canadian banks to apply such a ban and we have reason to believe that they will do so. Some have already acted on their own and we welcome that. The ban will not affect any outstanding credits nor prevent loans that would clearly be to the benefit of blacks.

Third, I am announcing the appointment of Mr. Albert Hart as administrator of the Canadian code of conduct for the employment practices of Canadian companies operating in South Africa. Mr. Hart has had a distinguished career as a

public servant in Canada including appointment and service as High Commissioner to Ghana. Mr. Hart will take up his duties shortly and will be in touch with the companies concerned. We are today issuing a standard reporting format for the annual public reports which have been requested by the Government under the code of conduct.

Fourth, the Canadian Government will apply a voluntary ban on the sale of crude oil and refined products to South Africa. To this end, we are asking Canadian companies not to enter into any contracts for the sale and export of these goods to South Africa. Our sales in this area have been limited in the past. This measure is being taken now to ensure that Canada does not become an alternative source of supply in the future.

Fifth, we are bringing in an embargo on air transport between Canada and South Africa. It will cover both cargo and passenger flights. As we have no bilateral air agreement, neither country's airlines have obtained traffic rights from the other country for scheduled international services. Direct air transport between the two countries has, in consequence, been limited to occasional charters. The effect of this measure is therefore to stop those charter flights and to rule out reciprocal air service at least until the process of dismantling of apartheid is well engaged.

Sixth, a register has been opened for the voluntary measures which Canadian provinces and municipalities, as well as private institutions, organizations and firms have taken against apartheid. Thousands of Canadians have acted quietly on their own in protest and we encourage others to do so. Individuals and institutions which wish to do so are invited to register their actions by writing to me and indicating what they have done. The list of measures will have an exemplary impact and will be conveyed to the Secretary General of the United Nations in the expectation and with the recommandation that other nations might follow suit so that there will develop a world wide register of the actions of individuals who abhor apartheid.

Seventh, in view of the increasing number of arrests of non-violent opponents of apartheid, I am today announcing that an additional $1 million will be allocated on humanitarian grounds to assist the families of political prisoners and detainees in South Africa. These funds will be channelled through organizations such as the International Defence and Air Fund for Southern Africa and Canadian groups which are actively supporting the victims of apartheid.

In the prevailing circumstances, we must proceed with prudence and determination so that the words we say and the actions we take, alone or in concert with other countries, will help end injustice and violence. There have been some hopeful signs in recent days regarding the pass laws and common citizenship. We do not know whether the reforms hinted at will be realized but we certainly wish to encourage movement in that direction, and encourage the efforts of those South African business people who have long supported reform and who have now taken the initiative to encourage dialogue with the true representatives of blacks in South Africa.

• (1220)

The days and weeks ahead will be marked on our side by a continued search for steps which may help to bring justice to South Africa and greater harmony to the region. For Canada that search will centre on consultations with our partners in Africa and elsewhere in the world, but particularly on the Commonwealth. Nor, of course, do we exclude talks with South Africa if the door remains open and we can influence events.

Seven of South Africa's close neighbours are Commonwealth countries and an eighth, Namibia, has been invited to join. Their people are closely linked. Their economies are deeply dependent on one another. Their security and their standing cannot be separated. There can be no peace in the region while South Africa remains at odds with its Commonwealth neighbours and while they live in fear of it. Apartheid is a Commonwealth problem. The question is not whether the Commonwealth has a role; by force of circumstance it must be concerned and involved. More than that, the Commonwealth has traditions and historic ties with South Africa which have prepared it to play a reconciling part if the Government of South Africa opens the door to it.

Despite the sharp differences which have divided Governments, the people of the Commonwealth and the people of South Africa are from the same traditions. There is a disposition to be hopeful and to seek reconciliation among South Africa's neighbours. What we must know is whether it will be reciprocated.

Another forum whose unanimous resolutions have consistently been ignored by the South African Government is the United Nations. At the imminent General Assembly, as it has in the past, Canada will encourage upon the world community the sort of concerted action which should leave South Africa with no doubts about the repugnance of its policies. As the world speaks, the unusual phenomenon of growing pressure on the South African Government from within that country will be given an opportunity to bear fruit. Our actions today, those taken by other Governments, and those actions which will be taken, will collectively keep the pressure on. If the Government of South Africa remains unbending to that pressure, then Canada will be left with no recourse other than to end our relations absolutely.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, it is with pleasure that I rise in the House this morning to take part in this debate, but first I wish to congratulate the Minister on his presentation.

[*English*]

I think this statement is welcomed by this House and I—

Some Hon. Members: Hear, hear!

Mr. Chrétien: If there is a subject we should try to be very united on, it is the issue of apartheid in South Africa. We in

this land know it is possible to overcome differences. We have come a long way down that road. Therefore, we should have absolutely no reservations about trying to make a positive contribution to make sure that every human being is equal around the globe. The situation in South Africa is a very good example of discrimination and domination which has to be strongly rejected. I am very glad that the Minister has come forward with this statement this morning because we need a comprehensive statement on this situation.

This past summer it appeared to be difficult for the Minister and the Prime Minister (Mr. Mulroney) to find common ground on this issue and I am happy to see that there now seems to be one position which is acceptable to everyone in your party and I am very pleased with that. The speech and all the remarks before the inauguration of sanctions were very good. But I think there is a big gap between the rhetoric and the reality. I wish the Minister had been able to get up in this House and say that by, for example, January 1, 1986, we will sever our relations with South Africa if it does not act accordingly. This is because in analysing the situation in South Africa we realize that the moderates there are moving. It is not only on one side. The business community is now taking some positive steps to put pressure on the administration there and I think that economic sanctions are the answer. Some people feel that Canada has played a small part in the economy of South Africa. But, on the other hand, if every nation moves strongly and rapidly, the Government of South Africa will have no choice but to move. That is why I think the speech, the rhetoric, is very good but I am a bit disappointed that the Minister could not impose sanctions or give orders to certain people in Canada, many of whom we can give orders to, not to do business with South Africa. Of course, many of the banks have already stated their position that they will not lend South Africa any more money. But the problem is that we have to create a strong impression and thus my difficulty is with the actions of the Government. I think it might be seen by some as effective as mandatory sanctions; I agree with the Minister on that. But we see the debate in the United States where the President made a statement on apartheid which included somewhat less than the expected sanctions proposed in the Senate which is dominated by the Republicans. We saw what the EEC did this week. They put in place mandatory sanctions against South Africa.

So I feel the action is somewhat weak, but I do not want to be partisan and difficult about it. I just hope this will work. But we have to make clear that my such and such a date we will impose mandatory sanctions against South Africa in every field. I am glad to see that the Minister is even threatening to sever our relations with South Africa because that is what I wish we would do, to be very clear if thiings do not change very dramatically. Sometimes, when we are trying to find our way, we give a very confusing image of Canada, as happened this past summer. Our ambassador was recalled but the explanation given was that it was not quite a normal recall but that he was just recalled for consultation. I should have been made very clear that we had recalled him to give him new instructions or even to keep him here. But we did not do that. We waffled. We waffled as well between the statement of the Minister and that of the Prime Minister. Now it seems that there is cohesion in the Government and I think we are happy to support that.

The Speech is perfect but the action is weak. I hope the Minister will take the opportunity when it arises to set the date and say precisely what the action will be. Of course, one might argue that it will not have a big effect because the economic relations between Canada and South Africa are limited to something like $400 million in trade. That will not kill them. But if all nations of the world do the same thing we will succeed and there will be more justice in that country. There are political prisoners there just because they have expressed a political view. I am glad they have been named and the Minister is offering some help for their families and so on. We welcome that. But we have to keep the pressure on and encourage a dialogue between the moderates and the Government in South Africa to start soon.

There is a solution to these problems. Of course, some people are preoccupied with the fact that some of their privileges will disappear. But what is important is to give all the fundamental rights to the black people and I know and you know that when they are equal and first-class citizens of that land they will want the country to progress. I think humanity will be better off for that. So we welcome this move by the Minister in the sense that it shows cohesion in the Government against apartheid.

I think the action could have been stronger, and I hope it will not be seen that we are waffling somewhat. It would have been easy to say that these sanctions have to be followed rather than making them voluntary. The result may not have been different, but the speech would have been stronger and more influential. We have made some progress in that businesses and citizens have decided to use the peaceful tools they have of putting economic pressure on the business community. If the nations of the world were to do that from the other side, progress would be made. It is a step in the right direction. We must be as united as possible in that policy in Canada because, even though we are small and humble, we have had some experience of that nature in this land. We have proved that there is much generosity in human beings. This world problem presents an occasion to display that generosity. I welcome the statement and I hope that the Minister will tell South Africa exactly what we will do on January 1, 1986 if they do not move. I hope he will keep pressure on the Government to ensure that political prisoners will be freed as quickly as possible.

• (1230)

[*Translation*]

By doing so, Mr. Speaker, we could have made our contribution, because Canada is a country that could play an important role, considering the fact that as a country, we have shown it is possible to accommodate the differences that exist within a nation, and while giving all citizens a chance to be equal and

to keep their differences, their cultures and their language, to accept people of a different colour as equals and invite them to share in the benefits and responsibilities of Canadian citizenship.

Mr. Speaker, if they want to do the same thing in South Africa, I am confident that blacks and Asians and whites can live together, with a measure of good will, while respecting each others differences, and join in building a society that is truly worthy of the modern world.

[*English*]

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, we, too, welcome the statement of the Secretary of State for External Affairs (Mr. Clark) today. I am very pleased that he is continuing to influence and develop the Government's South Africa policy. The development has been slow, contradictory, and not enough but I, and I am sure many others, welcome the Minister's efforts.

For decades we in this Party have called for an end to the apartheid regime in South Africa. We have called for active Canadian and international efforts to end apartheid and bring about majority rule in that country. We urged the previous Liberal Governments to end Canada's *de facto* support for the regime in Pretoria through government assisted exports and traditional "quiet diplomacy". Despite continuing racism, repression and murder, and the ever-mounting international pressure for the isolation of South Africa, the Liberals did not act. Although the Hon. Minister says they would act today, they did not act over 20 years.

Once again, recent events in South Africa have caused widespread shock and revulsion in the international community and in Canada. Since the killings at Uitenhage on the 25th anniversary of the Sharpeville massacre, it has been a bloody year for South Africans. The unacceptable use of repression, force and murder by the state has been met in South African by resistance and abroad by revulsion and shock. No Government which must rely on such savage methods can make a claim to legitimacy among nations or support from its own people.

As Nelson Mandela said more than two decades ago, "Naked force and violence is the weapon openly used by the South African Government to beat down the struggles of the African people and to suppress their aspirations". What more evidence do we need than that only last night, more than two decades later, seven more blacks were killed. The brutal use of violence by a police state will ultimately lead to the defeat of those who employ such violence.

As the Minister has pointed out, the apartheid regime of South Africa now sits condemned, as it should have long ago, by international public opinion, by the family of nations, and by the inevitable course of history. The world and the majority of people in South Africa demand an end to apartheid. It is an unreformable evil that changes to citizenship regulations and pass laws will not correct. It is founded on racism and enforced by violence. Its "reform" will come only through the establishment of majority rule.

New efforts and energies must be directed to the struggle for liberation and human decency in South Africa. While the Minister's statement is most welcome, it does not sufficiently represent the kind of new efforts which must be undertaken by Canada and other countries. In his statement the Minister said that in focusing our anger and applying steady pressure for change we must have the best information and judgments we can get on how to use our influence most effectively.

Nelson Mandela, in prison for 20 years or more, says that Governments must impose full economic sanctions. That is his judgment. The judgment of Desmond Tutu is the same. Seventy-three to 77 per cent of the black African population has said the same. That is their judgment on how to use our influence most effectively. In fact, other Canadians have taken as many, and sometimes more, initiatives until now than has the federal Government. Seven provincial Governments have established some economic sanctions by banning South African liquor sales. In fact, the Premier of Quebec has charged that the federal Government has lobbied the provinces not to take such actions. Trade unions in Canada have called for economic sanctions and the labour movement has refused to handle South African cargo at Vancouver. Petro-Canada has banned its latest sulphur shipment to South Africa, once again running ahead of External Affairs which has asked "to be kept up to date" on such initiatives. Even the Conservative Party leader in Manitoba has called for Canada to sever all economic relations with South Africa.

The Government has an obligation to undertake efforts and initiatives at least equal to those being undertaken by the people of Canada. In our view the Government should initiate a program of staged economic sanctions to be implemented within specific time limits in the absence of the dismantling of apartheid and concrete moves toward majority rule. As I have noted, South African blacks themselves are calling for such sanctions.

Canada should also actively promote at the United Nations broader international trade sanctions. There should be a tough mandatory rather than voluntary code of conduct, for Canadian business now operating in South Africa, and a government ban on any further Canadian investment in that country.

I welcome the Minister's call for the release of all political prisoners and detainees, especially ANC and UDF leaders. I urge him to consider Canadian financial assistance to the legal defence of such prisoners and the granting of charitable tax status for Canadian-based organizations providing such legal support. The Minister might also now consider something which the previous Government refused to do, namely matching funds raised in Canada by the Canadian Aid for South African Refugees Organization through CIDA. We have asked for this for a number of years. However, it has never been granted.

• (1240)

Perhaps the Minister would consider providing matching funds to aid South African refugees as we have matching funds in other parts of the world to aid refugees.

Next, Canada must firmly renounce the illegal South African occupation of Namibia, in defiance of the United Nations and the work of the Western Contact Group. If Canada is to remain a member of that group it must work more rigorously for speedy South African withdrawal and a settlement that will include the active participation of SWAPO.

Finally, Canada must undertake special development assistance and support for states neighbouring South Africa to end their vulnerability to South African attack and their dependence on the South African economy.

Change will come to South Africa. It will either continue to be bloody and revolutionary, brought about by continued state repression and violence, or it will be peaceful orderly change through the speedy dismantling of apartheid and the establishment of majority rule.

The further measures announced by the Minister today, while most welcome, are largely voluntary. Canada can act now. Only by taking the lead in the community of nations in the imposition of economic sanctions—staged economic sanctions as we have said—within publicly stated time limits can other nations be influenced to take similar actions and can fundamental change become hopefully a reality in South Africa.

* * *

PETITIONS

GAS PRICES IN NORTH BAY

Mr. Moe Mantha (Nipissing): Mr. Speaker, I have a petition from the City of North Bay and area asking for fairness in gas pricing in North Bay which is five cents to six cents higher than in areas like Mattawa, Cobden, Verner and Sudbury. They are asking for action to be taken.

UNEMPLOYMENT INSURANCE RELATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by many people from Alberta, specifically Calgary and Red Deer. This petition calls on the Government to remove Section 57 of the Unemployment Insurance Act which uses pension income as earned income in calculation unemployment insurance benefits.

OPPOSITION TO CANADA-UNITED STATES FREE TRADE

Mr. Elliott Hardey (Kent): Mr. Speaker, I wish to present a petition signed by approximately 550 workers at the International Harvester truck assembly plant in Chatham, Ontario. They oppose the concept of free trade with the United States. They fear that companies will consolidate and close Canadian operations.

FAMILY ALLOWANCES ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of National Health and Welfare) moved for leave to introduce Bill C-70, an Act to amend the Family Allowance Act, 1973.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: No. 231.

[*Text*]

GOVERNMENT FUNDS ALLOCATED FOR RESEARCH

Question No. 231—**Mr. Howie:**

From January 1, 1984 to January 1, 1985, what amount of government funds were allocated for research into the causes and treatment of (*a*) cancer (*b*) multiple sclerosis (*c*) kidney disease (*d*) heart disease?

Hon. Jake Epp (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

(a) Fiscal year 1984-85	$1,431,259.93
(b) Fiscal year 1984-85	26,995.00
(c) Fiscal year 1984-85	138,560.91
(d) Fiscal year 1984-85	761,065.10

In so far as Medical Research is concerned:

(a) Calendar year 1984	$6,786,035
(b) Calendar year 1984	401,994
(c) Calendar year 1984	4,207,490
(d) Calendar year 1984	10,500,934

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF ACT

Hon. Ray Hnatyshyn (for the Minister of Finance) moved that a Ways and Means motion to amend the Customs Tariff, laid upon the Table on Thursday, May 23, 1985, be concurred in.

Motion agreed to.

TAX COURT OF CANADA ACT

Hon. Ray Hnatyshyn (for the Minister of Finance) moved that a Ways and Means motion to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act, laid upon the Table on Monday, September 9, 1985, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Hnatyshyn), which was agreed to on the following division:

(*Division No. 111*)

YEAS

Messrs.

Althouse	Fennell	Mailly (Mrs.)
Beatty	Ferland	Mantha
Benjamin	Fulton	Marin
Blackburn	Gormley	Mazankowski
(Jonquière)	Gurbin	McCrossan
Blais-Grenier (Mrs.)	Hamilton	McCuish
Collins (Mrs.)	Hardey	McKenzie
Comeau	Heap	McKinnon
Cook	Hees	McLean
Cooper	Hnatyshyn	Mitchell (Ms.)
Corbett	Hovdebo	Moore
Côté	Jewett (Ms.)	Nickerson
(Langelier)	Kelleher	Nielsen
Crosby	Kempling	Oberle
(Halifax West)	King	O'Neil
Desjardins	Ladouceur	Parry
Desrosiers	Lanthier	Porter
Dick	La Salle	Price
Duplessis	Lawrence	Redway
(Mrs.)	Lewis	Robinson
Ellis	MacKay	Rodriguez
Schellenberg	Tardif (Mrs.)	Vankoughnet
(Nanaimo-Alberni)	(Charlesbourg)	Vézina (Mrs.)
Scowen	Thacker	Vincent
Suluk	Towers	Weiner
	Tupper	Witer—71.

NAYS

Messrs.

Allmand	Gagliano	Lapierre
Axworthy	Garneau	Malépart
Baker	Gauthier	Marchi
Boudria	Guilbault	Nicholson (Miss)
Caccia	(Saint-Jacques)	(Trinity)
Copps (Ms.)	Henderson	Robichaud
de Corneille	Hopkins	Rompkey
Finestone (Mrs.)	Johnston	Tobin—23.
Foster	(Saint-Henri-Westmount)	

Mr. Deputy Speaker: I declare the motion carried.

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Erik Nielsen (for the Minister of Finance) moved that Bill C-71, an Act to amend the Customs Tariff, be now read the first time and printed.

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

* * *

TAX COURT OF CANADA ACT

MEASURE TO AMEND

Hon. Erik Nielsen (for the Minister of Finance) moved that Bill C-72, an Act to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act, be now read the first time and printed.

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

GOVERNMENT ORDERS

[*English*]

PAROLE ACT, PENITENTIARY ACT, PRISONS AND REFORMATORIES ACT, AND CRIMINAL CODE

MEASURES TO AMEND

The House resumed from Thursday, September 12, consideration of the motion of Mr. Beatty that Bill C-67, and Act to amend the Parole Act and the Penitentiary Act, and Bill C-68, an Act to amend the Parole Act, the Prisons and Reformatories Act, and the Criminal Code, be read the second time and referred to a legislative committee.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to resume debate on this very important piece of

legislation. At the conclusion of my remarks yesterday, I was raising the serious concern that this Bill, far from promoting public safety, will in fact have the opposite effect. I say that for a number of reasons. I know that my time is limited, but in the remaining time I certainly hope to be able to talk about some of the alternatives that we in the New Democratic Party feel are of significance and importance in this area.

I wish to turn to some of the specific concerns with Bill C-67, particularly when contrasted with some of the other similar Bills which have been before the House in the past. First, in dealing with the provisions which would close the so-called revolving door, I suggest the Bill has a rather bizarre provision which would, in fact, have a serious adverse impact on the community and on prisoners. What is stated in the Bill is that those prisoners who are initially convicted of crimes of violence, assault or homicide will not be eligible for remission on their mandatory supervision after one revocation. In other words, if there is any form of forfeiture of their mandatory supervision after they are out, they lose any opportunity for further earned remission. Not only will that add to overcrowding, it will cause serious problems within institutions because there are no incentives whatsoever for the prisoner to be of good behaviour. The one possible incentive which now exists is the possibility of earned remission, and that will be removed.

In addition, there is a glaring inconsistency in this Bill. I would ask Members of the House to consider the following situation. An inmate who is originally imprisoned for a non-violent crime, for example, a fraud, is released from prison after two-thirds of his sentence has been served, because of his good behaviour, and is out on mandatory supervision. He is out on mandatory supervision for a couple of months and commits a serious crime of violence. Under the terms of this Bill, that prisoner would be returned to prison, having his mandatory supervision revoked, but would then be eligible for earned remission once he is back in. However, another prisoner, who was originally imprisoned for a crime of violence, in the same situation, is released after two-thirds of his sentence has been served, is out on the street and then has his mandatory supervision revoked, not because he commits a new crime but because he moves, is drunk or in breach of one of the other conditions, for example, he incurs a debt he is not supposed to incur. That individual will be hauled back into prison and forced to serve the remainder of his time in prison without any opportunity for earned remission.

What kind of ludicrous set-up is it when there are two individuals, both of whom are out on mandatory supervision, one of whom commits a serious crime of violence and is eligible for earned remission, and the individual whose mandatory supervision is revoked because he breaches a term or condition of mandatory supervision has the prison doors slammed shut until the end of his sentence? That is what this Bill does. It is just one of the many flaws in the Bill.

I wish to deal with another concern respecting this part of the Bill as well, that is to say, mandatory supervision can be revoked for any breach of any term or condition which is set out under the provisions of the Bill. That does not just mean a future criminal offence. That can mean a breach of any of the conditions. Even the previous Government recognized that it was wrong to suggest that an individual, whose mandatory supervision is revoked for breach of a condition which is not a criminal offence, should be subject to loss of any future earned remission. That was wrong and that would be destructive of the environment within prisons, let alone to the question of fairness to the individual involved.

• (1450)

I would like to give one example of what that can lead to. A young man named Henry MacDonald, who was 30 years old, was released in September of 1980 on mandatory supervision. He had served two thirds of his sentence. One month later, however, the parole board revoked his release because he refused to live where he was told to live. He was told to live in London, Ontario and he left there and went home to his family in Brantford, Ontario. His family and even the local police said that he was causing no trouble whatsoever but he was in breach of that condition. So he was picked up and put back into prison in Millhaven Institution, the most violent maximum security institution in Canada. And that was done because he moved back with his family. On November 24, 1980, he was found stabbed to death in his cell.

This Bill will promote that kind of violence in our prison system and ultimately this Bill will promote increased violence in our communities. Serious questions have been raised with respect to the efficacy of the mandatory supervision program itself. This program, which was initially implemented in 1970 in fact has been shown to have virtually no impact whatsoever on the rate of recidivism of individuals who are subject to mandatory supervision. If one takes an individual who is on parole and another individual who is subject to mandatory supervision, the rate of involvement in future crime may be somewhat higher for the individual on mandatory supervision, but that is not surprising given the fact that it is the best risks who are originally given parole. If one takes two other groups of individuals, one group released after serving two thirds of their sentence and then serving the remainder without any form of mandatory supervision, and the second group who are released and are required to serve the remainder of their sentences under mandatory supervision, one finds there is no effect whatsoever on recidivism.

It has been argued by many that compulsory parole supervision in the community has no effect on the likelihood of an offender's reconviction. In fact, it causes serious problems. Really it is a form of surveillance, not a form of assistance and rehabilitation.

There are other problems with this Bill. I mentioned this bizarre provision whereby there is a double standard relating to the individual who is eligible for mandatory remission, on the one hand, and one who is not eligible for it, on the other hand, based solely on the offence for which they were originally incarcerated. But one of the most serious concerns I have about this Bill is the test which is applied to determine whether or not an individual will in effect be gated. As I indicated

yesterday, it has been shown to be virtually impossible to predict future violence. But under the terms of this Bill, the test is so broad and so sweeping that virtually anyone could be gated without any form of judicial review whatsoever. Let us bear in mind the fact, Mr. Speaker, that it is the same body which is determining that individual's eligibility for release that has previously been denying him that release all along the way. So we have the National Parole Board which is saying, "No, we are not going to grant you day parole. No, we are not going to grant you full parole", all the way along. Now it is suddenly given an opportunity, after two thirds of the sentence has been served, to keep that person in. Do you think it is not going to take advantage of that, Mr. Speaker? Of course, it will. And on what grounds? Because of the possibility that he may be dangerous in the community, and that is decided without any real certainty or statistical basis for showing that we can predict that kind of violent behaviour.

At least, Mr. Speaker, in two other previous Bills, the criteria were more tightly drawn. In fact, I believe they related to the dangerous offender criteria in the Criminal Code. As it stands now, this new Bill would be directed not at inmates who have committed a serious personal injury offence as defined in the dangerous offender provisions of the Code, but it would be directed at a whole series of other offences which are going to be mentioned in a new schedule to the Parole Act. There will be 14 different offences. So it broadens the net very substantially.

With respect to the provision on the so-called "revolving door" syndrome; in that particular case, those individuals, having has their mandatory supervision revoked, will not even be eligible for discretionary parole in the future. The door will be permanently shut. So the criteria are far too broad.

As well, Mr. Speaker, I would note that under the previous Bill there was a requirement that psychiatric evidence be heard. One would have thought that it would be pretty essential in dealing with the possibility of future violence. Under this Bill, there is not even a requirement that there be any evidence heard from psychiatrists.

As well, Mr. Speaker, there are a number other concerns. I mentioned that the criteria are very broad. Effectively, the Board will now have to be satisfied of the likelihood of the commission of an offence causing death or serious harm and the guidelines can be established by the Governor in Council. I mentioned as well, Mr. Speaker, the fact that an individual who is detained pursuant to this provision, who is gated pursuant to this provision and is ordered to be detained in penitentiary, will not be eligible for parole. So if he is not eligible for parole, Mr. Speaker, then the fact is that another element of fairness in the procedure is denied to the prisoner. The final area I would like to touch on is that there is no sunset clause whatsoever in the gating provisions which are put forward by this Minister.

Therefore, Mr. Speaker, we have serious concerns both with respect to the revolving door element of this Bill and with respect to the so-called gating provisions. What are the alternatives? I believe it is incumbent upon those of us who argue that this approach is the wrong approach to provide alternatives. I intend to do that in the few minutes which remain. First, I will note that in 1977, a subcommittee of the Standing Committee on Justice and Legal Affairs issued a unanimous report to this House. The most important recommendation which was made was that we have to start to recognize that far too many Canadians who are convicted of crimes are imprisoned. Prisons should be used as a last resort and should be used only in those circumstances in which there is no other meaningful alternative and where the individual does pose a genuine threat to the community. The sentences in Canada are far too long in many cases. We are not looking at alternatives to imprisonment. Not only that, but we must go back even before that time, because if we are serious about reducing the level of crime in our communities and if we are serious about reducing prison population in Canada, we have to start looking at the prevention of crime. It is not good enough for us to focus slavishly on crime itself and on prisons. It is about time we in this country became serious about looking at the causes of crime and ways of preventing crime.

Many studies have been done—and we do not need any more studies—showing the kinds of action which should be taken to prevent crime, whether that be community-based alternatives, a recognition that in too many cases poverty and crime are inextricably linked, or a recognition of the fact that programs to deal with abuse, sexual abuse and other forms of violence against young people, are completely lacking in our society. These young people who have themselves been involved in this kind of abuse get involved in violent crime. What about programs for detection of learning disabilities? One estimate indicates as many as 80 per cent of the prison population have learning disabilities. What are we doing to try and prevent those individuals from being involved in crime at an early age? Nothing, absolutely nothing. We have to look at far more effective allocation of our resources to deal with young people in conflict with the law. As it stands now, in too many cases we ignore the concerns of young people. If we as a community made more effort to deal with young people in conflict with the law, hopefully that would result in less crime at later stages.

• (1500)

For those who are incarcerated we have to recognize there are programs which can and should be used for rehabilitation. One program which was strongly recommended by the subcommittee and ignored by the previous Government and this Government is that of work. Is it such a revolutionary thing to suggest that prisoners in Canadian prisons should be working? That was one of the essential recommendations of the subcommittee report. Let us put prisoners to work, meaningful work, within the system. Not only will that assist us in rehabilitation, it will cut down significantly on the cost of prisons. This Government is concerned about the deficit, as we all are, so I would have thought that it would want to look at that recommendation for a national prison industry's corporation. But no, what does it do? It brings in a Bill which will increase the cost of our prison system and add to the overcrowding.

What about those prisoners in the system? I mentioned the importance of work. There are far too many in the system who are not working. For those who may be sex offenders, instead of dealing with meaningful programs to try and rehabilitate those individuals, what is this Government doing? It is cutting funds for programs for sex offenders in the federal prison system. The sex offender treatment program in Campbell River, British Columbia, was treating 12 people. It was very cost effective and reduced the likelihood of further offences. What happened to that program? It was axed by the Government. Therefore, when this Government talks about the safety of our communities on the one hand and on the other eliminates programs which seek to rehabilitate sex offenders, it is speaking out of both sides of its mouth and we in this Party reject that kind of approach. I have mentioned the problems of overcrowding in our prison system. I have mentioned the problems of arbitrary actions which give rise to frustration. These are things such as involuntary transfers, plucking an individual from one prison in the middle of the night and taking him to another prison. This adds to the tension, frustration, overcrowding, double bunking and so on.

In concluding my remarks, the point I want to make on this important Bill is that it is not the answer. The Government is conning Canadians in suggesting that by taking this approach it will in any way reduce the level of violent crime in our communities. In fact, if this approach is adopted the opposite will be the effect. We have to get that message out very clearly. Sure, the chiefs of police are anxious to have this Bill adopted but we have to take a broader approach, one which reflects the concerns of our communities for their safety. We have to recognize our concerns about basic rights within the prison community as well. It is for that reason we in the NDP reject this approach, and it is for that reason that my colleagues and I will be opposing this Bill and urging the Government to come to its senses and take meaningful steps to prevent crime. We have to introduce meaningful programs for rehabilitation within our prison system. Most important of all, we have to ensure that steps are taken to provide alternative to imprisonment so that our human warehouses, the prisons of today, will not cost us that much money and a program which has failed miserably will no longer burden Canadian citizens.

Mr. Deputy Speaker: I would like to advise the House that pursuant to Standing Order 19(4) Private Members' business will start today at 4.39 p.m.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I am very pleased to participate in this particular debate dealing with Bill C-67. I would like to indicate at the outset that we in the Liberal Party support this Bill. It is, for all intents and purposes, identical to that Bill which was introduced by my colleague, the Hon. Member for York Centre (Mr. Kaplan) and former Solicitor General. Unlike the NDP, we in the Liberal Party are concerned first and foremost with innocent law-abiding Canadians. We have to ensure that the utmost protection is afforded to those in our society who live according to the rule of law. I want to cite a few examples to indicate why we in the Liberal Party support this Bill. A year ago last July an individual released on mandatory supervision after serving 14 years for rape went out into the community and killed four people in Brandon, Manitoba. The corrections people had no choice, that individual had to be released. I would like to ask whether the lives of those four individuals could have been saved if this Bill had been law at that time? There are other examples where individuals released on mandatory supervision have gone out and committed some very serious crimes. Another example, one I am sure Hon. Members will recall, was last year when a Woodstock man, once again released on mandatory supervision, killed a police officer in the Montreal area and then killed a student. I ask again whether the lives of those two individuals could have been saved had this legislation been in place?

My friend, the Hon. Member for Burnaby (Mr. Robinson) indicates that this Bill will do a profound injustice to prisoners and those who are serving sentences in the community. The NDP have often claimed that they support the ordinary Canadian. Listening to the Hon. Member, one has to ask who the NDP is representing given their position on this particular Bill. Are they concerned about the safety of the public or are they advocates for the inmates? We, too, in the Liberal Party are concerned about rehabilitation. We are concerned about those who are serving sentences in our prisons. However, our primary concern is the safety of those citizens who live their lives according to the rule of law. This Bill is necessary and important. There are those of us in the Liberal Opposition who believe that other steps have to be taken to ensure the utmost safety for our citizens and I was pleased to hear the Minister indicate that his Department and the Department of Justice are continuing to monitor the situation and continuing to think of new proposals to ensure the utmost protection for society.

Now, what is mandatory supervision? The Minister and the Hon. Member for Burnaby explained what it was. However, I suspect that a lot of Canadians do not understand what it really means. I have to admit, as a lawyer and as a new Member of Parliament, I really did not know the distinction between mandatory supervision and parole. Parole, in my view, is far more successful than mandatory supervision. As Hon. Members know, most inmates become eligible for full parole after serving one-third of their sentences. An exception are those who are serving life sentences. Inmates are eligible for day parole after serving one-sixth of their sentence. The National Parole Board considers each individual case, the crime the individual committed, and the prisoner's behaviour while serving his sentence, and determines whether an inmate can be released without being a threat to the lives of innocent people. For the most part our parole system is good because the Parole Board has discretion. It decides whether or not to release a particular inmate. Statistics indicate that 74 per cent of parolees are successful and that only a small percentage of those released on parole are eventually returned to institutions.

• (1510)

What is the case with mandatory supervision? In 1970 the concept of mandatory supervision was introduced. Prior to that

time there existed statutory remission through which the sentence of an inmate was reduced by operation of law. Under statutory remission an individual would serve his time in jail and then have no period of supervision in the community. Once the inmate had served his sentence he was thrown out into the community. It was widely thought that that was not fair to society or to the inmate. It was thought to be necessary to have some form of supervision, so we experimented with mandatory supervision. Under mandatory supervision inmates accumulate remission which is known as earned remission. For every month they serve in a federal penitentiary they get 15 days off for good behaviour. That resulted in the elimination of one-third of the inmate's sentence. The problem is that that inmate would automatically be released, notwithstanding the crimes he had committed or the threat he may present to the community. The authorities had no option other than to release that individual into the community.

We have heard horror stories about individuals who were released on mandatory supervision. I referred to the case of the individual in Brandon, Manitoba who killed four individuals, and to the man from Woodstock. These are the worst of the worst criminals. Those model inmates who have shown a sincere desire to rehabilitate themselves and have shown that they can live a law-abiding life are eligible for day parole after serving one-sixth of their sentence and for full parole after serving one-third of their sentence. The model inmates become eligible for parole. Those who are released on mandatory supervision are the inmates for which the authorities have refused parole. The authorities have concluded that these inmates should not be released, but because of mandatory supervision they were forced to release them. Attempts were made to reincarcerate some of these individuals and we had the problem of gating which was an attempt to reincarcerate those inmates who posed a very serious threat to the community. It became apparent over a period of time that mandatory supervision was not working.

I would like to cite some statistics which would corroborate that contention. The Solicitor General's Department undertook a study of mandatory supervision. The study is entitled *Mandatory Supervision: A Discussion Paper*. It is a report of the Committee on Mandatory Supervision which was released and tabled in early 1981. The statistics relating to inmates who were released on mandatory supervision between January 1975 and December 1979 are somewhat shocking. In that period of time individuals who were released on mandatory supervision committed 52 homicides, 31 murders, and 21 offences of manslaughter. Does the Hon. Member for Burnaby and the rest of the New Democratic Party think that if this Bill had been in force some of these lives could have been saved? It will be argued that crime is inevitable and that if these individuals were not kept incarcerated there would be no way to stop them from committing murders and other offences.

In that same period of time statistics show that inmates released on parole committed nine murders and nine offences of manslaughter. There were no cases of attempted murder by those released on parole while there were 11 such offences committed by individuals released on mandatory supervision. Ten individuals released on parole were convicted of rape while 25 inmates released under mandatory supervision were convicted of that crime. The list goes on. Four individuals released under the parole system were convicted of sexual assault while 23 individuals released under mandatory supervision were convicted of that crime. Seventeen individuals released under parole were convicted of assault while 153 released under mandatory supervision were convicted of that crime. With regard to kidnapping the figures are 6 versus 15 and with regard to robberies they are 127 versus 394. Mr. Speaker, *res ipsa loquitur*, the facts speak for themselves.

This is a good Bill, Mr. Speaker, and the Liberal Party intends to support it, but we also recognize that it is only a first step and that other action must be taken to ensure that society is safe. When a convicted individual is given a sentence the public believes that that individual will serve that sentence. However if an individual is convicted of a serious crime and given a sentence of 12 years, we know that that individual will not necessarily serve that period of time. Under today's sentences, the individual will serve anywhere from one-third to the full warrant when the sentence has expired. Indeed, very few individuals serve their full sentences today. It is true that this Bill may result in certain inmates being kept in for their full warrant. Our concern with respect to this legislation is that there must be a period of supervision in the community. We simply cannot release an inmate outright after serving a lengthy prison term. It is not fair to the community and it is not fair to the individual. There must be a transition period. My friend, the Hon. Member for Burnaby laughs. I listened to the alternatives that he presented and I, on behalf of the Liberal Party, would like to make some suggestions.

• (1520)

He is suggesting that as part of that sentence there be a period of supervision during the duration of that sentence. If I understand the comments made by the Hon. Member, his Party supports the existing provisions with respect to mandatory supervision notwithstanding the statistics which clearly indicate that the concept is a failure to a certain degree.

I will ask the committee to consider the possibility of reforming the sentencing procedure in Canada to include, at the end of a period of incarceration, a period of supervision required by law. For example, with respect to someone sentenced for a 12-year prison term and who is not released because that person is a threat to society, according to the legislation there would be a period of perhaps one to three years of supervision where the authorities can continue to exercise some control over the individual to ensure that that individual is able to begin living a normal life. That is an option that should be considered. Other options and alternatives should also be considered.

The previous Liberal administration was concerned about sentencing in Canada. I am sure Hon. Members will agree that a great percentage of Canadians believe that sentences are far too lenient. During this Parliament, Bill C-18 provided

for stiffer penalties with respect to drunk driving. That Bill too was introduced by the previous Liberal administration but died without becoming law. All Hon. Members, including those representing the New Democratic Party, supported that legislation because of the belief that Canadians wanted more severe penalties with respect to drunk drivers.

The previous administration was concerned about sentencing over-all in Canada with respect to the commission of criminal offences. Therefore, the previous administration established a commission—originally known as the Sinclair Commission—now known as the Archambault Commission. It is reviewing the whole sentencing procedure in Canada in order to determine whether sentences are appropriate in the circumstances for the various offences. It is determining what criteria and what principles ought to be used in sentencing.

We, as parliamentarians, have a duty to take into consideration the public view with respect to crime and sentencing. In some ways, the results of that commission will have to reflect a concern by the public that sentencing is too lenient.

The Liberal Party is also concerned about the population in our prisons. However, our paramount concern is the safety of the public. We believe that we must become more strict with violent offenders, those who commit offences against the persons by assault, rape, murder and manslaughter. It is with those individuals that we must become more severe and if it means spending more money to keep these individuals incarcerated when they pose a serious threat, so be it. We cannot put a value on human life. It is not possible to put a value on the lives of the four individuals who were murdered in Brandon, Manitoba by the inmate who was released on mandatory supervision. We cannot put a price on the 52 individuals who were killed by those released on mandatory supervision between 1975 and 1979. It is costly to keep people incarcerated and it is also costly to keep the public safe. If it comes to a question of spending more money or releasing violent offenders, we believe in spending the extra money to ensure the safety of our citizens.

Some people who are incarcerated should not be in prison. They are those who commit offences against property. One could argue that they should not be in our prisons and that sentences for those particular crimes whould be reduced and other methods of punishing these people should be used. Such punishment could include community service orders where these individuals could pay society back for their crime by working in the community or contributing in some other way to the community. We believe that other methods of punishment should be used for those individuals while maintaining the concept of deterrence and recognizing its importance in order to deter like minded people from committing similar crimes.

While we applaud the Government for looking for other ways to penalize those who breach the Criminal Code of Canada, we are concerned about the violent offenders. That is why we believe Bill C-67, while not the final step, is a tremendous step forward to ensure the safety of our citizenry.

The Hon. Member for Burnaby seems to be living in a cloud. He apparently suggests a utopia when talking about eliminating crime. While we can do much in an attempt to reduce the level of crime, my hon. friend seems to believe that by waving a magic wand or by using some magic potion, crime can be eliminated. However, we must accept the reality that crime in Canada will continue.

We are very fortunate in this country with respect to the level of crime and the safety of our citizens. One need only look south of the 49th parallel to realize how fortunate we are concerning crime. Our record of being one of the safest countries in the world is one of which we can be proud. How many people in the world can walk freely in their major urban areas without fear of being assaulted in any way? When we walk in downtown Toronto, Montreal or Vancouver, it is reassuring to have a certain degree of confidence in our police force and a confidence that we are safe. However, that is not the case in Detroit, New York and many other major cities not only in the United States but throughout the world.

We should count our blessings that we do have a very safe country. However, that does not mean that we can stop there. We can make it safer by ensuring that those individuals who show a clear risk of violent conduct and pose that threat to society will be kept incarcerated.

As the Solicitor General (Mr. Beatty) indicated, it costs approximately $40,000 a year to keep an inmate in a federal institution. It costs over $100,000 to construct one new prison cell. Although it is costly, I repeat that the money is well spent when ensuring the safety of the public.

• (1530)

This legislation, Mr. Speaker, will give the National Parole Board discretion that it did not have with respect to mandatory supervision. In many ways the National Parole Board will have the discretion it has under the parole system. I would like to reiterate that those candidates eligible for mandatory supervision are not model prisoners or those serving time for property offences. We are talking about the rapists, those who have committed serious assaults and we are talking about federal, not provincial inmates. All inmates in federal penitentiaries are serving at least a two-year sentence. These are the most serious offenders. The less serious offenders are dealt with in provincial institutions. Any inmate serving less than two years serves the sentence in a provincial institution.

This Bill will give discretion to the National Parole Board and it will establish criteria and procedures to retain in custody until warrant expiry, or place under strict residential conditions those inmates considered to pose a clear risk of violent conduct beyond a release date that would have been established by earned remission.

I took the liberty of calling some of those who adjudicate these particular cases from the National Parole Board. I took the liberty to call other experts in the field to ask their opinion with respect to this legislation. The overwhelming majority of those to whom I spoke considered this Bill a step forward and

considered any move to give the National Parole Board more discretion as a positive step toward creating a safer society.

Mr. Robinson: Name names.

Mr. Nunziata: I will indeed name names at committee.

Mr. Robinson: Why not now?

Mr. Nunziata: I look forward to that in-depth discussion of this legislation at the legislative committee. Yes, I want to hear from those who have presented arguments to the Hon. Member for Burnaby, those who were able to convince the Member for Burnaby of the New Democratic Party to challenge this Bill because of their concern with inmates and prisoner rights.

We in the Liberal Party want to hear those people. We would simply ask the NDP and the Hon. Member for Burnaby to speak to the families of those who have suffered because of a crime committed by individuals released on mandatory supervision. I would like the Hon. Member for Burnaby and the NDP to get rid of the blinders and to look at the full scope of the situation and to listen to the police for a change.

Mr. Robinson: Mr. Speaker, I rise on a point of order. Would the Hon. Member name a single group with whom he has consulted in the criminal justice community that supports this Bill?

Mr. Deputy Speaker: That is not a point of order. The Hon. Member for York South-Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, if I could just finish that train of thought—

Mr. Robinson: Come on, John.

Mr. Nunziata: I would ask the NDP to keep an open mind. Its Members are far too often closed-minded when it comes to representing the ordinary Canadians who they so often say they represent.

Mr. Robinson: One group, John. One group.

Mr. Nunziata: We will listen to those groups. Yes, I have spoken to Claire Culhane and I have spoken to inmates. As the critic for the Solicitor General in Her Majesty's Loyal Opposition, I have listened to inmates and I have spoken to them. I have also spoken to victims. As a lawyer I have acted for victims. I have been concerned with the level of violent crime. I commit myself and my Party to doing everything we possibly can to make our society safer. When we look at this Bill, we do not say that it will do a profound injustice to prisoners, but we in the Liberal Party say that if Members do not pass this Bill, and if they do not support it, they will be doing a profound injustice to the people they represent as parliamentarians. Members will be doing a profound injustice to the thousands and millions of Canadians who live a law-abiding life. I ask the Hon. Member and the NDP, who are they representing? Are they representing their constituents, or are they representing a very narrow interest group, as they so often do?

Getting back to the legislation, Mr. Speaker, it will allow inmates convicted of violent offences specified by the criteria one chance for release on mandatory supervision. As I indicated earlier, this will eliminate the revolving door syndrome. It is fair to give an inmate one chance. First, that inmate has to convince the National Parole Board that he or she ought to be released because the individual is not a threat to society. After having convinced the Parole Board of that, if the inmate breaches a condition of supervision or commits a further offence and is convicted of a further offence, then surely no one can argue that the individual be given another chance. That aspect of the Bill is a very substantial step forward.

The Bill would also establish procedural safeguards and criteria that would limit the application of the measures to only the most dangerous offenders. I am sure Hon. Members have reviewed the legislation and realized the offenders that we are dealing with in this legislation are offenders who are serving time in jail for manslaughter, attempted murder, causing bodily harm with intent, assault with a weapon or causing bodily harm, aggravated assault, assaulting a police officer, sexual assault, including rape, et cetera. These are the individuals serving more than two years. They are the ones who have to be watched and who will be looked at. This legislation does not deal with those individuals serving time in federal penitentiaries for offences against property, for example. I think it is only reasonable we look at those who have committed serious offences to determine, using certain criteria, whether there is any likelihood or risk that they might go out into society and commit another serious offence. I think that is only reasonable, Mr. Speaker.

The Parole Board will first look at those individuals who have been denied parole. It will then make a determination whether reasonable grounds exist to conclude whether a person is likely to commit, prior to the expiry of his or her sentence, a violent crime that will result in harm. There are those who would argue the standard is not high enough, that reasonable grounds give the National Parole Board too much discretion. There are those who would argue that the standard is too low and that there should be a stricter standard as to when certain individuals should be kept in custody under a detention order.

There are those who argue that the onus should be on an inmate to show to the authorities, the National Parole Board, that they are likely candidates to be released and that they are not a threat to society. Under the legislation, it is up to the National Parole Board. There is a presumption that an individual after having committed a serious crime will be release after serving two-thirds of the sentence. There is a presumption in the law as it reads that that individual is to be released and the onus is on the National Parole Board or the authorities to apply the criteria and determine whether the individual should be kept in custody. Indeed, there are those people who argue that the onus should be on the accused and that the presumption should be that all inmates serve their full sentences because under the Criminal Code, if one commits a

particular crime, one can be sentenced up to a particular time in prison. There are those people who argue that a 12-year sentence means a 12-year sentence and that in some ways our federal statutes conflict. The Criminal Code indicates, for example, that one is to serve 12 years, yet other legislation indicates that if one earns a remission, then the 12-year sentence is no longer a 12-year sentence but an 8-year one. The proposed legislation will give that discretion to the National Parole Board.

● (1540)

The legislation goes on to indicate that even if an inmate does not meet the criteria with respect to the offences listed in the schedule to the Bill and if the Commissioner of Corrections has reasonable grounds to believe that the inmate is likely to commit, prior to the expiry of the sentence, a violent crime which will result in violent harm, he may refer the case to the Chairman of the National Parole Board for a detention hearing. This particular provision might cause some concern. It provides that those who are not serving sentences for crimes against a person may be subjected to a detention hearing before the National Parole Board. There are also those people who have suggested that perhaps in those cases the person should not be detained.

There are safeguards with respect to the legislation. For example, the Parole Act will be amended to entitle all inmates to an annual review of a detention order. It does not mean that once the National Parole Board makes a decision with respect to a particular inmate that that is the end of the case and the inmate is required to serve his or her full sentence. An inmate who is refused release on mandatory supervision will have the legal right to have his or her case reconsidered every year. If there is a material change in circumstances and the particular individual is able to show to the National Parole Board and to the authorities that he or she does not pose a risk to society, the particular inmate may be permitted a release in the future. We consider this to be a good provision.

The legislation also provides that three members of the board must be present when a detention hearing is held. We consider that to be a good feature as well. Three responsible individuals would be reviewing a particular case as opposed to a single individual, and that provides the system with a degree of more fairness. The National Parole Board is not only given the discretion to release a particular inmate, but it could also attach conditions to a particular release. That is also a good feature of the legislation. We need to have confidence that members of the National Parole Board will act reasonably and according to the best interests of society first and the particular inmate second.

The Hon. Member for Burnaby indicated in his submission that the legislation in some way will increase violent crime. I was somewhat surprised when I heard him indicate that that was the position of the New Democratic Party. He called upon the Official Opposition to provide the names of groups which have spoken to our Party. I note that my time is coming to an end, but in conclusion I would like to challenge the Hon. Member for Burnaby and the New Democratic Party to provide facts with respect to their submission that more violence will occur. If the NDP took the time to read the report published by the Department of the Solicitor General, they may arrive at a different conclusion. I reiterate that the Official Opposition supports the Bill in principle. We welcome a full and complete discussion of it when it is before the legislative committee. We invite all interested groups and parties to appear before the legislative committee to put forward their submissions. If we approach the Bill in a reasonable way, I am sure Canadians can rest assured that we have done everything we possibly can as parliamentarians to ensure the safety of law-abiding citizens.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to speak on this Bill. I do not think I can let the remarks of the Hon. Member for York South-Weston (Mr. Nunziata) just go by without passing comment. I think they were almost too intellectually dishonest and at times demonstrated a dangerous diversion from the principles of British and Canadian common law. His proposal for those who were sentenced by the courts to serve their full sentences and to have the Canadian penitentiary system, the police and courts tack on surveillance in the communities afterward is a very dangerous proposal which is not operative anywhere in the western world. Perhaps the Hon. Member might want to name a few police states where it occurs, but I am certainly unaware of any precedent or anyone associated with the criminal justice system who has ever proposed or supported such an intellectually dishonest and naive proposal.

I came to this House having been elected as a Member of Parliament from being a corrections officer. I have some relevant experience to lay before the House in relation to these proposals. I have had discussions with almost all my colleagues in the field, whether they be jail guards, national parole officers, probation officers in the provinces, prosecutors or police, regarding this kind of proposal for more than a decade. I must say that this approach is tragically narrow and will prove to be both dangerous and expensive. I will demonstrate in my remarks this afternoon the reason for that. I hope those Members of Cabinet who are here will pass on my views to the Solicitor General (Mr. Beatty) in the hopes that he will change the approach in this Bill.

As was demonstrated by the previous speaker, there is a real need for the House to inform itself fully of the penal and parole system in Canada before tinkering with it. For the Liberal Party to put up someone today who admitted before speaking that he did not even know what mandatory supervision was, demonstrates the lack of depth in that Party and why, for more than a decade, the very activities which he quoted were occurring. Whether it was the tragic murders in Brandon, Manitoba or elsewhere, that Government never responded to such activities in any meaningful way within the system of corrections that exists in Canada today. We have one of the highest rates of incarceration in the western world and, by a long shot, one of the most expensive.

I think we should deal with facts. Some very excellent evidence was given by the Canadian Criminal Lawyers' Association before the Standing Committee on Legal and Constitutional Affairs of the Senate less than two years ago. I should like to refer to the evidence of two very knowledgeable persons in this field, Mr. David Cole and Professor Allan Manson of Queen's University. Speaking about the basic parameters contained in the Bill, I should like to quote from Mr. Cole's evidence:

> It is our respectful submission that it is dangerous to tinker with one element of an integrated system because to do so creates new tensions, exacerbates pressures and raises unforeseen problems elsewhere in the system.
>
> It is our submission that any response to violent offenders and recidivists which expects to be ameliorative must flow from a full and open inquiry which will permit Parliament to generate an appropriate systematic response based on a clear understanding and accurate perceptions.

● (1550)

Much like the Bill on prostitution with which we dealt on Monday, we are seeing the House charging down the road dealing with a very sensitive public issue. No one in this House wants a corrections or court system operating in which Parliament knowingly allows dangerous offenders to become involved in unpredictable activities in our communities. To a certain extent, this Bill will allow that to happen and I will demonstrate that.

Very much like the prostitution Bill with which we dealt on Monday, this Bill deals with a symptom of a very serious and chronic sociological disease that is systemic not only in our society but in every society that has existed since we began to organize ourselves some 4,000 or 5,000 years ago. This is a very complex issue and what is being proposed in the Bill before us today is tantamount to amputating a limb when a bone is broken and in fact requires a cast.

We can debate this afternoon and in committee *ad nauseam* the intentions of incarceration, punishment and the removal of freedom from men and women who are placed in institutions in order to protect society or whatever. However, we must understand that all inmates eventually return to live among us. This Bill and, I believe, the remarks of the previous speaker, demonstrate an incredible naivety about what actually happens, particularly within the maximum security institutions of this country. To claim that keeping someone who is serving a 10-year sentence incarcerated for the full 10 years makes him somehow safer when going back into the community than does releasing him after seven years with some kind of professional supervision from a parole officer and a federal system is incredibly naive. I predict that this will create a hot box situation.

I have spoken to jail guards, wardens and national parole officers. From having worked within the system, I have some understanding of what it means when we begin to hot box which is to say to tell an inmate that he is not getting out until the very last day. There is then no opportunity for any give and take within the institution. There is no reason for an inmate to do what a guard asks or to follow the rules of the institution.

When an inmates is released early and is under mandatory supervision, there are certain things that I as a professional in the field can do for him. For instance, if he is not supposed to be in a beer parlour, I could go into the beer parlour to find him and send him back. If he did not keep his job, was not turning up on time, was not making restitution or family payments or was not doing a whole host of other things, there was some kind of control over that under a caring albeit professional system. At least the people coming out of institutions knew that there was some supervision there.

It is naive of the previous speaker and the Solicitor General to be moving this Bill forward. Many Canadians will agree that if someone is given a 10-year sentence, he should serve a 10-year sentence. However, we as a Parliament must have some kind of responsibility to integrate the concepts of the penal system and the parole system with the court system because if not, individuals will be more dangerous when they come out the other end.

As the committee will discover, there have been very few studies made around the world to see whether or not there has been a dramatic increase in homicides or crimes of that sort after parole because those things are incredibly difficult to predict. The National Parole Board is aware that it will be forced to make all kinds of subjective decisions based upon things like an argument with a guard or an inmate flipping his dinner on the floor. It will have to make all kinds of subjective evaluations related to whether or not that individual will be dangerous if returned to the community.

We are not taking the kind of approach that we should be taking to ensure to the maximum potential the safety of the community. I spent a great many nights worrying about people who were on mandatory supervision and were not where they were supposed to be. I would go to incredible lengths to try to locate them before taking the ultimate step of placing them back in an institution. That opportunity will no longer exist. We are talking about the most dangerous group of individuals within our society, individuals who will be touched by this legislation.

I plead with Members of the House to slow down and apply logic to this matter. We should not even ask to have a whole bunch of studies done. We should think it through. Is it safe to tell someone who has taken another person's life that he will have to serve every day of his sentence and will then be booted out the door of a security institution? Is it safe to have that individual who has been locked up night and day, 24 hours a day, for 10 years put back on the street without having any kind of an integrated return to the community? Sheer logic tells us that that is not the case. If there is not some kind of professional surveillance, there will be failures for worse than the four homicides quoted by the Hon. Member of the Liberal Party. The House must be very careful in condoning this type of approach.

It may be easy for Members to say that we passed a piece of legislation indicating that people will serve all of their time, but I have looked at the statistics, Mr. Speaker. For a very short period of time, a number of people who have been

dangerous in the past will be backlogged within the penitentiary system in Canada, but a few years down the road, a heck of a lot more than would ordinarly be going onto the streets at one time will be put on the streets of Canada. Then we will see the blip on the screen. I think Canadians will be shocked to find that this Parliament on this day did not deal in a more decent way with the situation. When it comes to correctional law, today really is Friday the 13th.

There are two key issues at which we must look with great care because they are the key components outside of the expansion of the National Parole Board and a number of other rather superficial issues dealt with in this Bill. There are two revolving-door syndrome and gating. Members have touched upon these matters, but I think it is important to remind ourselves of what has become known within legal circles as the revolving-door syndrome. This is when prisoners on mandatory supervision have their supervision revoked and are then returned to prison, and after serving more time, they again come out on mandatory supervision, a supervision which is again revoked. Dealing with that seems to be the first objective of this Bill and I think it is worth putting on the record a paragraph from the evaluation of this proposal done by the Library of Parliament. I quote from Part II:

> Inmates of federal penitentiaries earn remission of sentence under s.24 of the Penitentiary Act. (Remission is applicable to all sentences except those for which there is a minimum time which must be served before eligibility for release, e.g. murder.)
>
> For every month of sentence (or portion thereof) during which "he has applied himself industriously . . . to the program of the penitentiary in which he is imprisoned", an inmate is entitled to 15 days remission of sentence (or a fraction thereof, where time served is less than a month). If an inmate earns all possible remission he or she becomes eligible for release after having served two-thirds of his or her sentence. (Most inmates "earn" all possible remission, because it is virtually vested, subject to removal for bad behaviour, on the commencement of sentence.) Before 1970, an inmate who was released as a result of remission left the institution free and clear of supervision, and the possibility of having to return to serve the balance of his or her sentence. In that year, however, the mandatory supervision programme was introduced.
>
> Inmates released by reason of remission were to be subjected to the same type of supervision as paroled inmates; and, accordingly, were also to be subject to revocation of release because of misbehaviour while under mandatory supervision. Section 15 of the Parole Act governs mandatory supervision; and subjection (2) (inmates who are conditionally released by reason of a decision of the National Parole Board, usually after having served one-third of their sentence) thereof direct that those provisions of the Act dealing with suspension and revocation of parole to mandatory supervision as if it were a parole release.

The second point which needs to be clarified for those Canadians who want to focus their attention on an issue that is important in society is the matter of gating. That gives vast powers to the National Parole Board to designate that certain individuals be denied mandatory supervision until their sentence is complete. On that matter, I quote again from the Library of Parliament study which has the following to say:

> On the basis of s.16, inmates deemed dangerous would be nominally released, but would have that release suspended and revoked as they reached the prison gate—hence the appellation "gating". Thus, there would be a technical release, which it was thought would enable the Board to use s.16.
>
> Gating was immediately challenged in court. In various courts, there was some division as to whether this use of s.16 was appropriate. The issue was resolved on May 17, 1983 when the Supreme Court of Canada upheld the view of two courts of appeal that s.16 could only be used when there is a genuine release of the inmate, and that it could only be invoked to re-commit the inmate based on post-release conduct. In effect, an inmate had to be given a chance "on the street" before his release could be terminated for misconduct.

● (1600)

Having dealt with the two key components, I think we have to look carefully at what type of image the new Government is attempting to create out there. There is no doubt that there is a real mood among many Canadians who have friends, family or someone who has been victimized by someone either on parole or mandatory supervision. I think it is responsible of the Government to respond; however, not to respond in a way which will create a more dangerous situation in the near future. It creates an image of law and order for many Canadians which, in fact, is just not the case. A government which will keep those convicted for every day of their sentence given by a court creates the image of safety. That is an illusion because, in fact, it increases the likelihood of dangerous behaviour from someone who is kept without any possibility of an early release.

The hot box in the prison system is something we have to look at. I hope the committee will do this because we are all too well aware in this House that it costs, on average, $40,000 a year to keep an inmate on the inside in this country. We are all too well aware that it costs in excess of an eighth of a million dollars for every cell constructed. Community supervision by a probation or parole officer costs between $3,000 and $5,000 a year. This cost varies from province to province.

The parole service evolved to assist in the transition of inmates back into the community. For those paroled after having served roughly one-third of their sentence, or for those on mandatory supervision after having served roughly two-thirds of their sentence, it provided an opportunity for them to deal with someone, whether it was by phone, coming into an office or dealing on the job site. This person could assist. I think many Members forget that if someone has been incarcerated for five, ten or more years, the simplest things often become the most complicated. I am speaking of setting up bank accounts, turning up regularly to work, buying new clothes, things that are simple. When the released inmate runs into something that is difficult he often tends to be very short fused if, for example, he has been told on the job site that he needs to get a different type of boot, or something of that nature. Often he thinks he is being picked on. Without some type of bouncing board, released inmates tend to veer off into unusual behavioural patterns. The Hon. Member for Burnaby has pointed this out. He is one of the few people in the House who has done more in working toward real legislation which would have a real potential benefit to the safety of communities than anyone else in the House. The Hon. Member comes from a community where there are a substantial number of inmates because they are actually housed there. There are few Members in this House who are more aware of the need for good, accurate and penetrating legislation which really deals with the problem rather than this type of illusory legislaiton which is designed for hot lines and mail-outs. It is not designed to deal with the problem.

Rumours are also rife now in the national parole service that the next move is to privatize parole. This is something which has been done in the United States and which has not been very successful. If this is to be the trade mark of corrections moves by the new Government, I will not doubt for a moment that we will see the privatization of parole, in part, with the argument that the dangerous inmates are now being dealt with inside the prisons as opposed to on the street because they are serving full sentences. It will probably be argued also that measures such as the dangerous offenders provisions of the Criminal Code are getting them out of the way.

We heard the Liberal Member quoting statistics related to parole and mandatory supervision demonstrating, once again, a preposterous naivety of who it is within each of those components and what the background of the whole issue is. I would like to hear from the Minister in this respect. I am sorry to say that he is not in attendance, although I am pleased to see the former Solicitor General here, who I think has a real interest in this issue. I would like to hear him list who in this country among wardens, guards, parole officers, judges, criminologists, sociologists or community resource groups endorse this approach. The role of institutions for male and female offenders must change. When society, through Parliament, determines that a person should be removed for two or more years from society for the committing of an offence, society should also know that this House is running a sound corrections and rehabilitation operation. That is just not happening. In fact, many of those avenues will be precluded if this Bill is passed unamended. I am confident that for a majority of those incarcerated we can operate secure facilities based on user-pay, as was touched on by the Hon. Member for Burnaby. Why should we pay $40,000 per inmate per year, plus all court costs, family costs and restitution? We should be moving toward a system of reduced institutional violence by designing the operations to be productive, where inmates are involved to as high a degree as possible in producing the goods and capital costs of their own incarceration, restitution, court costs, and so on. Certainly, the prevention of crime, as touched on by the Hon. Member for Burnaby, is a crucial area we have to look at because the tendency in many provinces, certainly in British Columbia, is to cut back on those people who have all types of studies demonstrating that their work has prevented many people with learning disabilities, and so on, from getting into a life of crime.

I would like to finish by saying that the distinction of the historic role of parole in this country is an error of extreme proportions. My final example is that of a convicted killer serving 10 years with no mandatory supervision and no parole. The proposal being put forward by the Liberal Party is that that person should be dropped into society. I would tend to agree more with the new Solicitor General who does not propose the Liberal Draconian proposal which is without any court order, any kind of legal process, that people be placed under surveillance after the fact. Anyone who believes what the Liberal Member had to say is dreaming in Technicolor. We need changes to this Bill in the interests of Canadian public safety.

Mr. Deputy Speaker: Questions and comments? The Hon. Member for York South-Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, the Hon. Member of the New Democratic Party who just spoke accuses the Liberal Party of intellectual dishonesty. I would submit that in his submissions he confirmed that the NDP has mastered the art of intellectual dishonesty. He indicated that we are dealing with, and I quote, "the most dangerous group". He admits that we are dealing with the most dangerous group. The legislation before us deals with the most dangerous group of inmates. What it provides is that this group will be kept incarcerated for the safety of the public. What the NDP is advocating is that the most dangerous group of criminals ought to be released on to the streets to commit other crimes. That is what the NDP is suggesting. Members of that Party are suggesting these people should be released. I am pleased that the previous speaker indicated his bias at the outset of his remarks. As a previous corrections officer, it only stands to reason that he does not want the most dangerous group in prison because it is a difficult group with which to deal. It is understandable why corrections people do not want these people in jail. They want to send them out on to the streets because they cannot deal with them.

The Hon. Member indicated that Canada has the highest rate of incarceration. That may well be the truth; but I suggest to him that Canada has one of the highest, if not the highest, rate of safety when it comes to crime and criminal offenders. As far as the Liberal Party is concerned, we would opt for a higher rate of incarceration for the highest rate of safety for our citizens.

• (1610)

The Hon. Member also misinterpreted—and I would suggest intentionally—the alternative which I suggested some people were arguing. I did not suggest that without legal authority there should be some supervision of inmates at the expiry of their sentence. Of course, you cannot do that. That is silly. You cannot do it under the existing legislation. If we provide the necessary legislation, you are darn right we can do it. We can provide for a sentence of incarceration up to a particular period of time, say 12 years, and then provide in the Criminal Code of Canada a period of supervision after that.

The Hon. Member also indicated that parole officers, corrections people, judges and so on, did not support this legislation, but I ask him if his constituents support this legislation? Has he canvassed his constituents to determine how they feel with respect to this legislation? I suspect, Mr. Speaker, that the previous speaker for the New Democratic Party and, indeed, the New Democratic Party itself, do not really care about what their constituents feel about this legislation. They are influenced by a very narrow interest group in society rather than with society as a whole.

I am somewhat concerned about the intellectual dishonesty of the New Democratic Party. However, I am grateful that the

intellectual dishonesty which it has mastered will not in any way preclude the passing of this particular piece of legislation which we all consider to be a tremendous step forward.

Mr. Fulton: Mr. Speaker, anyone who reads those remarks will know that the Hon. Member who just spoke does not have a logical mind, to say the very least. What he is now proposing is that we now provide another act to tack parole on again. The sheer illogic of his remarks I believe were clear to everyone in the House today.

To say that because I was a correctional officer, therefore people who work in the penitentiary system do not want those inmates inside the jails, but want them back out on the streets, is ridiculous. In fact I was a parole officer and in fact worked on the streets, Mr. Speaker. I really do not think those kinds of poorly thought out, illogical and disturbing remarks require a response of any kind.

Mr. Robinson: Mr. Speaker, I just want to comment briefly and then I would like to ask my distinguished colleague a question. First, I just wanted to note, Mr. Speaker, that we are talking about policy in the criminal justice area. I would suggest to my colleague, the Hon. Member for York South-Weston (Mr. Nunziata), that he has indicated that if his constituents feel strongly on this particular matter, he has an obligation to parrot their concerns in the House. I seem to recall that that same Hon. Member has spoken out, to his credit, against capital punishment. I wonder how it is that on the one hand he can suggest that he listens to his constituents on this matter, but in the next breath, Mr. Speaker, he says he disregards them with respect to another matter in the criminal justice area. He cannot have it both ways.

I would like to ask my colleague, the Hon. Member for Skeena (Mr. Fulton), to perhaps comment for a moment or two, based upon his lengthy experience in the criminal justice area, about the effect within the present system of denying any hope of release, of taking away any possibility of earned remission. What effect will that have on the prison population, both from the perspective of prisoners and, equally important, from the perspective of those who work in that system?

Mr. Fulton: Mr. Speaker, I would be pleased to respond to that question because I believe it is one of the most important things which we in this House and in committee are going to look at. I hope that the committee takes the time to hear submissions from wardens, guards and from groups associated with prisoners both on the inside and on the outside because it is going to "hot box" those institutions. That is a fairly common terminology for what occurs within the prison population when there are people who have nothing to gain by good behaviour. They have everything to gain in terms of control within the elements of the prison population by being what we could call "bad actors". If we had someone serving a 10, 15 or 20-year sentence who does not stand to gain any remission time, no matter what he does, then, if a guard asks him to do the simplest of tasks, there is going to be no co-operation. Over time, this kind of legislation can tend to turn the internal operations, particularly of maximum security institutions, into an absolutely impossible situation.

I took the opportunity a few years ago when I was in Mexico to go into some of what we would describe here in Canada as "user pay" maximum security institutions. It appears pretty Draconian when one walks in. There are machine guns everywhere. One feels if they make the wrong move they are going to "get it". I am sure that is how they operate in the periphery of those institutions. However, it is intriguing when one gets inside. Other than for maximum security, dangerous individuals who are kept in what we would call here "solitary confinement", the majority of the inmates are in fact at work producitively providing the capital and operational costs for those institutions. I think we should look more carefully at that kind of operation where the inmates make hammocks, shoes, are growing all their food and making the clothing for the guards and themselves. They are making all kinds of goods which are sold in the market-place in Mexico. The majority of the actual costs in some of the states in Mexico for the operation of their institutions is covered by work done by the inmates. The costs which are actually paid out are the costs for some parts of the construction of the physical plant and the costs of the guards so that they avoid at least some possibilities of corruption. Here in Canada, Mr. Speaker, to use this kind of "hot boxing" legislation is going to drive some of the best people out of the national parole service. They are already leaving. It is going to drive some of the best guards out of the system and we will be left with what is known in the vernacular with inmates as the "knuckle draggers". We will be left with a very unpredictable situation—something I do not believe Canadians want to see—and that is the armed forces having to move in to circle the circumference of all kinds of medium, minimum and maximum security institutions.

I feel this is a piece of legislation which can be modified to achieve the real concerns of the Canadian public. To move forward with such a narrowly worded Bill, particularly on parole and mandatory supservision provisions on gating and the revolving door syndrome, is very wrong. I hope that Parliament will respectfully study this Bill much more carefully.

Mr. Deputy Speaker: Resuming debate.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Certainly at the outset, I want you to know that I do not share the pessimism of my colleague, the Hon. Member for Skeena (Mr. Fulton) and I find it very difficult to understand the statement made by my colleague, the Hon. Member for Burnaby (Mr. Robinson), when he said that crime would be increased by exercising greater control of the dangerous criminal.

It seems to me that it would be the exact opposite. That is one of the reasons I appreciate the support of my colleague, the Hon. Member for York South-Weston (Mr. Nunziata), on this Bill. We think it is a good Bill. It is one which the Canadian public are requesting.

My colleague, the Hon. Member for Burnaby, does not seem to understand that at the present time many of the penitentiaries are now getting into agricultural projects; for instance, Bowden and the one in Prince Albert. They are starting to produce their own vegetables, dairy products and their own beef so that they will become self-sufficient and will not be an increasing burden on society generally. Perhaps we can cut down that $40,000 per year per person cost. I agree with my colleague, the Hon. Member for York South-Weston, when he said that many of our people do not necessarily need to be in prison because of the fact that they are not dangerous. I believe that in that case, those who are convicted can pay their penalty to society by community projects. Therefore, they would not necessarily be a burden on society generally. That is why I am pleased to speak in favour of the passage of Bill C-67 and Bill C-68. Both are directed to bringing about necessary improvements to our system of criminal justice.

One of the major issues in our society today is to adequately protect from criminal activities the innocent person. There are far too many people who are frightened about their well-being because criminal activity is increasing in our society. There may be various reasons for this but, nevertheless, we have to accept it as fact. I am sure we can all agree that crime is a terrible thing. One way or another every Canadian is affected during his lifetime by criminal acts. Many become victims of crime and we all must bear the growing cost of police, courts and correctional programs. While it seems that crime may never be completely eliminated in a free society, it should never be tolerated. Canadians must be offered the best possible protection from crime at a cost we can afford. Therefore, the Government is committed to making our system of criminal justice as effective as possible rather than simply expanding its parameters and costs. The Bills now before the House are part of this process.

• (1620)

Those who have advocated the abolition of mandatory supervision with apparent disregard for the cost of such a move make a very erroneous assumption. They contend that the program is based on leniency but nothing could be further from the truth. In Canada, as in virtually all western nations, inmates have been allowed to earn remission of their sentence for over a century. Good time, as it is often called, has been a part of our system since 1868. For most of that time inmates were simply released when the remission date was reached as though it was the actual end of the sentence. In 1970, mandatory supervision was introduced. From then on every penitentiary inmate who was not paroled earlier was subject to the control and direction of a parole supervisor after being released due to remission. These additional conditions applied to approximately 70 per cent of released inmates who formerly went out free and clear.

It is important to emphasize that half of those who have their mandatory supervision revoked and are returned to penitentiary may not have committed a new crime. They are returned because their parole supervisors believe their behaviour indicates a risk of re-offending and this preventive step is in order. Before mandatory supervision existed they would have gone on to commit the crime before being apprehended. On the other hand, many of those who do not commit a new offence do not do so because their positive re-adjustment to community life has been assisted by their supervisor. Ultimately, the vast majority of inmates will return to the community, whether it is on full parole, mandatory supervision or simply because their sentence has expired. The best long term protection that can be offered in these cases is their successful return to a law-abiding lifestyle. For most this is far more likely with a gradual re-entry during which assistance and control is provided. The extra surveillance provided by this period also makes it more likely that developing problems will be foreseen and preventive action taken.

With experience, however, two major defects have become apparent with this program. Even where the need for preventive action is clear before release, we are compelled to release inmates on mandatory supervision when the release date arrives. Secondly, even where inmates demonstrate their inability to profit from mandatory supervision and it is revoked, they continue to earn remission in penitentiary and we are compelled to release them again, sometimes repeatedly, until they reach the end of their sentence. I am very happy to say that Bill C-67 will correct these defects where inmates who have committed crimes of violence are concerned. I hasten to point out, Mr. Speaker, that some will say that this Bill will abolish earned remission. That is not the case. Inmates will continue to earn remission as before as long as they behave. However, earned remission has never meant the shortening of the sentence imposed by the court. What this Bill does is remove the automatic right to release as a result of having earned remission. It creates in its stead a presumptive release subject to review by the National Parole Board. The Board is empowered by this Bill to withhold this release only if it can determine after a fair and exhaustive process that the inmate is likely to commit a violent act while under supervision. This becomes a case of reverse onus.

Because the inmate has earned remission and therefore been given a presumed release date, he will be released until it can be determined that he or she will be a danger to society. I would argue that this retains the impact of earned remission which some feel is important to maintain institutional order, but removes the most illogical part of the present arrangement, the automatic nature of the release without the exercise of any judgment. The corrective measures being proposed will by no means end violence perpetrated by former inmates. Unfortunately, the behavioural sciences are not yet at a point where human behaviour can accurately be predicted, but they do allow us to intervene in those cases where there is good cause to perceive a threat to the public. This will provide an additional measure of protection in a responsible and cost effective fashion.

I would now like to turn briefly to the difficult question of predicting violence. The Hon. Member for Burnaby has pointed out that no study anywhere has shown it is possible to predict violence. He has also stated that studies carried out in

the Department of the Solicitor General have recommended against the use of methods of prediction in relation to violent crime and he is absolutely right. It is exactly for these reasons that we have moved away from the prediction of violence to the assessment of risk. A small number of inmates have so many characteristics pointing to violent behaviour that in our opinion it is more acceptable that a few inmates suffer some loss of freedom rather than letting the public carry the risk of an extremely violent or fatal crime. We agree that science cannot help us out of this problem but the lack of scientific certainty does not eliminate the fact that Parliament has a responsibility to decide who is going to be protected, the inmates or the public. This is a very important point in this Bill. This proposed legislation does not protect the public at any price, nor does it protect the inmate at any price; it represents a balanced protection of both sides.

In order to fully understand the critical point of balance, I have to explain that what you have in front of you will not stand alone. We are now developing carefully formulated regulations which clearly outline what kind of inmates will be detained until the expiry of their sentence. The regulations will also contain all the procedures to safeguard the inmates' rights in this respect. The criteria will be so stringent that there will be little danger of abuse by the National Parole Board. We are far from lending the Parole Board any sweeping powers. If anything, the Parole Board's discretion in this area will be more limited than in any other. The people we want to keep in prison are those serving a sentence for a crime of violence which has caused death or serious harm to the victim. In addition, we will require a persistent pattern of violence in the offender's past or clinical assessments which conclude there is an imminent risk of highly violent behaviour if the offender is released. Finally, the new regulations will allow us to prevent automatic release when we know that the inmate is planning a murder or a crime causing serious harm. It is these three groups of violent people that we are talking about and none other. I am convinced that the small number of offenders that we have in mind are not going to add to our overcrowding problem, nor will this legislation create institutional unrest. The inmates will know how few will be affected.

● (1630)

As I said earlier, Mr. Speaker, if we can keep some of those people who are not dangerous to society out of prisons and let them pay their penalty through community projects, we will move in a direction which will be to the benefit of society generally. Even if the application will be narrow, the increase in public protection will be substantial. We count on our colleagues in all Parties to give their best advice during committee work in order to obtain the best possible protection for all Canadians and the highest degree of fairness to inmates.

This Bill is far above political manoeuvering. It is too important to play politics with because we are talking about the protection of the public and the well-being of those who have been convicted. I am pleased to say that we have already received expressions of support for these measures from a number of community groups and individuals, including an organization of victims of crime. This support is very welcome since we are increasingly aware of the needs of victims and the importance of the views of groups such as this. Victims have long been the silent and forgotten participant in the criminal justice system, but those days are at an end. The Solicitor General (Mr. Beatty) has recently helped fund several conferences of victims' groups and such efforts will continue so that the interests of victims will be more clearly expressed and listened to.

We are equally concerned about potential victims, Mr. Speaker. With the leadership and assistance of the Ministry of the Solicitor General, a number of crime prevention and crime awareness initiatives have been undertaken around the country with demonstrably positive results. These initiatives will continue.

We are also concerned that those charged with the onerous duty of dealing with convicted offenders on a day-to-day basis be given the tools they need to do the job. Bill C-68 is a modest beginning to modernize the correctional law an eliminate technical obstacles to understandable and efficient correctional programs. The amendments contained in this Bill will help modernize and streamline legislation bearing on both federal and provincial correctional systems and will be welcomed by correctional workers in both jurisdictions.

In view of the positive and needed features of both of these Bills, I recommend their speedy passage to members of the House. In the few minutes remaining for debate today, I hope that Members will see fit to give this Bill second reading in order that it can go to committee have we will have the opportunity to question witnesses who are interested in better control of criminals.

Mr. Heap: Mr. Speaker, I would like to ask the previous speaker to comment on a point which he, the Member for Burnaby (Mr. Robinson), and the Member for Skeena (Mr. Fulton) touched on. Under the present system some people are released who may commit violent crimes and, in fact, some of them have done so. Under the proposed system those people would be kept in for the full term of their sentence. If we begin this system in the fall of 1985 an inmate with two or three years yet to serve will be held back for that period of time. As the previous speaker said, society will be protected from him for that time, but eventually he will get out. In fact, he will be released at the same time as a number of other people. There will be an extra surge of people being released at the same time and they will be no less violent than they may be now. If they would be inclined to commit violent crimes if released on mandatory supervision now, they will be so inclined then.

Will the Hon. Member explain why he thinks they will be less violent when released at that time? Even if he does not agree that there would be a surge because of the change in timing, he cannot deny that there would be the same potential for violence after release. If anything, that potential will be increased by the frustration of denial, perhaps even in a person who was not previously considered potentially violent. Why does the Hon. Member believe that society will be protected

against violent people who will go directly out on to the streets?

Mr. Towers: Mr. Speaker, the correctional system is working toward the rehabilitation of people who are going back into society. These people must be prepared, but one of the real problems in our society today is that as a result of mandatory supervision people are released against the wishes of the Parole Board. The Board knows full well that those individuals will return to a life of crime since they have not learned the discipline which is required of individuals in order to stay out of the correctional system. Therefore, this will give the Parole Board an opportunity to exercise control over those people who, it is felt, cannot return to society for a definite period of time. That is why this Bill will give more security to society generally.

Mr. Deputy Speaker: It being 4.39 o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

PUBLIC SERVICE

ADVISABILITY OF GRANTING RIGHT TO POLITICAL PARTICIPATION

The House resumed from Monday, April 15, consideration of the motion of Mr. Cassidy:

That the Standing Committee on Miscellaneous Estimates be empowered to study the question of granting to federal public employees the full political participation enjoyed by other Canadians and, that the Committee report its findings to the House no later than June 28, 1985.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I started this speech on Monday, April 15, 1985 and at that time had an opportunity to do nothing more than introduce the subject. I appreciate the opportunity to resume the discussion. I appreciate that the motion may appear to be stale-dated, but I understand that it is going to be up-dated after I am finished. I suggest the debate can continue on the theory of whether or not this goes to a committee, without worrying at this time about the date "June 30, 1985".

• (1640)

My remarks mainly concern the implications of the Canadian Charter of Rights and Freedoms and the time honoured tradition of impartiality in the Public Service. As the House knows, the Canadian Charter of Rights and Freedoms guarantees freedom of expression, freedom of association, the right to vote and the right to be qualified for membership not only in the House of Commons but in a legislative assembly of one of

the provinces or territories. This right is guaranteed to everyone, including employees of the Public Service of Canada.

I believe we are all aware that if there are to be any limitations to these rights and freedoms, it must be demonstrated that they are reasonable limits that are justifiable in a free and democratic society in which we live.

Historically, our Public Service at all levels has operated on a non-political and impartial basis within the Canadian political and administrative context. Merit was the wole determinate of whether or not one is employed or advances. This concept has certainly evolved in recent decades and we are now at the point where there is a tradition of non-political bias and non-partisanship within the Public Service.

In the interests of an impartial, efficient and professional Public Service, there have been restraints placed on the capacity of public servants to take an active part in the public partisan politics and to express themselves publicly on matters of government concern. The Chair will know that the Supreme Court of Canada has presently reserved its decision on the appeal to the Federal Court of Appeal in *Fraser versus Public Service Staff Relations Board*. This appeal, brought by a former public servant, addresses exactly what participation is allowed and whether it impairs his or her ability to carry out their duties.

Partisan political activity of public servants is dealt with in Section 32 of the Public Service Employment Act. It states that no employee shall engage in, work for, on behalf of or against a political party or a candidate for election. It permits public servants to attend political meetings, make contributions to a candidate or political party. Public servants can also seek nomination as a candidate for election if they receive a clearance or leave of absence from the Public Service Commission. When the charter was proclaimed, it brought into question the nature and the application of any restraints on the rights of public servants to freedom of speech and freedom of association with respect to political activities. We were all aware that when the Charter was implemented it would give rise to a challenge to the traditional view, as it should, of the rights of public servants. That is the challenge we are concerned with now. Not only is the House of Commons dealing with this issue, the provinces and the territories are considering it from different perspectives. The first is to balance the ability of a person to have that freedom of association with the need to ensure that we maintain a Public Service that can serve in a neutral and impartial manner. Therefore, we must examine the restrictions that exist and make sure that we can justify them in our society.

Our democratic system is designed to serve people in their best interests. Therefore, no matter what political party is in power, we need a Public Service which can administer the programs of the Government of the day in a professional and neutral manner. We need a Public Service that can provide impartial advice and information to whatever political party is in power.

The question that this raises is one of perception. If we allow the Public Service to participate in the political activity—

Mr. Boudria: What do you mean "if"?

Mr. Lewis: All right. I will substitute "when" for "if". However, when picking on semantics, let us not lose sight of the principle which I believe the Hon. Member from the Liberal Party, the Member from the NDP and certainly our Party want to respect. That is the principle of perception—the reality and perception of a neutral Public Service. There is an old saying in our business that in politics, the perception is the reality. We have to be as worried about the perception as the reality because very quickly that perception becomes the reality. I am sure my hon. friend would agree with that.

Our Government does not want—either by perception or action—to be seen as doing anything which undermines that tradition in which the Public Service should be seen to be neutral. We would not want to bring into question in any way the neutrality or the suggestion that advancement in the Public Service in any way depends upon which Party a public servant may be connected with.

Mr. Cassidy: Are you backing away from your election promise?

Mr. Lewis: I say to the Hon. Member from the NDP that we are not backing away from any election promise.

Mr. Boudria: It sure sounds like it.

Mr. Lewis: There is a difference. When we make an election promise, we know that we will get elected and keep that promise. The NDP has always been able to promise the world, knowing full well that not enough Canadians support their philosophies to put them in office. That is the difference. Do you wish to continue heckling or continue debate? The advantage of the House is that when you speak, my friend, I will have a chance to heckle.

Mr. Boudria: "You" is the speaker.

Mr. Lewis: You may say "he is the speaker" but not "You is the speaker". I don't know where you took your grammer.

Mr. Boudria: We always address ourselves to the Speaker.

Mr. Lewis: But I never heckle the Speaker. You may heckle the Speaker, but I never heckle the Speaker. I always treat him with great respect. This is not Queen's Park, my friend. We work on a different plane. Once you have been here for awhile and appreciate that, you will be able to participate fully. I notice that you have not participated much this week.

In any event, in keeping with the traditions and demands that we have political neutrality, we set up some protections for public servants with which I believe we all agree.

I am not talking about tangible protections but such things as protection from unwarranted dismissal. Great improvements have been made in the Public Service Commission to ensure that there is no harrassment in any way because of one's opinions. There is also protection from what is called capricious career decisions and a guarantee that advancement is based on merit, which is a guarantee that is fundamental to this debate. These guarantees give public servants protection that they can serve without any concerns that their job might be based on political partisanship. We are very serious about maintaining those guarantees, just as we are serious about maintaining the perception of neutrality.

• (1650)

I want to close by saying that the public perception is justs as important as the realization that public servants act in an impartial and neutral manner. I can tell the House that the matter which is the subject of this motion is the subject of active debate by the Government and is being considered. We treat our election promises very seriously and we do not in any way back down from them. We would not wish to back down from any promise or suggestion made during an election campaign. As the Member who defected from the provincial Liberal Party well knows, as Mr. Peterson well knows, we are not abolishing Ontario hospital premiums and we are not able to buy beer and liquor in corner grocery stores because things do not happen overnight. This matter is under active consideration. For that reason when my friend with whom I have had some consultation rises to amend the motion, he will find that myself, as a private Member, will be in support of the motion to change the date from June 30, 1985, to June 30, 1986, so that more people can be heard.

I know the Liberal Party has suppressed rights for public servants for the last 16 years and it has not given them any opportunity to enter these debates, having ruled out consideration of this matter on a serious basis, but I do hope the Liberals will go along with this amendment about to be proposed so we can have a proper debate. The one Member from the Liberal Party who is here may or may not be disposed to give his assent. I hope as a sort of break from the past and from character he could elevate his thinking and, in a sort of magnanimous gesture of perhaps seeing the light, see his way clear after consultation with the rest of his colleagues to support the amendment.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am glad to take part in this debate on the resolution by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy). At the outset, I want to compliment him for the resolution and for the many years he has fought for the political rights of public servants, both at the provincial level in Ontario and at the national level in this House. It is to his credit and also to the credit of many other Hon. Members in this place and in provincial legislatures across the country who have fought for that principle.

I want to say to my friend, the Hon. Member for Simcoe North (Mr. Lewis), yes, I will move a minor amendment to the resolution at the closing of my remarks. There have been discussions and I understand all three Parties are disposed to accepting the amendment because it is purely a matter of detail in terms of the House dealing with the resolution.

It has got to the point where, at the federal level and in the case of a few of the provinces that the people of Canada, the

Constitution and the Charter of Rights are now way ahead of this House of Commons. Political right is always supposed to have been a right. That is exactly what it means and that means a right is indivisible.

I will endeavour to be very non-partisan in this kind of a debate because it has been obvious for the last several years that all three political Parties, and Members in this Chamber from all Parties, support the security of the political rights of members of the public service and employees of federal Crown corporations.

I must say that under the first Premier of a democratic socialist Government on this continent in 1945, among the first half a dozen things it did as a new Government in my province was to enshrine in the statutes of that province not only a provincial Bill of Rights, but the rights of the public civil servants and the Crown corporations to organize, to join a union, to have collective bargaining rights and to have full political rights. That was in 1945 and I am proud of that. I am sure my colleagues in the other Parties will understand and forgive or appreciate my pride in that. Subsequent to that, I think at least four other provinces of other political Parties adopted similar or the same kinds of provisions in their jurisdictions. There is no longer any point in arguing as between political Parties or on a partisan basis about the necessity to make certain that federal public servants and Crown corporation employees have and may exercise at their discretion their political rights. It is an academic discussion now with the Charter of Rights in place.

I need only to quote the present Prime Minister (Mr. Mulroney) when he was Leader of the Opposition—I accept his word and I believe the Hon. Member for Simcoe North and that is why I say it is no longer a partisan issue—who said:

> We believe that this matter should be addressed by an all-party parliamentary committee in consultation with public service organizations—

That is exactly the purport of the resolution by my colleague, the Member for Ottawa Centre. To continue with the quote:

> We believe the situation can be quickly resolved.

The then Leader of the Opposition went on to say that restrictions on public service political activity:

> —are unnecessary and may not be justifiable under the terms of our Charter of Rights and Freedoms.

It is no longer a case of may not. They are not any longer justifiable under the terms of our Charter of Rights and Freedoms. This Parliament, and whoever happens to be governing, is now faced with the certainty that if an individual public civil servant or Crown corporation employee or their organization takes the Government or the Public Service Commission to court—and all they have to do is wave the directive sent out almost annually about political activity to all public service employees—the Government of the day and the Parliament of Canada will lose.

Mr. Dick: Read Clause 1.

Mr. Benjamin: There will be some who may say after I sit down that "well, this matter is now before the courts; and this matter is now part of the collective bargaining process between the Government of Canada and the Public Service Commission". On this issue there is no bargaining. The fundamental rights of citizens and the matter of who employs them—and that includes political rights—are not negotiable. I submit that there are no limitations to political rights. I appreciate that 99 per cent of the time senior public servants who are appointed by Order in Council will not exercise their political rights because of their positions. However, that decision should be the decision of the senior public servant involved.

• (1700)

The Hon. Member for Simcoe North talked about political neutrality. He referred to the promise of his Party prior to entering the election dealing with the political rights of public servants. I believe him. I accept it. I agree that my hon. friends and colleagues in the Conservative Party are sincere in that promise. However, I wonder whether the Hon. Member, who is Parliamentary Secretary to the President of the Treasury Board, has any updated information on the initiatives taken by the President of the Treasury Board (Mr. de Cotret) to implement the promise made by his political Party regarding political rights.

Mention was made of the British Public Service. We all have to admit that it is much more professional than ours. Their public servants at the middle and senior levels make it a practice to be fully informed on the political policies of each Party. Whenever one of them takes power, senior public servants, deputy ministers and what not are able to approach the new Ministers to tell them about the policies and to give them several options on how to go about dealing with them. In that manner they act in a neutral fashion, but that does not gainsay that they have not exercised their political rights in their hours off duty.

The same applies here in Canada. A public servant, or for that matter an employee of a private corporation, may exercise his political rights in his own home, on his own property or in his own hours off duty. In fact, I had this experience as an employee of Canadian Pacific. I am sure Hon. Members understand that there is no particular love lost between CPR and the New Democratic Party. However, in my years of employment with that corporation, I carried out my duties in my hours on duty and after, when off duty, I went out and opposed its policies. I spoke on public platforms and was a candidate. I always received a leave of absence and always returned to my job. Perhaps the voters were too smart; I lost the first two times I ran! I always returned to my job. There was no harassment. The same applies to public servants.

We had better move fast on this because if we do not the courts will be ahead of us. We all know that. It is now academic in terms of the arguments which take place in this Chamber. The resolution of my colleague and my Private Member's Bill, which was debated in 1981 and again in 1984, apply to the same matter. I urge the House to adopt this

resolution so that the committee can begin to study it. I am quite prepared to withdraw my Bill from the Order Paper, and the Government House Leader can include an Order referring the subject matter of my Bill to the same committee which will deal with the resolution of the Hon. Member for Ottawa Centre. This means that the waterfront would be covered this fall and early winter. Then we could return to the Chamber for an all-Party or unanimous approval of the matter of political rights for a certain segment of our society. We are on very shaky and loose ground when we deny a fundamental right to one group while other groups have it.

In conclusion, I should like to move the following amendment, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That the motion be amended by deleting the year "1985" and inserting the year "1986".

I do that to bring the Order Paper up to date. It is merely a detail; it changes one number from a five to a six. If the House approves the resolution and it is referred to the appropriate committee, members of that committee will have until the end of June next year to examine this matter in consultation with concerned public servants, their organizations, Members of the Government and members of the Public Service Commission, and then report back to the House with draft legislation or recommendations or whatever. I think they can accomplish that well in advance of the end of June, 1986. In any event, I understand from the discussions I have had that the amendment is acceptable and will not require any debate.

In closing, I urge my colleagues on all sides of the House to keep in mind that all of us have some responsibility to catch up to what is now the law of the land. Everyone knows that federal public servants and Crown corporation employees must have political rights. I hope this matter will receive quick passage and be referred to the appropriate committee.

Mr. Deputy Speaker: The House has heard the terms of the amendment.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Is it my understanding from the Chair that this amendment requires unanimous consent to be placed on the floor?

Mr. Deputy Speaker: No, it is not.

Mr. Lewis: We will now debate the motion as amended? It was my understanding from discussions with the Table earlier that this freshened the list. I would like to be sure of that at this time.

Mr. Deputy Speaker: We will now be debating the amendment, and that means the list will start over again.

Mr. Benjamin: We will be debating the motion as amended.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it gives me pleasure to participate in this debate this afternoon not only as a former public servant but, more important, as a servant or employee of the House.

This issue is a very important one for people who are called upon or choose to pursue occupations wherein they work for the Government of Canada, an agency of the Government or a Crown corporation. Of course this issue has been raised many times over the past number of years. I should like to draw the attention of the House to Chapter 11 of the so-called d'Avignon Report which is better known as the Report of the Special Committee on the Review of Personnel Management and Merit Principles. That particular chapter refers to political participation. I must say that during the election campaign many public servants lobbied me to find out whether I agreed with the recommendations contained in that particular report. I must say that having been in the situation myself as an employee of this House in an administrative capacity, a capacity in which I was not called upon to work on a direct basis with members of various political Parties, I wished many times that I could have participated more fully in the political process. Obviously, as I am sure you have guessed by now, Mr. Speaker, I still did participate. Otherwise I would never have become not only a municipal councillor but a provincial Member as well as a federal Member if I had not commenced some kind of political activity while I was a member of the staff of the House of Commons.

• (1710)

As you know, Mr. Speaker, the regulations that apply to public servants generally do not necessarily apply in all cases to the staff of the House of Commons. At least they did not when I worked here. There was some leeway given to me or rather some things were tolerated regarding the political activities in which I engaged as carefully as I could at the time.

In speaking to many friends who work in the Public Service, I find there are many things which public servants wonder about in relation to their rights. They wonder just what they are permitted to do at the present time as a federal public servant. Is it permitted for a public servant to erect a political sign on their lawn at the present time?

Mr. Benjamin: It should be.

Mr. Boudria: Of course it should be, as the Hon. Member has said, and no one is disagreeing with that. However, at present there is a tremendous amount of fear felt by some public servants. In the case of a couple, one of whom works for the Public Service and one of whom does not, I suppose the case could always be made that the sign belongs to the individual spouse who does not work for the Public Service. People who live alone or people who live together but both happen to be public servants have more difficulty at the present time.

What about public servants knocking on doors? Are they or are they not permitted to knock on doors for a political

candidate at this time? That question has been raised by various people. There have been various interpretations of the issue. People are really unsure about where they stand. When people are unsure, particularly in an era of high unemployment, they do not take a chance. People do not take a chance because they do not want to be fired and lose their jobs. That is the sad case of public servants at the present time.

Undoubtedly, the laws must be clarified. Individuals have to be given their rights. In so doing, it must be explained in a very clear way just what it is that they are permitted to do. For instance, the British system is composed of what is known as tiers. There is a certain category of individuals on which there are no restrictions, another category on which there are restrictions that can be removed by request and, as I understand it, another category of public servants who are prohibited from participating in the political process in a similar way that all public servants in Canada are prohibited. The three-category system in Britain may not be perfect, but it is certainly a long way away from what we have now.

Perhaps I could mention a specific example. What political implication could there possibly be and what prohibition should there be for someone who works as a truck driver for the Department of Supply and Services knocking on doors for a political candidate in the evenings? Obviously there is no political implication in that case. That should be properly recognized.

I would like to refer to the comments made by the Hon. Member for Simcoe North (Mr. Lewis). The Hon. Member indicated that it was his Party that had promised during the election campaign to find a solution to this particular problem and to lift restrictions from public servants in this country. A letter from the now Prime Minister (Mr. Mulroney), the then Leader of the Opposition, was sent to Mr. Jack Donegani of the PIPs group of public servants in which he said that the PC Party believes that the present restrictions on political activities are unnecessary and likely not justifiable under the terms of the Canadian Charter of Rights and Freedoms. While the rights of some senior public servants must be restricted in order to prevent conflict of interest, we feel that this issue could be addressed without disenfranchising over 200,000 public servants in the process.

It has been over a year since the Government was elected. That was one of the promises that was made along with a number of others. I have here my little booklet which I have shown to you upon occasion, Mr. Speaker. This booklet is entitled *338 Tory Promises*. The Hon. Member for Simcoe North said that the promises could not all be kept in the first year. I agree with him, but I have calculated that at the present rate, it will take until the year 2026 before all the promises are delivered.

Mr. Gurbin: We'll be in Government that long.

Mr. Boudria: I would venture to say, notwithstanding the fact that the Government cannot deliver everything on the first day, that it could at least accelerate the process somewhat and attempt to deliver on the promises that were made to the people of Canada. I am sure the Hon. Member for Simcoe North will recognize that and I am sure he will do his best to ensure that the Prime Minister lives up to the campaign promises that were made.

It would be my hope that Conservative Members from the Ottawa area including the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) would jolt the Prime Minister into doing something about this issue. I hope that things will not again be arranged in such a way so that this particular issue falls at the bottom of the Order Paper only to return four, five or six months hence for another one hour of debate.

By now, I think all political Parties have had a chance to air their views on this subject. We can have a more complete debate in committee. I think now is the time to move on by bringing this debate out of the House and into committee so that the people will see that the Government has somewhat of an intention of going ahead with its promises.

I would like to indicate to the Government that if, by the end of this day, this matter does not go to a Parliamentary Committee, I can only assume that this is another one of the promises that if not broken will at least be delayed intentionally for a very, very long time. Members of the Conservative Party should remember this. They should speak briefly on the Bill and allow it to proceed. They should demonstrate whatever—

Mr. Benjamin: It is not a Bill.

Mr. Boudria: They should speak on the resolution, then, so that the issue can go ahead to a parliamentary committee.

In conclusion, I urge all Members of the House to support this initiative on the part of the Hon. Member for Ottawa Centre (Mr. Cassidy). It is an initiative that was supported by our Party when the matter was debated on April 15 and one in which the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has also participated extensively over the years. I would like to take this opportunity to congratulate him as well as the Hon. Member for Ottawa Centre for bringing these issues forward on different occasions. I hope that the Government will demonstrate its good faith, and for the moment, I will assume that it has some good faith.

• (1720)

Mr. Deputy Speaker: The Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick).

Mr. Cassidy: I rise on a point of order, Mr. Speaker. It is my understanding that the motion to amend the resolution to make it refer to 1986 was accepted by the House. Under the circumstances, I believe that since the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) has previously spoken in this debate that he would not have the right to speak again. I would not want to think that he is trying to talk this resolution out and, therefore, I felt I should bring that point to your attention, Mr. Speaker. In fact, we can dispose of this matter if he is the only member on the Government side who still wishes to speak.

Mr. Deputy Speaker: The amendment has not been adopted. We are debating the amendment now.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Because of discussions held among all Parties, may I request, Sir, that you put the question. I think you will find that there is unanimous consent for the amendment to pass. We can then debate the resolution as amended.

Mr. Deputy Speaker: The Hon. Member for Lanark-Renfrew-Carleton has the floor on debate on the amendment.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wanted to rise to speak once again on this matter which has come up on a number of occasions. I believe the amendment—

Mr. Benjamin: On a point of order, Mr. Speaker. I believe the point has been made by my colleague from Ottawa Centre (Mr. Cassidy) that the hon. gentleman has already spoken on this resolution.

Mr. Deputy Speaker: If I understood the first point of order put forward by the Hon. Member for Regina West (Mr. Benjamin), he asked the Chair to put the question in order to see if there would be unanimous consent to have the amendment adopted. I gather there is not unanimous consent since the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) wants to speak on the amendment.

Mr. Dick: I think the Hon. Member for Regina West (Mr. Benjamin) is quite familiar with the procedure in speaking to amendments. In fact, I have seen the New Democratic Party use that procedure as a means of filibuster for days and days and weeks and weeks on end.

The essence of allowing a review by the Government and a report back by the Government between September 1985 and June 1986 with respect to whether or not public servants should have full political rights is an important issue. I have no difficulty with the general thrust. I spoke on the issue when it was put forward by the Hon. Member for Regina West, I believe, back in the fall. On that occasion I believe the Hon. Member was extremely pleased. In fact, the Prime Minister (Mr. Mulroney) came into the Chamber during Private Members' Hour. As the Hon. Member for Regina West pointed out, in his 17 years of being in this place it was the first time he had seen a Prime Minister come in and sit through a debate during Private Members' Hour. It can be noted that he picked the debate on full political rights to public servants as the debate to which he wished to listen.

Mr. Benjamin: I got a nice note from him, too.

Mr. Dick: I know you did. I know that the Prime Minister is serious in the commitment he made during the campaign. Although the previous speaker indicated he believed political promises or commitments would not be implemented, I believe I can honestly say that we have implemented more political commitments than the federal Liberal Party ever did. What I can say is that we have not had the temerity to stand up, as did one of the senior people in the provincial Liberal Party and say, as Robert Nixon did—he just left and abandoned it—"We will not be able to fill our political promises now." That is what he said at the first opportunity he had when he was addressing some of the issues after he became Treasurer. We have not said that. We believe we will be able to fill our political promises during the four or five years of our mandate. I think this is one which will be carried out.

It is important to note that there have been some detailed discussions on a number of matters going on with the public service unions. Those matters have not been concluded. We hope they will be concluded prior to June 30, 1986, However, they were somewhat delayed after some initial announcements last April dealing with master contracts and about four different topics dealing with pensions and so on. At that time, they said one of the items which was on the table but not yet being discussed was the issue which is a substantive part of the motion before us; that is to say, public servants have full rights.

This is, by and large, a non-partisan issue, as long as it is dealt with prior to the next election.

Mr. Benjamin: That long?

Mr. Dick: It will not have much of a meaningful effect as long as it is done before the next election.

I would like to see them given the full opportunity of defining the ramifications of this point within the negotiations. For example, in the United Kingdom, which I had the opportunity to visit earlier this year, I asked how they defined the situation. They have broken the Public Service in the United Kingdom into three tiers.

Mr. Boudria: Only three tiers?

Mr. Dick: Unfortunately, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) is always barking. We hear him so frequently. He is like a mad terrier. I guess he does not like to hear other people's thoughts. He likes to hear only his own voice. So be it.

As I was trying to say, in England they have broken the Public Service into three tiers. The first tier has absolute full political rights. The second tier, which is more or less the middle-management tier, has limited political rights but more political rights than what we have in Canada under the present legislation. The top tier, which includes deputy ministers, assistant deputy ministers and associate deputy ministers, does not have political rights.

I think it only appropriate for the discussions to continue with the various public service unions in order to define the ramifications. Hopefully, in the next few months they will get over their discussions on master contracts. Hopefully, they will have dealt with the discussions on indexation of pensions and how they should be indexed. I hope they will move on to these two topics which are on the table but which have not yet received full discussion. I feel confident that they, in their

wisdom, might come up with a solution which will be acceptable to all parties.

The Hon. Member for Regina West has indicated that the courts will decide this matter for us. It may well be that there will be a decision in the Fraser case which will decide the issue by and large. However, there are some things, such as Section 1 of the Charter of Rights, which allow for certain limitations. I think the court will have to make a decision on whether or not this is a reasonable limitation. Indeed, if the court was so well convinced right off the cuff that it was just, it would not have reserved its decision. It would have announced its decision from the bench on the occasion of the adjournement of the hearing. However, it has reserved because there are a few more matters to deal with other than the granting *carte blanche* to everybody of free political rights, whether they be a Deputy Minister or a unionized person who is a clerk.

Having said that, it would be helpful to see whether the Government, as the employer, and the unions on behalf of the employees, can perhaps appropriately define this issue. I suggest we have limited time in which we can deal with the issue. If they fail to address the matter within the next year, then I imagine this will become a bit of a hot potato. I imagine the matter will be spoken to by various people with some meaning, dedication and conviction.

• (1730)

Mr. Cassidy: It's a long time away.

Mr. Dick: Well, we don't seem to be having a federal election tomorrow.

Mr. Boudria: A provincial election, too.

Mr. Dick: They promised you are not going to have a provincial election for two years. So I don't see any election to worry about.

Mr. Lewis: You made a deal.

Mr. Boudria: Yes, but surely there's more than one province in this country.

Mr. Dick: Mr. Speaker—

Mr. Deputy Speaker: The Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) has the floor.

Mr. Dick: The Hon. Member for Glengarry-Prescott-Russell likes to hear his own voice. The Liberal Party of this country was in power for 16 years and could have done this. They did not do it. And that Liberal Member from Glengarry-Prescott-Russell tries to bark and yell and scream his way along; all he is a whiner in this House. He whines every day, interrupts every Hon. Member, always. It would be a lot better if he were more appreciative and sat back and listened to other people for a change. If he wants to seek the floor he can seek the floor and stand up and speak for his allotted time. Until then, maybe he should learn to shut up.

I think this is a very sensitive issue; it is a partisan issue. When we were in opposition we called for full political rights. During the election campaign we called for full political rights. I feel very strongly about it because I was a public servant who was fired from his job because I sought a political nomination back in 1972. I felt that I was improperly disenfranchised. I should say that I was not disenfranchised because I insisted on exercising my franchise, but I felt afterwards that I was improperly fired from my job as a public servant because I took the action I thought was appropriate.

No doubt there are people on all sides of the House who feel very strongly about this issue. I just caution all Hon. Members, that rather than using rhetoric to inflame the issue, give the Government proper time. There was a delay in the negotiations from April on because one of the largest public sector unions had an election in June and there was some difference of opinion leading up to that election as to what they had agreed to in April. I believe that has been resolved and the union is now back bargaining with the President of the Treasury Board (Mr. de Cotret) on behalf of the Government as the employer. I believe they will be moving on this. If they do not resolve it, then I believe it will become a hot political issue, and it should become so. I am hoping they will resolve this. I do not believe the courts are going to rule ahead of us, but if they do, so be it. The next federal election is about three and a half to four years away. The next provincial election is—

Mr. Benjamin: May we quote you on that?

Mr. Dick: And we intend to implement our promises during the period of time we have.

As to the next provincial election, we have been promised by the bed mates, the New Democratic Party and the Liberal Party in the Province of Ontario, that there is not going to be one for two years. There may be other areas which are interested in this. I live in Ontario. The Hon. Member for Glengarry-Prescott-Russell who is squawking over there could have addressed this issue during his speech a few minutes ago. He decided not to. I think we have to keep calm about it because it is an emotional topic for many people. It can be inflamed so easily by rhetoric, with everything being put off track. I just hope that does not happen.

If it is apparent towards the end of the Government's term in office that we have failed to come through with it, then I believe we are open for every attack in the world. In the meantime, I hope we will try to let the employers and employees work out in an amicable fashion the demarcation lines, where exactly this should begin, and the extent and how far up the scale within the Public Service they should go for full political rights. I believe they should go very far up the scale. I do have problems, perhaps, with Deputy Ministers, Assistant Deputy Ministers, and so on, but I feel this is open for negotiation.

I want to thank you very much, Mr. Speaker, for allowing me to make this contribution. I must admit that I do not agree with the date the Government set to report back, June of 1986.

Mr. Benjamin: No, no, the committee.

Mr. Dick: Because it may be completed in September of 1986 or at some other stage. I just do not think we need a time limit. I do think that if we have not produced before going into an election campaign. It should then become an issue which we will have to defend. However, we can defend something we have promised to do.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I wish to speak on the amendment proposed by the Hon. Member for Regina West (Mr. Benjamin). I agree it is time to stop debating this issue. Everyone agrees that our public servants should have the same political rights as their fellow citizens.

We have also discussed at length the whole complexity of the kind of solution we should seek. I agree with my hon. friend from Lanark-Renfrew-Carleton (Mr. Dick) that we should not set a deadline, since negotiations are being held. On the other hand, I do not think we should leave it up in the air. I feel we should really consider some way of, for instance, having the issue brought before a committee of the House, while making it quite clear when the proposal is made to do so, that the process should not prejudice the negotiations taking place between the unions and Treasury Board. This is not a frivolous matter, it is indeed a very serious one, because I am particularly interested in the depoliticizing of public servants and of the public service.

I have been in Parliament for only a year, Mr. Speaker, and I have already had some experience, unfortunately, of the far too politicized state of our public service. In projects that were really necessary and that were supposed to contribute to the development of certain industrial sectors and regions, some public service employees, who were used to working with certain people in the community, seem to want to retain a certain decision-making power that is not really theirs. So it is extremely urgent to depoliticize the public service.

As far as the merit principle is concerned, every week I get calls or letters from public service employees in my riding who write: Mrs. Mailly, I was a CR-2, or I was a CR-3, I could have had a promotion, I had a very good performance appraisal report, but someone else was appointed who was slipped into the system. There is favoritism within the public service, a situation that probably started at one time as a result of political pressure and which today has become firmly rooted in the public service.

I think this is very bad for the rights of employees and for a public service that claims to serve the public. Mr. Speaker, I say let us stop looking at all the angles of this subject, let negotiations between the unions and the Treasury Board proceed, but please, let us not wait another year to solve this problem! I think that the date suggested by my hon. friend from Regina West is not soon enough.

Mr. Deputy Speaker: The hour allotted for Private Members' Business has now expired. Therefore, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.39 p.m.

APPENDIX

CABINET COMMITTEE MEMBERSHIP*

Communications	
Chairman	The Hon. R. Hnatyshyn
Vice-Chairman	The Hon. P. Beatty
Members	The Hon. T. McMillan The Hon. M. Masse The Hon. S. McInnes
Economic and Regional Development	
Chairman	The Hon. S. Stevens
Vice-Chairman	The Hon. P. Carney
Members	The Hon. F. MacDonald The Hon. D. Mazankowski The Hon. J. Fraser The Hon. J. Wise The Hon. J. Murta The Hon. T. Siddon The Hon. C. Mayer The Hon. W. McKnight The Hon. T. McMillan The Hon. A. Bissonnette The Hon. S. Blais-Grenier The Hon. M. Côté The Hon. J. Kelleher The Hon. R. Layton The Hon. M. Masse The Hon. G. Merrithew
Foreign and Defence Policy	
Chairman	The Right Hon. J. Clark
Vice-Chairman	The Hon. E. Nielsen
Members	The Hon. D. Mazankowski The Hon. J. Fraser The Hon. S. Stevens The Hon. J. Wise The Hon. P. Beatty The Hon. H. Andre The Hon. W. McLean The Hon. T. McMillan The Hon. P. Carney The Hon. B. Bouchard The Hon. M. Côté The Hon. J. Kelleher The Hon. M. Masse The Hon. G. Merrithew The Hon. M. Vézina The Hon. S. McInnes

*N.B. The Deputy Prime Minister, President of the Treasury Board and Minister of Finance are *ex officio* members of the Cabinet Committees on Economic and Regional Development, Foreign and Defence Policy, Government Operations and Social Development. All Ministers are free to attend meetings of these Committees.

Government Operations	
Chairman	The Hon. R. de Cotret
Vice-Chairman	The Hon. R. Hnatyshyn
Members	The Hon. G. Hees The Hon. D. Roblin The Hon. R. La Salle The Hon. E. MacKay The Hon. H. Andre The Hon. W. McKnight The Hon. A. Bissonnette The Hon. B. Bouchard The Hon. M. Côté The Hon. B. McDougall The Hon. G. Merrithew The Hon. M. Vézina The Hon. S. McInnes
Legislation and House Planning	
Chairman	The Hon. R. Hnatyshyn
Vice-Chairman	The Hon. D. Roblin
Members	The Hon. G. Hees The Hon. E. Nielsen The Hon. J. Crosbie The Hon. R. La Salle The Hon. E. MacKay The Hon. J. Fraser The Hon. D. Crombie The Hon. J. Murta The Hon. B. Bouchard The Hon. A. Champagne The Hon. J. Kelleher The Hon. R. Layton
Priorities and Planning	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	The Hon. E. Nielsen
Members	The Right Hon. J. Clark The Hon. F. MacDonald The Hon. J. Crosbie The Hon. D. Mazankowski The Hon. E. MacKay The Hon. J. Epp The Hon. J. Fraser The Hon. S. Stevens The Hon. R. Hnatyshyn The Hon. R. de Cotret The Hon. M. Wilson The Hon. P. Carney The Hon. M. Côté The Hon. M. Masse

Public Service	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	The Hon. E. Nielsen
Members	The Right Hon. J. Clark The Hon. F. MacDonald The Hon. J. Wise The Hon. R. de Cotret The Hon. M. Wilson The Hon. W. McKnight The Hon. W. McLean
Security and Intelligence	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	The Right Hon. J. Clark
Members	The Hon. F. MacDonald The Hon. E. Nielsen The Hon. J. Crosbie The Hon. R. Hnatyshyn The Hon. R. de Cotret The Hon. P. Beatty The Hon. M. Wilson The Hon. H. Andre The Hon. P. Carney
Social Development	
Chairman	The Hon. J. Epp
Vice-Chairman	The Hon. J. Crosbie
Members	The Hon. G. Hees The Hon. F. MacDonald The Hon. D. Crombie The Hon. P. Beatty The Hon. O. Jelinek The Hon. W. McKnight The Hon. W. McLean The Hon. T. McMillan The Hon. B. Bouchard The Hon. A. Champagne The Hon. M. Masse The Hon. M. Vézina
Special Committee of Council	
Chairman	The Hon. R. Hnatyshyn
Vice-Chairman	The Hon. J. Crosbie
Members	The Hon. D. Roblin The Hon. E. MacKay The Hon. O. Jelinek The Hon. T. Siddon The Hon. A. Bissonnette The Hon. S. Blais-Grenier The Hon. B. McDougall The Hon. G. Merrithew The Hon. M. Vézina The Hon. S. McInnes
Treasury Board	
Chairman	The Hon. R. de Cotret
Vice-Chairman	The Hon. M. Wilson
Members	The Hon. P. Beatty The Hon. T. Siddon The Hon. M. Côté The Hon. G. Merrithew
Alternates	The Hon. B. McDougall 1st Alternate The Hon. J. Wise The Hon. T. McMillan The Hon. M. Vézina The Hon. S. McInnes The Hon. C. Mayer

P.C. 1985-2653

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by Her Excellency the Governor General on the 23 August, 1985

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from the National Capital Region of the Prime Minister or in the event of his being unable to perform the functions of his office
   (a) the Deputy Prime Minister, the Honourable Erik Nielsen, or
   (b) in the absence from the National Capital Region of the Deputy Prime Minister, the Honourable Erik Nielsen or in the event of his being unable to perform the functions of the office of the Prime Minister, the next Minister named in order of priority in the list of Ministers set out in Schedule A who is in the National Capital Region and is able to perform the functions of the Office of the Prime Minister,

   be authorized to act for the Prime Minister;
2. that in the absence from the National Capital Region of a Minister whose name is set out in Column II of an item of the Schedule B, or in the event of that Minister being unable to perform the functions of his Office, the Minister whose name is set out in Column III of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;
3. that in the absence from the National Capital Region of the Ministers named in Columns II and III of an item of the Schedule B, or in the event of both of those Ministers being unable to perform the functions of their Office, the Minister whose name is set out in Column IV of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;
4. that in the absence from the National Capital Region of the Ministers named in Columns II, III and IV of an item of the Schedule B, or in the event of all those Ministers being unable to perform the functions of their Office,
   (a) the Prime Minister,
   (b) in the absence from the National Capital Region of the Prime Minister or in the event of the Prime Minister being unable to perform the functions of his Office,

the Deputy Prime Minister, the Honourable Erik Nielsen, or

(c) in the absence from the National Capital Region of the Prime Minister and the Deputy Prime Minister, the Honourable Erik Nielsen, or in the event of both of them being unable to perform the functions of their Office, the next Minister named in order of priority in the list of Ministers set out in Schedule A, who is in Ottawa and is able to perform the said functions,

be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of that item;

5. that, where an Office set out in Column I of an item of Schedule B is vacant, the Minister whose name is set out in Column III of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item;

6. that, where an Office set out in Column I of an item of Schedule B is vacant, in the absence from the National Capital Region of the Minister whose name is set out in Column III of that item, or in the event of that Minister being unable to perform the functions of the Office set out in Column I of that item, the Minister whose name is set out in Column IV of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item; and

7. that, where an Office set out in Column I of an item of Schedule B is vacant, in the absence from the National Capital Region of the Ministers named in Columns III and IV of that Schedule, or in the event of those Ministers being unable to perform the functions of their Office,

(a) the Prime Minister,

(b) in the absence from the National Capital Region of the Prime Minister or in the event of the Prime Minister being unable to perform the functions of his Office, the Deputy Prime Minister, the Honourable Erik Nielsen, or

(c) in the absence from the National Capital Region of the Prime Minister and the Deputy Prime Minister, the Honourable Erik Nielsen, or in the event of both of them being unable to perform the functions of their Office, the next minister named in order of priority in the list of Ministers set out in Schedule A, who is in Ottawa and is able to perform the said functions,

be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of that item.

SCHEDULE A

LIST OF MINISTERS TO ACT FOR THE PRIME MINISTER IN HIS ABSENCE OR IN THE EVENT OF HIS BEING UNABLE TO PERFORM THE FUNCTIONS OF HIS OFFICE

The Hon. E. Nielsen
The Right Hon. J. Clark
The Hon. F. MacDonald
The Hon. J. Crosbie
The Hon. D. Mazankowski
The Hon. E. MacKay
The Hon. J. Epp
The Hon. J. Fraser
The Hon. S. Stevens
The Hon. R. Hnatyshyn
The Hon. R. de Cotret
The Hon. M. Wilson
The Hon. P. Carney
The Hon. M. Côté
The Hon. M. Masse
The Hon. G. Hees
The Hon. R. La Salle
The Hon. J. Wise
The Hon. D. Crombie
The Hon. H. Beatty
The Hon. J. Murta
The Hon. H. Andre
The Hon. O. Jelinek
The Hon. T. Siddon
The Hon. C. Mayer
The Hon. W. McKnight
The Hon. W. McLean
The Hon. T. McMillan
The Hon. A. Bissonnette
The Hon. S. Blais-Grenier
The Hon. B. Bouchard
The Hon. A. Champagne
The Hon. J. Kelleher
The Hon. R. Layton
The Hon. B. McDougall
The Hon. G. Merrithew
The Hon. M. Vézina
The Hon. S. McInnes

SCHEDULE B

LIST OF ACTING MINISTERS

	Column I	Column II	Column III	Column IV
	Office	Name	Acting Minister	Second Acting Minister
1.	Minister of Agriculture	J. Wise	C. J. Mayer	G. S. Merrithew
2.	Minister of Communications	M. Masse	B. Bouchard	T. E. Siddon
3.	Minister of Consumer and Corporate Affairs	M. Côté	R. R. de Cotret	T. M. McMillan
4.	Minister of Employment and Immigration	F. I. MacDonald	W. F. McLean	W. H. McKnight
5.	Minister of Energy, Mines and Resources	P. Carney	R. E. Layton	D. E. Crombie
6.	Minister of the Environment	T. M. McMillan	J. A. Fraser	J. Wise
7.	Secretary of State for External Affairs	C. J. Clark	J. F. Kelleher	M. Vézina
8.	Minister of Finance	M. H. Wilson	B. J. McDougall	R. R. de Cotret
9.	Minister of Fisheries and Oceans	J. A. Fraser	J. C. Crosbie	T. M. McMillan
10.	Minister of Indian Affairs and Northern Development	D. E. Crombie	J. Epp	P. Carney
11.	Minister of Justice and Attorney General	J. C. Crosbie	J. F. Kelleher	H. P. Beatty
12.	Minister of Labour	W. H. McKnight	F. I. MacDonald	A. Champagne
13.	Minister of National Defence	E. H. Nielsen	H. Andre	C. J. Clark
14.	Minister of National Health and Welfare	J. Epp	O. J. Jelinek	D. E. Crombie
15.	Minister of National Revenue	E. M. MacKay	M. Côté	B. J. McDougall
16.	President of the Privy Council	R. J. Hnatyshyn	E. M. MacKay	J. A. Fraser
17.	Minister of Public Works	R. La Salle	S. McInnes	D. F. Mazankowski
18.	Minister of Regional Industrial Expansion	S. M. Stevens	A. Bissonnette	J. B. Murta
19.	Minister of State for Science and Technology	T. E. Siddon	S. M. Stevens	M. Masse
20.	Secretary of State of Canada	B. Bouchard	A. Champagne	O. J. Jelinek
21.	Solicitor General of Canada	H. P. Beatty	J. C. Crosbie	R. J. Hnatyshyn
22.	Minister of Supply and Services	S. McInnes	R. La Salle	D. F. Mazankowski
23.	Minister of Transport	D. F. Mazankowski	S. Blais-Grenier	J. Wise
24.	President of the Treasury Board	R. R. de Cotret	M. H. Wilson	H. P. Beatty
25.	Minister of Veterans Affairs	G. H. Hees	E. H. Nielsen	H. Andre

HOUSE OF COMMONS

Monday, September 16, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

Hon. Jake Epp (Minister of National Health and Welfare) moved that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to speak on second reading of an Act to amend the Family Allowances Act, 1973. In the Budget of May 23, 1985, the Government, through the Minister of Finance (Mr. Wilson), announced its intention to restructure the federal child benefit system to provide greater assistance to families with lower incomes while at the same time moving to bring our national debt under control. This Bill represents a first step toward meeting those dual objectives.

The major proposal contained in this Bill will modify the current method of indexing family and special allowances. Effective January, 1986, these benefits will be indexed only for the annual increase in the cost of living greater than 3 per cent. Any increase in inflation above 3 per cent will be fully compensated. I should also stress that, as is currently the case, no payment will be reduced if the rate of inflation drops from one year to the next. Thus, the principle of indexation will be maintained. Family allowances will continue to be protected by partial indexation should higher inflation occur. As well, Mr. Speaker, universality under that proposal is not affected.

Many of those concerned about the problem of the debt and the deficit advised a more drastic course of action. Indeed, there are those who advocated that government spending be reduced through the elimination of some of our social programs, and that includes family allowances.

Recently, the Macdonald Commission Report has advocated that current family benefits be eliminated above a certain income level as part of a guaranteed annual income proposal. The Government has chosen instead to maintain the principles of universality and indexation and to introduce a modification to the method of adjusting those benefits. In addition—and I cannot emphasize this enough—this represents a change to only one of the several components which make up the federal child benefit system. Over the next three years, the Government will be increasing the support currently provided to low income families through a gradual restructuring of benefits delivered through the tax system.

On second reading of this Bill, Mr. Speaker, I believe all of us in the House who have looked at the deficit, at Canada's economic status and at our public accounts, feel that it is important that the Government show a clear initiative in its approach to deficit restructuring. It is regrettable that this issue was not taken more seriously at an earlier date. The reason I say that is because one cannot separate, I would suggest, social programs and benefits from economic reality. I am sure Hon. Members opposite, as well as Hon. Members on this side of the House, do not endorse a system where today the servicing of the debt on an annualized basis is equal to the costs of services provided by the Department of National Health and Welfare. At the present time, the servicing of the debt on an annualized basis is approximately $26 billion. That is the budget for the Department of National Health and Welfare and of course, as Hon. Members know, it is the largest single budgetary item of any Department.

To put it in as succinct a term as I can, Mr. Speaker, the servicing of the debt today on an annual basis is equal to the federal Government's share of health care, of all old age pensions, of guaranteed income supplements for those Canadians who are below a certain income level, the spouses' allowance, the widows' allowance, the family allowance, welfare, social assistance for those who are most needy, medical research, and the list goes on. I believe Hon. Members realize that at any point in time Governments, regardless of their partisan stripe, like to see increases in social benefits. I do as well. But I also know that in order to maintain and improve those benefits, the deficit cannot be ignored by those of us who work in the social affairs field.

I want to serve notice to Hon. Members as well, that while this Bill amends the family allowances Act, although our legislative process does not allow for it, the follow-up legislation to improve child tax credit benefits are included in a Bill which the Minister of Finance will bring in. So while I am restricted to the Family Allowances Bill today, I remind Hon. Members of the total family benefits package when I am addressing this issue.

As Hon. Members know, the current child benefits system today is so irrationally structured that it actually provides greater after tax benefits to families with children and with an income of $30,000 than it does to a family with the same number of children and an income of $10,000. The revised system which we are proposing, and which will be in place by the end of 1989, will provide its maximum benefits to families with children and incomes of less than $25,000. Beyond that

income level benefits will gradually diminish; but all families with children will continue to receive benefits not available to families without children with the same income.

• (1110)

While these groups have differed over mechanisms to reach such a structure, the initial level of benefits and the income level where benefits should begin to be reduced, all serious analysts of the current system have recommended reform based on the principles I have espoused. There must be more equity built into the system. At this point, I wish to thank the members of the Standing Committee on Health, Welfare and Social Affairs who also put forward a model. While we can argue models, I think the principles embodied are generally accepted from those in the social affairs field.

Such a system would also be markedly more progressive than the current one in the sense that a much larger portion of total benefits will flow to low income families with children while a smaller portion of total benefits will flow to upper income families with children. At the same time, as I have already stated, the universal character of the family allowances benefit is maintained.

Members opposite may wish to argue that the scheduled maximum benefit levels in the new system should be higher so that the number of winners compared to the current system would be increased. I wish to assure them that those levels will be reviewed on an ongoing basis and if fiscal conditions permit they may be increased in future Budgets.

I also want to remind the House that this is not the first time that limits have been placed on full indexing of the family allowance in conjunction with other changes to the child benefits system. When the child tax credit was introduced in 1979, the monthly family allowance was scheduled to increase from $25.68 per child to $27.99 per child. Instead, it was reduced to $20 per child. In 1983 and 1984, indexing of family allowances was limited to 6 per cent and 5 per cent by the so-called six and five program. Without that program, family allowances would have gone up from $26.91 per child per month in 1982 to $31.92 per child per month in 1984. Instead, the 1984 family allowance was $29.95 per child per month, almost $2 lower per month per child. To compensate, the child tax credit paid in 1983 and in 1984 was higher than it normally would have been before the restructure.

Further, it is also not the first time that less than full consumer price indexing has been applied as a restraint measure. In 1976, when the family allowance was scheduled to rise by 11.2 per cent, which was the inflation rate annualized at that time, from $22.08 per child per month to $24.55 per child per month, the Government of the day froze the level at the previous year's level. That is cost of living minus 11.2 per cent, not cost of living minus 3 per cent. There was no offsetting benefit increase in any other program in the child benefit system and the savings were fully applied to deficit reduction. I am sure my critic opposite in the Liberal Party remembers that period of time and the position taken.

I also suggest to the House that this restructuring is valid during a period of low inflation when inflation trends over the past number of years have been relatively stable. I think it is the right time, from that perspective as well, to make the adjustment. In fact, just looking back to 1976, if full indexing to the Consumer Price Index had been applied without interruption from 1974, the monthly family allowance cheque this year per child would be $51.83 instead of the current level of $31.27. That would be a difference of $20.56 per month, per child. I put these figures forward to convey to the House and the public that there have been changes along these lines before, much more dramatic, as I will point out later on, than anything we are suggesting in the Budget and in this Bill today. I say to the House and to every Canadian that there will not be a reduction in current levels, as was the case previously, but there will in fact be an increase. It will be less, however, than the CPI, namely 3 per cent less.

• (1115)

Given current levels of inflation this Bill will mean that the increase in family allowance benefits in 1986 will be 94 cents a month less per child than it would have been had the current system remained in place. I compare that 94 cents to the $20.56 which I am sure has not escaped the notice of the House. The comparable impact of the freeze in family allowances in 1976, to put it on a year-by-year basis because I think that is more accurate and more fair, in 1976 would have been $4.99 per month in 1985 dollars. To carry this argument even further, that would mean that in one year our model family with two dependants would have a total reduction of $22.72 for the entire year. What I am saying to Members is that we have to keep things in perspective. In addition we have the child tax credit for those in the lower income brackets which will be supplemented in further legislation. I point all this out not in a partisan manner but simply on the basis that it has been done before. I have no doubt that Members opposite will oppose this Bill, if their public announcements are to be believed, but I say to them that while it is their responsibility and obligation to oppose, they should do so in the light of history and oppose it in the light of what they did in the past.

Mr. Frith: In the context of your Budget.

Mr. Epp (Provencher): They should oppose it in light of the deficit and in light of the arguments they made previously.

As is obvious from the points that I believe have been made today, Mr. Speaker, there is considerable precedent for what is being proposed in this Bill. I would now like to describe briefly the minor amendments to the family allowances program which are also included in the Bill and which I hope find acceptance with Members opposite. While these amendments are considered minor because they will not result in significant changes to the program, I believe they are none the less important because they serve to improve the equity and administration of the program on a day-by-day basis.

For example, one of the proposals would provide the Minister of National Health and Welfare with the discretionary

authority to remedy the consequences of erroneous advice given or administrative error made by departmental officials. I know from years of experience in opposition that we were always suspicious about giving a Minister discretionary powers.

Mr. Rossi: You admit it.

Mr. Epp (Provencher): However, I think as Members look at this proposal they will see it is to the benefit not of the Minister but of those who have suffered either from bad advice or clerical error. Given the substantial number of applicants and beneficiaries under the family allowances program, it is understandable that errors which result in a person or agency being denied an allowance may be made from time to time. While the Act does allow for retroactive payment of benefits of up to one year, cases may occur in which a loss of benefits extends beyond this retroactive period. If this amendment is approved, as I hope it will be, remedial action to rectify the consequences of erroneous advice or administrative error will be possible where it is demonstrated that a loss of benefit entitlement has occurred as a direct result of such errors.

● (1120)

Another proposal in the Bill would provide the Minister of National Health and Welfare with discretionary authority to remit or forgive an overpayment of family allowances under certain circumstances. Currently, in cases where it is determined that an overpayment of allowances has been made, the administration has no alternative under the terms of the Act but to proceed with the recovery of the overpayment, even though it might be excessively costly relative to the amount owed or take an unreasonable length of time to do so.

This amendment would give the Minister discretionary authority to remit benefit overpayments under these circumstances, as well as where the recovery of an overpayment would cause the debtor undue hardship or where the overpayment arose as a direct result of administrative error or erroneous advice on the part of a departmental official. I should say tangentially, Mr. Speaker, that this amendment would bring the Family Allowances Act in line with some other Acts relating to benefits paid under certain social programs.

One final amendment that has been included would authorize the Minister, where necessary, for the purposes of the Family Allowances Act, to issue a certificate declaring that a child is presumed to be dead. Unfortunately, we all know of tragic circumstances where a child disappears and there is sufficient evidence to presume that the child is dead. When this happens, the necessary benefit adjustments cannot be made until after a death certificate has been issued, sometimes many years after the child's disappearance. The proposed amendment would authorize the Minister, where the circumstances of the disappearance warrant it, to issue a certificate declaring that the child is presumed to be dead for the purposes of the Act and stating the date on which the death is presumed to have occurred. This will help families in terms of estate planning and so forth.

In conclusion, Mr. Speaker, I believe this Bill merits the support of the House. It is part of a restructuring of the child benefits system which will ensure that the benefits given to families with children are distributed on a fairer and more rational basis. It will help improve the grave fiscal situation which faces us as a nation, and it will make the day-to-day administration of the Family Allowances Act more humane and flexible. Therefore, I move that this Bill be given second reading and referred to the appropriate committee.

Some Hon. Members: Hear, hear!

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, at the commencement of my remarks this morning I would like to indicate that the title of this Bill should be changed to "An Act to reflect Broken Promises and Lost Opportunities on behalf of the Conservative Government". I am glad to see that the Minister of National Health and Welfare (Mr. Epp) is going to remain in his seat and I trust that the members of his caucus will do the same in order that I can take them for a waltz down memory lane to remind them of some of the promises that the leading spokesman for their Party made during the months leading up to the election last September 4.

In November, 1983, the leading spokesman for that Party, the present Minister of Justice (Mr. Crosbie), said, "If the Tories do monkey with the family allowance they would be able to do so only in their first year of power, and only if the public wanted to make more sacrifices". Three months later the present Minister of Justice said, "You have to be tough, mean, and nasty and do all kinds of unpleasant things. That's why I am not going to outline what they would do now, that's for a Government to do". How prophetic and truthful! He is one of one of the few spokesmen from the government front benches who told the truth before the election.

● (1125)

Let me remind Members opposite of some campaign promises made during the summer of the election of 1984. In August, 1984, their leader said:

> Yes, I can give you the assurance that no social programs at all, affecting anyone in need shall be touched by a Progressive Conservative government. I can give you that without hesitation.

Mr. McDermid: Anyone in need, the operative words.

Mr. Frith: The Member opposite mentions the words "anyone in need". I am leading up to that in my premise. If he pays as much attention to the end of my speech as he did to my initial remarks, I will show him how people in need with family incomes of $9,000 a year will lose purchasing power as a result of his Conservative Budget. I will not even mention the Prime Minister's statement about sacred trust which he made a year ago. Let us consider the period immediately following the election of the Conservative Government. Last November 9, the Minister of Finance stated:

> We feel there is a real opportunity here to put a greater degree of focus on those who need it most and still leave some money on the table that can be used for either deficit reduction or application in other ways to make a stronger economy.

Ten days later, in another interview, the Prime Minister (Mr. Mulroney) said that social benefits taxed back from the rich would be given to the needy if the federal government decides to end universality. The money would absolutely not be used to reduce the deficit.

What the Prime Minister said only 10 months ago is totally at loggerheads with what happened six months later in the budget of May 23.

What did the Minister of National Health and Welfare (Mr. Epp) say at that time? In December, 1984, he rallied behind the Prime Minister's suggestion that the Government reduce social benefits for high income Canadians to help channel more to the poor. All of these promises contain the premise that if any of those benefits to our middle income or other sectors of our Canadian economy will be reduced, they will be channelled to those who need them the most.

In that same interview to UPC on December 14 last year, the Minister of National Health and Welfare said:

> None of the saved benefits would reduce the deficit and there will be no means test.

I agree that there are no means tests, but when he suggests that as a result of the May 23 Budget the benefits would not be used to reduce the deficit, the facts belie the case.

Let me remind Members opposite of the other remarks they made about deindexation. For instance:

> Deindexing is a scheme to guarantee that you will pay higher federal income taxes year after year after year.

They said:

> Deindexing would take away the protection you now have against inflation.

I will reveal who made these quotes later. They went on to say that deindexing would impose the greatest economic hardship on people living on low income and would mean higher and higher taxes for all on any income at all. They said that taxes would increase as inflation continues to spiral upward.

They also went on to point out that deindexing would raise a lot of money. I will point out the truth of that fact as I analyse the budget numbers.

They also said:

> Indexing was our idea in the first place. And we are determined that you should continue to receive this fundamental protection against inflation. But we need your help and it is time for all Canadians to speak up.

This was not taken from an advertisement run by the Liberal Party of Canada. It is contained in a message from the Progressive Conservative Party of Canda, published midway through the last mandate.

Let me put some of these promises in the context of what I want to say this morning. I noticed that the Minister of National Health and Welfare selectively quoted from the MacDonald Commission Report.

Mr. Epp (Provencher): No. I didn't quote from it at all.

Mr. Frith: I will check, but I thought that he referred to the MacDonald Commission.

However, my remarks this morning will take into consideration some of the recommendations made by the MacDonald Commission and other national organizations that report to the Minister of National Health and Welfare and with advice about what the Government's social policy should be.

• (1130)

The McDonald Report contends that Canada's total level of spending on social programs, which, in 1981, was in the lower one-third of countries belonging to the Organization for Co-operation and Development, should at least be maintained. The commission also declared that it does not fear for the future sustainability of our income transfer programs. Nor does it believe that short-time budgetary problems should be solved through cut-backs in this area, something totally opposite to the thrust of the social and economic policy of the Wilson Budget of May 23.

Let me talk a little bit about the Budget. I notice that the Minister of National Health and Welfare chose only to address those matters specifically within the realm of Bill C-70, but I think the general thrust of the budget measures should be taken into account. Once again, opposition Members of this Parliament will have to rise to defend average and low-income Canadians. We went through a similar debate in June with respect to deindexation of senior citizens pensions. I must say I am proud that we helped to lead the fight to reverse the Government's thrust in that area, and I give credit to the Government for its common sense in listening to senior citizens. I hope the Government listens equally well to those average income and low-income Canadians, and reverses the measures placed before us in Bill C-70.

Let us look at the proposals in the Budget and what effect they will have on total family income. This summer we have heard from women's groups and national organizations that represent poverty groups, the National Council on Social Development and the National Council on Welfare, all of which state that this Government's social policy is perverse and totally opposite to what is required to give poor people a reasonable good standard of living.

This Government has chosen to introduce capital gains exemptions for the rich in our society. I have no quarrel with some of the other recommendations, for example, limits on registered retirement savings plans. But the Government has chosen not only to deindex family benefits but to deindex personal exemptions. This means that every family by 1990 whether earning $9,000, $35,000 or $80,000 a year will lose purchasing power. That is the reality. This is the Budget in which the multinationals will get significant taxbreaks. If we were worried about the size of the federal deficit, why is it that we have cut-backs in social programs yet allow these kinds of rip-offs to occur that add to the size of the federal deficit?

That is the question at the heart of the debate today, Mr. Speaker. Bill C-70 is another example of broken Tory promises. Let me give a short outline. Both Mulroney and Epp promised that any savings in social spending would go back into the social policy envelope, not on deficit reduction.

An Hon. Member: Who?

Mr. Frith: Instead, savings will go into deficit reduction. What effect will a $1 billion bail-out of the Canadian Commercial Bank do to Wilson's deficit reduction plan?

An Hon. Member: Who?

Mr. Frith: It is very simple to me. The Minister of Finance is quite capable of finding $1 billion to bail out the Canadian Commercial Bank while sticking by his decision to cut back in areas of the social envelope.

What did we get specifically in this Budget? We ended up with an erosion in family benefits, meaning less benefits by 1990 to low and middle-income Canadians. The Budget will increase consumer and gasoline taxes. The Budget will impose taxes on health goods. We had a Budget that attempted to deindex senior citizens' security pensions, but was withdrawn under fierce opposition. We have a Budget that will deindex personal income tax exemption. These changes will hit lower income Canadians the hardest. All low-income Canadians will have to pay income tax and lose a proportion of their family allowance gain while the richest Canadians will benefit from the capital gains exemption.

I will give numbers from an analysis done by an independent board of advisers to the Minister of National health and Welfare. These numbers cannot be disputed because they were accepted by the Finance Minister in questions put to him in the House of Commons last June. The analysis shows that the Government's direction in social policy is completely at odds with policy directions recommended by all national organizations advising Government.

I find it perverse that a Government wanting to stimulate the Canadian economy and get growth at the same rate as that south of the border would choose to bring in a Budget eroding the spending power of lower and middle-income Canadians. This Budget will make the poor poorer and the rich richer, yet the Government expects Canadians to have the political will to follow its general thrust. This Budget has broad fiscal overtones completely opposed to those in the United States.

We have many Conservatives pointing to the economic recovery program south of the border. Great growth has occurred in the United States in the last four years. At the same time, great growth in the deficit has occurred. If one wants to analyse it, one could say, in a reverse, despite the fact that President Reagan would never admit it—I do not think he would even understand—that he has been more of a follower of Keynes economic theory than any United States President since Roosevelt.

In order to achieve growth the Americans granted average income Americans tax cuts and increased taxes for big corporations. That was the general over-all fiscal policy of the United States Government in the last four years, completely opposite to what was brought in here in the May 23 Budget.

Let me outline numbers and give specifics. We had a decrease in purchasing power to average and low-income Canadians. We have had income tax increases and corporate tax cuts. Specifically, families with two children and an income of $20,000 a year will lose over $900 in spending power by 1990, through eroded child benefits, increased consumptive taxes and increased income taxes.

Talking about perverse social logic, Mr. Speaker, as a result of the Budget on May 23, three-quarters of a million Canadians who are presently above Stats-Canada's poverty line will fall below that poverty line by 1990. In addition, let us take another area of thrust with respect to young families. In the Budget of May 23, the Minister removed the Registered Home Ownership Savings Plan, a tool used by young people, 75 per cent of whom are between the ages of 20 and 28. No longer can young families put aside money toward buying a home through the RHOSP.

Let us examine some of the fundamental philosophy behind the introduction of family allowances by previous Governments. First, it was recognized that the family allowance is a tangible recognition that all parents make a contribution to society by raising children who are future citizens and members of the labour force. It is an especially significant program for women. That is why women's groups defend the family allowance so vigorously. Even for more affluent families it is often the only independent source of income for women in cases where husbands refuse to provide their wives and their children with income.

Let us take a look at the importance to single parent mother-lead families of family allowances. Family benefits have an important role in supplementing incomes for poor families. It also compensates for the fact that the wage system does not make adjustments for the extra responsibility of large families. That was at the heart of the philosophy behind the introduction of family benefits in previous years. Needless to say, family benefits stimulate the economy by putting purchasing power into the hands of low and middle-income Canadians. That ends my review of the over-all general thrust of the Conservative Budget of May 23, 1985.

• (1140)

I should now like to focus for a moment on some of the specifics as a result of the changes in Bill C-70. It is indicated that the family allowance will be deindexed from 1986 onward. The child tax credit will be raised to $454 per child in 1986, rising to $489 in 1987 and peaking at $524 in 1988. The Minister of National Health and Welfare refused to recognize in his opening remarks that beginning in 1989 the child tax credit would be deindexed along with the other proposals. As a result of the deindexation of the child tax credit, even those who will receive an initial benefit from the program change, those who are the poorest of the poor, will receive that increased benefit only from 1986 to 1989. In 1989 and beyond, even a family, God forbid, living on $9,000 per year will lose benefits under the program. What kind of perverse social policy are the back-benchers of the Conservative Party supporting? That is the effect of that one item.

In addition, the Minister of National Health and Welfare conveniently overlooked, in terms of the recommendations

made by his own standing committee, the turning point or the point at which middle income Canadians begin to lose benefits. The effect of Bill C-70 is that the turnover point will be lowered from $26,333 today to $23,500 tomorrow, and then it will even be partially deindexed. Even the definition of Statistics Canada of medium family income is $34,500. In effect the Government is suggesting through this Bill that families at $26,000 per year should lose benefits. It is incredible that the Government would consider that the average Inco worker in Sudbury, the average steelworker in Hamilton or the average worker in Thunder Bay should begin to lose benefits under the family benefits package. That tells me everything about 14 years of Tory think-tanks on social policy. A combination of all these changes will cause lower and middle-income Canadian families to be hit the hardest.

Let us take a look at the effects on Canadian families. By 1990, including the changes to personal income taxes and to the family benefits package, a two-earner, two-child family earning $15,000 per year will lose $1,879 in purchasing power as a result of the Bill. A family earning $80,000, or almost six times the amount which I just mentioned, will only lose $1,125. Therefore, low-income families will lose $755 more per year than high-income families, and middle-income families will lose three times as much as high-income earners. What kind of perverse logic leads a Government to bring in such a Bill? At the same time, the capital gains exemption and pension deductions mainly benefit high-income earners. As a result of the capital gains exemption, those with incomes of over $100,000 per year will receive more than $600 million in tax benefits, while changes to the Child Tax Credit and the child tax exemption will save the Government only $155 million. If we take the Minister of National Health and Welfare at his word when he indicates that he is worried about the size of the federal deficit, how can he, in defending the rights of low and middle-income earners, sit around a Cabinet table which brings in a Budget to make the rich richer and the poor poorer? It is beyond belief.

As I stated earlier, the savings of the Government will go toward deficit reduction. It will not go back into the social policy envelope, as was recommended by every national advisory group. This Government prided itself in consultation. It said that the reason for the 10-month delay in the introduction of the Budget was to ensure proper consultation with all groups in society. Every one of those groups recommended the total opposite to what was brought in. What was the point of the charade of consultation if the advice given was not taken?

What do groups at arms length from Government have to say about the over-all thrust of the Conservative Budget and this Bill in particular? The Canadian Council on Social Development, funded by the federal Government, has been giving advice to the Government of the nation for years. It indicated that the Budget would decrease the buying power of a typical family with two children by more than $1,000 in 1990. It went on to point out that the poor, middle-income earners and the elderly would lose more as a percentage of income in real terms. Let us note, in particular, the economic thrust and direction of the Budget.

Instead of confusing everyone by using figures such as $4.50 per month and by talking about individuals, I should like to talk about what happens to the percentage of disposable income of Canadians as a result of the budgetary measures of May 23. A family earning a gross income of $10,000 will lose 4 per cent of disposable income by 1990, whereas a family earning $20,000 will lose 4.5 per cent of disposable income. However, the family earning $50,000 will gain .7 per cent. As a result of this budget exercise, a family earning $10,000 per year will lose 4 per cent of disposable income and a family earning $50,000 per year will gain almost 1 per cent.

How can the Conservatives rise in the House of Commons and tell us that the Budget will help to redirect savings toward those who need them the most when it goes totally opposite to the direction intended? If that is the case, the least they can do is bring in a Bill which reverses the direction of May 23. As a result of deindexation, by 1990 the Government will gain $4.5 billion. It managed to give to the multinationals $2 billion worth of tax credits as a result of the changes to the National Energy Program. At a time when it proposes to take away $2 billion by 1990 from health and post-secondary education, it gives away $1.5 billion on capital gains exemption. That will be the cost to the federal Treasury. The effect of the Budget on the social and economic sectors of the economy will be totally opposite to that put forward by the Minister of Finance (Mr. Wilson) and the Minister of National Health and Welfare. If one looks at the deficit reduction and at where the moneys for that deficit reduction will come from through tax increases and expenditure cuts, primarily it will be achieved—and this is no surprise—in the social sectors. As a matter of fact, collectively the deindexation of income tax, the removal of the federal tax deduction and the changes to the child benefits system will account for almost $5.5 billion of that cut. If we look at the over-all thrust of the Budget, the big gains will be made in the area of corporate income tax, by multinational oil companies, and in the area of transfers to other corporations. The lack of logic of the Government in bringing in this Budget is incredible. The National Council on Welfare indicated that the recommendations in Bill C-70 and in the Budget would hurt many low-income families and individuals in all age groups. It went on to indicate that their losses would amount to hundreds of dollars per year and would grow larger as time went on. In addition, it went on to explain how proposed changes to the personal income tax system would increase the tax bill of lower and middle-income Canadians and would actually lighten the tax burden of many upper-income taxpayers. It pointed out that a two-earner couple supporting two children on $15,000 per year would pay $135 more in federal and provincial income taxes next year, that the same size of family with a combined income of $35,000 would pay a $192 increase in taxes, but that an $80,000 per year family would actually enjoy a tax saving of $650 per year.

• (1150)

So what hypocrisy it is to stand and tell me, as a Conservative Government, that the thrust of your Government is to try to get more money into the hands of those who need it most!

All other families, Mr. Speaker, including many below the poverty line, will lose child benefits from 1986 onward if the Budget's proposals are implemented. I cannot stress enough the hypocrisy of this Government in these recommendations.

What did the Canadian Council on Children and Youth have to say about this Budget, Mr. Speaker? In pre-Budget consultations with the Government, here is what it recommended: preserve the universality of the family allowances and as a tax benefit—the Government listened to it—eliminate the child tax exemption partially; raise the child tax credit for low-income families partially; raise the threshold at which child tax credit is recaptured. To the last one the Government did not listen at all. Here is what the Government ended up doing. It deindexed the family allowances. It reduced the child tax exemption by 34 per cent over three years and subject to deindexation. It increased the child tax credit by 140 over three years but chose to deindex it after 1988, which means even the poorest of the poor will lose under this proposal beginning in 1990. It indicated that middle-income families will be the hardest hit and bear the brunt of these changes.

I just want to talk a bit about what we believe, as the Liberal Party, should be the principles inherent as a guide to the creation of a new child benefit system.

First, we believe that universality of family allowances should be maintained; second, low-income earners should receive more than those in the upper-income brackets; and higher benefits should be paid to lower-income families. That is a policy direction that we believe in. We believe that indexation should be maintained and that family benefits should be adjusted to reflect changes in the cost of living.

Last but not least, and most important, the sharing of the cost of these universal programs should be borne and shared by all taxpayers, corporate and individuals, through a fair taxation system. That is inherent in this. In addition, Mr. Speaker, it is clear that the Conservative Government is not taking the recommendations of the OECD surveys, or the Macdonald Report which raised this issue previously, that the percentage of dollars of the federal Budget that is going towards, those areas that are reflected in social policy envelopes should be increased.

I want to indicate, Mr. Speaker, as well, that the Liberal Party over the next weeks and months ahead will be launching an operation called Operation Justice. I do not know if the Minister of National Health and Welfare remembers that we launched a similar program in June to convince the Government about the unfairness of the plan to deindex senior citizens pensions.

We are asking, Mr. Speaker, all the senior citizens groups in this country to help to get the people's opposition to this plan to change family benefits read into the record and brought back forcefully to every one of the MPs as they go home to their own ridings.

I point out as well that the middle class is especially hard hit by the Budget in this Operation Justice and requests help from not only the groups that represent the poor in our society, but from Members of Parliament, the Conservative Members of Parliament, who have an obligation, to bring forward the viewpoints of middle-income and low-income Canadians to the floor of the House of Commons and not sit back and clap like seals as the Government brings in a program that is going to devastate low and middle-income Canadians.

Lastly, Mr. Speaker, I want to move the following motion as follows:

That the main motion be amended deleting all the words after the word "That" and substituting therefor:

Bill C-70, an Act to amend the Family Allowances Act, 1973, be not now read a second time but that it be read a second time this day six months hence.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I understood that I would speak, first of all, to the Member's motion that was just put forward, and then speak to Bill C-70.

The Acting Speaker (Mr. Paproski): I am recognizing the Hon. Member to speak. She will have 40 minutes to speak under Standing Order 36(2). While I look at the motion, the Hon. Member can have her 40 minutes.

Ms. Mitchell: Thank you, Mr. Speaker. I rise really with a feeling of sadness to speak to Bill C-70 because, jsut as we feel that the Budget had such a sad impact on families and pensioners in our country, this Bill certainly symbolizes once again how this Government really is prepared to conduct an attack on children and families as well as to allow an erosion of our universal programs. Canadians have seen the erosion of social programs such as the family allowance which is a social contract with them establishing rights for children, regardless of income.

I think we all recall, Mr. Speaker, last spring when pensioners across this country rose up in indignation and anger to demand their right to have fully indexed pensions. They, of course, mobilized considerable support across the country. Many of us went out to work with them in this very important endeavour and, as a result, they were able to convince the Government that it had made a mistake. Pensioners convinced the Government politically; I'm not sure, when I see this Bill, that they convinced it morally that it had made a mistake when it proposed to deindex a universal social program.

As a result of the campaign we know now, it is history, that the Government was forced to back down and to admit that it was wrong. After a protracted attack from both opposition parties, but particularly from the NDP Party, senior groups and their supporters across this country, the decision was reversed. Fully indexed old age pensions were retained as a universal right. I disagree profoundly with the Minister and I think we need to stress very strongly, Mr. Speaker, that to deindex old age pensions or family allowances is to play around with the whole concept of universality and to erode

that concept. That is what we are doing to family allowances through Bill C-70.

Mr. Speaker, the polls show that this Government and the Prime Minister (Mr. Mulroney) was left with a legacy of mistrust and skepticism as a result of his broken promises, and what he proposed to do to senior citizens.

Now we have Bill C-70, a Bill which in effect will do the same thing to families and children. It will reduce the indexation on family allowance by 3 per cent and is repeating the same cynical and senseless attack on a universal social program, a program which Canadians have long seen as a social right. The same principles and objections apply to the reduced indexation on family allowances as apply to old age pensions, so therefore the Government should be listening to people and applying the same kinds of changes in policy as were applied to pensions in the spring. They promised, as we know, Mr. Speaker, to keep universality sacrosanct, that it was a sacred trust, and then they have broken their promises once again. This time, of course, the attack is on families and children. I cannot help but think that it is much easier to attack children than it is to attack old age pensioners. Children do not vote; their parents are busy working and the children grow up very quickly. The amount of money expended for the Family Allowances Program is not as large as that expended for the Old Age Security Program. Therefore, that is another reason why I think it would have been sensible and morally responsible of the Minister to have changed this intention that was reflected in the Budget and to have refused to deindex family allowances.

The Government continues its practice of saying one thing and doing another. This Minister of National Health and Welfare is the epitome of this. He really symbolizes this to the greatest extent of anyone in the Government, except perhaps for the Prime Minister. On repeated occasions, and again last week in the House, he has said that he has a very strong commitment to the importance of the family. I just want to quote what he said on September 11 in a response to a question from one of the opposition Members. He said:

> Mr. Speaker, I am pleased that the Hon. Member has recognized the importance that both the Government and Canadian society place on the family unit. I think many of us in this House and in society generally feel that that concept had to be strengthened, that there were certain trends in society that were possibly reducing the importance of the family.

● (1200)

Listen to this, Mr. Speaker:

> This Government wants to bring forward initiatives that will enhance both the Government's position relative to the family, but more important, show that the family is the cornerstone of society.

The Minister is saying that the family is so important while he is introducing Bill C-70, a Bill which attacks all families, not only one segment of society. He is attacking a universal program and he has the gall to put forward in his patronizing manner the point that he cares about families, that they are the basis of his social policy and that he is particularly concerned about those in greatest need. I cannot help but conclude, and I believe most Canadians would conclude, that just as the Government's policy with pensioners was hypocritical, the same can be said about the family allowance policy.

As I said, the Minister has repeated that the Government is concerned with helping those in greatest need. That is just phoney rhetoric. The facts show that the Conservative Budget represents an attack on the poorest families in our society while rich families continue to benefit. I will elaborate on this further later in my remarks.

The reduction to the family allowance which this Bill implements is only one of the ways in which the Government is undermining families and children. Added to the erosion of family allowances in the lowering of the income limit to be eligible for the child tax credit. The token increase in the child tax credit over whith the Minister tends to gloat does not even cover the increased sales taxes that those same poor families will be forced to pay. The sales taxes on gas, energy products, health products and comforts contained in the last Budget will cost the average family over $1,000 in buying power by 1990 according to the Canadian Council on Social Development.

I would like to point out to the Minister of National Health and Welfare (Mr. Epp) that he is the Minister who is responsible for health. He has supported taxes on essential drugs and medications for patients suffering from arthritis, cancer, glaucoma and heart disease. This again is the way that he is treating those in greatest need and those in our society who are suffering. In contrast to that, we know how the Government treats the banks and the oil companies.

The Minister, who seems to be amused by this particular approach, has taken the initiative to reduce other services to families. He has cut services to Planned Parenthood at the very time when we need these services to be enlarged across the country, particularly in order to help young adolescents, a group among whom there is a very high incidence of pregnancy. There are cuts in social housing. Rents are going up to 30 per cent of income and responsibility for social housing will apparently be turned over to the provinces. We in British Columbia know what that will do to families.

As well, the Government has decreased transfer payments to provinces for health care and education services by $2 billion. This will also have a tremendous impact on families and will hurt families in which the breadwinner is unemployed, poor families and marginal families in which the breadwinner is struggling to find a job, take training or maintain the health of the family.

Some months ago, the Minister asked for consultation. Then he assigned the Standing Committee on Health and Welfare to the task of looking at some of the consultation papers and briefs that had been presented by witnesses. As the Hon. Member who just spoke will confirm, we spent weeks and weeks doing this. Both the recommendations of witnesses and the recommendations of the Standing Committee on Health and Welfare were in effect ignored by the Minister. It is obvious that his motivation and that of the Government was to cut family benefits in order to save money rather than to reform benefits in a very progressive way.

In his Blue Paper to the Standing Committee, the Minister stated that savings from the changes to family benefits would not be aimed at reducing the deficit. Yet today, if I understood him correctly, he admitted in his opening remarks that that was one of the objectives of this program.

Most witnesses who appeared before the Standing Committee on Health, Welfare and Social Affairs advocated full indexation of family allowances and the maintaining of universal family programs which recognize all of Canada's children. They also supported the position, which we advocated very strongly, that all citizens of Canada should contribute to the cost of programs for Canada's children as they are a resource that belongs to all of us, not only to the parents who are raising individual children. Most witnesses therefore asked for full indexation of family allowances and wanted a removal of the regressive child tax exemption, a tax provision that progressively helps those with higher incomes and does not help in the slightest poor families that pay no taxes. They also wanted to see a significant increase in the child tax credit. Our Party called for an increase of 80 per cent in the child tax credit if the child tax exemption could be removed and other tax reforms instituted to cover this. This measure would be targeted particularly to lower income people but should also affect families with average incomes, families that have higher expenses than families without children.

The witnesses urged that all monies should go to increased family benefits and not go toward other social programs or the deficit. They urged particularly that there not be a transfer of any savings to the provinces. The Minister has completely ignored almost all of these recommendations. He has taken a completely different tack. Instead of being a reform, this legislation is a token juggling around which adds up to a very negative change as it affects most families.

In addition to reducing indexation on both the family allowance and the child tax credit, the Government has agreed to cut the child tax exemption after several years, but the exemption will only be cut partially. It will not be removed as was advocated by most witnesses. It will go down to about the same level as the family allowance. The child tax credit will have only a token increase of $70 this year, but more than that amount of money will be required by families to pay the increased sales taxes. The income level at which families will be eligible for the child tax credit has also been reduced. Families that earn over $23,500 per year will quickly be phased out of eligibility for the child tax credit.

Over-all, we have a situation in which wealthier families retain tax exemptions for children, the poor have only token increases in the child tax credit along with heavier expenses as a result of the Budget, and middle-income families, as usual, will pay the most taxes and reap the least benefits in proportion to the taxes paid. However, let us take a look at who really benefits as a result of changes and modifications to the family benefits.

Despite the promise not to take monies out of the family benefits to pay for the deficit, the Government will save approximately $130 million in 1986 and up to $600 million by 1990 while families will lose this amount of money in direct family benefits. If this is not a contradiction of the original philosophy that the Minister, in his patronizing manner, was espousing, I do not know what is. I wish he would own up to that. This is the way the Minister of National Health and Welfare is treating families, families which, as he says, are the foundation of our society. This is the way he helps families that are most in need.

The Canadian Council on Social Development did an analysis of the impact of a 3 per cent reduction in indexation of family allowances combined with the other changes to family benefits which the Budget will implement. It definitely refutes the Minister's claim that he is helping families in the greatest need. The CCSD concludes that all families will be the losers of family benefits by the years 1990-91. Even the very poorest family, that is, a single parent with two children who earns under $10,000 a year, will lose under these revisions. By 1990, this family will receive $25 less per year than it receives now, while the Minister extols the fact that he is giving more to the poor. The CCSD says that that is not true, that its facts show he will be giving less. Families in the $20,000 income range will lose $191 in family benefits. Those earning $30,000, which is still a modest income for a family with two children, will have family benefits reduced by $191. Clearly, the Budget did not redistribute benefits from the rich to poor families at all. In fact, what this Government has done is to take money out of family benefits altogether. As I have just said, this must have been the motive. I think the Minister admitted to that today, even though in his position papers he stated this was not to be the objective. The Government has definitely been taking money out of the program to help with the deficit. This also applies to the provinces which will save money off the backs of families. According to the CCSD, $135 million will be withdrawn from family benefits by 1986; by 1990-91, some $600 million will be lost to Canada's children. As I have said, the provincial and federal Treasuries will be the beneficiaries of this money.

• (1210)

The New Democratic Party is not the only group to criticize the 3 per cent reduction in family allowance which Bill C-70 proposes to implement. Most social policy groups and women's groups across Canada have been highly critical and they are becoming very disillusioned. Most of these groups made a sincere attempt to present positive, realistic alternatives which would not cost the Government a great deal of money but, instead, would realign existing moneys. The six groups which now form part of the Social Policy Reform Group, which is a coalition of social reform groups, tried to present alternatives in a sincere and constructive manner. These groups are now disillusioned by the tack the Minister has taken. The Executive Director of the Canadian Council on Social Development had this to say with respect to the matter:

Changes to child benefits affect the very programs that help the neediest Canadians.

This is what the National Council on Welfare had to say:

Changes in the Budget to deindex those benefits, coupled with increases to personal income taxes, will result in more hardship to the poor, who will eventually lose more than the rich.

The Director of the Canadian Advisory Council on the Status of Women, Sylvia Gold, said:

The economic security of women with children at home is threatened by deindexation of family allowances and the child tax credit. We strenuously object to this chipping away of family benefits; these cuts may not seem major to high income people, but they will have a serious effect on families with moderate and low incomes.

I wish to tell Hon. Members that I have contact with many women's groups across the country. They strongly oppose any reduction to family allowance benefits. This is an attack on their children and an attack on them. It is an attack which is not to be tolerated. I hope they will be able to get their message across loud and clear to the Minister and the Prime Minister (Mr. Mulroney) with respect to how damaging this policy is. It is a policy which is a continuation of a process which the Liberals started. I agree with what the Minister had to say in his outline of the Liberal history. However, I do not know how he can justify his comments when, on the one hand, he criticizes the Liberals and, on the other hand, he says that his Government is bad, too—just not quite as bad. I think the Minister is worse because he is continuing the erosion and not reversing it. It is hurting families and children across our land.

The purpose and effects of Bill C-70 are far more significant than just the 3 per cent reduction in family allowance. Perhaps this will not be noticed by a great many people, particularly fairly comfortable families. However, I can tell Hon. Members it will be noticed by families which are budgeting hard and simply do not have money in their budgets or their pockets to cover food and rent. What this move represents is an attack on the whole concept of the universal family program which was designed by our forefathers to help in the rearing of Canada's children and which was designed to recognize all of Canada's children.

As I have said, the Liberals began the process of reducing the amount of family allowance. They are to blame. I challenge the member of the Liberal Party who just spoke to be more honest in his self-appraisal. The Liberals refused to make a truly effective program with a more progressive tax system to go along with it which would have targeted benefits of a universal program to those in low income groups. Instead, they reduced the family allowance. They added a selective program, the child tax credit, for low income families and they changed the tax system so that, in fact, higher income earners received more benefits and more exemptions. The implementation of selective programs allowed them to ignore the need for tax reform. They further eroded the universal family allowance by imposing six and five restrictions on indexation in 1984. This was the beginning of the precedent which helps to justify the measures being taken by the Conservative Government with respect to Bill C-70. It is unethical and damaging. In my view, it is abominable.

I wish to reiterate what I have said many times in the House on different occasions. I think it is important to repeat it. Why is it important to maintain a fully indexed universal family allowance? The universal family allowance recognizes the value which society places on child rearing. It is not just an amount of money; it is recognition of the fact that children belong to us all. They are the next generation; they are a human resource. Parents who take on the sometimes difficult and costly job of rearing children should be recognized.

The universal family allowance program contributes to parenting and to the costs of child rearing. I greatly admire the contribution made by the women of this country and I hope that, increasingly, fathers can be included in the realm of child rearing full-time.

Mr. McDermid: That is a sexist statement.

Ms. Mitchell: It is not a sexist remark at all, Mr. Speaker. I hope more fathers will take time off to help in the rearing of their children full-time when it is suited to the families. Parenting should be a shared responsibility.

The fact is that family allowances are paid for by all taxpayers. This is the means by which those of us who do not have children contribute to the next generation.

The family allowance is paid to the main parenting person, which could be the father. However, because of circumstances, it is usually the mother. As has already been stated, for many women this is the only cheque they receive in their own names. This morning I was on the red eye special in order to be on time for this momentous meeting of the House. I had the opportunity of speaking to two men on the plane. I was interested in one gentleman who is an accountant who told me that he thought the family allowance was great. He asked me why it went to his wife when he is the one who has to pay the taxes on it. I asked him if his wife had any form of income, and he told me that she did not. He soon realized that the family allowance cheque was the only income his wife had in her name, even though he had a considerable income. He also realized that the funds went to his children in the form of clothing allowances. He thinks it is very much needed. He did not want to give up the family allowance even though he himself is in fairly comfortable circumstances. He recounted to me the struggles he had in his student years and how the money was needed even more at that time. It is really small recognition for the many long hours, love and stress which go into parenting. Some mothers who are working use the money to help pay for the cost of child care. We need more help for child care in the country. Parents on average incomes use it to help buy costly winter coats and clothing and to help cover schooling costs and other activities which help their children to grow up and mature with a broad range of interests.

• (1220)

Poor mothers and poor families, of course, are the most desperate. I want to tell those Hon. Members who are heckling across the way that I hope they have talked to some mothers who are on welfare these days, because in my riding, I can tell you, Mr. Speaker, it is no laughing matter. Mothers have a welfare cheque which lasts about two weeks, if they are lucky,

and that is with absolutely no comforts of any kind. It is just basic food, rent and transportation. By the third week they are down at food banks trying to get money. They are desperate for their family allowance cheque which immediately goes for either rent or food. By the fourth week some of them are out soliciting on the streets because they cannot afford to feed their families. That is how bad it is. And we are taking the indexation off their family allowance cheque as well as providing insulting kinds of increases to the child tax credit which should have been much higher.

Another thing which I believe is important about the family allowances is that the cheque comes on a monthly basis. Low income families also very much appreciate the fact that the child tax credit is an additional bonus on an annual basis. They like it as a larger amount, according to the national anti-poverty group, because it is the only way they can pay for certain larger household items. We must remember, Mr. Speaker, that poor families and families on welfare have no access to credit whatsoever and have to pay top prices for all their consumer goods.

I would like to say as well, Mr. Speaker, that it is important that the family allowance and old age pensions remain universal programs because they are paid out to everyone as a right. There is no stigma and no need for a huge bureaucracy to deal with individual cases through a means test. It is declared on income tax forms and partially recovered from those on higher incomes. The family allowance is especially important because it is one of the few benefits which go to middle income earners who carry the greatest tax burden to pay for our social programs.

These programs are also important politically. I would urge the Minister to think of that as well because he is going to get lots of backlash from the middle class in Canada—it has started already—who realize that they are the ones who are paying more the costs of all of the items in the Budget as well as the deficit and they, in turn, are going to have their one small benefit, the family allowance, made smaller by reduced indexation. So a very important political factor is involved in maintaining support for our universal social programs.

A fully indexed family allowance is a basic component of our Canadian social policy. Parents feel that this is their social right to which they are contributing by raising Canada's children. And they are right. It is a social contract we have with families just as we have with old age pensioners. This is the same principle as that of the universal old age pensions. We are very proud of our social security system in Canada which Hon. Members of our Party fought for and pressured the Liberals to bring in in the early 1930s. We are proud of our medicare, our hospitalization plan, our public educational system and our Unemployment Insurance Act, just as we are proud of universal family allowances and old age security. These are programs which this Government seems intent to erode, and this Minister, particularly, has no conscience about deindexing. This kind of partial deindexation now is just the first step, Mr. Speaker. There is no question in my mind that it is a first step which will eventually lead to the erosion of our social net if we do not protest and stop it now.

I must deplore the fact that the Minister of National Health and Welfare is advocating a 3 per cent deindexation while he says over and over again—he said it again today—that he supports universality. I am sick and tired of those platitudes. He says he supports universality and this is not in any way eroding our universal family program. That is ridiculous. It is eroding it. It is reducing the amount of money which will go into the pockets of low income families and every year it will be reduced even more. If that is not reducing universality, I do not know what is.

The Minister's lack of support for universality, I might say, is also reflected in statements he made in reaction to the Macdonald Commission Report, which recently advocated a guaranteed annual income, which really should be called "a guaranteed poverty income", because that is exactly what it is. I do not have time to go into this today, Mr. Speaker, but I hope we will debate this report at another time.

The Minister of National Health and Welfare, according to *The Citizen* of September 7, hinted he may be prepared to reopen the debate on the universality of social programs after carefully considering the recommendation of the Macdonald Commission. That report, as I understand it, does away with universal programs and offers a guaranteed income, which would be guaranteed poverty because it is a fraction of what the minimum poverty rate is in Canada. I feel that that is a pretty shocking kind of statement and I wish the Minister would elaborate on what he meant by saying he would be inclined to support the Macdonald Commission proposals. The decision to deindex family allowances really must be seen in the context not only of broader family benefits—and that is what I have been trying to do today—but also in the context of the need for social policy reform generally. We need real reforms of social policy as it affects families. This kind of piecemeal approach which chips away at its benefits is really detrimental.

Changes in social policy must address the changing needs of today's families with children. I believe we have to look at the whole concept of families today. Families have changed so much and our social policy is not adapting to the different circumstances. Canadians have long recognized that incomes from the market-place failed to take into account the extra responsibilities shouldered by parents. Through tax provisions and family allowances we have taken steps to ensure that families with children do not have to endure a significantly lower standard of living than their childless counterparts. Changing demographics and work patterns make these concerns even more pressing today. I mentioned the number of teenage mothers in society today, and I think the Minister should be not only providing them with adequate incomes but should be trying to prevent, through support for family planning, that very real problem.

Social policy should also address the growing needs of the poor who now number 4.5 million Canadians. This includes 1.5 million children. While one in every six Canadians lives in

poverty, the figure for children under 16 is one in five. There are a million and a half people unemployed, according to the figures we had last spring and, certainly in my province, I would be very surprised if that figure has fallen from that. Real family incomes are falling. Salaries still trail inflation rates. Most unions, I believe, would agree with that because of what they have lost over the last few years. Soup kitchens and winter clothing drives are becoming the norm across Canada. Recently, a report of the Anglican Church of Canada, accused both the federal and provincial Governments of shirking their responsibilities by relying on churches and volunteer organizations to feed, clothe and shelter the needy. What we need are sound social policies.

I feel that the kind of trivial remarks which are being made by Hon. Members opposite are really doing a disservice to both churches and poor people, Mr. Speaker.

As the author of the report of the Anglican Church of Canada said:

> The State's failure to provide an adequate social support system has widened the gap between the poor and the privileged, plunging the country into another depression.

The number of poor people rose by 1,100 a day in 1982 and 1983. So we must think of social policy reform, Mr. Speaker, in the context of over-all tax reform. The two are tightly entwined. This is why we regret that the Conservatives refused to talk about tax reforms. We wanted major reforms in the tax system so that we could be more generous, particularly in increasing the child tax credit and maintaining fully indexed family allowances. We proposed several ways of gaining extra income: A return to the pre-1982 marginal tax rates which would have brought in $1.7 billion more and which the Liberals foolhardedly left in the coffers under MacEachen's Budget; the imposition of a 20 per cent minimum tax on Canadians with incomes of $50,000 per year or more. The Prime Minister promised to do something about this we have seen no action. Once again we get words and platitudes but no action.

• (1230)

I want to conclude by saying that we call on Canadians across this land, from all walks of life, to tell this Government that they stand for fully indexed family allowances. It is not simply family allowances by themselves. It is really a basic family benefit program which should be reformed to be of much greater benefit to middle and low income Canadians. I call on those people to begin the fight for reindexation of family allowances just as they fought for reindexation of old age pensions. It is the same principle, the same fight, and I know in my heart from talking to seniors across the land that they care just as much about children as they care about their retired friends who were facing deindexation of their pensions. It is not good enough for the Conservative Government to say the Liberals did it so we can do it too. Surely that is immoral. Fully indexed family allowances are essential if we are to maintain universality as a basic social policy for families. Pensioners understand that. To reduce family allowances by 3 per cent through deindexation is to erode universality. The Minister is shaking his head. Social policy groups which appeared before our committee have said this and they reiterated it when they opposed the steps he has taken. If this country can afford to subsidize banks and oil companies and increase defence expenditures by billions of dollars, surely we can afford to keep full indexation for family allowances. This Party intends to fight this move as strongly as it can and we will have many speakers before we let this Bill go to committee.

The Acting Speaker (Mr. Paproski): Before we carry on with the debate, I would like to say that the Chair has no problem with the motion of the Hon. Member for Sudbury (Mr. Frith). The motion is in order.

Resuming debate?

Mr. Frith: They do not want to speak on their own Bill.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it is rather surprising the Progressive Conservatives should have adopted as their strategy not to speak to a Bill that is so important to all Canadian families. Usually, when an important Bill is tabled in the House, once the Minister has made its introductory speech he is followed by the Official Opposition, the third party and then by a Government Member speaking in support of the Bill tabled by the Minister. Today, it seems no one could be found on the Government side who had the courage to support and defend the Government's policy. I think I know why.

I know why, because since September 4 last year and especially since this Government was sworn in, we have been faced with a series of contradictions and policy changes that have made things very confusing for us on the Opposition side, and now on the Government side, it stands to reason Members are afraid to rise and support this Bill because they do not know whether they should support what was said in the Progressive Conservative Party's pre-election advertising, the statements made by the Minister of Finance last November or the contents of the Throne Speech, or whether they should support the position taken by the Minister of National Health and Welfare before the Bill was tabled. In fact, Progressive Conservative Members do not know their Government's position. Faced with these serious contradictions, they thought the best they could do was to say nothing. However, Mr. Speaker, that will not prevent us on this side of the House from reminding Canadians what the real impact will be of Bill C-70 on Canadian families.

We want consideration of this Bill to be postponed, to give all Canadians a chance to find out exactly what Bill C-70 will do and to make their views known to this Government, and I am sure that as soon as the Canadian people have had time to speak to their elected representatives, the Minister of National Health and Welfare and the Right Hon. Prime Minister (Mr. Mulroney) will want to withdraw the Bill without further ado.

Mr. Speaker, thinking back to the months that preceded the 1984 election campaign, I remember advertisements that appeared in this country's English and French newspapers, taking a stand against de-indexation. These advertisements, which were paid for by the Progressive Conservative Party, by the present Government, said for instance that the Progressive Conservative Party was against de-indexation of old age security pensions and family allowances. Subsequently, during the election campaign, we heard those famous words spoken by the Leader of the Progressive Conservative Party that our social programs were "a sacred trust" that would not be tampered with. Later, Mr. Speaker, in this Government's first official document, the Throne Speech, where the Prime Minister, through the Governor General, announced his Government's intentions, we find that the Government was going to set a priority on strengthening the Canadian family and increasing assistance to families with children.

Mr. Speaker, after all the statements made by Government Members before and after the election, we had a right to expect this Government to introduce a family policy that would increase family benefits and help families in need or on very low incomes and who have children. However, in spite of all the statements and announcements by the Leader of the Progressive Conservative Party, they are doing the exact opposite, and the net result of this Bill is that the rich will be richer and the poor will be poorer.

Why introduce a Bill that is so hard on families, at this stage in our country's history? When we look at statistics on demographic trends in this country, we see that the birth rate is falling and that the demographic "pyramid" reflects a definite aging of our population. If only to establish a consistent population policy, I think an entirely different approach was necessary. Aside from the very genuine needs of medium- and low-income families, and looking in purely demographic terms, what this country needs, as the Throne Speech seemed to indicate, is a family policy, a policy to increase the birth rate. What we have here is a policy that is going to have the exact opposite effect on Canadian families, and especially on those with medium or low incomes.

● (1240)

Mr. Speaker, given the thrust of the section and looking at this Bill in the wider context of budgetary policy, we come to the conclusion that Bill C-70 constitutes an insidious and direct attack against middle and low income families. Indeed, an appropriate review of this measure has to be done within the context of the Budget as a whole. When the Minister of Finance (Mr. Wilson) introduced his Budget last May he made public a number of tables in an attempt to demonstrate—and on many occasions I heard the Minister of National Health and Welfare (Mr. Epp) resort to that argument—that families would stand to benefit since the child tax credit would be increased. That is completely false! I am sure that when the Hon. Member for Gaspé (Mr. Marin) next meets with his constituents he will go to the trouble of telling them that it may be true that the child tax credit will go up. But I hope he will also tell them that the $50 federal tax exemption will disappear and that, through partial deindexation of income tax, the over-all tax load of middle and low income families will increase. The net result of all this for families in the Gaspé region as well as those in Lac-Saint-Jean, Montreal, Quebec City, and in fact anywhere in Canada, is that they will be directly affected not only by Bill C-70 but by other Budget measures as well which will boost their basic taxes, raise the sales tax and impose new levies on items which had never been taxed before such as medications that people could obtain without prescription. Mr. Speaker, even leaving aside the whole question of the sales tax, I am sure the Hon. member for Bellechasse (Mr. Blais) will also want to tell his constituents that his Government is about to take hundreds of dollars from families earning as little as $15,000 a year. Right from the beginning the basic theory of this Government was that the bank president was the one to hit because he earns a lot of money. The idea was to take money from the bank president and give it to the needy. Well, Mr. Speaker, now we know how they operate: they can find $1 billion for the bank that collapsed, but they cannot spare a nickel for family allowances. I hope the Hon. Member for Bellechasse will tell everybody that people who earn $80,000 or more a year will not suffer from this measure, quite the contrary, but that the hardest hit will be individuals and families with incomes ranging from $15,000 to $20,000, and there are lots of those in his riding. I hope he will tell them that, beginning in 1990, the child tax credit will be applicable to families with an income of $23,000, not $26,000 as is the case now. Keeping in mind the fact that inflation, although it has gone down, is still hovering at about 3 or 4 per cent, it means that hundreds and hundreds of families will no longer be eligible for the child tax credit. That will be the impact of Bill C-70, that is what we are against and that, Mr. Speaker, is why we ask that consideration of and vote on this Bill be delayed for six months.

As I said, Mr. Speaker, low income families will be hard hit. For instance, in the case of a family with two children where the husband and wife both work for relatively low wages, say $15,000 a year, there is no way one can conclude that the man and woman in the same family who earn $15,000 all told are "knee deep in clover", as the saying goes in the Beauce area. That family, Mr. Speaker, the husband and wife who both work, have two children and earn $15,000 between the two of them, stands to lose $1,844 under this new policy. What does it mean for a family earning $35,000 where the husband and wife both work? Let us say she gets about $15,000 as a secretary and her husband, in technology or some other similar occupation, is paid $20,000. Here again, these are not particularly high wages. These people stand to lose $3,452 annually, if we consider the impact of the child tax credit, changes in exemptions for dependent children and the partial de-indexation of income tax, because after all, Mr. Speaker, what counts is how much money working men and women have left to spend, because if the Government takes with one hand and takes with the other as well—of course they will say they have added to the benefits for family allowances—the purchasing power of a family is going to be restricted, and what the

figures show us is that a couple where both man and wife work, with two dependent children, stands to lose $3,452 under this Bill, plus the impact of the Budget on our income tax.

However, if we look at a working couple earning a total of $80,000 per year, we are getting into a higher bracket. Do you know that this couple is going to lose only $1,125, while a couple earning $35,000 will lose $3,400 and the couple earning $15,000 will lose $1,879? This means the real impact of the Bill before the House, together with other budget considerations, will be that the couple whose two salaries total $15,000, with two children, will lose $1,879 per year of their annual income, while a working couple earning a total of $80,000 will lose only $1,125.

I think it is outrageous we should be talking about people losing money, even if they are people who earn $80,000, because throughout the debate prior to the Budget, the Prime Minister (Mr. Mulroney) and the Minister of National Health and Welfare (Mr. Epp) were saying that reforms in social programs would not be aimed at reducing the deficit but that the Government would try to take from the rich to give to the poor. And that is not the case! Everyone is losing money, the couple earning $15,000, the couple earning $35,000 and the couple earning $80,000. Furthermore, the Prime Minister and the Minister of National Health and Welfare gave the House information that does not tally with the contents of the Budget, because in the Budget and the Budget documents, the Minister of Finance (Mr. Wilson) informed the House that as a result of its new family allowance policy, the government would be able to save $40 million.

Mr. Speaker, the terms I should use to describe this situation are unparliamentary, and you know why I cannot use them, but everyone knows what I mean.

For instance, when we see that single-parent families, and I am thinking of the woman, the secretary earning $15,000 a year who has two dependent children, who stands to lose $1,844. Mr. Speaker, has this Government no compassion? Are they telling us that our society... The Prime Minister said that the Government was bankrupt, that they had no more money, so they had to make spending cuts, and in line with Conservative philosophy, the first area to feel those cuts is social programs.

It seems to me someone—it seems to me you, Mr. Speaker, could explain why they do not have the money to pay family allowances but did manage to find $8 billion to spend between now and 1990 on the oil multinationals, whose cash flow per barrel of crude has increased considerably. They had the money to do that. Someone will have to explain why there is no money to help a woman who is the sole breadwinner, with two dependent children, and why by the time this program is implemented, she will be losing $1,800 per year, and why the Minister of Finance was able to find one billion dollars to bail out the Canadian Commercial Bank. Someone will have to explain to me and to the Canadian taxpayer why, by the time the program is implemented, a woman with two children and earning $15,000 per year will be losing $1,800, while the Government can afford to spend one half billion dollars on an icebreaker.

To me, the approach taken by the Progressive Conservative Government is socially unjust and economically unacceptable. It is not true that we are living in a society which cannot afford to look after needy families. And I would suggest that, in 1985, a couple with two dependent children and who earns $15,000 a year could hardly be considered a multimillionnaire family. They have a hard time paying for rent, hydro and food, yet the Government will take $1,879 more from them over the coming years. I fail to understand the logic of this Government. Above all, I do not understand why. Why, particularly after the commitments made by this Government to the Canadian people, after the unequivocal remarks of this Prime Minister who kept repeating throughout the election campaign: Social programs are a sacred trust!

• (1250)

We have seen what this Government did about old age security pensions. And I am saying today that if we look at this Bill in the wider context of other Budget measures we find that it is an unacceptable proposal, a socially unfair Bill, a Bill whose impact will be just as devastating as that of partial deindexation of old age security pensions. I would even say that this Bill will propably have harsher consequences because, in the mid and long terms, it will undermine the very fabric of the Canadian family and affect the demographic evolution of this nation. So much so that, in my judgment, we should not take measures which will make it harder still for people or parents with children to make ends meet. Quite the contrary, we should promote or implement a genuine family policy to help couples who have children and who, from now on, will practically be treated like other couples with similar incomes who, for personal reasons, have decided not to have children.

It goes without saying that, from a tax standpoint, doing away with the exemption for dependent children is a sound proposition. That view is shared by a good many social affairs experts. Some of my colleagues and I have had discussions on that subject in the past, but I have always been concerned by one very specific consideration—why? Deindexing family allowances will reduce their impact, just as reducing child tax exemptions will, but as a result our society will soon end up with a situation where a couple earning $35,000 a year is not eligible for Child Tax Credit, while a next door couple earning exactly the same income, but with three or four dependent children, will be treated exactly the same.

This is not what I call a family policy. If we want to solve the problem and eliminate the undesirable effect which the dependent child tax exemptions is creating for high income families, let us not reduce the basic family allowances by deindexing them! Because, in the end... I should gladly support a Government decision to completly eliminate the dependent child tax exemption, providing it increases proportionally the basic allowances, so that a family earning $35,000, as most Canadian families do, may at least have access to an additional income to compensate the fact that it must support

dependent children. As it now stands, the Government is reducing on both counts by lowering the Child Tax Credit to $23,000. Which means that when the Act comes into force, a married couple with dependent children earning $24,000 or $25,000 will be treated practically the same as a childless couple with the same income.

In my opinion, the policy which this Conservative Government has chosen to follow is not at all consistent with the promises it made when it was in the Opposition, and it is even contrary to what it has promised since coming to power. On the economic level, Mr. Speaker, 95 per cent of these transfers made to low and middle income people are spent on consumer goods; I suggest, therefore, that this Bill is bad because it will reduce the total consumer spending of Canadians.

Because I am running out of time, Mr. Speaker, I shall conclude by saying that just as the Budget did, Bill C-70 will make the rich richer and the poor poorer, which seems to be this Government's objective.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: That is right. Thank you, Mr. Speaker. I should like to ask a question from the Hon. Member for Laval-des-Rapides.

I heard his speech and I want to know how ordinary people could have confidence in his position and that of his party. When his party was sitting on the other side, they had the same policy as the government is advocating today. The Liberal Government deindexed the allowances as did the Progressive Conservatives. Is it possible for the Hon. Member to explain how we can have faith in his position today?

Mr. Garneau: Mr. Speaker, Canadians can have faith in what I said today for a couple of reasons. In the first place, when considering my record as Minister of Finance in another jurisdiction and the position of the government to which I belonged on family allowances, I had decided as a representative of the government not to tax them, because we thought it would be fairer not to give with one hand and take back with the other—

I should like to add also that on several occasions Members of the New Democratic Party have asked that rather insidious question expecting to draw from it some sort of political prestige, but the Member who has just spoken should indicate that this policy was developed under certain circumstances when inflation had reached 12 and 13 per cent and the Government had asked all Canadians, workers, businesses and those who belonged to various segments of the economy to do their share. It had then been decided that for a given period well delineated in the legislation indexation would be limited to 6 and 5 per cent. As evidence that such a policy was well advised, even if it entailed sacrifices for a short period of time, we had the inflation rate which had then reached 11 and 12 per cent brought down to the point that now it is reduced to about 4 per cent. Those policies as a whole were successful and beneficial to Canadian families.

This is why I say to the Hon. Member who asked the question that he should not confuse apples and oranges. Governments must react to difficult situations, and I could give as an example the French Socialist Government, with which the Hon. Member will probably agree as he shares many aspects of its political phisolophy. The French Government had to respond to certain situations in France, to take some action and to implement policies that more conservative Governments throughout the world would have found it difficult to follow. Particular situations must therefore be faced. In my opinion, when the Hon. Member and his colleagues in the New Democratic Party ask such a question, it should be placed in its true context so that the people who listen to us will not be misled.

The Acting Speaker (Mr. Paproski): Another question. The Hon. Member for Prince Albert (Mr. Hovdebo).

[*English*]

Mr. Hovdebo: Mr. Speaker, my question concerns the position taken by the Hon. Member's party. Let us assume that the Government capitulates, backs off from its 3 per cent and retains full indexing. Does the Hon. Member and his Party consider that the movement from family allowances to tax credit is an acceptable direction for social programs?

The Acting Speaker (Mr. Paproski): Order. I believe the Hon. Member will have a couple of minutes to answer that after Question Period.

[*Translation*]

Mr. Garneau: Mr. Speaker, I shall answer very quickly that the child tax credit was implemented by a Liberal Government. I do not see why this would be opposed.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 22

STATEMENTS PURSUANT TO S.O. 22

[*English*]

TRADE

SHOE MANUFACTURER'S REQUEST FOR FIVE-YEAR IMPORT QUOTAS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the textile and footwear industries are responsible for over 2,000 jobs in the constituency of Glengarry-Prescott-Russell, and many thousands more across Canada. With only a few weeks left in the present quota allocation and total indecision on the part of the Government of Canada, the footwear industry is in a deep climate of uncertainty. The Prime Minister (Mr. Mulroney) over the weekend indicated in an interview that Canadians needed to become more competitive on an international basis. This was the second such attack by the Prime Minister on the workers and the industry. One cannot help but wonder which side he is on.

If the Prime Minister wants us to believe that he is on the side of Canadian workers and industry, let him show us proof by adopting a policy, such as that advocated by the Canadian Shoe Manufacturers Association, of import quotas for five years, and of better policing of imports. This Association has not asked for the moon, Mr. Speaker. Its position is balanced and worthy of consideration. It is my hope that the Canadian Government will afford this industry the much-needed protection that it so richly deserves.

* * *

MINES AND MINING

REINTRODUCTION OF NATIONAL MINE RESCUE COMPETITION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, throughout Canada thousands of miners volunteer their time and effort to train for the onerous tasks involved in rescuing their fellows in case of a mining disaster.

Mine rescue teams hone their skills to a high level of competition, the highlight of which is a national competition where top teams from each region compete to decide the national winners.

For several years the National Mine Rescue Competition was held in abeyance, but this year it was reintroduced. It was held last weekend in Glace Bay where the Lingan Phelan Colliery team, ably captained by Mr. Shelly Gouthro, proved its merit by becoming the over-all national champions.

Eight provinces and territories were represented but, unfortunately, Ontario and Quebec were absent. In order to make this a truly national event, our two largest provinces should participate.

Hopefully at the Mines Ministers' conference being held today in Charlottetown it will be decided that a national mine rescue competition will be held on an annual basis and that all mining provinces and territories will take part in this important event.

SOCIAL SECURITY

FAMILY ALLOWANCE PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Conservative Government is following in the tradition of Liberal Governments by reducing the indexation on family allowances. In doing so, the Government is attacking children and families. The Conservatives also are continuing their obvious intention to erode universal social programs, which Canadians consider are a social right.

Canada's children belong to all of us. They are our next generation. They are a rich resource which we must nurture and cherish. We do not want them to grow up into a two-class society of rich and poor. We want to show we care for all children and recognize the responsibility and the costs of parenting. Let us continue to fight for fully indexed family allowances.

I call on all Canadians who care about families to show they care. Write to your Member of Parliament and to your Prime Minister (Mr. Mulroney). Start petitions. Talk to your neighbours. Talk to the media. Organize and start a national campaign. Show you care for Canada's kids.

* * *

PETRO-CANADA

ACQUISITION OF GULF SERVICE STATIONS

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, in Saskatchewan there is concern over Petro-Canada's purchase of Gulf service stations. Although the acquisition made it possible for a private sector Canadian company to buy Gulf Canada from an American corporation, there is, nonetheless, an understandable concern about the federal Government expanding its role in gas retailing.

It is the time to look at the future of Petro-Canada. Selling Petro-Canada in its entirety is not a realistic alternative. There is an acknowledged need for some degree of government involvement in the oil industry, but the Government should not be competing against small, privately-owned and operated gas stations. Is it the job of your Government to sell gas?

I compliment the Minister of Energy, Mines and Resources (Miss Carney) on her difficult and obviously successful endeavour of making Petro-Canada more financially accountable and responsible. However, I have two concerns. In order that popular well-managed neighbourhood Gulf stations not be closed down with the Petro-Canada acquisition, I ask that the Minister consider all available alternatives, including leaving the Gulf signs in place.

Second, as Petro-Canada enhances its financial position I ask that the Minister privatize Petro-Canada's retail gas operations and offer shares to the Canadian public as soon as possible.

SPORTS

WORLD CUP SOCCER TOURNAMENT—CANADA'S QUALIFYING WIN

Mr. Sergio Marchi (York West): Mr. Speaker, this weekend in St. John's, Newfoundland, Canada's national soccer team defeated the team from Honduras and qualified for the World Cup soccer tournament. I am sure Members on all sides of this House would want to join me in applauding our players and national team coach.

This triumph marks the very first time that Canada has qualified for the 24-nation World Cup, which will take place in Mexico in 1986. For the past 28 years the Canadian soccer team has been working toward this aim. With this impressive victory, a new chapter in the history of Canadian soccer has been opened.

The national team's victory was first and foremost a team effort. All Canadians can be justifiably proud of the skill, the dedication, and the poise displayed by all our players in the international sports arena. Their perseverance and hard work will be an inspiration to our younger athletes engaged in all facets of sports.

It is fitting that we take a brief time out from cheering on the Toronto Blue Jays in their march toward the World Series, to recognize the valiant efforts of our national soccer team in their quest for the World Cup.

Mr. Speaker: Let me remind Members, for the record, that messages of congratulation are specifically out of order under Statements. I think, however, the Hon. Member's sentiments were probably shared by others.

* * *

[*Translation*]

TRADE

RELATIONS WITH SOUTH KOREA

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, during a recent visit to South Korea I came to understand that this nation, which is undergoing a remarkable industrial development, is bound to become still more important as one of Canada's economic partners over the coming years. The most striking example of this is the forthcoming establishment of a Hyundai plant in this country. The Hon. Sinclair Stevens did a tremendous job in helping to achieve such a significant agreement, and I can assure this House that all the people I have met in Korea have a very high regard for the Minister and our Prime Minister.

I am especially proud of having been able to personally put forward Quebec's case as a construction site. Although that province, which represents a major part of the Canadian market, has the human and technological resources needed, it never had its share of the manufacturing sector. The close co-operation afforded by the Quebec Government in this instance must also be stressed. It reflects the new atmosphere of reconciliation which proves to be beneficial to all provinces. My only regret is that the plant could not be located in my beautiful constituency of Verdun-Saint-Paul, since the required space was not available. However, I urge the people in my constituency, and especially young people, to apply for jobs whenever the Hyundai Corporation starts hiring, and certainly their applications will be considered.

* * *

[*English*]

CITIZENSHIP COURTS

STATEMENTS ATTRIBUTED TO HAMILTON JUDGE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I received the following letter on September 9 last. It reads:

Dear Mr. Deans:

On August 11th, at 11.00 I was requested to appear before Judge Gerrie for an "interview" with regard to receiving a Canadian Citizenship.

Although I found Ms. Gerrie's attitude to be aggressive right from the beginning of the "interview", things seemed to be going reasonably well until I couldn't think of the Premier of Ontario's name. Ms. Gerrie immediately started on a tirade of people who come to this country and don't read newspapers or watch television—who have no interest in who's running this country or what they stand for. I told Ms. Gerrie that, since I was not a Canadian citizen, I did not have the right to vote in elections, and was not into "Politics" per se. She asked who my Member of Parliament was and I said Ian Deans. She said how did I know that Ian Deans was my Member of Parliament since I wasn't "into politics". I told her that my husband has always voted N.D.P. and when I vote, I would be voting the same way. This started an unnecessary (as far as I was concerned) lecture on how she was a single mother, and she certainly would not vote N.D.P. just because someone told her to (I presume this "someone" was my husband).

From this point on the "interview" went downhill very quickly.

Ms. Gerrie suggested that maybe I should apply for citizenship in one of the communist countries because if that's all the interest I have in politics I might as well not have any say in what's happening in the country I live in. She also suggested that I should go back to Britain, which has a Socialist Government, and is the same thing as communism. I was under the impression that my political beliefs were none of anyone's business and did not realize that you had to vote Conservative to become a Canadian citizen.

In closing, I would like to say that this was the most degrading—

Mr. Speaker: I must advise the Hon. Member that his time has expired. The Hon. Member for Calgary South (Mrs. Sparrow).

* * *

THE ARTS

OPENING OF CALGARY PERFORMING ARTS CENTRE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, Saturday was a very special day in Calgary. It marked the gala opening of a magnificent and most spectacular performing arts centre. This centre will provide world class facilities in the city for three resident cultural companies, The Calgary Philharmonic Orchestra, Theatre Calgary, and Alberta Theatre Projects.

S.O. 22

Throughout history every surviving culture has recognized the arts as a necessary component of life. Calgary is a growing city and therefore realized the vital need to build for the future of its performing arts community.

• (1410)

The new Centre for Performing Arts represents the dedication and efforts of many, including hundreds of volunteeers, the staff and performers, the three levels of government, funding, the media and, above all, the exuberant spirit and faith of the citizens and businesses of Calgary.

On behalf of all of us, I wish to say: "Well done; all the best in the future".

Mr. Speaker: Again I repeat, just for the future, that messages of congratulation are specifically out of order under the provisions of Standing Order 22.

* * *

PUBLISHING INDUSTRY

FUTURE OF PRENTICE-HALL COMPANY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, you can be assured that I am not here to congratulate the Government. In the interests of the entire issue of Canadian culture and the sovereignty of our country, about which we heard the Prime Minister (Mr. Mulroney) speak so eloquently on CTC last night, the future of one of Canada's leading publishing companies, Prentice-Hall, can be decided by the Government within the next week. A prominent publisher of established Canadian writers and new literary talent, Prentice-Hall, was recently sold to the American conglomerate, Gulf and Western.

Under Section 15 of the Investment Canada Act, the Government can review foreign investments related to Canada's cultural heritage and national identity. Canadians from every corner of the country believe that the potential sale of this company to an American multinational corporation will have disastrous effects upon the Canadian cultural identity.

I call upon the Minister of Communications (Mr. Masse) to ensure Canadian control of our publishing industry. I implore the Minister and the Prime Minister to veto the sale of Prentice-Hall Canada to American interests. I ask them to assist Canadian companies in purchasing an important contributor to Canada's literary tradition. Let them put their money where their mouth is and ensure the sovereignty of Canada's publishing industry.

[*Translation*]

REGIONAL DEVELOPMENT

NEED TO COMPLETE AUTOROUTES IN THE OUTAOUAIS AND LAURENTIANS

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, the constituency of Argenteuil-Papineau which I have the honour to represent in the House of Commons has unique economic development potential because of its geographic location, its infrastructures for industry, trade and tourism, and, most important, because of the development foreseen for the Mirabel airport within the next few years.

However, Mr. Speaker, we do not have an adequate road system. It is somewhat ironical to note that the largest airport in the world is isolated because Highway 13, linking Montreal, Dorval and Mirabel, is not yet finished and Highway 50, linking Ottawa and Mirabel via Papineauville and Lachute, is also incomplete. Mr. Speaker, three socioeconomic conferences, namely those of the Papineau, Argenteuil and Mirabel regional municipalities, are now under way and the first priority at these meetings is the completion of Highways 13 and 50.

Mr. Speaker, the economic participants in my own riding and in neighbouring constituencies have been asking the provincial and federal Governments to complete these highways for 20 years.

The Minister of Transport (Mr. Mazankowski) has assured me that the federal Government would cooperate if the Quebec Government were to develop a five-year plan.

Mr. Speaker, I urge my constituents and the various economic participants in the Outaouais and the Laurentians to put pressure on the provincial representatives of their respective regions so that these highways will be completed within the next five years.

* * *

[*English*]

THE ADMINISTRATION

REPORTED ESTABLISHMENT OF CENTRALIZED POLLING SYSTEM

Mr. Simon de Jong (Regina East): Mr. Speaker, the "say one thing but do another" style of government continues to roll along. No sooner had the Prime Minister (Mr. Mulroney) boasted that he uses polls less than any other Prime Minister then we learned that the Government has developed a new polling system. The Government will now conduct a massive in-depth poll on a monthly basis. The results will be so secret that even Cabinet Ministers will not be able to know them. Only the Prime Minister and his few henchmen will be able to see the results from which they will plot their strategies.

Of course the taxpayers will foot the bill.

Apparently the former Liberal Government considered a similar centralized polling scheme, but even those old professionals at the trough thought that it was a little too much for

the public to stomach. Not this Government, though. It sweetly smiles and says one thing, and the next day it does the exact opposite. George Orwell's doublespeak is alive and well with a Government that will do anything to keep itself in power.

I just hope the Prime Minister will learn from his private polls that Canadians are tired of Governments which manipulate and mislead. Canadians want an honest Government with a clear idea of what it is doing and where it wants the country to go.

ORAL QUESTION PERIOD

[*English*]

INTERNATIONAL MONETARY FUND

MINISTER'S MEETING WITH CHARTERED BANKS' SENIOR OFFICERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Did the Minister have a secret meeting last Wednesday evening with the senior officers or chief executive officers of our major chartered banks? We have been asking him daily in the House of Commons about his meetings with bankers. Why didn't he mention it to us? Would he give us the substance of the meeting? Why was it called? What was the topic of conversation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the meeting was not a secret one. I have regular meetings with the chairmen of the six largest banks to keep in touch with various ongoing occurrences in the banking system and in the economy of Canada. In fact, this meeting was called back in June. I said to them that I would like to have this meeting prior to the World Bank meetings which will take place later this month and early next month. I wanted to hear from them what, in particular, they felt I should be recommending, or what message they felt that I should be taking to these World Bank meetings in relation to the over-all problem of international debt and the role which the International Monetary Fund should play.

* * *

[*Translation*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am delighted to hear that the Minister is still meeting with our bankers, because we had the impression he had been trying to turn over the whole issue to his colleague, the Minister of State (Finance).

If the Minister of Finance really wants a parliamentary committee to examine this fiasco, will he let this committee do its work under reasonable conditions?

Will he recommend to the Government House Leader that the proceedings be televised? Will he make sure that all necessary witnesses will be available, including himself, his colleague, the Minister of State (Finance), and the Governor of the Bank of Canada? Will he allow the committee to have some kind of assistance, either economic or legal, in doing its work? Can he give the House the assurance that the committee's terms of reference will be broad enough to encompass all lines of questioning required to find out exactly what happened?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, since the question relates to discussions which are now taking place among the House Leaders, perhaps I would be permitted to answer it. The Leader of the Opposition knows that the terms of reference which I tabled last Wednesday are as broad as one might expect with respect to the ability of parliamentarians to examine every facet, including all events leading up to the statement made by the Minister of Finance and the Minister of State for Finance over Labour Day weekend.

The Hon. Leader of the Opposition will also know—and I think this will be confirmed by further discussions with the House Leaders—that there is very wide power in terms of the summoning of witnesses and the calling for papers. There is now provision under our new rules to provide the committees with the required support staff to carry out the responsibilities directed to them by the House. As the Leader of the Opposition knows, these matters are under discussion in a very positive way among the House Leaders. We are trying to develop an understanding of the ability of Members so that we can have this matter resolved and referred to a committee today, if not tomorrow.

REPORT SUBMITTED BY FEDERAL RESERVE BANK OF SAN FRANCISCO

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the terms of reference of Parliament authorizing the committee to investigate this fiasco are as wide as the rhetoric of the Minister, perhaps we have a deal.

I have a third question which I will direct to the Minister of Finance. In February, apparently the Federal Reserve Bank of San Francisco submitted a report to our Inspector General of Banks outlining the precarious situation of the Canadian Commercial Bank. Why is it that the American banking authorities were far closer to the situation than our own Minister of Finance?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the report which was made to the Inspector General of Banks last February, as I understand it, referred only to the U.S. operations of the bank. It was clearly stamped

the property of that regulatory authority. There was nothing in that report, I understand, which in any way reflected upon our own ability in dealing with the domestic situation in those banks.

APPOINTMENT OF CURATOR

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Could the Minister confirm that when the major banks were called together on the weekend of March 22 to arrange a bail-out of the Canadian Commercial Bank, the Minister had in fact already signed an order appointing a curator to the CCB effective Monday, March 25?

● (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my recollection is that there was a fair amount of legal work that had to be done leading up to the possible closure of that bank on that Monday. Late Sunday evening we did not know what the conclusions of the discussions with the chartered banks would be. The legal counsel for the Department of Finance asked if I would complete all the legal work required for the possible closing of the bank, to be kept in escrow pending the resolution of the discussions.

The simple answer is, yes, I did, as part of a simple legal matter to get the technical legal work behind us in the event that the bank was not going to open on the Monday morning.

GOVERNMENT DECISION

Miss Aideen Nicholson (Trinity): My supplementary question is also for the Minister of Finance. Why not have proceeded with the step of leaving the bank under curatorship while a detailed examination of the assets were made? Why did the Government proceed to make its decision on the basis of little or no information?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to ask Hon. Members to cast their minds back to what was happening in the financial world at the middle of March.

We had just gone through a very heavy exchange crisis and the Canadian dollar was under a good deal of pressure. Around that same time a number of savings and loans institutions in the State of Ohio closed their doors, and did not open up for, I believe, a week. That simple act of their not opening their doors resulted in a significant drop in the exchange value of the Canadian dollar.

We also had advice from the chartered banks themselves which were worried about the impact on a number of credit unions of the Canadian Commercial Bank not opening. If the Hon. Member will think back again she will remember that the Province of Alberta had given some financial assistance to the credit unions in Alberta, so there was concern about the ripple effect in the Alberta economy in particular.

Mr. Speaker: I appreciate the seriousness of the matter but it has become too long, I am sorry. The Hon. Member for Oshawa.

Mr. Wilson (Etobicoke Centre): I wanted to give the answer to a very important question.

PRODUCTION OF DOCUMENTS FOR PARLIAMENTARY COMMITTEE

Hon. Edward Broadbent (Oshawa): I have a question for the Minister of State for Finance. It concerns the terms of reference for the proposed committee to look into the banking fiasco that we have been talking about in the House.

Specifically, will the Minister or the House Leader give us assurances that the three following documents would be made available to the committee if it is established?

The first is the September, 1984, report on the Canadian Commercial Bank prepared by the Inspector General of Banks.

The second is the report done by the San Francisco Reserve Board, which was prepared in February of 1985.

The third is the Auditor's report on the Canadian Commercial Bank prepared last winter.

Will those documents be tabled in the House with specific reference to be considered by the committee? Is the Government prepared to guarantee that?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, this is the first occasion on which either the Leader of the New Democratic Party or his House Leader has raised the question of these particular documents, as far as I am concerned. Without getting involved in the details of the negotiations that are being carried on now, our work is to determine whether or not we can get the matter referred to committee. We are, of course, as I have indicated publicly and privately, quite prepared to have a full and complete hearing in the Finance Committee on this issue.

If the Hon. Leader of the New Democratic Party wants to give specific requests to his House Leader he can bring them to me at 3.15 where we are going to convene, right across the hall, and I will take them under advisement.

POSITION OF CHARTERED BANKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we are not playing games with this issue.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Broadbent: They are obviously sensitive. We asked for these reports because they have been denied before.

If we want a serious study instead of some kind of whitewash we want to see the documents, that is all.

I have another question for the Minister on another matter. The question concerns a contradiction between what the Minister said to the House on Friday and what Mr. Mulholland, Chairman of the Bank of Montreal, said on Thursday about the $60 million that Mr. Mulholland believes the banks are going to get back from the Government.

The question is as follows: Since the Minister said in the House on Friday that Mr. Mulholland was wrong, I today checked with some banking sources. I thought—

Mr. Speaker: Order, please. This preamble has become too long. Is there a question, please?

Mr. Broadbent: It is a very important matter of information for the House. Considering that the banking sources have confirmed as well as clarified their view that they are entitled to the $60 million—they stand by that—will the Minister please explain to the House why she believes that the people of Canada are not going to have to cough up the $60 million?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sorry that there is this dispute about this with the bankers. Certainly our best legal advice is exactly what I said on Friday, that the banks in the support package ranked with uninsured depositors or with depositors in the event of any windup and the legislation that we will present to the House replaces uninsured depositors with the Government of Canada and therefore the banks will rank equally with us in the liquidation of assets. That is the legal interpretation that I have been given.

REQUEST THAT MINISTER TABLE BAIL-OUT AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, obviously last March the Minister was given some pretty bad advice too, so she should look into it. All I will tell the Minister is that the bankers' lawyers are saying something different. I would like to ask the Minister, considering it is the taxpayers of Canada who are going to have to cough up the money, will she today table all the documents pertaining to the agreement that the Government of Canada entered into with the banks last March so that finally in this House we can begin to get to the bottom of this fiasco?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicate to the House that I am prepared to make every piece of information available to the committee that I am legally entitled to put before the committee.

In terms of that contract, Mr. Speaker, that is a contract and it would require the concurrence of every signatory to the agreement in order to take it to committee. I am seeking that concurrence from the interested parties.

[*Translation*]

ANNOUNCEMENT BY MINISTER OF FINANCE CONCERNING LIQUIDATION OF CANADIAN COMMERCIAL BANK AND NORTHLAND BANK

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, on September 1 of this year, the Minister of Finance announced that it was legally necessary to ask the courts to proceed with liquidation of the two banks. I am of course referring to the CCB and the Northland Bank.

Could the Minister inform the House and the Canadian people whether such a request was made to the courts and if so, whether authorization has been given to proceed with liquidation?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): My understanding is that the liquidation is proceeding in the case of the Canadian Commercial Bank, and in the case of the Northland Bank the curator is still acting as a curator while the Northland Bank attempts a renegotiation or a restructuring.

[*Translation*]

REQUEST FOR NAME OF LIQUIDATOR

Mr. Raymond Garneau (Laval-des-Rapides): I have a supplementary, Mr. Speaker.

First, could the Minister inform the House who was appointed curator? Second, will depositors with deposits of $60,000 or less at the Canadian Commercial Bank be reimbursed and when will such payments commence?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the curator at the Canadian Commercial Bank is the firm of Price Waterhouse. My understanding is that payments on insured deposits can be made almost immediately in that case.

• (1430)

COMMITTEE'S ACCESS TO DOCUMENTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of State for Finance. Is the Minister of State aware that the September, 1984, report on the CCB prepared for the Minister by the Inspector General and the San Francisco Reserve Board Report given to the Inspector General in February, 1985, were previously requested by members of this Party but we were refused access to the documents? Can she now tell us once and for all if she will guarantee the tabling of those documents in advance of the committee being set up in order that we can be sure that actual documentation necessary to conduct the inquiry will in fact be before the committee?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already indicated that I am making my

best efforts to ensure that every document that I can legally present to the committee will be presented to the committee, at which time they can be discussed without innuendo or hyperbole.

PRODUCTION OF LISTS OF DEPOSITORS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is for the Minister of Finance. Is it the position of the Minister of Finance that the agreement signed with the provinces and the chartered banks in March, 1985, and the list of depositors who were depositors of the bank prior to the bail-out package or between the time of the bail-out package and the dissolution decision may legally be provided to the committee? Will he undertake to table them in the House of Commons now in order that the committee can have the appropriate information necessary to conduct its inquiry?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that this question has been answered before. However, I will answer it again. There is some real question as to the ability of the Government to provide that information under the terms of the Bank Act. We are looking to see if there are ways that we can do this. However, at this point in time I would have to say that the legal advice that we have is that Section 251, I believe, of the Bank Act must stand, and we are not able to provide that information under the terms of the Bank Act.

Mr. Broadbent: Why have a committee? What's it going to do?

Mr. Cassidy: Pay a billion dollars to unnamed depositors?

Mr. Wilson (Etobicoke Centre): As I said a minute ago, we are trying to find ways to provide that information to the House. However, at this point in time I am not able to say that we can.

* * *

AIRPORTS

OWNERSHIP AND RESPONSIBILITY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport and concerns the future operation of federal airports. The Minister of Transport will know that under the objectives outlined in Structure 90, the reorganization plan for his Department, a decision has been taken to transfer ownership and responsibility where possible of federal airports to municipal and provincial Governments. Is the Minister prepared to table in the House of Commons a list of airports across Canada that have been designated by the Minister for transfer to municipal or provincial Governments or other agencies? That information is vital to many communities across the land.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, no such decision has been taken.

DISCUSSIONS WITH MUNICIPAL OFFICIALS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, if no such decision has been taken, the Minister ought to start today by explaining why officials of his Department and the Deputy Prime Minister's ministerial review office have already met, at least in the case of St. John's, Newfoundland, and also in the case of the Northwest Territories, with municipal officials proposing the transfer of federal airports and why those meetings have taken place in literally dozens of communities across the country. Will the Minister clarify his statement? A decision has been taken and we are asking for a list of airports to be affected. I am told that it is possible that 70 airports will be affected.

Mr. Speaker: Order, please.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is surprising that it has taken so long for the Hon. Member to catch up to what is going on in the country.

Mr. Gauthier: You're pretty sleazy, you know.

Mr. Mazankowski: No, I am not sleazy at all. This matter was first raised in the Budget Speech of May 23 and the Hon. Member is just dealing with the subject now. The fact is that no decision has been made and discussions are taking place with respect to the prospect of trying to establish a new airport structure which will reduce costs and provide good, effective service in all parts of the country.

* * *

TRADE

CANADIAN LUMBER PRODUCTS—ACCESS TO UNITED STATES MARKETS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who, I am sure, is no doubt fully aware that three-quarters of the U.S. Congress now support the Gibbons Bill, a Bill which will restrict the free and open access of Canadian forest products to the United States. Since the U.S. Congress has the constitutional jurisdiction to implement such law regardless of the views of President Reagan, I would ask the Minister if he has set his mind to an accelerated means of informing consumers in the United States, who have a qualitative and economic preference for our product because of the higher cost of forest products in the United States, of this should the Gibbons Bill become law later this fall.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as usual, the Hon. Member raises a point of importance.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): We have been pursuing the question of the implications for the timber industry in Canada of the Gibbons Bill and of other pressures in the United States

Congress. We have been in touch with administration officials on several levels. I share the Hon. Member's view that it is now time for us to begin to address a larger American audience on this question, but I would say to the Hon. Member that I think it would be helpful if that effort, which is in the interests of all Canadians were shared by all the Members in all the Parties in this House.

STATEMENT ATTRIBUTED TO UNITED STATES AMBASSADOR

Mr. Jim Fulton (Skeena): Mr. Speaker, I am not surprised that Liberal Members are a little noisy about this matter. They did not even turn up at the meetings on this matter in Vancouver.

Some Hon. Members: Oh, oh!

Mr. Fulton: My supplementary question is directed to the same Minister. Mr. Niles, the new Ambassador for the United States, suggested in his Senate confirmation hearings that American loggers should be permitted into British Columbia to cut down Canadian trees and haul them to U.S. sawmills—

Mr. Speaker: Order. Order, please. With great respect, this is another preamble. Does the Hon. Member have a question?

Mr. Fulton: Mr. Speaker, does the Secretary of State for External Affairs share the view of Ambassador Niles and the White House that American loggers should be allowed into Canada to log?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have no intention of having American loggers coming to Canada to log. I have not had an opportunity to read everything that Ambassador Niles said in his confirmation hearings but obviously it would stand to reason that he might say some things with which the Government of Canada would disagree.

* * *

HOUSE OF COMMONS

PRESENCE OF DELEGATION FROM NATIONAL PEOPLE'S CONGRESS OF THE PEOPLE'S REPUBLIC OF CHINA

Mr. Speaker: May I take this moment to draw to the attention of Hon. Members the presence in our gallery today of a delegation from the National People's Congress of the People's Republic of China led by their delegation Chairman, Mr. Wang Renzhong.

Some Hon. Members: Hear, hear!

[*Translation*]

TOURISM

TOURIST INDUSTRY IN THE OUTAOUAIS—GOVERNMENT POSITION

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, my question is directed to the Minister responsible for tourism.

In view of the recent Cabinet shuffle, I should like to ask the new Minister whether he intends to continue the work undertaken by his predecessor, work of great import for the riding of Gatineau. In addition, would he tell the House what steps he intends to take to promote tourism in the Outaouais region?

[*English*]

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, I would like to assure the Hon. Member for Gatineau that I am in the process of completing the last of the tourism consultations this week and by that time will have talked to all the provincial and territorial Governments. I will be chairing a major conference in October and at that time 350 members of the tourism industry from across Canada will be here in Ottawa. As well, there will be a Federal-Provincial Ministers' Conference on Tourism in November. We are doing this because we believe that the future of tourism is a major economic growth factor for this country and will help in job creation.

* * *

FINANCE

FARM FUEL TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Finance. Last week the Minister announced certain exemptions to the sales taxes imposed in the May 23 Budget. I wonder if the Minister of Finance is willing to exempt farmers and primary producers from the nine cents per gallon excise tax on farm fuels that he imposed on them on September 1. The imposition of this tax comes at a time of very great heardship for farmers across the country. I wonder if the Minister would consider giving an exemption to these producers.

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate the position of the farmers. I think that my colleague, the Minister of Agriculture, has indicated a number of steps which we have taken to address the problems, particularly with respect to the beef farmers in western Canada. However, I should remind the Hon. Member that in the fall we exempted the farmers, fishermen, and other primary producers from an increase in the sales tax, as well as previous tax that was levied on fuels. Thus, they have been given some exemptions. Unfortunately, at this time that is as far as we can go.

GOVERNMENT POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, I would point out that one of the exemptions, the seven cents a gallon of the petroleum compensation charge which was provided last fall, was lifted on June 1. On top of that, the Minister will be imposing another $11 million tax on farm fuels effective January 1. Why is the Minister deepening the farm debt crisis by imposing this tax, especially a tax from which the Government promised to exempt farmers during the election campaign?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I remind the Hon. Member that, pursuant to our election commitment, we did exempt the farmers from the fuel tax back in November. In addition to that, we provided for a reduction in the interest costs to farmers who are borrowing from the Farm Credit Corporation from 16.25 per cent to 12.75 per cent. We are mindful of the predicament that the farming community is in and we are doing as much as we can to meet the problem.

* * *

[*Translation*]

TRADE

FREE TRADE ARRANGEMENTS WITH UNITED STATES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to direct my question to the Minister for International Trade.

Is the Minister aware of the concern of Canadian manufacturers about the decision of the United States to deny entry to technicians required to repair Canadian equipment in the United States?

How can we establish free trade with the Americans if they continue to put up such non-tariff barriers on our manufactured goods, therefore on our exports?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that I am indeed aware of the problem. It stems from a decision of the California Supreme Court. As soon as we became aware of it, we had our embassy in Washington contact the Acting Solicitor General in the United States to urge him with all speed to launch an appeal of the decision. We agree on it completely. We are making representations at the highest level to see that this matter is speedily rectified.

IMPACT ON TRADE NEGOTIATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Minister knows that that appeal process may take a matter of months. In the meantime Canadian exports are in fact threatened because of the decision of the American authorities. How can we enter into a free trade agreement with the Americans when they are indicating, in this instance and others, that they are not prepared to play fair by the existing rules?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, in the first place I am not aware that it will take several months. I do not know how long it will take.

Second, it had nothing to do with the administration or Congress. It results from a court decision.

Third, it points out the need for us to enter into an agreement with the United States so that we do not have these type of problems in the future.

* * *

FINANCE

INTRODUCTION OF MINIMUM TAX

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Finance. He will recall that in order to achieve a greater degree of fairness in the tax system the Budget promised a minimum tax. It outlined three different options regarding that tax. Can the Minister tell us what form that tax will take and whether a decision has been made on those options? Can he also tell us when legislation will be introduced regarding them, bearing in mind that the minimum tax is to come into effect on January 1, 1986?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to reiterate the Government's commitment to bring in a minimum tax effective January 1, 1986. We agree that it is important for the whole sense of equity and fairness in the tax system that there be a minimum tax put in place.

Since the release of the minimum tax discussion paper with the Budget, we have been consulting with members of the legal and accounting professions to decide upon the best of the three options which have been put forward. I hope that in the not too distant future I will be able to make a statement about the direction in which we are headed.

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[*Translation*]

CONFLICT OF INTEREST

REQUEST FOR DETAILS CONCERNING FORMATION OF CERTAIN PRIVATE COMPANIES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Deputy Prime Minister and relates to an article published in Saturday's *Globe and Mail*, namely that some of the Prime Minister's senior political advisers would have received preferential treatment in setting up private companies, something which most public employees cannot do. Can the Deputy Prime Minister tell the House whether the Treasury Board or the Prime Minister has indeed endorsed such practice?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sorry, but I am not

familiar with the specifics of the vague question which has been put to me.

Some Hon. Members: Hear, hear!

Mr. Nielsen: As I understood the question, it related to employees in the Prime Minister's office having employment outside of the Prime Minister's office.

Some Hon. Members: No, no.

Mr. Nielsen: If that is not the gist of the question, then perhaps the Hon. Member would not mind being a little more specific.

COMPANY SHAREHOLDINGS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, a numbers game is being played by the Prime Minister's office. Can the Deputy Prime Minister tell us if it is normal practice for employees of the Government to be allowed to own private companies withdrawing funds from the federal Government and enjoying tax breaks thereby? Or, is it a way for members of the Prime Minister's staff, such as Mr. Van Dusen, Mr. MacAdam, and Mr. McMillan, who have established these numbered companies, to get around conflict of interest guidelines? Is it a scheme to avoid taxes or a scheme to get around the conflict of interest guidelines?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, now that the Hon. Member has been specific, the answer to his question is that neither is true at all. I think there was one numbered company mentioned—

Mr. Gauthier: Three.

Mr. Nielsen: —in the article, which apparently has a number out of place, which is a technical problem and which does not in any way disturb the validity of the contract. If there are any, they certainly do not affect the conflict of interest guidelines. I would suggest to the Hon. Member that if he has any personal questions to put to the shareholders of those companies that he might do so on a personal basis.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—VIABILITY ASSESSMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. We were previously made aware that, last March, the Bank of Montreal had offered to do an assessment of the viability of the Canadian Commercial Bank which the Government turned down. Will the Minister confirm that not only the Bank of Montreal but all of the other chartered banks offered to do such an assessment before the Government committed taxpayers' money? Will the Minister explain to the House why the Government refused to accept that offer?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is my understanding that at the time the package was being designed there were representatives of some of the chartered banks in the CCB, both in Edmonton and Los Angeles.

REPORTED OFFER BY CHARTERED BANKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, perhaps the Minister would try to answer my question now. Will she confirm that, last March, before the Government prepared its package, not only the Bank of Montreal but all the other chartered banks offered to do an assessment of the economic viability of the Canadian Commercial Bank and the Government refused them that sensible decision and insisted they meet and make an agreement on that weekend? Will the Government confirm that and, in so doing, will the Minister explain to the people of Canada why she took a $1 billion risk with the taxpayers' money without even receiving a proper assessment of the viability of the bank?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already indicated to the House that there were some bankers in looking at the bank. I have also indicated to the House that it is in the best interests not only of the taxpayers of the country but of the depositors of those banks, and the depositors of all our financial institutions, as well as the borrowers, to get the full story on everything that happened. Time after time I have indicated that I am fully prepared to give those answers.

* * *

THE ADMINISTRATION

REQUEST FOR REVIEW OF CONTRACT AWARDS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the conflict of interest and nepotism guideline announcement of last week.

The Prime Minister has provided a review process for only a certain category of appointments, namely, those made by Order in Council. Will the Deputy Prime Minister not agree that a reform respecting the awarding of contracts and other types of appointments is also necessary so that the incidents concerning Messrs. Wakim, Nantel, and Atkins, and the case referred to by the Hon. Member for Ottawa-Vanier, are not allowed to continue, in order that we do not have the same Tory hacks, flacks and bagmen continuing to snout at the trough?

● (1450)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the suggestion of the Hon. Member will be taken into consideration and given every attention that it deserves. We certainly would not want to go so far as to cause any embarrassment to the Party which used to be on this side of the House.

Mr. Boudria: Mr. Speaker, I would like to remind the Deputy Prime Minister that the last intervention seems to have been useful because some guidelines did come about as a result of the questioning by the opposition.

CONFLICT OF INTEREST GUIDELINES

Mr. Don Boudria (Glengarry-Prescott-Russell): The Prime Minister has indicated in his guidelines that relatives of Cabinet Ministers will—

Mr. Speaker: Order, please.

Mr. Boudria: —will no longer be appointed—

Mr. Speaker: Order, please. No preamble, please. Just a question now.

Mr. Clark (Yellowhead): Who hired you, and why?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Boudria: A large number of voters did.

Mr. Speaker: Order. Question, please.

Mr. Boudria: Why are there no provisions in the guidelines for the removal of relatives who have been awarded contracts since September 4, 1984? And why, in particular, is Mr. Peter Clark allowed to retain his appointment when the Prime Minister has stated in the guidelines that such appointments are wrong and should not occur in the future? Why again that loophole in the guidelines? Is it intentional?

Some Hon. Members: Let Joe answer that.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of State for External Affairs): Mr. Speaker, I would be the first one to give credit where credit is due but how can I do that—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —when the work has been under way since last September 18, as the Hon. Member should know if he studies the history of the matter.

With respect to the appointment referred to by the Hon. Member, he will know that the Prime Minister has announced as part of that package that the entire range of all appointments which have been made are going to be subject to a review by the parliamentary process to see how it works.

Mr. Boudria: Oh!

Mr. Nielsen: I know there is a myopic view on the other side with respect to these appointments, but that is what the Prime Minister said, if the Hon. Member had been listening.

Mr. Boudria: Oh, no.

Mr. Nielsen: It is quite a departure from past procedures—

An Hon. Member: From what they did.

Mr. Nielsen: —certainly, from what those Hon. Members did when they were in office. All of those appointments will be open, subject to review by Hon. Members such as himself, and I wish him well in his work.

Some Hon. Members: Oh, oh!

* * *

APARTHEID

SOUTH AFRICA—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who I am sure is aware that much of the world expects Canada to exhibit leadership in the fight against apartheid but who, on Friday, showed that we talked loudly but carried only a toothpick.

The loud voices heard by our Prime Minister were evidently the voices of Buthelesi, Botha, Bata and Bay Street. But to his credit, the Secretary of State for External Affairs did indicate that—

Mr. Speaker: With great respect, is there now a question, please?

Mr. McCurdy: Will the Secretary of State for External Affairs tell the House in very specific terms what criteria he intends to apply to establish that tangible movement away from apartheid has occurred?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it was precisely to establish some kind of criteria which could be judged objectively that, in my statement in the House last Friday, I set forth some of the principles which we would want to see observed by the Government of South Africa. I will not reiterate them here. They are on the record of *Hansard*. But very key among them, of course, is the restoration of equal political rights, including the right to vote.

DEADLINE INQUIRY

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, will the Government indicate to South Africa, and to this House, what deadline is to be applied in evaluating whether progress has in fact occurred?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question of deadlines was raised on Friday in response to the statement I made on this matter. It is a question we will look at. I frankly believed that it would be more helpful in achieving progress to have deadlines involving several countries. It may well be that that is one of the matters which will be considered when the Commonwealth Heads of Government meet in Nassau in mid-October.

Certainly our view is that it is important for Canada to use its influence with other countries, and particularly through the Commonwealth, to try to achieve change in South Africa and bring an end to apartheid.

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TRANSPORTATION OF DANGEROUS GOODS

TRANSPORTATION OF PCBs THROUGH OTTAWA

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I wonder if the House has noticed that the Hon. Member for Oshawa has crossed the floor today.

Some Hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): My question is specifically addressed to the Deputy Prime Minister and Minister of National Defence. It concerns the transportation of PCBs this evening from the Rockcliffe Military Base to the Uplands Military Base, both of which are in my riding. Can the Minister assure the mayor of the City of Gloucester and the residents of my riding that every possible procedure and precaution have been taken to ensure that these dangerous goods are transported safely this evening?

An Hon. Member: You were told that before.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the Hon. Member knows, the goods in question which are being moved this evening are being moved under the provisions of the federal-provincial regulations with respect to the transportation and storage of dangerous goods. Throughout the entire planning of the move from one federal property to another federal property, within the City of Ottawa, the Departments of Public Works and Engineering, as well as the Gloucester police, have been fully consulted.

Ms. Copps: But no neighbours.

Mr. Nielsen: With their co-operation I am sure that the move will be accomplished without any danger to the people and the surrounding environment.

UNEMPLOYMENT INSURANCE

PROJECTED INCO LAY-OFFS—EFFECT OF PENSION PAYMENTS ON ELIGIBILITY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the planned workforce reduction at the Sudbury Inco plant. Would the Minister not agree that, in addition to Inco's financial problems, his Government's policy of grabbing severance payments and pension payments from our jobless is not only discriminatory and unfair but is adding to the problems facing Sudbury and other communities?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the statement put forward by the Hon. Member is one we have looked at. He has heard the Minister of Finance and other Ministers. I would bring to the Hon. Member's attention that, with respect to the pension as it applies to unemployment insurance, action was taken by this Government some four months ago to make taxation effects less harsh.

EARLY RETIREMENT CONSEQUENCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Minister not agree to commit himself and his Government to reverse that discriminatory practice so that younger workers can maintain their jobs in our communities and the older workers can take the retirement packages because it is fundamentally working against the original purpose intended by the Government?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I recognize the concern of the Hon. Member in this matter and it is shared by this side of the House. As to the impact of an early retirement, the Hon. Member is aware that under my direction a very well regarded and respected former member of the Ontario Legislature, a former Minister of Labour, is presently consulting with other jurisdictions, with the provinces and with other businesses with respect to a more beneficial and wide ranging retirement package which can be put in place for those workers who are permanently unemployed.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGED TREATMENT OF NEW BRUNSWICK INDIANS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Solicitor General. I wonder if the Solicitor General would be prepared to confirm that officers of the RCMP in New Brunswick, along with provincial and federal fisheries officers, have been involved in extensive operations against native people in that province? Would the Minister confirm that those operations involved processes of entrapment and the use of alcohol and money in attempts to induce native people on their own reserves to sell fish illegally? And would the Minister be in a position to acknowledge that

officers in the RCMP, along with federal fisheries officers, were involved?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the Hon. Member will know he wrote to me, I believe last week, making some very serious allegations. I immediately asked for a report. As soon as I receive that report I will gladly get back to the Hon. Member.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Friday, September 13, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Nipissing (Mr. Mantha) does not meet the requirements of the Standing Orders as to form.

* * *

• (1500)

COMMITTEES OF THE HOUSE

PANEL OF CHAIRMEN

Mr. Speaker: I wish to advise the House at this time that, pursuant to Standing Order 71, the Members appointed to compose the panel of chairmen of legislative committees, together with the Deputy Speaker and Chairmen of Committees of the Whole, the Deputy Chairman of Committees of the Whole and the Assistant Deputy Chairman of Committees of the Whole, shall be as follows: Derek Blackburn, Bill Blaikie, Bob Brisco, Robert Coates, Suzanne Duplessis, Jack Ellis, Scott Fennell, Richard Grisé, Gaston Isabelle, Fred King, Allan Lawrence, Russell MacLellan, Arnold Malone, Fred McCain, Allan McKinnon, Keith Penner, Marcel Prud'homme, Anthony Roman, Gordon Taylor, Marcel Tremblay and Neil Young.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

TABLING OF ANNUAL REPORT

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, pursuant to Standing Order 47(2), I am pleased to table, in both official languages, copies of the Canadian Advisory Council on the Status of Women's annual report for 1984-85.

PETITION

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present petitions from workers, particularly in the construction industry, protesting changes in the Unemployment Insurance Act. These changes will mean that monies received for pensions, vacation and severance pay will be taken into account when determining eligibility for unemployment insurance benefits. The petitioners humbly pray that the House of Commons reconsider these changes and ask the Government not to carry them out.

* * *

CONDOMINIUM ORDINANCE VALIDATION ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-73, an Act to validate certain ordinances of the Yukon Territory and the Northwest Territories.

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

Some Hon. Members: Agreed.

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

* * *

REPRESENTATION ACT, 1985

MEASURE TO ENACT

Hon. Ray Hnatyshyn (President of the Privy Council) moved for leave to introduce Bill C-74, an Act to amend the Constitution Act (1867) and the Electoral Boundaries Readjustment Act, and to provide for certain matters in relation to the 1981 decennial census.

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

Some Hon. Members: Agreed.

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

* * *

FISHERIES AND FORESTRY

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I move that the sixth report of the Standing Committee on Fisheries and Forestry, presented to the House on Friday, June 28, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Mr. Hnatyshyn: No, Mr. Speaker, not at the present time.

Mr. Speaker: I must recognize the mover of the motion unless the President of the Privy Council (Mr. Hnatyshyn) wishes to rise—

Mr. Hnatyshyn: That is fine.

Mr. Speaker: —on a point of order.

Mr. Skelly: Mr. Speaker, the sixth report of the Standing Committee on Fisheries and Forestry is a landmark report. The committee unanimously agreed to support a proposal put forward by all the mayors of Vancouver Island. The proposal is a proper and important matter for consideration by this House at the earliest possible time because Vancouver Island has been devastated by the recent recession. The forest industry on the island has undergone some very serious deterioration and it is my hope that the Government would support the proposal put forward by the standing committee.

The riding of the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg), who has been supportive of this proposal, is the best example of the effect the recession, as well as poor forestry practices and general neglect, has had on the island. A number of years ago the community of Port Alberni boasted the highest per capital income in Canada. Some of the best employment in this country was in the forest industry in Port Alberni. As time went by and the resource was neglected, as the forest industry failed to keep pace with technological improvements and failed to exploit international markets and essentially turned a blind eye along with everyone else to the resource base in the area, those jobs began to disappear. I understand that about 2,000 jobs have now been lost in that area out of a work force of approximately 6,000 people. As one of the Government's spokesman on this particular Bill, it would be my hope that the Hon. Member for Nanaimo-Alberni will stand in his place today and support this motion to endorse the mayors' proposal.

The constituency that I represent covers about one-half of Vancouver Island. If a line were drawn across the centre of the Island we would be looking at one-half the total area of the island. Within the riding of Comox-Powell River there is an enormous dependence on the forest industry. Over the years we have seen a tremendous downgrading of the operations of that industry. Communities such as Courtenay, Campbell River, and many other small communities now require, regrettably, the presence of soup kitchens. This kind of operation was developed in response to the erosion of the employment base on the island, particularly the collapse of the forest industry and the forest resource. The mayors of Vancouver Island are asking the federal Government to recognize that it has an obligation to the people of Vancouver Island to assist in restructuring the resource. The federal Government has a responsibility for job creation. It has a responsibility to protect the resource from which it derives a large amount of income and sales taxes. The federal Government has been a tremendous beneficiary of the wealth generated from that resource but it has unfortunately failed to fulfil its responsibilities to the communities there in restoring the forest base. In my opinion and that of my colleagues on the committee, the mayors' proposal would mean only a modest contribution in order to bring about the improvement in the forest base which would restore the resource to help bring employment on the island back up to its previous level. It would provide people with the opportunity to earn decent wages in a very meaningful activity which would produce wealth in the short term and improve the resource for the long term.

• (1510)

It is important that the federal Government and the Province of British Columbia have concluded an Economic Regional Development Agreement through which $300 million will be spent for reforestation. Unfortunately, no significant amount of that investment will be spent on Vancouver Island but, instead, will be spent in other areas. The other important aspect of the ERDA agreement is that professional organizations within the forest industry, such as forest research organizations and the School of Forestry at UBC, are of the opinion that this amount of money is infinitesimally small considering the task of regenerating the resource within British Columbia and particularly on Vancouver Island. The amount of $600 million is required. It would be a serious error to use the ERDA funds, which have already been earmarked for important priority projects. When this committee forwarded its unanimous recommendation its opinion was that the federal Government should be involved in separately funding the proposal of the mayors of Vancouver Island. I urge my colleagues in the House of Commons to support this motion, to concur in the report of the standing committee, and to urge the federal Government to make funds available which are supplementary to the $300 million allocated for reforestation in the ERDA agreement.

The impact of the collapse of the forest industry has been extremely serious on Vancouver Island. There is not a community on that island which has not experienced an enormous negative effect due to the loss of employment created by the downsizing of the forest industry. The Macdonald Commission said that forestry was a sunset industry in Canada. Nothing could be further from the truth. The forest industry has a long and viable future based on a sustained yield resource. In perpetuity this country can derive its wealth from the forest industry. It would be a serous mistake for the Government to ignore that. We have stood by and watched that resource being depleted without any concern for reforestation or preservation of the resource on a sustained yield basis.

It is important to note that forestry, in a depressed region such as Vancouver Island, is the quickest and most effective way of developing income and employment. It is extremely important that the Government realize that many of the long-term projects which have been conceived for that area may produce employment and economic development in five to ten years. However, an investment of the magnitude proposed

by the mayors of Vancouver Island would almost instantaneously create substantial employment and substantial improvements to local economies on that island. To my knowledge, and that of many others, there is no more effective a mechanism for the quick generation of employment in a severely depressed area. There is no more worth-while an investment of federal tax dollars than in the regeneration of a resource which, with sustained yield management, on-going reforestation, and intelligent forest management practices, will yield perpetual wealth and employment and a strong economic base for the people of Vancouver Island in the future.

The reason for debating this issue in the House today is that this was proposed about a year ago. Mayors of Vancouver Island have been coming to Ottawa to visit Cabinet Ministers and talk to Conservative Members of Parliament. Everyone agrees that this is a great idea and they all support it. However, in spite of their election promises and individual commitments, no one on that side of the House is willing to make the move by writing the cheque for the amount of money required to fund this proposal.

It is critical that before the House adjourns this afternoon we vote on the issue of contributing a substantial amount of money on an on-going basis to the forest proposals of Vancouver Island. This concept is endorsed by the federal caucus of the New Democratic Party in Ottawa, the provincial New Democratic MLAs, and even by the Social Credit Party which usually has trouble seeing common sense in any issue. The Liberal Party has also endorsed this proposal as has the Conservative Party in Ottawa. Therefore, it is absolutely incumbent upon the federal Government to produce the funds very quickly to begin the process of revitalizing the economy of Vancouver Island.

The official unemployment rate on Vancouver Island is 15 per cent which is among the highest in the country. However, the real unemployment rate on Vancouver Island is much higher. Many people realize that there are no jobs available and that there is no purpose in going to the employment office to apply for work. In many communities the actual unemployment rate exceeds 25 per cent. This applies not only to Vancouver Island, but to the sunshine coast, the Gibsons area and the Sechelt area, a population of approximately 12,000 people who have experienced a severe economic recession. They have seen the forest industry, once the prime generator of wealth in that area, collapse.

The Mayor of Powell River has been attempting diligently to develop a program which would mesh with the Vancouver Island municipalities. Powell River is a member of the Association of Vancouver Island Municipalities which has backed this proposal. It is important that that regional district be included in the proposal of Vancouver mayors for funding for forestry.

I see that the Member for Nanaimo-Alberni is now in the House. I am certain that he will be rising to speak in support of this proposal as the communities of his riding are dependent on forestry. MacMillan Bloedel, the single large employer in Powell River, a region of approximately 20,000 people suddenly laid off 500 people. Once you have lost your job in the major operation in such an isolated area you can usually no longer afford to live in the community. Housing costs, transportation costs and the cost of food and other necessities in that community are very high. When a major employer lays off 500 people in such a community, no one will purchase homes there. Housing prices tumble, unemployment is persistent and chronic. Those who have lost their jobs are essentially trapped in that community, cursed with the prospect of long-term, chronic unemployment. Not only does this cause problems within the community, the local economy will implode in many respects. As a result of those 500 lay-offs, many local businesses will not survive, with the result of even further employment losses and a continued imploding of the economy. I would compare the effects on Powell River to those suffered by Port Alberni over the years with the down-sizing of the forest industry there.

● (1520)

Among the many other proposals to improve the economy of Vancouver Island, the federal Government should seriously consider the tourist promotion that accompanies Expo '86. The people of Vancouver Island fear that they will not be able to share in the benefits from the money which the federal and provincial governments are putting into Expo '86 that will attract people to Vancouver and the area. It is estimated that some 13 million people wil be attracted, but they will certainly not go to the communities of North Vancouver Island.

Approximately 80,000 people live in that area. Unfortunately, rather than attracting tourists to that area, Expo '86 will attract many people from Vancouver Island—those who are employed and can do so—and each family will remove hundreds of dollars from those island communities to spend in Vancouver. In fact, the local economy of those communities on Vancouver Island will suffer because of the investment in Expo '86.

While Vancouver and the major metropolitan areas will benefit, I suggest there will be a net loss on Vancouver Island as a result of the federal and provincial tax moneys spent and the enormous volume of money removed from the island. I belive that by the winter of 1986 there will be a shortage of cash on Vancouver Island and a reduction in spending in those communities as well as a general deterioration of the economy for some time.

If the federal Government will make such a large investment in Vancouver, I believe that investment will be seen as having a net negative effect on Vancouver Island and, coupled with the already depressed economy, it is incumbent upon the Government in the name of equity and fairness to make an investment on Vancouver Island to improve that economy.

Clearly, if the federal Government is interested in creating employment on Vancouver Island, stimulating the local economy to restore small businesses and rehiring those young people who are trapped and essentially without hope, an improved forest industry, reforestation and silviculture programs are the most effective and efficient way of doing so. In the face of

those difficulties, I expect that the Government would be prepared to support such an initiative. These communities are simply asking for an annual investment of $22.5 million. I see that you are signalling me to resume my place.

Finally, I urge my colleagues in the Conservative Party to support this effort. It is an enormously exciting proposal which they should support today.

Mr. Speaker: Questions or comments? Debate.

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I have been a Member of the House of Commons for approximately 12 months. Many times I have observed the distress of opposition Members when issues have been raised in the House or papers have been presented to the House only on several hours' or a day's notice. I was quite distressed this afternoon to find that this issue, which is near and dear to my heart, has arisen basically out of the blue when I am on my death bed with a temperature of 102 degrees. However, I have rushed here to speak on this issue because it is so important to my riding. I say that somewhat tongue in cheek because I am far from dead on this issue.

I want to thank the Hon. Member for Comox-Powell (Mr. Skelly) for suddenly raising this issue and showing sudden interest in the Vancouver Island mayors' proposal in their strategy for survival.

I believe it is important to review the history of this strategy for survival. My office was contacted last fall, when this was initially proposed by the Mayor of North Cowichan and his colleague, the Hon. Graham Bruce. We were able to arrange transportation for the Mayor and his committee to Ottawa. As you know, Mr. Speaker, being a former Member of Parliament yourself—

Some Hon. Members: Oh, oh!

Mr. Schellenberg: I am sorry, Mr. Speaker, an existing Member of Parliament who finds his duties somewhat stretched in other areas.

Mr. Speaker: I am perfectly willing to attribute that to the 102 degree temperature.

Mr. Schellenberg: I am sure that you are aware of the work involved in making sure that the doors in Ottawa are opened to delegations from ridings and ensuring that these people have access to the corridors of power in Ottawa.

On many occasions opposition Members were unable to do so and your humble servant was able to arrange these contacts between Members and Ministers, especially the Minister of State for Forestry (Mr. Merrithew). A meeting at my office was arranged so that this kind of proposal could receive the attention it deserves.

Next, several times I attempted to raise this issue at the Standing Committee on Fisheries and Forestry, but it was delayed by opposition Members who believed that the fisheries Bill at the time was of paramount importance. Therefore, I am rather surprised to see these sudden born again foresters in the opposition Party who are determined to have this issue go through the House today.

Let us consider what the Government has done for forestry since the election in 1984, because I believe it provides an important background when studying this issue. During the election campaign we promised that there would be a Minister of Forests.

That is an important first step in giving Canada's number one employer the attention it deserves. Second, there is the agreement to which I was very proud to contribute. It is the Economic Regional Development Agreement for British Columbia, involving some $575 million, $300 million of which went directly into reforestation programs in British Columbia. That is five or six times more than what the previous Government deigned to give the Province of British Columbia on forestry, but I believe it shows the new kind of emphasis that our Government is giving this particular aspect of the Canadian economy.

Another specific incident which perhaps demonstrates our Government's emphasis on the forest industry happened at the time when the central Vancouver Island area was faced with the loss of some 250 Employment Bridging Assistance Program jobs.

The Minister of Employment and Immigration (Miss Macdonald) met with individuals whom we brought to Ottawa from my riding and rescued those jobs with some $1.2 million being put back into the program. This occurred some two months after the province had withdrawn its support for that program.

With respect to the countervailing duties argument, there is a growing protectionist and isolationist sentiment in the United States that is threatening our British Columbia forest industry. Our Government is not ignoring this issue.

• (1530)

This summer we sent an all-Party delegation to Washington, D.C. to discuss the issue with the American Senators and Congressmen. On August 2, in Vancouver, B.C., we met the Minister of Trade, the Forestry Minister, Members of Parliament including Opposition Members and Stan Gibbons, the Congressman who is pushing this Bill through the U.S. Congress. Those discussions continue, which shows the emphasis our Government is putting on the forestry issue.

I must take exception to the comments last week of the Hon. Member for Skeena (Mr. Fulton). He said that our Government is not paying this issue the attention it deserves. As I stated in the House on Friday, it is time that the New Democratic Party learned who its friends are. Valid criticism is warranted, of course. But the U.S. Government is our friend. The United States of America is our greatest market-place. We need the Americans for our B.C. forest products. You certainly cannot go around deriding the American Government on the one hand and asking it on the other to buy B.C. forest products. That is talking out of both sides of your mouth. If you keep on doing that, people stop listening.

I think our new Progressive Conservative Government is giving the forest industry in Canada the attention it deserves, and will continue to do so as our mandates over the next 20 to 25 years progress.

I was interested in a comment made by the Members for Comox-Powell River during his speech. He said that it is the obligation of the federal Government to spend money on the resource. This is true. It is also the obligation of the forestry industry to spend money on the resource and to reforest whenever possible. It is not 100 per cent the obligation of the Government of Canada to spend money on the forest resource. One has to remember that.

Let us deal specifically with the Strategy for Survival from the Vancouver Island mayors. It is my hope this program will progress and that it will be funded in part by the Government of Canada. I know the Ministers involved, the Minister of Employment and Immigration and the Minister of State for Forestry are very supportive of that program.

In travelling through the riding this summer I found there was one aspect of the program that was of concern to the unemployed foresters. It is not simply a UIC top-up program. I am sure my colleague, the Hon. Member for Comox-Powell River will agree that if this program is to progress, there has to be an opportunity for those foresters who have fallen off the UIC program on to the welfare rolls to take part in it also. I hope that is a vital part of the Vancouver Island mayors Strategy for Survival.

For the record, if I may, Mr. Speaker, let me read the immediate response of the Minister of Immigration to our committee's motion of late June. She said that it was an ambitious plan which would require significant financial commitment over a very long period, well into the next century. She said: "Clearly, we are not in a position to support the entire scope of the proposal. However, it is possible we may be able to help through training or retraining mechanisms in support of the development of the workforce. I have recommended that the mayors of Vancouver Island work with my regional officials, who have been involved with the forest investment steering team, to discuss possible ways in which the requirements associated with the proposed activities under the strategy for survival might be met through support under the Canadian jobs strategy."

The Minister of Immigration and the Minister of Forestry have been paying the attention this motion deserves. In fact, they have been paying it a great deal of attention. Finally, before I get to 103 degrees, Mr. Speaker, let me underline one statement in the motion that came from our Standing Committee on Fisheries and Forestry. It reads:

> Your committee recommends that the Government consider the advisability of funding this proposal.

Our Government must look into the viability of funding this proposal, and that is what we are doing. I talked to the office of the Minister of Employment and Immigration this morning. The project is very much alive and will be coming through in the fall. Let me say that that is through the initiatives of the Members of Parliament on the Government and on the Opposition side, not one or the other.

Mr. Skelly: Mr. Speaker, there are some slight inaccuracies in the Hon. Member's speech. I do not wish in any way to criticize what has been put forward. I know the Member has supported both components of the motion which asks the Government to fund this project and which will be the subject of the support motion today.

The Hon. Member was phoned last week and told that this matter was very much on our minds and that there was an opportunity to move concurrence in it. We notified other Members of Parliament from Vancouver Island hoping to get their support and comment on the record.

Because of the rules of the House today, I think it would be important that we recognize that we would have to allow this motion to be put to a decision of the House prior to five o'clock before talking the matter out. Let me ask the Member two things. First, has he verbally had a commitment from the Minister of Employment and Immigration (Miss MacDonald) to fund this proposal? I understood the Member to say that the Minister would be annoucing this fall that the program would be funded, in part. Second, do his colleagues intend to co-operate with us and allow the House to bring this matter to a decision before five o'clock rather thank talking it out?

Mr. Schellenberg: Mr. Speaker, let me say to my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly), that he is to a certain extent putting words in my mouth. I did not say right away this fall that the funding would be coming forward. I said that the Minister of Employment and Immigration (Miss MacDonald) and the Minister of State for Forestry (Mr. Merrithew) look on this proposal very favourably. In my telephone conversations with their ministries it is apparent that they are very much on top of the issue. An answer will be forthcoming within the weeks and months to come. If you can put your ear to the railway and listen for what is coming, I anticipate that it will be a favourable response and I will be quite happy when that happens, as the Hon. Member well knows.

Mr. Skelly: And the second part of my question, Mr. Speaker?

Mr. Schellenberg: Mr. Speaker, I did not catch it.

Mr. Skelly: Mr. Speaker, the other thing is the importance of bringing this motion, a motion which received unanimous support from members of the committee. Is it the intention of the Hon. Member's colleagues to allow this matter to come to a decision this afternoon by not talking the motion out and allowing the Government to have some guidance on this very important issue?

Mr. Schellenberg: I cannot speak for the Government House Leader (Mr. Hnatyshyn) as to what the proposal or plan is for this afternoon. All I know is that I was in my office 20 minutes ago. Then I was madly writing a speech as I came over to the House. I am not sure what is happening this afternoon as far

as the remainder of the debate is concerned. I am quite certain that the Hon. Member for Comox-Powell River (Mr. Skelly) and the Hon. Member for Skeena (Mr. Fulton) will have a few more words to say on this issue before any action is taken.

Mr. Fulton: I would very much like to put a question to the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) who says that on the issue of the Gibbons Bill I have been talking out of both sides of my mouth. I would like some clarification from him.

It is his Government that has not responded to the initiative taken by Ambassador Niles who, before the Senate confirmation hearings, said that it was his view in terms of his idea and that of the White House for free trade that U.S. loggers be allowed into British Columbia to cut British Columbia trees and to take them back to a United States sawmill.

Does the Hon. Member think that it is responsible for Members of the Opposition not to raise the matter in the House? Does he not think we should try to make it clear to the United States that that is not something that at least I, as a British Columbian, support? The Hon. Member for Nanaimo-Alberni as a Government Member might think it is a good idea.

In terms of the Gibbons legislation, there is no question in my mind that that legislation is moving forward very quickly. I do not think the Government side has taken it in any way seriously enough. The industry and the workers in Canada take it seriously. I would like to hear from the Hon. Member for Nanaimo-Alberni whether he thinks it is appropriate to raise the profile of that issue to get the Government moving, in the same way that we in the NDP are trying to get the Government to move on the Strategy for Survival, something about which his Party has made lots of promises but has done nothing.

There are three questions. If the Hon. Member thinks that is out of both sides of my mouth, let me say I am looking forward to hearing from him.

Mr. Speaker: The Hon. Member, I think, rose legitimately to make a comment on a comment that he felt had been made about himself. I find it difficult now to allow a question about a matter that was not the subject of the report nor of the speech made by the Member. In theory, we are dealing with questions. Questions at this point should be relevant to the matters raised.

Mr. Fulton: He raised the Gibbons Bill.

Mr. Speaker: I think the Member rose to rebut, as is his right under comments. I do not think the question, frankly, is in order. As the Members musts know, the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) does have the right of rebuttal. I shall be pleased to give it to him.

Mr. Schellenberg: It will be a very short rebuttal, Mr. Speaker. There is a lot of political footwork going on here. Let me say that I do not support the proposal from the new American ambassador. I would not expect my Government to place too much credence in the comment of an American citizen, just as I would not expect the American Government to place too much credence in some of the anti-American comments from some Canadians.

• (1540)

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise in my place today as forestry critic for the Liberal Party to indicate our support for the efforts and proposals of the mayors of Vancouver Island. Indeed, as some of my colleagues indicated a few moments ago when I was out of the House, I did not realize that this matter was coming before the House today. A motion was moved, adopted and unanimously approved in committee supporting the efforts of those mayors. That proposal is important because it provides the area of Vancouver Island, or that part of British Columbia, with an opportunity to stimulate the economy and because it provides an opportunity to stimulate the economy and because it provides an opportunity for employment for people in that part of the country. More important, the proposal of the mayors of Vancouver Island can be a real pilot project. It can be the map or the new course which charts the way to renewal of our forestry industry. It deals in a tangible way with much of the unemployment affecting rural parts of the nation from coast to coast. As the forestry critic for the Liberal Party and as a Member of Parliament from the riding of Humber-Port au Port-St. Barbe which was a sizeable forestry industry, with two mills and a good chunk of the population working in that industry, I support the proposal of the mayors of Vancouver Island.

I have some concern with those who suggest that the Government of Canada has to be careful not to provide direct assistance to the proposal of the mayors if it will be seen as a subsidy by the American administration and therefore seen as evidence or more reason to move on the threat of countervailing tariffs in the softwood lumber industry. I have real concern that that kind of argument can be made in the House or that we as Canadians have to be careful not to assist our unemployed, or not to rejuvenate our single greatest resource, because we may offend the Americans and give them a case for bringing in a countervailing tariff against that industry. Such a suggestion is tantamount to saying that domestic policy in Canada will be set by an administration south of the border. Such a statement is tantamount to saying that the unemployment in Canada will have to wait until those south of the border are less nervous about the success of our industry in their market-place. Such a statement is tantamount to saying that Canada should neglect its forest resource by allowing continuing over-cutting and an insufficient restocking of forest lands until our friends south of the border are no longer nervous, until the congressional elections are over.

In a sovereign nation which is governed by a democratic institution and operates under a parliamentary democracy, we should not allow ourlelves to make policy on the basis of what is acceptable to an administration south of the border. Surely we are not telling those people who make a living from the forestry resource that we know they need help, we know they

are in trouble, we know that their circumstances are desperate, but they should not bother us right now because Uncle Sam is looking over our shoulder. Our forestry industry is greater in terms of the balance of trade than agriculture, mining, oil, gas and the fishery combined.

An Hon. Member: Oh, oh!

Mr. Tobin: That is true, that is a fact. Surely we are not saying that that resource should be put on hold until a new Shamrock Summit can be held and we can sing the same song again as far as trade is concerned.

The mayors of Vancouver Island have done what perhaps Governments at every level have failed to do. They have had the courage, wisdom and initiative not to complain about their plight but to make a concrete proposal to put people back to work to ensure the basis of the economy of their region and to reinvest in our greatest resource, the forestry sector.

Currently we are cutting 700,000 hectares more of forest land per year than we are planting. Every year we are falling behind by 700,000 hectares. Of course this does not take into account great forest fire years like this year in the Provinces of British Columbia where hundreds of thousands of hectares of forest land were lost. Also there are hundreds of thousands of hectares which have been clear cut and where replanting has not been done.

One of the dilemmas of the Minister of State for Forestry (Mr. Merrithew) is that he does not have any direct jurisdiction. Jurisdiction in the forestry sector is exclusively that of the provinces. The Minister of State for Forestry has a difficult time. He does not have a stick and he does not have a carrot. He can only express his concern. He can only say that there is a disaster in the making and that if we continue going the way in which we have been going, we will cut off our nose to spite our face. He can only make projections that Canada will lose its place in the international market-place in this industry if we do not act now. However, he cannot act now because the forestry sector is the exclusive jurisdiction of provincial Governments. There is only one thing he can do. He can provide the dollars. If the provincial Governments cannot find it within themselves to make forestry a priority, he can provide the dollars to third parties like the mayors of Vancouver Island. He can provide the dollars for a project which would, as we would say in Newfoundland, chart a new course and fasten a new sail for an industry which is in deep trouble.

The real tragedy of the Canadian forestry industry, even though it is the single most important industry, is that Canadians only know about the forestry what they see on television and hear from Smokey the Bear. The forestry industry takes place out of sight and away from major urban centres. Most Canadians have no idea what is going on in that industry. They drive down the highways and see an endless skyline of trees and they say: "There are lots of trees; Canada has an endless supply of trees; everywhere we look there are forests". They cannot see that beyond the highways and beyond the lands lying in front of them and over the bluff are thousands of hectares of clear-cut forest lands which have not been replanted. They cannot see the trees lying broken and uncollected. They cannot see the stumps rotting in the ground with nothing to replace them. They cannot see the thousands of miles of wilderness land, where animals once roamed and were king, where trees once grew and rivers flowed, dead and dormant. They cannot see the problems of the forestry industry in Canada, the so-called land of great forests and wilderness, the so-called recipient of God's great gift of the forest. Unless we intervene dramatically, the industry will remain in trouble.

If common sense prevails in Parliament and if non-partisanship can rear its rare head, we will support this motion of the Standing Committee on Fisheries and Forestry, in the interest of seeing trees planted which will not even be ripe for harvest for 40 years or perhaps when many of us are no longer on the face of the earth. We should all support this motion. We should ensure that before five o'clock it passes by way of vote. In fact, we will do it right away. We will support the efforts of the Conservative Member from Vancouver Island who wants to see some assistance for his region. Members of Parliament like myself from areas suffering 30 per cent unemployment are prepared to see a substantial amount of money going to an area with a much better employment picture because it is a pilot project which will show our areas the way. I hope we can move concurrence in this motion today. I hope we can come to a quick vote and that our commitment to future generations will prevail over our short-term partisan political considerations.

• (1550)

Mr. Lewis: Mr. Speaker, I noted with interest the comments of the Hon. Member with respect to countervailing tariffs and his concern about what position we might find ourselves in. His suggestion that we might be backing off from sovereignty is what brought me to ask this question.

I just ask the Hon. Member, in view of the statements made by this Government last week with respect to participation in SDI, which was quite firm on just exactly what we intend to do in terms of support for things which we do not control, and in view of this government's statement on the far north and our sovereignty there which far outstripped any of the weak, mollycoddling statements of the previous Liberal administration, which never had the guts to determine baselines and stake out a position for Canada in the far north, and in view of the fact that the previous administration talked about building an icebreaker for 16 years and never did a darn thing about it, which could have helped us establish sovereignty there, in view of the actions taken this week, would not the Hon. Member agree that we have far outstripped anything that the previous administration did if not in the four years of office, in the last 17 years?

Mr. Tobin: Mr. Speaker, it is indeed a shameful thing when a young Member of Parliament, from an area of high unemployment puts aside his partisanship to stand in his place this day to support the efforts of the good Members from British Columbia and all sides of the House and makes a call that we put aside our petty differences to stand in solidarity with the

mayors of Vancouver Island to be confronted with such a childish and foolish question, Mr. Speaker. I shall attempt to answer it. I shall attempt.

When I was in high school we had a fellow named Johnny in the class. Johnny was one of these guys who would always talk into a great fight. Johnny would always tell Fred, "Fred, if you keep talking that way I am going to meet you after school and we will have it out". This is what the Government did with the American administration. Johnny would show up after school at 4.15, knowing that the bus that Fred rode left at 4.10. That is what the government's action reminded me of this summer.

After the ship had gone through the Arctic, after it had split the ice asunder and sailed the flag straight through, not even asking permission, the Government, like Johnny, showed up. After the barn door had been left open and the horses were gone, it rolled up its sleeves, exposed its knuckles and said, "by God, we are standing tough for Canada".

It always amazes that the Prime Minister (Mr. Mulroney) claims "We did not have a peashooter or a canoe up north. The previous Liberal Government did not leave us with even a peashooter or a canoe".

The Acting Speaker (Mr. Paproski): I do not really know what Johnny and Fred have to do with this. I wish you both would get back to the relevancy of this Bill, please.

Mr. Tobin: Mr. Speaker, I will conclude my remarks by saying this. On the question of severeignty, if the previous administration did not have a peashooter or canoe, it strikes me as strange that for 16 years with the power of its argument and its pride in Canada, no nation dared go through that Arctic. This administration was in power one summer and the Americans said "We will blow through the Arctic waters of our poor cousin to the North." That is the reality.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to thank the Hon. Member for the very generous position he is taking as critic responsible for his Party on this matter. It started out with very strong non-partisan support of a motion to which we all agree.

Certainly the issues that have been exchanged by the two Hon. Members, one from the Conservative Party and one from the Liberal Party, are important critical issues but I am wondering if we can maintain the kind of non-partisan, general support for this motion and move quickly to a vote since we seem to be in support of it.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I am particularly pleased with this opportunity to address the problems of the forestry industry, since two thirds of the economy of my riding and the general area depends on that industry and its products. The issue is a very important one to us. We do not happen to be in British Columbia, but just the same, the forestry industry in Eastern Canada is very important to us. In fact, the largest municipalities in my riding were created thanks to the forestry industry. The Municipality of Gatineau owes its existence to CIP, and the City of Buckingham to Maclaren, and the same applies to Thurso. This issue is therefore important to us.

Mr. Speaker, during the election campaign, I was among those who asked for a Department of Forestry, not just to have one more Minister but because this sector is vital to my region and to the entire country. In fact, I hope the Department will set up its offices in our region so that at last our eastern forests, the forests of Central Canada and especially our hardwood forests which are seriously threatened, will have a spokesperson with an interest in their future.

What major issues would the Department have to deal with right away? Any one would agree that reforestation should be at the top of the list. Fortunately, one of the new Department's first steps was to sign a federal-provincial agreement with Quebec and the other provinces to set up a forest conservation, renewal and reforestation program.

In my riding, these are very real concerns because of the present crisis in the forestry industry. Because plants must go farther and farther afield to get their raw materials, their wood supply has become increasingly expensive. Some of the smaller sawmills, for instance, have been forced to close because the cost of wood has become so prohibitive they can no longer continue to operate and compete with the US and especially with new markets in the southern hemisphere where forests mature more rapidly because of the warmer climate. I therefore hope that thanks to this agreement between the federal Government and the provinces, we will be able to ensure the reforestation of our forests and the wood supply our plants require.

In my riding, the Maclaren Company, for instance, a family operation that now belongs to a large corporation, has finally established its own nursery in our region. Mr. Speaker, that tree nursery is using new seeding and growing methods and they also have new training programs for youths because it is a sector where many of them can find employment.

• (1600)

I therefore hope that we will maintain our efforts in an attempt to reach a federal-provincial agreement under which we might consider the possibility of joint university training, the kind of program enabling young Canadians to spend a few months working for a paper company or in a tree nursery and then perhaps go on to complete their course in a university during the other months of the year. A great many of those young people come from very poor families in our region and simply cannot afford to quit working to take university courses, but they can see for themselves that the preliminary or technical elementary level does not offer employment prospects and good pay in a highly competitive world. It is therefore a matter of renewing supply, renewing training and forestry technique.

On top of that, Mr. Speaker, we do have a lot of ground to cover in terms of staff training. I am quite pleased to hear that the Minister of Employment and Immigration (Miss MacDonald) has been successful in reaching an agreement with her provincial colleague with respect to vocational training and that they are both looking at ways of providing the kind of industrial training which will not cut into the traditional provincial field of education.

You know, Mr. Speaker, it is very imperative that we get on with such on-the-job training. In my riding, for example, the large CIP company wants to replace one of its machine by a new one which can compete with developing countries, especially southern countries which, as I pointed out, can indeed find new and cheaper supplies. To do that the company will have to retrain a great many of its employees who work in the paper mill.

So, Mr. Speaker, we must put the emphasis on staff training on the job, and that is why I am pleased that the new programs of our Minister of Employment and Immigration will enable us to do just that in the near future.

And yet, Mr. Speaker, there is another question which is even more relevant than the first two, however important these may be, and it is the question of diversifying our forest products. In the course of discussions at our Outaouais socio-economic summit we found out that a silvichemistry centre in the Outaouais would be a good example for the rest of the province and provide advantages and new markets which are unavailable right now. That is why I am very glad to see that all participants at the socio-economic summit and all spokesmen for the steering committee who come from every community in the region and from various quarters have agreed to give top priority to a silvichemistry centre.

What does silvichemistry mean to us? It means that we can use the discards of a paper mill, it even means that we can develop new methods, new clean energy sources for our cities, our homes and our institutions.

Mr. Speaker, this even means discovering new drugs, which might surprise some people, but residues from pulp and paper plants can be used to make drugs to fight respiratory ailments such as those which are resistant to antibiotics.

Mr. Speaker, we therefore have a whole new industry in forest resources.

To achieve these results, we need the cooperation of all levels of Government. We also have to set our priorities.

When we want to provide assistance to a plant or a sawmill in our region or constituency, we might find that somewhere else in Canada, in another province, there is a surplus of the same product or raw material.

Mr. Speaker, being a national Government, we face the dilemma of developing the regions, especially if they are dependent on forest resources, while governing the country responsibly by guaranteeing that jobs will not be moved from one part of the country to another. The forest industry provides a perfect example of this dilemma.

I have myself occasionally requested subsidies to help sawmills or small paper plants and been told: If we help your region, we shall create unemployment in British Columbia or New Brunswick.

Mr. Speaker, we can obviously not implement a forestry policy without devising a new approach to regional development. This is why I am very happy that our party is seriously considering a new regional development policy and that our Quebec caucus, for instance, of which I am a member, has created a sub-committee which will focus on a new approach to regional development, especially in sectors such as the forest industry, which are threatened by supply imbalances throughout the country.

Mr. Speaker, we have discussed a regional development fund under which regional priorities could be identified without harming the national policy which must be implemented.

When discussing the forest industry in the perspective adopted by the Hon. Member, who has moved a very specific motion, we have to remember that, while he emphasizes the importance of a solution, if the Government does not approach the planning of national policies seriously, it could create as many problems in the rest of the country as it would solve in his own region.

It is therefore not because of some reluctancy or lack of courage on our part that we want to examine seriously a national forestry policy with a regional development orientation, but because our country is made up of different regions.

Mr. Speaker, I would like to ask my colleagues from British Columbia, who must naturally deal urgently with their own problems, not to forget that our country is made up of regions, that its diversity is also its strength, but that this diversity creates rather special problems when we are trying to develop a national policy in any given area.

Mr. Speaker, I would therefore ask them not to try to be too controversial in this area because thousands of jobs are involved, the future of our country depends on it and the forest industry remains one of the major sectors of our economy.

I would also ask them to cooperate with us in trying to find new markets for this traditional Canadian industry. I am thinking also of the remote sensing system which we have finally adopted in this country. Mr. Speaker, this system makes it possible for us to carry out an inventory of our forests through satellite slewing, so that instead of being satisfied with a rough survey made on site, we can now have a global picture of our forests, we can supervise their growth and health, as well as plan their development and protection.

Mr. Speaker, I call on my colleagues to closely cooperate in the area of forestry, because a great many jobs depend upon it and also, somewhat, the pride of our country.

• (1610)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Memer for York West (Mr. Marchi)—Multiculturalism—Federal-provincial confernce—race relations; and the Hon. Member for Hamilton East (Ms. Copps)—Drug tax exemptions. (*b*) Request for removal of all drug taxes.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. Skelly that the sixth report of the Standing Committee on Fisheries and Forestry, presented to the House on Friday, June 28, be concurred in.

The Acting Speaker (Mr. Charest): Questions or comments? The Hon. Member for Comox-Powell River (Mr. Skelly).

Mr. Skelly: Mr. Speaker, the Hon. Member who just sat down gave an interesting presentation on the necessity of taking a look at forests from a national perspective. In terms of the Government's approach to regions which have severely depressed economies and resource bases, and since each region of the country is extremely different, when an appropriate plan for a region is developed that has the two benefits of ensuring a rapid increase in the health of the local economy and employment, as well as making a significant contribution to the forest resource base, which has been supported by the Minister of State for Forestry (Mr. Merrithew), the Minister of Employment and Immigration (Miss MacDonald) and Members of the Conservative Party, I wonder if the previous speaker would support projects such as this?

[*Translation*]

Mrs. Mailly: Mr. Speaker, I am pleased to answer this question. What I meant to say in my remarks is that we can only deal with one issue at a time. The reason why not everybody is anxious to support immediately the Hon. Member's plan of action is precisely because there are many other issues we want to deal with concerning the forest industry. When I said that we need a national forestry policy, I said also that we need a policy on regional development. I suggested that we must try and find a method which would enable us to develop a national policy on forestry while dealing with the various regions he referred to; he was right when he said that regional differences create a great many problems for our national legislators. But with a policy of regional development, we could have, for instance, a regional development fund to look into the potential and problems of the forest industry in each region; this way, we would address both problems.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to participate in the debate with respect to the motion for concurrence which is before us. The recommendation which we are dealing with here, which is the Vancouver Island mayors' proposal, Strategy for Survival, is an important one. Many people on Vancouver Island, and in British Columbia, will read this afternoon's proceedings. It is important that as they read it they understand what the procedure being followed here is. That is to say, the Govenment has an opportunity this afternoon, before five o'clock, to allow the motion for concurrence to come to a vote. If the matter does not come to a vote, then it is put on to Government Orders where it can remained buried for months and months, as happened with one of our previous motions concerning CN twin tracking. We need to come to the brass tacks of the issue, since it is clear that Conservative, Liberal and New Democratic Party members who sit on the committee voted in favour of the Vancouver Island mayors' proposal. It is a very well put together and researched proposal. It could well act as a planning model which could be applied to other areas of British Columbia, to those areas of the prairies provinces with a forest base and to Ontario, Quebec and the Maritimes. It really is a national application. With a few changes it could, in fact, be applied in the Northwest Territories and Yukon.

Government Members, and everyone else, particularly Members from Vancouver Island, cannot continue to send the signal to everyone on Vancouver Island that the cash is about to flow, as the Minister of State for Forestry (Mr. Merrithew) makes it seem, while months and months and more months and months are allowed to go by. We have to bite the bullet with respect to this issue. Members of the House should know exactly what the forest investment proposal is for Vancouver Island. It is an investment of $22,350,000 per year in an ongoing Vancouver Island Forest Improvement Program which will create 1,116 permanent productive jobs directly in the forest and a further 500 jobs in indirect employment. Part of the intent of this measure is to attrack back into the forest sector younger workers, with the remaining jobs going to small businesses in the Vancouver Island area. As we have seen in some areas of British Columbia, the average age in some of the

plywood plants is now above age 40. Younger workers do not seem to be finding their way into these traditional type jobs.

The Vancouver Island mayors' proposal is important to this House. I think Hon. Members should tread with care so as not to force this issue to five o'clock just to have it placed on the Order Paper. We should be able to vote on it. Conservative Members of Parliament who sit on the committee agree with me in this respect. They know the problem is in Cabinet with respect to the release of money to British Columbia. It is not a matter of some of the B.C. Tories not being interested in the proposal and supportive of it. It is a matter of breaking the dollars loose from Treasury Board and getting them out to the project. I am sure many Conservative Members would like to see the matter come to a vote this afternoon. I see a great many nodding heads across the floor so I know that, in fact, is the case.

What the implementation of the proposal would do is affect the level of annual investment at the time of harvest, which would be about 45 years down the road. It would increase harvestable volumes by 33 per cent, or 9.5 million cubic metres. It would increase the total value of the harvest by 55 per cent, or $655 million. That is a pretty good investment for the number of dollars we are talking about putting in. Implementation of the measure will increase employment by 33 per cent, or 38,000 jobs. It will increase revenues to Government. I am sure the Prime Minister (Mr. Mulroney), if he is listening, would like to know there is a way in Canada by which revenues can be increased to Government by some 33 per cent, or $79.5 million per year. These revenues will generate, at net present value, a real 6 per cent discount rate of between $4,000 and $6,000 per hectare, depending on the project and site quality, with treatment costs bearing between $200 and $460 per hectare. That is a very nominal investment for a major return.

I have made it clear that members of the committee in a very non-partisan way brought this matter forward in the interests of a part of Canada which is suffering a real decline in one of our primary resource industries. I want to make it clear that we have to let this issue come to a vote today. I do not think that people on Vancouver Island who read the speeches given this afternoon and who suddenly see the matter come to an end at five o'clock when the Speaker announces Private Members' Hour should understand anything other than the fact that the Government talked the issue out in order to put it back on hold.

I would like to tell Hon. Members of some of the problems we are seeing in the forest industry in this country. It is our largest industry and our largest source of balance of trade payments. The B.C.-Ottawa federal forestry ERDA for $300 million for reforestation has just been put into place. It sounds like a great deal of money but, as Les Reid, who holds an independent chair at the University of British Columbia's forestry school pointed out, we should be spending $300 million per year just to deal with the NSR, whereas Jack Walters, a professor of forestry at UBC pointed out, we should be spending $600 million per year if we really intend to deal with the backlog and the NSR in British Columbia. Let me point out that Sweden gets four times the wealth out of an acre of forest than British Columbia—and that is for comparable acreage—while British Columbia has half the trees in Canada and produces less than half the value in dollars.

• (1620)

Vancouver Island, Mr. Speaker, has a base of over three million hectares. Productivity capacity on even the average growing sites on Vancouver Island are at least four times better than the Canadian average. On Vancouver Island the general levels of unemployment are approaching 15 per cent and in many of the communities, as our witnesses from Vancouver Island pointed out to us, the largest source of dollars in some of those Vancouver Island communities are unemployment insurance, Canada Works and welfare. What kind of a legacy is being left in these declining moments of the forest industry in this country?

In British Columbia one person in five is employed as a result of forest industry activities. One job in the forest industry supports two indirect jobs and one job in logging supports 3.6 jobs in conversion plants, 9.2 jobs in indirect services and 12.8 jobs in total. These statistics might sound bland but they are the underlying foundation of some very sound and careful planning and evaluation which has been done by the Vancouver Island mayors in bringing this proposal before Parliament with the hope, of course, of getting not only federal support but provincial support as well.

The legacy for this country is a bad one at the federal level. For a decade and a half under former Prime Minister Trudeau, less than five cents out of every dollar brought in directly and indirectly through taxation by the forest sector actually went back into any kind of research and development or helped Canada's largest industry. That is less than five cents out of the dollar. There are some industries in this country, Mr. Speaker, which receive very close to a dollar back for every dollar they produce for our economy. The forest sector has been bled heavily by the federal Government and I hope that the new Government will look carefully at the fact that it still has yet to increase what goes back into the forest sector beyond that five cents out of every dollar.

One article which I took considerable interest in was written by the dean of forestry at the University of British Columbia, Robert Kennedy, who pointed out a number of things in an article called "Timber-r-r", and I quote:

> Forestry is Canada's largest industry, directly employing almost 300,000 people and indirectly responsible for the jobs of another 500,000. One in ten Canadian workers depends on the $23 billion forest industry for a living.
>
> British Columbia in particular is dependent on its trees. Twenty per cent of British Columbians are directly or indirectly employed by the forest industry.

He goes on to say:

> In the past 20 years Canada's share of the world forest products market has dropped from over 30 per cent to under 20 per cent.

That is a decline of some 50 per cent.

> Brazil and other tropical countries can produce pulp logs in five to 10 years, compared to 25 to 50 years in Canada. The Scandinavian countries have been

practising intensive forest management for 80 years, and now produce three to four times as much wood as Canada per productive unit of forest.

That is three to four times as much, Mr. Speaker. What the Vancouver Island mayors are talking about is mobilizing some of the technologies we have now which are really quite simple. We are talking about conifer release, doing proper thinning, having proper nurseries in place, a proper return on what is called "not satisfactorily restrocked land", and back to full productivity by getting rid of the weeds. There are a lot of things which can be done, many of which are labour intensive, which is good. It gets a lot of people back to work. It is also very good in terms of investment, as I pointed out. For a very small investment we get a massive multibillion dollar return.

The article continues, and I quote:

Kennedy feels we must practise intensive forestry—controlling vegetation, spacing new seedlings properly, pruning, thinning and fertilizing them. If this is done just on B.C.'s good and medium forest sites—25 per cent of the forest land—a substantial gain in forest production will result.

"Practising intensive forestry, you can double the yield of the forest in 45 to 50 years", says Dean Kennedy.

That goes along exactly with what Vancouver Island mayors are saying. There are very few sectors in this country where if you put that small an investment in, you can get that kind of return. I think this House should be looking more carefully at how we can make responsible investments.

I was glad to see the new Government getting rid of the non-productive heavy water plants. I do not believe any Canadians, including people who work there, really felt that the taxpayers of Canada should be putting out over $100 million a year for a product which had no use in Canada. We had no export market for it, yet we made it year after year because a senior Liberal happened to hold the seat. There was no reason for us to continue down that road. We have to start putting money into the productive sectors of the economy where we can put people back to work, get communities back on their feet and generate some revenue, not just for our generation but for a few generations down the road.

I would like to quote Don Whiteley, *Sun Business* reporter, in his recent article headed "Forest Disaster Looms in 15 Years". He is reporting on Sten Nilsson's report which came out earlier this year. In fact, we dealt with it in our committee. Mr. Whitely said the following, and I quote:

The annual volume of timber available in B.C., now about 75 million cubic metres, will decline to 67 million cubic metres under favorable conditions. Even with productivity improvements, that will mean a five- to 10-per-cent decline in pulp and a five-per-cent drop in lumber. The timber volume could dip as low as 44 million cubic metres, with catastrophic results.

Most plywood plants in B.C. will close by the year 2000 as a result of substitution of other products such as waferboard, which will be produced elsewhere.

A switch from bulk commodity products to greater value-added products is necessary and will help, but distance from markets sharply limits that opportunity, and the industry will be in difficulty regardless.

The industry needs to invest $35 billion by the year 2000 in reforestation and modernization, but "cannot generate sufficient capital... This is perhaps the most serious component in the picture of the B.C. forest industry—it can do little to solve its problems."

When we read a report which is written by an internationally respected economist who tells us these things, we have to realize that the money must come from somewhere during this crucial period. I do not believe we should let the industry off the hook. It has been negligent in many of the sites it has operated on for many years. I will be demonstrating that with some statistics in a moment. However, during this crucial period, while we have so many people on Vancouver Island, Prince Rupert, Terrace, Queen Charlotte, Smithers, over to Prince George, down through the Chilcotin, who are concerned, we must try to get this pilot project off the ground so we can apply similar kinds of projects in our own communities. Those same mayors of Vancouver Island have visited my communities and we have similar kinds of pilot projects going. There are a lot of people prepared to go in and work at almost any kind of job which would be proposed.

Mr. Whiteley goes on to say the following in his article:

The amount of timber available to the industry, the report concludes, will be seriously affected even if there is a strong improvement in the economy.

"About five to 15 per cent of the volume is still too expensive to cut, "Nilsson claims. "By 2000, 30 to 40 per cent of the available wood will be too expensive to use due to longer transportation distances, lower wood quality, increased development costs and smaller logs."

There it is in a nutshell, Mr. Speaker. We do not have a lot of options here. The House has to move. We have an industry where less than five cents out of a dollar is being returned to it. We do not find that anywhere else. We do not find it in high tech, agriculture, energy, shipbuilding, textiles, shoes or anything else. There is no other industry in this country which is bled to fiercely by the federal and provincial Governments as the forest sector.

The legacy we are now left with we must deal with. The Vancouver Island mayors have recognized this and all Hon. Members of this House have to recognize it. The summary of the forest and range resource analysis of 1984, produced by the Government of British Columbia, said the following:

—the high-value end of the supply is being depleted... relaxed utilization standards have aggravated this problem by allowing larger areas to be cut to attain the same timber volume... the long established trend to take the best first has been accelerated. This leaves the lower quality wood to be harvested when the price of forest products increase or when new technology allows cheaper logging and manufacturing.

• (1630)

It goes on to say regarding replanting and silviculture in B.C.:

—the area planted and the number of seedlings planted has almost doubled in the 5 years in B.C.

—between 1979 and 1984 the number of seedlings planted increased from 58 million to 108 million. However, the report states that about 160 million seedlings need to be planted annually.

"Site preparation, brushing, weeding, and present planting levels are insufficient to sustain current levels of annual allowable cut"

Once again we have it in a nutshell. The forest management practices in British Columbia are, to use environmental terms, culpably criminal. Report after report points out that they are harvesting at a rate far faster than it is being regrown naturally or through the little bit of intensive silviculture there is in that province. The Government of British Columbia, in con-

cert with the federal Government, is taking us down a road to disaster. Look at any serious writer who has written in the last couple of years about what is happening in British Columbia and they all say the same thing: You are over-harvesting. The NSR in the province is larger than the province of Prince Edward Island. That is how big the backlog of sites going the other way is. They are being taken over by weeds, non-commercial species, or they are not growing anything. It is a very serious national problem which we have to deal with in this House.

The summary goes on to say:

—the Ministry's focus presumably was on planting, brushing, and weeding. The report states that "other intensive sivilcultural activites decreased as priorities were shifted to meet increased planting targets".

We see it time after time in the report. The Government is taking the wrong approach. The industry is taking the wrong approach. They are exploiting capital, technology and engineering when we should be revamping our own industry in this country. The report goes on:

—In total NSR land has increased from 1.9 million hectares to 3.6 million hectares (an 85 per cent increase) between 1979 and 1984.

We find that to be very true on Vancouver Island. It continues:

After factoring (i.e. estimating how much of that might actually be stocked upon field inspection), the report states that NSR land has increased from 1.0 million hectares to 1.6 million (a 50 per cent increase in five years).

That is a phenomenal increase, Mr. Speaker. At the same time Ottawa is dribbling out five cents on the dollar and British Columbia is putting almost nothing back into the industry. We should have a national forest act, something I know the Minister responsible supports, and he should be a full member of Cabinet as well as being on the P and P Committee. The Prime Minister should be living up to what he promised in the campaign. British Columbians and people across Canada have recognized that the industry and many provinces have been remiss in this field and we need some federal leadership. I do not think it is wrong, under the Constitution or anything else, for us to be demonstrating that kind of leadership at the federal level. Look at the scientific expertise we can draw on by having Members from all regions of the country and universities and so on in order to get some sound industrial and resource based development going. The report goes on:

—Focusing only on good and medium site land within that total, it has increased from 0.8 million hectares to 1.2 million (a 42 per cent increase in five years). After factoring, the amount of good and medium site NSR land increased from 0.6 million to 0.7 million hectares (a 14 per cent increase).

—Looking at NSR by Forest Region, the most dramatic increase is in the Prince George Forest Region: An increase from 292,400 hectares of good and medium site NSR land in 1979 to 632,700 hectares in 1984 (i.e. an increase of 116 per cent!).

A book was recently written called *Cut and Run* by Mr. Swift. There is certainly no doubt about that in some areas of British Columbia; the companies, with the full endorsation of Victoria, are going in, cutting the trees down, using them here and exporting them, but they are not doing any kind of serious replanting. When you see an increase in NSR land by 116 per cent, you really know something is wrong.

In the minute that I have left, Mr. Speaker, I would like to reiterate what is going on here this afternoon. We have a motion for concurrence. This House has the opportunity in the next 25 minutes to take a vote on this matter. I am quite confident that my colleagues from the Standing Committee on Fisheries and Forestry will rally support on that side to see that this is passed because it is a Cabinet problem. The Prime Minister and the Cabinet do not want to spend that money in British Columbia. I think we in this House have a responsibility, as British Columbians, Quebecers, Newfoundlanders, even as Yukoners, to get together every once in a while and vote some money for a region which has been so crippled by bad management policies of Government and industry so that this region can have a chance to make a good investment for once. There is a 33 per cent rate of return. You do not get that from the Northland Bank or the Canadian Commercial Bank or the Bank of Mulholland. I think it is about time we started making the kind of resource based investments in silviculture for our young people and start getting this country growing again. So let's get a vote before five o'clock.

The Acting Speaker (Mr. Charest): What we will be getting is questions and comments.

Mr. Lewis: Mr. Speaker, I have a question which has arisen out of the Hon. Member's allegations. It is fair to say that many Members in this House have an interest in forestry matters. As a matter of fact, Simcoe County was the forestry capital of the world in 1982. That is a revolving honour which, as the Hon. Member well knows, moves around the country to indicate the importance of forestry. That particular award came about because of the reforestation projects undertaken in the 1920s by a Conservative Government in Ontario.

The Hon. Member's allegation is that Government Members are talking out this motion. That is a very serious allegation and I suggest it may not be deliberately misleading but it is as close to being so as a person can come without doing so. The Hon. Member should know that the Minister of State for Forestry (Mr. Merrithew) is not in Ottawa at this moment. He is elsewhere on Government business. If he had been given an opportunity to consider this matter, I am sure it would have been given serious consideration.

I think we should turn ourselves to the right of every Member to participate in debate and be aware of debate. I have had an opportunity to read the proceedings of the committee. The NDP Member for Skeena (Mr. Fulton) will know that his colleague, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), took part in those deliberations. The only question I have for the Hon. Member is: Did he give his

colleague, who has an interest in this matter, notice of this debate so that he would have a fair opportunity to participate?

Mr. Fulton: I am glad to have an opportunity to respond to that. As my colleague from Comox-Powell River (Mr. Skelly) pointed out, he gave the Coservative Members, at least some of them, a week's notice that he intended to proceed with this.

Some Hon. Members: Who?

Mr. Fulton: The Hon. Member for Cowichan-Malahat-The Islands is on his way here.

Some Hon. Members: Name them.

Mr. Dick: None of us.

Mr. Fulton: The Hon. Member for Comox-Powell River can name those Members, I am sure.

Mr. Lewis: The Hon. Member for Cowichan-Malahat-The Islands.

Mr. Fulton: He is on his way here, I understand, from Vancouver Island—

Some Hon. Members: Oh, oh!

Mr. Fulton: —where he is dealing with this issue.

Mr. Lewis: You did not give him notice either.

Mr. Fulton: It takes him a while to get here.

As to the Minister, I know for a fact that he supports this and I am sure he would very much like to see it come to a vote so he could see how some of his colleagues would vote on it. It is an important issue.

As to the Hon. Member's reference to being deliberately misleading, we will find out at five o'clock whether or not there is a Government Member, perhaps he himself, on his feet filibustering to make sure this cannot come to a vote so that British Columbia can get the money it needs to get the forest industry on its feet.

Mr. Crofton: Mr. Speaker, this afternoon I have heard several times about this notice given to Members concerning this debate. I am from Vancouver Island and I happen to be here to replace a colleague who had to go to a meeting. Therefore, it was purely by accident that I found out about this debate this afternoon.

Mr. McDermid: You are a bunch of phoneys over there.

Mr. Fulton: It is interesting to hear the baying from the other side of the House because on the matter of Arctic sovereignty, I happened to get notice of that, as did our entire Party, less than 24 hours before it occurred in the House, and less than two hours before the statement was made we were given the notes. My colleague has indicated that some Conservative Members have been aware for more than a week that this was coming forward. We will find out at five o'clock whether the Conservatives want to bring this matter to a vote and ensure that British Columbia gets the money.

• (1640)

Mr. Skelly: Mr. Speaker, let us clearly understand that the Member for Victoria (Mr. McKinnon) was phoned and notified that this debate was forthcoming, as was the Member for Esquimalt-Saanich (Mr. Crofton) and the Member for Nanaimo Alberni (Mr. Schellenberg).

The second important point is that the Member for Cowichan-Malahat-The Islands (Mr. Manly) was, to my recollection, the seconder of this motion. He is a tremendous supporter of the project. However, we are losing sight of the key point here which is that this is an incredibly good proposal. It is supported by Conservative Members so Government Members should not be criticizing it at this point. Their colleagues support it, realizing its value. The Minister of State for Forestry (Mr. Merrithew) and the Minister of Fisheries and Oceans (Mr. Fraser) support this proposal. Everyone who has examined and understands this proposal accepts it in principle. After listening to the Mayors' proposal and examining the documentation the Committee unanimously supported this. There is no element of controversy before the House, but rather, a sound, solid proposal which would boost the economy of British Columbia and enhance the resource base that is supportive of the whole country.

Some Hon. Members: Hear, hear!

Mr. Greenaway: Mr. Speaker, we have checked with the three Members mentioned by the Member for Comox-Powell River (Mr. Skelly) and they did not receive phone calls. I think that is dirty pool. I am the chairman of that committee and I would have thought that the Hon. Member would have the courtesy to at least give the chairman a call in order that we could ensure that the Minister of State for Forestry (Mr. Merrithew) was in the House thereby enabling us to have a much better debate. We have, therefore, lost a certain amount of confidence in that particular Member.

I would like to direct a question to the Member for Skeena (Mr. Fulton). Would the Member care to comment on the issue that is now quite dominant in British Columbia, that of logging South Moresby Island or perhaps making that area into a park. South Moresby is in the riding of the Member for Skeena and this is an issue that everyone from British Columbia is faced with. Will he gave us his views on the issue?

Mr. Fulton: Mr. Speaker, I would love to spend a good part of the afternoon dealing with the very complex issue of the South Moresby proposal. Since the Vancouver Island mayor's proposal is before us this afternoon and the steering committee of the Committee on Fisheries and Forestry will be meeting tomorrow morning, I would be glad to go into some detail with the Member, who I know has a sincere interest in what is happening with regard to South Moresby. However, we have respects to pay to the mayors of Vancouver Island who have spent a lot of time preparing their proposal, which is very sound. I would like to know whether there is anyone on the

Government side who objects to it. If not, I would hope that within the next 16 minutes we will have a vote so that we can tell the Vancouver Island mayors whether their proposal is still being considered by the Government.

Some Hon. Members: Question.

Mr. Schellenberg: Mr. Speaker, there has been a lot of discussion this afternoon with regard to who phoned whom. I would like to reiterate what my colleague, the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) said. My office did not receive a telephone call on this. All of that aside, the issue is why this is being debated today in the House of Commons. If we had known in advance that we would be having this debate we would have been able to have the Minister of State for Forestry (Mr. Merrithew) here in order that he could discuss an issue which I know is near and dear to his heart. We would then be much closer to approval than we are at this time.

I am reminded of the committee meeting when the mayors appeared before us. The NDP Opposition made this motion before even hearing the testimony of the mayors of Vancouver Island. Political fancy footwork is great, but I think it is jeopardizing the possibility of a vote on this motion and I do not think it is fair to the mayors of Vancouver Island. I think we should consider this motion seriously. I am in favour of it and would like to move concurrence right now but there are a few more people who want to speak on this subject. However, I suggest that the phone system of the Member for Comox-Powell River (Mr. Skelly) be examined because it certainly was not working over the past few days.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Hon. Member just said that there are a few other Members who wish to speak in this debate. In other words, this will obviously not come to a vote because there will be government Members speaking on the motion. I would just like to take 30 seconds to point out that this motion was passed unanimously by a standing committee of the House of Commons, which committee is made up of Conservative, Liberal, and NDP members. It was unanimously endorsed and called the sixth report. It was voted on and agreed to by Members from all sides of the House. What does it matter who made phone calls? Why would you need to phone Members to talk about something that has been agreed to by a standing committee of the House of Commons? Why do we need more discussion when this has been adequately dealt with in the standing committee?

Why would a Member of the House of Commons disagree with the way in which this motion is put? It says, "Your committee recommends that the Government consider the advisability of funding this proposal". Who would be against a motion like that, Mr. Speaker? No one should be against such a motion.

With those few remarks, and with only 12 minutes left on the clock until five o'clock, I am going to sit down. The position of the Liberal Party was stated in committee and we stand by the sixth report of the Standing Committee on Fisheries and Forestry. This is a marvelous opportunity to have, on Vancouver Island, an experiment in silvicultural methods that does not involve the use of chemicals as a forest managment tool. It is a marvelous opportunity to put hundred and hundreds of people to work without using chemicals to regenerate the forest industry. Surely no one disagrees with this motion which was passed unanimously in the standing committee made up of representatives of all members of this House from each political party.

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

Mr. Blackburn (Brant): Let's have a vote.

Mr. Dick: Mr. Speaker, could the Hon. Member for Gander-Twillingate (Mr. Baker), speaking on behalf of his Party, inform the House whether he received a phone call in advance informing him that this debate was coming up today?

Mr. Baker: No, Mr. Speaker, I did not receive a phone call. Furthermore, I should not expect to receive a phone call informing me of something that had already been reported to the House in the sixth report. I should not have to receive a phone call to concur in a recommendation to the Government by a standing committee of the House of Commons representing all political parties. Of course I did not receive a phone call. If I had received a phone call I would have thought the Hon. Member was crazy to phone me to ask me to concur in something in which I had already concurred in the standing committee.

Mr. Dick: Has the Hon. Member talked to the forestry critic in his Party to learn whether that Member received a phone call?

Mr. Blackburn (Brant): Where are you, in a courtroom?

Mr. Baker: Mr. Speaker, I do not think that question warrants an answer. The hon. gentleman is trying to keep me on my feet for the next 10 minutes to use up time so that we cannot have a vote. Therefore, I will not answer any more questions from the Hon. Member.

• (1650)

The Acting Speaker (Mr. Charest): Debate.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, today we have seen a lack of confidence in the House. The manner in which this important matter was brought up today shows the unwillingness of the NDP to play by the rules and procedures that have been set up in the House. Earlier today in a House Leaders meeting, the House Leader of the New Democratic Party asked for a pledge from our House Leader that there be no surprises. However, his Party has turned around today with their own surprise, playing dirty pool, without phoning those who they say they phoned.

In other words, it appears that they cannot be believed. They have brought in a subject that was set down to be dealt with on the twenty-eight. Rather than saying when they would raise the issue, they have introduced it at a time when the Minister responsible for this subject is away.

I can tell you right now that if they want to play those kinds of games and that sort of politics, they will not get an answer. There will not be a vote today. We will talk until our Minister is back because the Minister also wants to speak on this matter. It is dirty tricks like this which confuse this place, cause wasted time and interruption. The New Democratic Party is simply playing politics and using this federal chamber to push New Democratic views in an attempt to win the next provincial election. It is the same trick as they are using in Saskatchewan.

Mr. Epp (Provencher): It is his brother who is the Leader.

Mr. Dick: They do the same thing in Saskatchewan. If that Party had taken this matter seriously, it would have consulted with us. However, they refused to do so.

Mr. Fulton: Mr. Speaker, I rise on a point of order for clarification. This matter has been on the Order Paper for over three months. Every Member of the House has received it in their office. They knew full well that this debate could come up on any day, at any time. The Hon. Member is not helping the Vancouver mayors at all with his remarks.

Mr. Dick: If that Member and the New Democratic Party were serious, they would have consulted with us. We always consult in the House and we would have ensured that this matter came forward. Instead, they brought on a debate on a day when we were dealing with Family Allowances within the Budget. Now, they are postponing this debate in an attempt to do something else which they knew would not proceed because the Minister is away.

Why did you wait for three months? Two of those months were holidays. Then you waited for a day when the Minister is not here. Rather than being decent in this place, the New Democratic Party refuses to consult. They come to the House Leaders meetings to beg us to consult with them all of the time because they do not want to be surprised. In the meantime, they want to play politics and waste the time of the House. It is unforgiveable that they only want to play politics. The time for that is during the election campaign. Why waste the time of the House? The Hon. Member, smiling behind his hand, thinks they are going to help their colleagues in British Columbia. Quite frankly, he is not even serious or he would have thought of other people first.

Mr. Skelly: Mr. Speaker, I rise on a point of order. That expulsion of wind over there is not conductive to the kind of non-partisan debate we have had this afternoon about the merits of the project. It has been on the Order Paper for three months—

The Acting Speaker (Mr. Charest): Obviously that is not a point of order.

Mr. Dick: That is typical of the NDP, trying to use a phoney point of order to get back into the debate when the member has already had an opportunity to speak. He does not care about the rules and what is going on.

Certainly, this is an innocuous resolution. It has been accepted unanimously by all parties and does not commit anyone to anything. I am simply trying to say that if his Party had the decency, the manners and a modicum of courtesy here they would probably accomplish much more for Canadians as a result of our working together.

Some Hon. Members: Hear, hear!

Mr. Dick: No one disagrees with the sixth report. We have supported it in committee where we have the great majority of Members. However, we are waiting for the return of the Minister of State for Forestry (Mr. Merrithew), who is responsible for this matter. It is only a recommendation. It states that the committee recommends that the Government consider the advisability—there are two weasel words if I ever saw them.

An Hon. Member: You supported it.

Mr. Dick: I was not on the committee and I do not pretend to speak for people when I was not there. It recommends that the Government consider the advisability of funding this proposal. I did not sit on the committee, but I am surprised that it was not more strongly worded. I am surprised that the NDP believe all they can do is support a recommendation that is not very strongly worded. Let us assume that the Government accepts the proposal that it might consider whether or not it was advisable to take certain action. The next stage recommends that if the Government accepts to consider the proposal, only then would the Government consider the recommendation that it use funds outside of the ERDA agreement which the Government signed with the province. It is the largest ERDA agreement that has ever been signed between British Columbia and the federal Government. The Liberals were not able to sign such an agreement and their kissing cousins, the NDP, were never able to encourage the Liberals to sign one. The Progressive Conservative Government signed it because we are concerned about forestry and people. We want to restore the economy in that province. We are not accomplishing this through tricks or by surprise.

We are doing it through consultation with the province and various people in an attempt to arrive at an all encompassing proposal and agreement that will benefit that area. According to this recommendation, the money could come from the ERDA Agreement or from outside. It is simply recommending that it might be from outside. While no one can disagree with the report, we will not adopt this tactic and accept the manner in which the NDP is trying to—

Mr. Blackburn (Brant): One minute and twelve seconds to go.

Mr. Dick: The Hon. Member for Brant (Mr. Blackburn) wants to speak up. He represents an automotive city in south-

ern Ontario. I suppose the Hon. Member for Brant knows much about the forest industry.

Mr. Blackburn (Brant): You better believe it.

Mr. Dick: You probably do not even have a sawmill in your riding, unless you saw up used cars. However, since he is a member of the NDP, he just wants to add to the confusion.

Mr. Blackburn (Brant): You are confusing Brantford for Brampton. Go back to your geography. We do not make cars.

Mr. Dick: I know where you are from. Do you think you are from Brampton? I know that you come from Brantford. You do not know your geography. I never mentioned Brampton. Perhaps he wants to move there.

Mr. Blackburn (Brant): We do not make cars in Brantford.

Mr. Dick: Maybe he has given up on Brantford. If the New Democratic Party and the Hon. Member for Comox-Powell River really wanted to benefit fellow British Columbians they would know that there is agreement between parties when dealing with any matters in the House. We agree on times and if a spokesman is not available, the debate is postponed in order to accommodate that party.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being 5 o'clock, the House will now proceed with the consideration of Private Members Business as listed on today's Order Paper.

[*English*]

Mr. Fulton: Mr. Speaker, I rise on a point of order. I hope that as soon as the Minister of State for Forestry (Mr. Merrithew) is back in the House, we will resume this debate on concurrence.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

HEALTH

ADVISABILITY OF INTRODUCING LEGISLATION RESPECTING RIGHTS OF PATIENTS

Hon. Chas. L. Caccia moved:

That, in the opinion of this House, the Government should introduce legislation to ensure, that in communication between physician and patient, a basic human right should include the right of the patient to know one's own state of health and the content of medicines and remedies acquired in drugstores by way of prescriptions.

He said: Mr. Speaker, in developing this motion this afternoon, I would like to illustrate the relationship between the individual who buys a prescription over the counter in a drugstore, the patient and the physician. This is a very complex subject and the time available will not do it justice. The subject is of profound importance to each of us.

When we need a prescription, we want to know and we should know what the prescription contains. That knowledge is such that should be available in detail. In addition, we should know what the side effects are of a particular medicine and what are the counter indications. For instance, when one is taking one drug, and another is prescribed, we should know the effect of it on your well-being, when and how often to take the medication and last, but no least, the purpose of the medication. This right to know does not exist at the present. A patient in his or her relations with the druggist would be much better served if he or she were to have access to complete information and be fully aware of the contents, the effects and the purpose of the medication. Let me repeat that I am talking here of prescription drugs sold over the counter. Drugs that are bought off the shelf have that information. Information, however, is often poorly written, sometimes unclear and often in small print causing difficulties, particularly for our senior citizens.

When it comes to the purchase over the counter of prescription drugs, a lot of work needs to be done. In Canada we have a SIM program, supplementary information medication but it is not mandatory. This program was initiated, I believe in 1981 by the then Minister of National Health and Welfare. The specifics of a medication are explained in detail on a card. It seems the public is little aware of the existence of this supplementary information medication system. The province of British Columbia, however, has a similar system, but for the rest of Canada, it can be safely said that the onus to obtain information about the content of a drug rests with the consumer. The consumer must ask the druggist. The druggist may be very busy, but he will provide the information. What about cases when the druggist provides information that is at conflict with the information given by the physician? Because the onus is presently on the consumer to obtain this information, it is perhaps fair to say that the information is volatile when given in a verbal manner and in competition with other demands imposed on the druggist. Therefore, it is important that this type of information not be left to the consumer but become a mandatory exercise. That is why I put this motion on the Order Paper.

We should also ensure that the supplementary information medication system, to which I referred a moment ago, cover all types of prescriptions and provide the fullest information that can be made available at any given time to the consuming public. When we buy corn flakes, the contents are listed on the package. However, when we buy a prescription drug, we do not know what we are getting unless we make a specific request. The information exists somewhere. Why not make this information automatically available to the consumer? After all a person's health is most important.

It seems to me that the Minister of Consumer and Corporate Affairs (Mr. Côté) and the Minister of National Health and Welfare (Mr. Epp) have an important joint responsibility to protect the Canadian consumer who purchases a drug over the counter.

I will conclude this part of my remarks by saying that there are many jurisdictions that require this information be given in a manner readily understood, printed and not left to memory, resulting in a more satisfactory relationship between the consumer of the over the counter prescription and those who provide it.

In the time available to me, I will move on with the other half of the motion before this House, namely the right of the patient to know one's own state of health. I have here a copy of the Code of Ethics published in 1984 by the Canadian Medical Association. I have read the code. It contains a guide to the ethical behaviour of physicians, the responsibilities to the patient, the responsibilities to the profession and the responsibilities to society. It is an excellent booklet, but I was unable to find in it any reference to the right of the patient to know. Why is that? All I have been able to discover in a brief search in an attempt to answer that question was the doctrine of informed consent. I have been told that the Canadian courts are still labouring to qualify the doctrine of informed consent and that the English courts have rejected that doctrine. In Canada it would appear that the expression "informed consent" ought to be replaced with the expression "informed decision-making" or "informed choice" on the part of the patient. Why is that? I submit that it is because it is important that physicians and other health professionals not be induced to believe that they may or should use information simply for the purpose of persuading patients to agree to treatments or to medical goals which professionals have determined to be in the best interest of patients.

• (1710)

As Bernard Dickens wrote in an excellent study on this matter, "the true role of medical information is to serve the autonomy of the patient, permitting the patient to exercise choices which accord to the patient's wishes". Therefore, the patient is enabled to govern himself or herself. At times, as you have probably experienced, Mr. Speaker, the wish of the patient may be in conflict with his or her apparent interest. The two do not always overlap. It is quite true that most people wish that their best interest be served, but when conflict arises between the wish of the patient and the interest of the patient, then I submit that in a free society the patient should be enabled to govern himself or herself by what he or she wishes. Therefore the function of the physician possessing professional or highly specialized knowledge is to provide information which the patient would then consider in order to exercise his or her choice. That is what you would want to do, Mr. Speaker. In doing that, you may decide to proceed in a manner in which your interest and your wish coincide. However, there are many times in certain instances where you may decide to proceed according to your wishes and it may be considered by those surrounding you, including your physician, not to be in your interest. That decision ultimately has to be left in the hands of the patient and, in order to make that decision, the patient has to be informed.

I view of all these considerations and the observations which I have made, it would follow that the right to know of the patient and the imperative necessity of rewriting the code should be discussed in an informed debate of this kind. Of course this will not happen overnight and it will not happen without resistance. However, we know that some physicians will be supportive of the right to know on the part of the patient. In a society which is increasingly so capable and so advanced in its ability to store and distribute information, some physicians will understand that this type of ultimate service of providing information to the patient is not only incumbent upon modern day physicians but is also possible.

Therefore it is important to engage the House in this debate. I will be very interested in hearing the views of my colleagues on all side of the House. I stressed a few moments ago the rights of the consumer when it comes to the purchase of drugs over the counter. Again I stress that there is an important political role to be played in this instance on the part of the Minister of National Health and Welfare. Evidently he would have to give leadership and ensure that we in Canada develop the necessary understanding—politicians, professional people and the public at large—of the profound importance in everyone's life of having the right to full information on the state of one's health, which is the most precious, important and lasting gift given to us as individuals. I leave these points with the House and look forward to what might be a very enlightening debate.

Mr. Neil Young (Beaches): Mr. Speaker, I congratulate the Hon. Member for Davenport (Mr. Caccia) for placing this motion on the Order Paper and for giving the House an opportunity to examine, even in a very limited way during Private Members' Hour, a subject which is of some concern to many Canadians.

The motion before the House contains two parts. One is that an individual should have the right to know the state of one's health and the other is that an individual should and ought to know the content of any medicines and remedies acquired in drugstores by way of prescription. Both those items are so self-evident that I will not take up too much time of the House debating them. If one visits a medical practitioner, it seems to me that one is entitled to know the exact state of one's health. That is self-evident as well. That is the case with medicines and remedies, particularly prescription drugs. Over the years we have known of numerous cases, thalidomide being one of the worst, I would think, where drugs were prescribed and had a serious adverse effect not only on mothers but also on children. Of course there have been other cases over the years. Everyone who is asked to consume a drug or chemical that alters the state of their being should have the right to know its effect on their health and even on the health of their offspring.

• (1720)

It is for all those reasons, Mr. Speaker, that I think that this motion should properly be referred to the Health, Welfare and Social Affairs Committee of the House so that further discussion can take place. I know full well, as does the Hon. Member for Davenport, and other Hon. Members that much of the

legislation dealing with prescription drugs falls under provincial authority.

However, since many provincial Governments do not seem to be concerning themselves with this, it seems only right and proper that a body such as a standing committee of the House of Commons should make itself available to hear witnesses and to hear concerns not only from individual Canadians but from the health services as well.

Mr. Barry Turner (Ottawa-Carleton): Thank you, Mr. Speaker. I am pleased on behalf of the people of Ottawa-Carleton to speak to the motion of the Hon. Member for Davenport (Mr. Caccia), a man who also speaks with conviction as he has done again today.

Former Bill C-43, Schedule II, (Section 2) was introduced to extend existing laws of Canada that:

> Protect the privacy of individuals with respect to personal information about themselves held by a government institution and provide individuals with a right of access to such information.

The Privacy Act under subsection 12(1) provides that:

> —every individual who is a Canadian citizen or a permanent resident within the meaning of the Immigration Act, 1976, has a right to and shall, on request, be given access to
>
> (*a*) any personal information about the individual contained in a personal information bank; and
>
> (*b*) any other personal information about the individual under the control of a government institution with respect to which the individual is able to provide sufficiently specific information on the location of the information as to render it reasonably retrievable by the government institution.

Special consideration is given to medical records in the Privacy Act where in subsection 28 it is stated that:

> —the head of a government institution may refuse to disclose any personal information requested under subsection 12(1) that relates to the physical or mental health of the individual who requested it where the examination of the information by the individual would be contrary to the best interests of the individual.

The Act deals with collection, retention and disposal of personal information, protection of personal information banks, publication of a personal information index, access to personal information, exemptions, receipt and investigation of complaints, review of exempt banks, review of compliance, reports to Parliament, review by the Federal Court, the Office of the Privacy Commissioner and offences.

Administrative directives of Departments cover the application of the Act and deal with delegation of authority, roles and responsabilities, procedures, complaints and appeals. The scope of the Act, Mr. Speaker, and its implementation, indicate that this is the appropriate instrument to complement in the federal sphere provincial statutes and ethical guidelines and directives of medical organizations. There would appear, therefore, to be no need nor indeed constitutional right to enact new federal legislation to ensure patients of access to knowledge about the state of their health. I am certain that provincial codes of medical ethics and professional conduct are sufficient to allow medical practitioners to keep their patients properly informed about the state of their health.

[*Translation*]

Mr. Speaker, the Government is fully implementing the law and its primary concern is to protect individual rights. Ministers can refuse to hand over all or any part of a medical file when they consider that imparting the information would be detrimental to the patient.

The following paragraphs deal especially with the enforcement of the Protection of Privacy Act by the Department of National Health and Welfare as far as its records are concerned.

To be in a better position to decide whether access to any part of or to a whole medical file should be allowed, the Minister can ask the advice of a duly qualified physician. If he so wishes, the Minister may ask the applicant to examine the file before a duly qualified physician who can explain the information to be found in it. The right to peruse a file extends to all documents it includes whatever their origin unless the patient has been denied access.

[*English*]

Mr. Speaker, on receipt of a request for access to a medical record under the provisions of the Privacy Act managers must seek an opinion as to the presence on the record of any information likely not to be in the patient's best interest. It is the patient's interests and not that of the Department or practitioner that is considered. This opinion may be sought from a duly qualified medical practitioner on staff or from a currently licensed medical practitioner in private practice who also knows the patient.

It is important to emphasize that when withholding of personal information in medical records is being considered, applicants may have the information examined by a practitioner of his or her own choice, providing that the institution is satisfied that the practitioner chosen is qualified to determine whether or not disclosure could be contrary to the applicant's best interests.

The practitioner may advise that the record be released in its entirety, that it be released to the pyisician of the patient's choice for explanation to him or her, that it be made available for the patient to inspect at his or her convenience with a physician at hand to explain it to him or her, or that part or all of the record be withheld in the patient's best interests.

If the advice is to release the record, the manager will either release the record, authorize the privately practising physician to release the record to the patient or return it to the manager for release, ask the patient for the name of his family doctor and if his qualifications are acceptable release the record to him with the suggestion that he explain the record to the patient if he considers it inadvisable to show it, or ask the patient to inspect the record at a time and place convenient for him or her. There seems to be in this particular instance ample opportunity to explore one's own records.

If the advice is to withhold all or part of the record the manager prepares the documents for release with any suggested exempt words or sentences blanked out and in their place

the words "withheld by ministerial decision under Section 28 of the Privacy Act". The manager can then send the request, the documents and the reasons for denial of access provided by the medical practitioner to the departmental privacy co-ordinator for preparation of a letter for the Minister's signature explaining the denied items and notifying the applicant of his or her rights of complaint and appeal.

● (1730)

The process described in the foregoing indicates the seriousness and indeed thoughtfulness with which the Government views its responsibilities to individuals requesting access to personal medical information under the Act. There are, of course, safeguards to protect an individual against harm which might result from the release of information. Although separate data is not available for medical records, experience indicates that there are few situations over-all in which it is necessary to withhold information requested by patients.

It can be concluded that within the jurisdiction assigned to the federal Government under the Constitution, the Privacy Act meets the need for personal access to one's own medical records and no extension of the Act or new legislation is required for this purpose. The Act complements well the ethical and other legislative considerations which influence the practice of medicine which is primarily within provincial jurisdiction. In any case, as I indicated earlier—

[*Translation*]

Mr. Speaker, one might also observe that communication between the patient and his physician is based on continued relations, mutual respect and interpersonal discussions which can be submitted to a statutory control as in the case of records.

Mr. Speaker, it should be usually expected that access to relevant medical data is the basis of patient-physician relations. Many other opportunities are available to the patient, among others that of selecting another physician.

[*English*]

I will terminate my comments at this point. I would underline again that the Hon. Member for Davenport (Mr. Caccia) is obviously a man of significant compassion who wants to see done that which is best for patients and the people not only of his riding but of other parts of Canada. I thank you, Mr. Speaker, for the chance to speak briefly to this particular motion.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I want to congratulate the Hon. Member for Davenport (Mr. Caccia) on moving a motion with such a broad social impact.

However, as my colleague said a few minutes ago, communications between physician and patient belong to an area of the practice of medicine that comes under provincial jurisdiction. The provinces have delegated responsibility for regulating the practice of medicine to the provincial colleges of physicians and surgeons or their equivalent, directed by a secretary general. The colleges decide whether a physician is entitled to practise medicine and issue a certificate to that end. They provide guidelines on issues such as patient-physician communications and provide advice to patients. Thus, physicians are advised of their obligations and patients of their rights.

All provincial colleges of physicians and surgeons and all Governments recognize the patient's right to know his state of health. The increased concern of the public in general and special interest groups in particular has brought about a gradual change in public views on patient-physician communications and the scope of such communications. These views have been incorporated in the Code of Ethics and Professional Conduct. The Code of Ethics of the Canadian Medical Association has been adopted by nine provincial colleges of physicians and surgeons, and the tenth Code, that of Quebec, contains similar clauses in its rules on medical practice. The Code of Ethnics of the Canadian Medical Association was recently revised to reflect a change to a more active view of patient-physician relations and the responsibilities of both parties.

The most recent Code of the Canadian Medical Association which goes back to December 1984, prescribes under the heading of Rights of the Patient, that a physician shall:

> first, recognize that his knowledge is limited and if necessary, recommend that the patient have recourse to other sources of advice and medical services;
>
> second, respect the right of the patient to choose his own physician and decide whether or not to take the advice given (even after choosing a physician, the patient has the right to ask him to consult other physicians of his choice);
>
> third, respect any confidences received from the patient or a colleague and refrain from disclosing such information without the patient's permission, unless he is obliged under law to do otherwise; when acting on behalf of a third party, he shall ensure that the patient understands his legal responsibility with regard to that third party before proceeding with the examination; and he shall recommend only those diagnostic measures deemed necessary to help him treat the patient and administer to the patient the treatment he believes will be conductive to his well-being (he also has a duty to communicate his observation to the patient and to inform him of his recommendations).

He should supply the patient, with all the information requested by him in order that he may receive any benefit he may be entitled to.

Finally, he should, try and soothe the anxiety of the relatives and work with them in the interest of the patient.

Although the imparting of information to patients by physicians mainly comes under provincial jurisdiction, the Privacy Act provides access to medical information in Federal Govern-

ment files. This concerns people like natives, Canadian Forces' personnel, war veterans and penitentiary inmates who are looked after partly or totally by the Federal Government. Also, people who have applied for disability pensions under the Canada Pension Plan.

The right to be made aware of one's health status has many facets. There is namely the basic right to know, whatever the reason or qualification. The need to know in order to take steps, make decisions concerning medical care, legal procedures or one's own lifestyle for instance. The right to know what personal data are kept in the various data banks. One of the main requirements imposed upon physicians by provincial colleges of physicians is that they promptly make information available to a third party, where requested by the patient, in order to ensure continuous care, security or the financial arrangements needed. Under the *Ontario Health Disciplines Act*, Regulation 448 of the College of Physicians and Surgeons of Ontario provides that failure to make available within a reasonable period of time and without reason a report or certificate requested by a patient or his authorized agent concerning a medical examination or care provided is a professional offence. Patients may lodge complaints with the College against physicians who do not comply with that requirement. The College will conduct an investigation and take the required disciplinary action. In Ontario, reports of disciplinary action taken by the College are published each year and distributed to all medical doctors. The limits of acceptable medical conduct is thereby clearly defined, and doctors can amend their behaviour therefrom.

The standard in doctor-patient relations has evolved, from an attitude that could be considered paternalistic to the modern concept of a tacit mutual contract. The latter concept implies that both parties have obligations, and the patient needs sufficient information to make an enlightened decision.

Even though in some cases, by court order for instance, copies of medical files can be obtained, a physician is generally under no obligation to make the complete file available to a patient or his agent. Pertinent information is generally sufficient, such as results of examinations performed and care provided. A doctor may however give a patient a copy of his file, if he so wishes. Medical files are more or less considered as notes, and therefore the property of the physician rather than of the patient.

Nobody really expects a physician to warn a patient about all the risks inherent in a treatment, only the most obvious and the most serious. However the Supreme Court of Canada has ruled that a physician must warn the patient about the least significant risks involved if the patient wants to know. The physician is guilty of negligence if he fails to do so and if the treatment produces after-effects about which the patient had sought information.

The decision rendered by the Supreme Court of Canada in 1980 in the cases Lepp versus Hopp and Reible versus Hughes was unequivocal: the patient is entitled to be given information on the state of his health and on the after-effects of a treatment or intervention and the physician is dutybound to provide them. He must give enough information so that the patient can make a sound decision with respect to his treatment. A physician can of course use his own judgment to decide just how much information he should give, but he cannot refuse to give additional information should the patient so request.

In certain cases, for instance in the regulations under the Privacy Act and the regulations of the College of Physicians and Surgeons of Manitoba, safeguards are provided to protect individuals from such information in their file as might be cruel or harmful if it were communicated to them. Here is how Privacy Act Section 28 reads:

> The head of a government institution may refuse to disclose any personal information requested under subsection 12(1) that relates to the physical or mental health of the individual who requested it where the examination of the information by the individual would be contrary to the best interests of the individual.

The Manitoba regulations provide that the information given to a patient must contain all the relevant information that he ought to know.

I should like to emphasize the progress made over the past few years which makes it possible for patients to acquaint themselves with personal information contained in their hospital files. The guidelines vary from province to province depending on their respective policies.

The right of access of an individual to information concerning him or her has made remarkable progress. This is true of both medical and general information. These changes stem from a better education of the public, an evolution of attitudes and perceptions, new codes of ethics, as well as new regulations and legislations. Improvements will certainly continue as society is making new progress. In the secrecy of a patient-physician relationship, the patient should expect that his right to know, to ask for and obtain information is respected. It seems that this issue is being dealt with through new legislative guidelines and code of ethics standards. Open discussions and mutual respect are more likely to favour a realization of this objective then a Federal amendment to the Criminal Code.

The practice of medicine, with which the Hon. Member's motion seems to be concerned about, is a provincial responsibility. It is now subject to provincial legislation. This legislation is complemented by the Privacy Act, former Bill C-43, which provides that

> —every individual who is a Canadian citizen or a permanent resident within the meaning of the Immigration Act, 1976, has a right to and shall, on request, be given access to
>
> (*a*) any personal information about the individual contained in a personal information bank; and
>
> (*b*) any other personal information about the individual under the control of a government institution with respect to which the individual is able to provide

sufficiently specific information on the location of the information as to render it reasonably retrievable by the government institution.

Mr. Speaker, the present system would appear to be fair and equitable. It promotes co-operation, not repression, and provides for a complaints process to settle any problems that might arise.

• (1740)

[*English*]

Mr. Albert Cooper (Peace River): Mr. Speaker, I would like to begin my remarks by addressing the Hon. Member's first point, that is, the right of the patient to know his or her own state of health. It is the position of this Government that, with certain constraints, each Canadian is entitled to information on his or her state of health.

The situation now in this country is, of course, very complex when we start looking into this area. In Canada, the laws governing records such as these cannot be found in any one single place. There are no health records Acts in Canada either at the provincial or federal level. Instead, there are provisions within literally dozens of Acts with respect to patient health records, regulations and, of course, numerous court decisions which are directly involved. Reference has been made to provincial hospital Acts, hospital by-laws, nursing home Acts, public health Acts, occupational health and safety Acts, and even the Narcotic Control Act and regulations made under these various Acts. There have been relatively few court decisions regarding patient records in Canada, at least when compared to the United States, where governmental agencies, both at the federal and state level, have a great number of background cases upon which they can draw. The result of this, of course, is that in Canada the practice of compiling, storing, protecting and ultimately destroying patient health records is largely left in the hands of those who are responsible for gathering it, including government agencies operating various Canadian health insurance programs and other situations.

The primary purpose for collecting and maintaining patient health records is to enable health personnel to treat and care for the patient, in order to reach valid judgments concerning the diagnosis, prognosis and cause of the illness. It also provides a method of ensuring communications between the many different persons involved in the case of a single individual, even within a single institution.

It has been the view of this Government that patients should normally have access to information on their own state of health. However, in most health care institutions, patients do not have physical access to their records and almost certainly would be refused access if they were to ask for it. The argument in support of this position is the generally recognized fact that the patient record comprises a series of entries which serve as a form of communication among various personnel in an institution and as a reminder to those who made those entries. The record is not intended to be a medium of communication from health personnel to the patient. In other words, it is a fairly technical communication. They are usually written in a manner which transmits technical information between specially trained personnel. The entries may, in fact, not be understandable by patients or may be entirely misleading to the untrained individual. For example, routine tests which are undertaken to eliminate the possibility of certain disagnoses within a different diagnostic spectrum may be mistakenly understood by the patient as a form of suspicion or a particular condition, for example, a form of cancer, a venereal disease, or some other disease of that nature.

The points notwithstanding, it is our view that the patient is still entitled to review his or her medical records on the most up-to-date documents that are available in the hospital. We also believe that the patient should receive professional medical assistance, if requested, to enable him or her to interpret the kind of technical information that is contained in the records. I make reference to the use of professional assistance to obviate any misinterpretation which could alarm a patient or interfere with an optimistic approach to treatment and thereby in many cases do more harm than good. This is certainly the case when we are dealing with emotional illness and psychiatric disorders.

• (1750)

We support the right of a patient to this information because his or her treatment, by law, is really solely at the discretion of the patient. Once in possession of this information, the patient will be in a much stronger position to determine whether he or she wants to consent to treatment or to its continuation. I do not need to remind you, Mr. Speaker, that health care is a provincial jurisdiction and that comment thas been made several times today during the debate, and that any changes in federal jurisdiction must be cognizant of provincial responsibilities. At the present time there appears to be no provincial consensus on this issue or on the issue of the right of the patient to view his or her medical records.

A number of provinces, though, have passed legislation giving patients a limited right of access to their treatment records. For example, according to the Alberta Hospital Act a patient does not have a right to his records. The Act is permissive rather than mandatory in its consideration. The law in Alberta allows, but does not require, a hospital board or employee, the provincial Minister of Health, someone authorized by him, or a physician to divulgue patient information. The patient who is denied such information may appeal this decision in a court. The Alberta legislation actually favours the release of information but it places the onus of showing why it should be released on the person who is seeking that sort of information.

The Province of Saskatchewan has a different view. It permits the release of hospital records but has not established an appeal of the procedure to the courts. It does, however, state that the records shall be disclosed upon a court order.

Ontario has a similar regulation for its hospitals, as does the Province of Prince Edward Island. The Hospitals Act of Nova Scotia is similar to the Alberta legislation but allows a refusal on the grounds that "it would not be in the best interests of the

patient to make available that information". An appeal can then be made to a county court judge.

Quebec, under its act respecting health services and social services, provides patients access to the records in what are known as "establishments" under the Act. These are defined as local community service centres, a hospital centre, a functional rehabilitation centre, a social service centre or a reception centre. A person refused may, under Quebec law, apply to the courts.

In all provinces, special attention is paid to mental health legislation which governs the psychiatric institutions as distinct from the general or public hospitals. There are, of course, obvious reasons for this distinction.

In summary, Mr. Speaker, some Canadian jurisdictions do not have specific legislative provisions or regulations governing patient access to records. Some do, but even those have provisions for only some types of institutions or health care providers and not others. It seems logical and just that Canadians throughout the country should have equal rights with respect to this particular matter. It is equally obvious that uniformity in this respect will require extensive consultation with the provinces, with health associations and with various people involved in the medical industry. Serious consideration must be given to needs, benefits and, of course, risks, because there are a great number of risks involved in the kind of subject we are discussing today.

At this point, Mr. Speaker, I would like to direct my attention to the question of the rights of Canadians to know the contents of medicines and remedies which are acquired in any store by way of prescription. This is the second element of the Hon. Member's motion which is before us today. The Government supports the right of mentally competent individuals to know the nature of their drugs. The need to know is greater today, of course, than it has ever been. The fact that modern prescription drugs are far more effective and potent than anything available in the past leads us to expect great benefits when they are prescribed for us, and, of course we expect an instant cure and healing.

No one can argue about the magnificent efficacy of drugs such as poliomyelitis vaccines. We are all aware of the tremendous improvement in cure aids which have accrued to mankind as a result of many of the modern antibiotics. Canadians can never forget the outstanding success of insulin in the treatment of diabetes. We are constantly reminded of significant improvements in the drug control of cardiovascular diseases such as high blood pressure, angina pectoris and the prevention of strokes and heart attacks. These are the good stories, Mr. Speaker. They tell of the beneficial effects of drugs but, unfortunately, as we all know, drugs have a bad side to many of their actions.

Our tendency to emphasize the expected benefits of drug therapy tends to conceal the high incidence of adverse reactions which occur with many drugs. There are in fact no drugs which provide benefits without incurring some risks. We believe that before a patient agrees to take a drug, he or she should be fully advised of the expected benefits of the therapy as well as the possible toxicities of the medicine. We are too well aware of the stories often heard of patients complaining that they would never have taken one drug or another if they had been told beforehand of its toxic effects. Every one of us has stories and illustrations to demonstrate that. It is the position of this Government, Mr. Speaker, that each patient should be informed of both the beneficial and detrimental effects of a drug before he or she agrees to take it. A well informed Canadian is the best person to decide his or her own drug regimen. I wonder how many Canadians would be dependent on Valium today if they had been told 10 years ago that the continual consumption of this mind-dulling chemical could result in the addiction which has become a bit of a problem for our society.

To this point, Mr. Speaker, I have been discussing only the active ingredients in a drug. I would like now to direct my attention to the so-called "inactive" or "non-medicinal" components in the tablet or liquid. These chemicals are added, as we all know, to assist in the formulation of the product. Without them, tablets would rapidly fall apart, drugs would disintegrate and liquids would taste badly—and my experience with them has been they taste badly anyway. However, these ingredients are necessary to the successful formulation of a product suitable for human consumption. In some circumstances it is these non-medicinal ingredients which are the culprits responsible for toxic effects. Some of these ingredients can induce an allergic type reaction while others can trigger highly undesirable disfunctions of various bodily organs. This very fact creates a problem for the treating physician who is generally not aware of the non-medicinal ingredient of drugs and who may, unwittingly, prescribe an upsetting medication for persons who are sensitive or allergic to a specific chemical substance contained within it.

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member. I recognize the Government whip on a point of order.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEE

PRESENTATION OF REPORT OF STRIKING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour to table the second report of the Striking Committee in both official languages, dealing, of course, with the membership on legislative committees as well as the multiculturalism committee set up in June.

[*Editor's Note: For list above referred to, see today's Votes and Proceedings.*]

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

HEALTH

ADVISABILITY OF INTRODUCING LEGISLATION RESPECTING RIGHTS OF PATIENTS

The House resumed consideration of the motion of Mr. Caccia:

That, in the opinion of this House, the Government should introduce legislation to ensure, that in communication between physician and patient, a basic human right should include the right of the patient to know one's own state of health and the content of medicines and remedies acquired in drugstores by way of prescriptions.

Mr. Cooper: Mr. Speaker, I am always pleased to sit down when my whip stands up.

I was talking just before I sat down about the ingredients in medicines which are not part of the drugs themselves and, therefore, do not show up very often. At this time there is no listing of these non-medicinal ingredients in Canadian drugs. We find, therefore, essentially what happens is that the doctor, as I mentioned, prescribes a drug and may not know some of the implications of what he is doing. This situation is not acceptable to the Government and we are happy to know that professionals from the Health Protection Branch are discussing the situation with representatives of the pharmaceutical industry. It is my information that the industry is responsive to suggestions for a change and the day may not be too long away when both the active and inactive ingredients will be listed on the drug bottles and the information will be provided to our health professions.

[*Translation*]

The Acting Speaker (Mr. Charest): The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

MULTICULTURALISM—FEDERAL-PROVINCIAL CONFERENCE—RACE RELATIONS

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise to review a question I asked the then Minister of State for Multiculturalism on May 16, 1985. The question was twofold. It concerned the conference between the federal Minister of Multiculturalism and his provincial counterparts. I

asked the question because Canadians, in particular, minority communities across this land, were anxious to know what this conference would develop.

We on this side were certainly pleased to see this first-ever meeting take place. However, this Government and that Minister created great expectations over this meeting. Every time I and other Members of this House rose to ask a question concerning his Ministry, his response was to wait until the conference; wait until May 14 when, for the first time, we will be sitting down around one table and making the decisions which have to be made. Well, we waited until May 14. We waited until May 15. Then, on May 16, the question was asked: Waht were the conclusions?

At the end of that two day conference in Winnipeg, a two-page communiqué was issued. It was absolutely devoid of any results. There was no mention of the crucial issue flowing from the Abella Report, no mention of the recommendations in the *Equality Now!* report, or heritage languages, education, human rights, federal-provincial multiculturalism Acts, the Japanese-Canadian redress issue or, last but certainly not least, racism. There was absolutely nothing in that communiqué to tell Canadians clearly and forcefully what those Ministers discussed and what occurred at that meeting. Therefore, I take this opportunity today and I hope the Hon. Member responding for the Government will be able to tell this House and Canadians what has resulted from that meeting on May 14.

The second part of my question was very specific and related to racism. At a press conference following this meeting the then Minister of State for Multiculturalism stated: "Racism really falls outside of our jurisdiction". Mr. Speaker, much to my great surprise these words were uttered following this conference by the then Minister of State for Multiculturalism. It is completely unacceptable for that Minsiter to suggest that fighting racism does not fall within his jurisdiction. First, racism knows no boundaries. It knows no jurisdiction. Secondly, it is the Minister of State for Multiculturalism, beyond any other Minister, who has to fight racism because most of his mandate deals with race relations.

A third criticism aimed at this conference was that it was a closed-door two-day seminar. The communities the conference was supposed to be addressing were not permitted to submit recommendations an agenda, or appear before the Ministers to make their representations. Are we, the Canadian people, the House of Commons, going to be allowed to know what happened behind those closed doors?

• (1805)

If it is the philosophy of the Government that there would be better results if the meeting were held behind closed doors, there is an onus upon it to tell minority groups and all Canadian people what in fact transpired at that conference. Can the Parliamentary Secretary or any other Member clarify what the Minister meant when he said that racism does not fall within his jurisdiction? I see that my time has expired, Mr.

Speaker, and I look forward to hearing the response of the Government.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am very pleased to answer the question of my colleague from York West (Mr. Marchi). I think that the steps taken by the Minister of State (Multiculturalism) (Mr. Jelinek) since we came into office prove beyond a doubt that our Government assumes its responsibilities and is glad to promote this country's cultural heritage.

Among the main objectives of the Minister of State (Multiculturalism), one is to maintain and especially promote equal opportunity for all Canadians, certainly with respect to racism and racial discrimination. The Government fully endorses the basic principle whereby cultural and racial diversity is not only acceptable but advantageous as well. That is why we have been actively promoting the notion of multiculturalism.

This notion entails two major parts, one cultural, the other social. On the one hand, we assume our cultural diversity and heritage. On the other hand, on the social level, we strive for equality among Canadians. While doing so, we must keep in mind those who, because they belong to racial minorities, are faced with various obstacles.

Mr. Speaker, our Government has done a lot to promote progress. It has taken steps to achieve its objective of equality of opportunities for all Canadians. The House of Commons has established a Standing Committee on Multiculturalism. The Federal Government's multiculturalism branch has been raised to the rank of sector.

This Government has undertaken to implement all proposals concerning equity in employment for all visible minorities which ranks, therefore, among the targets, together with women, natives and the handicaped.

The Minister of State soon will make available for wide distribution the United Nations' Action Program for the second Decade in the fight against racism and racial discrimination, in order to better inform Canadians of the various issues at hand.

In view of the tremendous influence of the written and electronic press, he intends to intensify his efforts to encourage the media into establishing voluntary guidelines on the fair representation of visible minorities.

Further, a long-term priority will be the monitoring of the implementation of the recommendations to be found in *Equality Now!,* which studies many issues raised by the United Nations' Action Program. As we know, a number of these issues span many jurisdictions.

As the Federal Minister responsible for implementing the recommendations in the report, the Minister of State is working with his federal colleagues and having them help him implement those recommendations that come under his jurisdiction. He is also hoping to have the co-operation of his counterparts from the provincial and territory Governments whose mandate covers some of the issues raised in the report.

This Government is committed, as is also the responsibility of the Minister of State (Multiculturalism), to ensure there is no barrier to the full participation of every citizen in the political, social and economic life of this country.

[*English*]

FINANCE—DRUG TAX EXEMPTIONS. (B) REQUEST FOR REMOVAL OF ALL DRUG TAXES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I, too, have had an opportunity to challenge the Government for a particular political stance which it has adopted over the past year and which is becoming increasingly embarrassing to the Government. I speak of its penchant to blame current Government problems on past Liberal excesses. The billion dollar boo-boo of the bankruptcy of the Canadian Commercial Bank is, according to this Government, the fault of the past Liberal Government.

The illness tax which was imposed by the Minister of Finance (Mr. Wilson) in his first Budget this May gave us our first chance to see the true Tory colours, the ice-blue blood of the Government. It imposed a 10 per cent tax on hundreds, if not thousands, of drugs that are used on a daily basis by Canadians for illnessess as varied as arthritis, cancer, Parkinson's disease, and heart disease.

• (1810)

Last August when the political heat was on, the Government agreed, through the Minister of National Health and Welfare (Mr. Epp), that perhaps it was wrong to impose an illness tax on sufferers of diabetes. When this Party exposed the fact that not only was it taxing diabetics but also taxing those patients with emphysema who needed oxygen, a statement was quickly issued to the effect that certain drugs would be exempted before the House resumed its sitting so that the opposition could not point to the blood and illness tax imposed by the Government.

Therefore, for the public that does not have an opportunity to examine the record of the Government on a daily basis, it seemed as though the problem had been solved. Unfortunately, particularly for those poor people and those families who have to fight illness through over-the-counter medical supplies, the fact is that the Government has left a tax on literally hundreds, if not thousands of drugs.

Let me cite just a few of them for the record so that Canadians will understand that for the first time in our history, the Government has imposed a tax on Pilocarpine which is used by the sufferers of glocoma. It relieves pressure on the eye and if not used blindness results. It is also imposing a tax on Oxsoralen which is used in the fight against skin cancer. Not only is it used for this purpose, it is also considered as an orphan drug, a drug that is not profitable for companies to produce but is produced because of the net benefit to the

small number of users who are able to take advantage of it. This is a drug upon which even the drug companies are not benefitting but the Government has seen fit to impose a 10 per cent illness tax. Other examples include Bentylol used in ulcer medication to stop contractions of the stomach and Trihexyphenidyl which is used for the treatment of Parkinson disease.

Most Canadians do not understand the nomenclature of these drugs, but when they are suffering from arthritis and have to consume copious amounts of aspirin on a daily basis merely to relieve themselves from pain and carry on a normal living they do not expect that kind of expenditure to be taxed by the Government.

Furthermore, when the Government says it will reduce the deficit on the backs of the sick people, that illustrates the kind of mentality which is beginning to become clear to Canadians. That is also a simple economic fallacy.

What about the 10 per cent increase on things like dog food for people who have guide dogs which they use to survive? There are 600 people across the country who need their guide dogs to survive.

If 1 per cent of those people who are now taking over-the-counter drugs decide to go to prescription drugs, since they would be potentially covered under a provincial or private plan, the total amount of savings allegedly derived from tthis particular Budget cutback would be wiped out in one fell swoop.

The Minister of National Health and Welfare will stand up and say that taxes have been imposed by the former Liberal Government. In an examination of literally over 2,000 drugs which are now being taxed as a direct result of this initiative in the Budget of the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) in May of this year, the Government was able to find four diagnostic tools—not drugs—which had been taxed under a previous tax measure dating back to 1968. It was with this information that the Minister of National Health and Welfare had the gall to stand in his place and suggest that the Government had not only exempted certain taxes imposed by their Government but also had freed up the system from the high taxation measures of the previous Liberal Government.

The kind of double-speak that is apparent in the Canadian Commercial Bank collapse, the kind of double-speak that is apparent in the Minister of National Health and Welfare's response to my direct questions, will not be accepted by the Canadian people.

• (1815)

Do the Canadian people believe that this Government should tax medication being used in cancer treatment, arthritis, Parkinson's disease, and glaucoma? With the literally thousands of dollars in tax imposed as a direct result of the Wilson Budget, this Government is saying it will fight the deficit on the backs of the sick, the poor, the blind and the elderly. I think it is the kind of political motivation that has shown to Canadians for the first time where this Government's heart really is.

I ask the Government, through the Prime Minister, who refused to answer this question in the House, as well as the Minister of National Health and Welfare, to revoke once and for all this tax which, for the first time in Canadian history, is going to make a profit out of people's illness and potential life-threatening devices.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I listened with a certain amount of interest to the Hon. Member's attempt to diffuse the attack which she knows is hurting her Party. It hurt the Liberal Party in a devastating way on September 4, 1984. I am speaking of the problem which the Liberal Party left Canada, namely, the horrendous deficit.

I do not care how any Member of this House slices it, we are now running a deficit of $34 billion a year. The total deficit on an accumulated basis is in the neighbourhood of $200 billion. That deficit was built up from 1974 when the current Leader of the Opposition (Mr. Turner) was Finance Minister and it accumulated under succeeding Liberal administrations. There is no question about it. The deficit for which we are paying, and if anyone can find some other way to pay for it other than taxing I would be glad to know, was built up by the Liberal Party of Canada.

Suddenly in September of 1984, the Liberals wanted to walk away from the 10, 15 and 17 years of deficit. I know the Hon. Member comes to this House from another forum. It may not have perhaps become clear to her how devastating $25 billion of interest payment is when you try to balance the books. The Hon. Member will know that most of the drugs which are available only on prescription continue to enjoy relief, provided they are properly identified in the schedules attached to the Food and Drugs Act. The Hon. Member will know that all drugs provided to hospital patients are completely exempt. She will also know that we did review the matter and announced on September 6, I believe, after consultation with the industry that certain drugs and equipment would be entitled to relief. Many of these, and some, as the Hon. Member points out, were—

Ms. Copps: Four out of 2,500.

Mr. Lewis: All right, four. The principle is the same. You can expand, slice and divide drugs. As the saying goes, figures sometimes lie and liars sometimes figure. I can always make a case like that. I know the Hon. Member is playing partisan politics with the health of Canadians.

Let me make this very clear. If we did not have the deficit left by the Liberal Party we would not be paying $25 billion in

interest on it and we could do a lot more for Canadians, not only through social measures but in job retraining. We wish we did not have the debt, but no matter how much the Hon. Member dislikes it, the Liberal Party of Canada left it for us to deal with. We do not like having to deal with it this way, but we are doing the best we can.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Tuesday, September 17, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed from Monday, September 16, consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be now read a second time and referred to a Legislative Committee, and the amendment of Mr. Frith (page 6625).

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I listened with great interest to the various Members speaking for the Opposition, as they commented on the amendment to the Bill now before the House.

Mr. Speaker, it is with great pleasure that I express my support for this legislation which was introduced by the Minister of National Health and Welfare (Mr. Epp) and is aimed above all, and I think it is important to emphasize that this morning, at restructuring social benefit programs for Canadian families.

Mr. Speaker, by introducing this legislation, the Government has shown it takes its responsibilities seriously by providing a long-term perspective for our social programs, for the greater benefit of Canadian citizens.

Mr. Speaker, I always find it rather surprising that the same Opposition Members who have been very vociferous in this debate on social programs were on the Government benches for 20 years, during which they increased this country's debt in a way that was absolutely outrageous, without any consideration for the future and future generations. That we must not forget. Opposition Members keep telling us that enough has been said about the past and that all that is history. I disagree. We are going to talk about the past and they may be sure we will go on talking about it for some time.

During the debate last June on partial de-indexation of pensions, a number of Opposition Members were most inconsistent in their reactions, when they grossly exaggerated the impact of a sound and legitimate program that was presented to Canadian citizens, and in doing so, they completely distorted the debate and destroyed any hope of considering the issue in an objective and realistic manner.

Mr. Speaker, strangely enough, those very same Members who were previously on the Government side took the liberty of capping indexation of family allowances during the last ten years they were in power. If indexation had been maintained over the years, the family allowance would be $20 more than it is now. They never mention that. There are some things they would rather forget. We will get back to that later. The same people who prevented this $20 increase are complaining today about a reduction worth all of 94 cents. They are dramatizing and making a terrific fuss. The same people . . . Mr. Speaker, I think I should repeat that it is easier for them to see the mote in their neighbour's eye than the beam in their own. That is quite obvious today.

An Hon. Member: We cannot see you behind your beam!

Mr. Blais: There are a lot of beams over there. There are quite a few, and we are going to try and remove them one by one. That will teach them to open their eyes, to see not just what suits them but also what does not. We are going to throw some light on the social and economic state of affairs here in Canada. Canadian citizens ought to know what really happened in the past and what is happening now in Canada.

If we could have had full indexation during the last ten years, perhaps that would have been a lesser evil. However, those same Liberal politicians governed this country so badly that we are now practically mired in debt, and today, they are talking about . . . I am thinking of one term, for instance, that has been quoted repeatedly in recent months. I am referring to the term universality. We had to maintain universality. Universality of what, may I ask, Mr. Speaker? The kind of universality we inherited from the previous government meant that all the provinces were opposed to the federal Government. Universality meant the deficit that affected every Canadian citizen. There was the universal concern among all Canadians and all this lasted until we were able to replace that government and Canadians told them loud and clear, in no uncertain terms, what they thought of their Government and the 20 years it was in power before we took over last September.

The Hon. Member for Sudbury (Mr. Frith) said yesterday, and I listened carefully to each and every speaker, that we were a Government of promises. Yes, that is true. We promised to establish a new climate of confidence in this country. And we have. Let them stop their false alarms and the panic button techniques they have been using during the past few

months. The people we all meet every weekend are not as upset and concerned as the Opposition would have us believe. We promised to re-establish an open and sincere dialogue with the provinces and to settle a host of problems that were pending and that had started to fester because of the arrogant attitude of the Government at the time.

• (1110)

We also promised to assume our responsibilities and come to grips with the suffocating deficit left us by the previous deserted—not to say routed—Government. In less than a year we managed to bring interest rates back to the lowest level in eight years, an inflation rate of barely 4 per cent whereas they kept it at 12 per cent for years.

An Hon. Member: Keep a straight face when you say that!

Mr. Blais: They conveniently forget those years, Mr. Speaker, and now that inflation stands at less than 4 per cent Canadians are looking to the future with confidence, especially with respect to the social affairs sector with which we are concerned today. Like most of my Government colleagues I have been visiting my riding every weekend for the last year. It gives us an opportunity to meet with youths, middle-aged people and heads of families who all have one thing in common, namely their concern about the future, the future of our country, the future of our youths. Simply to score political points, Mr. Speaker, no one has the right to upset everything and confuse people here in Canada while forgetting our future and that of our children. In fact the central issue of this debate today is our future. The Government of the day must face up to its responsibilities to ensure that elderly Canadians, our families and our youths do have a secure future. There is one thing those young people do not understand and they never fail to mention it to me: How could we possibly have been so blind, how is it that the previous Government was so inconsistent and irresponsible in the many decision it took over the years without even realizing or knowing where it was leading us? The one thing they do understand is that we are spending $25 billion a year simply to pay interests on the orgy of expenditures of the Members opposite over *the last twenty years. That is as much money as we spend on social affairs in Canada. They often get a chuckle out of the fact that additional taxes will have to be levied on corporate income, for this has already been announced in the Budget; a minimum tax will be imposed on high incomes. They know that, and so they should in my opinion. But we are responsible people, we have taken over and we will try to solve the problem. Our Government is steering a new course, Mr. Speaker, for we want to set some order in Government interventions in all endeavours, be they in the economic or social sector. Business circles and high income individuals—and this is one of our commitments which is sometimes not taken seriously—will have to do their share through additional corporate taxes already announced in the Budget. They know a minimum tax will be payable on high incomes, and I should think that Opposition Members of the New Democratic Party ought to be particularly pleased about that, considering they have been asking for that since God knows when. Here we are responding favourably to one of their requests, yet they are not delighted. Come on now! What will they talk about? What will they beef about next? That, Mr. Speaker, is reality, those are facts and they ought to be honest enough to admit it.

Notwithstanding what the Hon. Member for Sudbury (Mr. Frith) may have said yesterday, our American friends and neighbours are quite worried about their soaring expenditures and the ever worsening deficit problem. Mr. Speaker, the coming months and years will prove that the Canadian Government showed the way to the western world by coming to grips with its deficit and attempting to find a long term solution to this problem. As much in Sudbury as anywhere else, Canadians are fully aware of the fact that our Government has taken very little time to put 300,000 people back to work by creating new jobs in co-operation with the private sector which has regained full confidence in the economy and the Government. Indeed what we have restored among Canadians is much more a matter of attitude, of mentality, of confidence. Mr. Speaker, the purpose of this Bill is to set our social policy on the right track, because the previous Government did not know where it was heading and could only come up with band-aid and haphazard policies. They could not see very far into the future. That is what we did by revamping the whole sector.

Yesterday the Hon. Member for Sudbury said something about hypocrisy, yet the people in his own Government were the ones who stood in the way of full indexation of family allowances, with the result that the recipients are now deprived of $20. They are getting $20 less than they would have had it been maintained. Certainly he has forgotten all about that. Perhaps the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has no recollection of it, he was not here. It is my understanding he was living in other climates. I do not know whether those were more favourable climates, but I have some doubts. Had he been happy, maybe he would not have looked for a change.

• (1115)

Mr. Boudria: You will find yourself in the unemployment insurance climate come the next election.

Mr. Blais: My dear Hon. Member for Glengarry-Prescott-Russell, please keep a close watch on your *curriculum vitae*, as I told you last week. You will have enough of a hard time adding a page to it if you care to look for a job comes the next election, because you will see what Canadians will do with the forty-odd Liberal members who are still around in Canada.

I was mentioning, Mr. Speaker, the $20 reduction in family allowances which they were responsible for. They never mention that, only the 94 cents involved in this legislation. And

with respect to de-indexation, they have completely forgotten the years when, because of their policy, we had 11 to 12 per cent inflation rates, but then they limited indexation to 5 and 6 per cent. They do not want to be reminded of that, Mr. Speaker. Those are the facts. What does all that mean? They deprived Canadians of 6 per cent indexing. Does that ring a bell? But we are seeking here an overall balancing of all our social measures. This also they forget. This is a sheer hypocrisy. Rather than refer to our hypocrisy, let them look at theirs.

Turning to the Hon. Member for Laval-des-Rapides (Mr. Garneau), the last member we heard last night, he enthusiastically attacked banks and multinational corporations, of which he was a president for some years. He too has a short memory. And a shorter memory still, when he forgets that hardly ten years ago, he himself, then a Minister of Finance in another jurisdiction, had serious doubts about the universality of social programs. I remembered that when I saw his candid face in the papers, recently. His picture was in the press in 1975, when he was Minister of Finance and universality was not that important. Now he stands up in this House, banging on his desk, and insisting he will fight for the universality of social programs, and any change will have to be made over his dead body. What a short memory he too has, Mr. Speaker. And anyway, people had the opportunity to assess his administration when he was there. A year later we saw how his Government and his policies, both social and economic, were emphatically thrown out by the people in Quebec. He has no business coming here today and singing another tune.

When our friends opposite refer to maintaining the same social benefits for families, they no doubt forget that the major social benefit that does or should exist in our society is having a job. We believe that people would rather have a job. My colleague for Laval-des-Rapides estimated that in 1990, people with income in the $10,000 to $20,000 range will have lost approximately 4 per cent. But we as a Government want people in 1990 to have jobs, we want people to be back at work rather than to sit down waiting for social benefits to come. What Canadians want is employment. People will then be assessing our approach to social measures using standards other than social benefits for the unemployed.

As I often say, Mr. Speaker, there are people who sometimes fight over assumptions. There is a guy who used to live not far from my home. He used to say: I would rather have 5 per cent of something than 50 per cent of nothing. We sometimes suspect, when Opposition members discuss or advocate positions, that what they are proposing are measures they "forsee" and not too clearly at that. They are saying that in 1990 matters will be just as they were in their times, we will still be in inextricable economic difficulties. But such will not be the case, Mr. Speaker. Within 12 months, we have put 300,000 people back to work. They are people with jobs, who are happy, who have families, who provide for them, who do not think first in terms of social measures to protect them, about the social security net, but who rather think about their work, about their jobs, about supporting their children and about our finding jobs for their children also.

• (1120)

Mr. Speaker, that is what our Government is working at. There are none so deaf as those who do not want to hear. And for weeks we have seen the Liberal members opposite shed crocodile tears. They keep referring to senior citizens, families and young people. What have you done for them during the past 20 years if not getting them forever deeper into debt?

Mr. Speaker, the most inexperienced among economists and among social workers would agree that a viable balance must be restored between those two values: healthy economic conditions and an adequate social welfare system commensurate with our needs and with the financial capacities of Canadians which are not to be forgotten either.

The Hon. Member for Vancouver East (Ms. Mitchell) mentioned the quality of life of women at home. She also mentioned that she had asked the views of Canadian women who felt they were affected by those pieces of legislation. I think that her consultations did not extend farther than the opposition's lobby. Canadians generally are a lot more concerned about the direction taken by our country and the community at large. What is the purpose of the community as far as the quality of life of Canadians is concerned? What are we going to do for Canadians? This is what people are concerned about and not the 94 cents which have been mentioned repeatedly for weeks.

Mr. Speaker, I caution the Hon. Members opposite. If they intend to get on a horse and act like Don Quixote and travel around the country trying to smash down windmills, they can be sure that we will not let them do so. We will take the necessary steps to explain clearly the information circulated on that legislation and make sure that the opposition will not launch a witch hunt. You can be sure of that.

When the Hon. Member for Laval-des-Rapides (Mr. Garneau) rose yesterday, he was uneasy at the beginning and wasted 10 minutes before he started to say something. He was worrying about the absence of speakers on the Government side. Well, I can tell you that this morning he has nothing to worry about. We let them speak yesterday because we wanted to see what they had to say.

And all they did was spend about half an hour telling us that they did not know what to say, and then, for the rest of the day, they spoke about a forestry Bill, or rather the report from the Standing Committee on forestry. This is a filibuster type tactic to delay the proceedings of the House.

Mr. Speaker, they tell us that they seriously want to have a debate and defend the interests of Canadians. They will never accept this proposal.

Mr. Speaker, you can be sure that, as the Hon. Member for Laval-des-Rapides was saying yesterday, we are knee-deep in clover to use an expression from the Beauce area. I have not been in clover up to my knees in a long time. I feel rather like I am on a golf course. Last September 4, I had the impression that I was on a golf course. The hay was mown a long time ago! We are just beginning to have a good crop, and you can be certain, Mr. Speaker, that we shall defend the interests of Canadians.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, would the Hon. Member explain the basic difference between the de-indexing of family allowances brought about by the Liberal Government, which he has just criticized, and the proposed de-indexing of family allowances under Bill C-70 now before the House of Commons? What is in fact the difference, or is there no difference between a Liberal Government and a Conservative Government? They are both willing to let families and children suffer by de-indexing family benefits; they take away the bread and the milk from the mouths of little children.

Mr. Blais: Mr. Speaker, the Hon. Member has only to take a pencil and a piece of paper. The difference is easy to figure out: $20 minus 94 cents is $19.06.

[*English*]

Ms. Mitchell: Mr. Speaker, I think the Hon. Member missed the intent of the last question. If I am not mistaken, I think he was asking why the Conservative Government is deindexing family allowance if it believes the Liberals should not have done so.

His Government agreed that it was wrong to deindex old age pensions. Senior citizens and their supporters across the country said it was wrong because it was eroding universal old age pensions. They have worked for those pensions, deserve them and must have them. The consensus in the country was great and so his Government backed down.

If it was wrong about old age pensions, why is it not also wrong in doing exactly the same thing to children, families and women who receive that family allowance cheque? Why does he feel the Government is justified in doing it to children through family allowances when the Prime Minister (Mr. Mulroney) admitted that the Government was wrong and backed down from partially deindexing old age pensions? Now it is going to do it to children's allowances. The approach does not make any sense.

• (1125)

[*Translation*]

Mr. Blais: Mr. Speaker, that is quite simple. The previous Liberal Government had no strategy and did not know where it was going. They did not provide full indexation.

Mr. Cassidy: It is the same with the Conservatives.

Mr. Blais: We now have a strategy, and if you took the trouble of reading the papers you were sent, you would know that this measure fits in a policy framework. De-indexing is not an appropriate term because the allowances will still be indexed. We have not removed indexation, but simply restricted it. As for you, you have always had a Santa Claus philosophy. You never think about how all those programs will be paid for. This never enters your mind; you do not worry about it. I can understand it because you have never been and never will be in power. You will therefore never have to concern yourselves with this.

Mr. Cassidy: Do you support this policy?

Mr. Blais: A responsible Government, Mr. Speaker, if I may be allowed to answer . . . I understand that the truth might scare some people, but they have never been in power and never will be. Canadians clearly know this and they tell them so at each election. Their party does not understand, but it does not matter.

Mr. Speaker, it is easy to—

Mr. Cassidy: He is certainly not Santa Claus!

Mr. Blais: Indeed, you speak about Santa Claus because you do not care who will pay. For you, as long as the expenditure is there, it is not important to know who will pay. For our part, we are trying to develop a program that will include tax credits based on family income.

Mr. Cassidy: Incredible!

Mr. Blais: We shall take action to increase family income. Listen—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. If the Hon. Member has another supplementary question, I will allow it. But please let us not have the exchange. Let the Hon. Member answer and then I will recognize other Hon. Members.

[*Translation*]

Mr. Blais: Mr. Speaker, they do not want an answer. It is quite obvious. What I want to say, and it is quite clear, is that we have tried to develop a program to meet the needs of Canadian families, and we shall put these Canadian families back to work gradually as we have been doing since last fall. You do not like it and I can understand. If I had had to watch

the Liberals at work for 20 years, I would find it difficult to be optimistic myself. That is a fact. For our part on this side of the House, Mr. Speaker, and for the large group of us on the other side also, we are optimistic and we know that we shall put people back to work and help the economy recover. This is how we shall be able to get out of this economic crisis.

[*English*]

Mr. Deans: Mr. Speaker, I do not want to excite the Hon. Member. I must say I agree with him. I think there has to be a sense of responsibility.

What I am curious to know is, if it is true that as a nation we cannot afford to index family allowances fully, where then will we get the $1 billion to pay off the people who have lost money in the Canadian Commercial Bank fiasco?

• (1130)

[*Translation*]

Mr. Blais: Mr. Speaker, may I suggest that this is not the question period.

Mr. Robichaud: Ah, but it is!

Mr. Riis: It is a difficult question, is it not?

Mr. Blais: Mr. Speaker—

Mr. Cassidy: Be serious.

Mr. Blais: Alright, you are going to get it! It takes a long time but you are going to get it.

Mr. Speaker, may I suggest that this is not the oral question period. At 2:15 p.m., the Hon. Member may redirect his question concerning the Canadian Commercial Bank problem to the right person. In my opinion, I think—

Mr. Cassidy: That is your opinion!

Mr. Blais: —that this is not a long-term situation but rather a punctual problem that had to be dealt with for the benefit of all Canadians. It is on this basis that the Government took action, and I would not want to pirate as they do, because again they do not want to hear the answers. We told them that we would set up a committee to study the whole situation. But no, they don't want that, they want to get answers right now this very afternoon. They want to have the list of all depositors, all shareholders and all deposits and withdrawals for the past seven or eight years. They will not follow the normal procedure. We told them that we were going to set up a special committee to deal with this matter, somewhere else where they can ask all their questions.

Mr. Deans: Why don't you answer the question?

Mr. Blais: That is not what they want. They only want to make political gains at the expense of the Government, but they will not succeed, Mr. Speaker. Yesterday, they spoke about forestry; today, they speak about the Canadian Commercial Bank. It has nothing to do with the Bill which is before us today, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). Question or comment.

Mr. Boudria: It is a question, Mr. Speaker. I should like to ask the Hon. Member, if I can only get his attention . . . I wonder if the Hon. Member could tell us, if I understood correctly what he replied a while ago to the Hon. Member for Vancouver East (Ms. Mitchell) . . . I think I heard him say that the need to cut family allowances stemmed from the financial streamlining program he referred to. Would he not agree that if such is the case, the Prime Minister of Canada did not tell the truth when he stated that the money saved through the pension cuts would never be used to pay for expenditures or reduce the debt of our country?

Mr. Blais: Mr. Speaker, again a narrow-minded question, as usual; we do not know where it begins or where it ends.

Mr. Boudria: Say that you do not know!

Mr. Blais: Let me speak!

Mr. Speaker, I never said nor intended to say that our Right Hon. Prime Minister could have lied. I suggest they have been going too far for the past few months with all their innuendoes. It is absolutely out of the question! What our Government has always tried to do, Mr. Speaker, which should be self-evident—but they refuse to see or hear it—is to restructure for Canadians a social program which is fair and balanced. It has never been intended, and I think this has been clearly indicated, that poor people and low income families should pay for this restructuration.

The funds now available in the social sector should stay in the social sector, as it has been intended all along, Mr. Speaker, and we do not plan to change that; but we must spend $25 billion a year because of their spending spree, as much as we spend for the social programs. That is what is jeopardizing our budget and destroying the Canadian economy. If I were they, I should be extremely embarrassed, I would never raise this issue and I would hope the Canadian public would forget about it.

The Acting Speaker (Mr. Paproski): The time allocated for questions and comments has expired. Debate. The Hon. member for Ottawa Centre (Mr. Cassidy) has the floor.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, to continue the debate on this subject, the main issue is that this Government has decided to de-index the value of family allowances down to 3 per cent each year, starting in 1986. This means that in 1986, they are going to take 94 cents or a dollar

away from the children of poor families, per month, and then $2 and $3 and $4 and so on.

In fact, the Progressive Conservative Government has decided to continue the policies of the Liberal Government. This means that it does not respect the principle of universality on which the family allowance program was based and has been for 40 years.

Mr. Speaker, I am somewhat familiar with these problems because in the forties, my father, as an adviser to the Government, was involved in setting up the welfare programs after World War II. The House will recall it was a Liberal Government at the time that was apprehensive about the people's support for the CCF, the predecessor of the New Democratic Party, because we on our side were pushing for the establishment of a social security program that would cover everyone. We wanted a program that would be universal and cover all Canadians, and not just those who were in greatest need, because we knew from the Depression, that means tests were not satisfactory, tended to set people against each other, and practically guaranteed that social security programs would not be adequate for those who were living in poverty.

Mr. Speaker, since that time and for many years we have maintained the principle of universality, but as the Minister said yesterday in his introduction to the debate, during the last ten years, the cuts imposed by the Liberal Government have had the effect of reducing family allowances by $20 a month. At the beginning of the 70s, family allowances were worth about $20 per child, and now, with full indexation, the program could have been worth about $51 per month today. It was not the Conservatives but the Liberals who imposed reductions, cuts and de-indexation. More recently, it was the 6 and 5 program that reduced the monthly value of family allowances by about 10 per cent. In 1979, they reduced the increase in value of family allowances from 11 per cent to zero. The Liberals created a precedent, and now the Conservative Government is following suit. Now it is not just for one or two years. They intend to make it permanent. Some vague promises have been made about what could be done in the future, but basically, it is clear that the Conservative Government is very sympathetic to a further reduction in the value of family allowances and of all kinds of benefits aimed at the families of this country.

Mr. Speaker, after what was said by the Member who spoke previously, I wonder how he could possibly . . . he referred to Santa Claus. He said that we, the New Democratic Party, believed in Santa Claus. I do believe in Santa Claus, and I hope he does too, because this is very important to children. I wonder how in the present situation, we could possibly mistake the Minister of National Health and Welfare (Mr. Epp) for the Government's Santa Claus. So Santa Claus has now become very strict; he feels he has to take nickels and dimes from small kids, particularly those from poor families, he takes money away from them!

Now then, I do not know whether he is aware of what the rest of the Government is doing, but if we consider the budgetary policy of the Government, what with deindexation of family allowances as announced in the Budget, we can see that rich people, those who have clout, the very small percentage of people who make capital gains, we can see that those are the very people who receive from the same Government that takes food away from small children.

And then we have the Government's own Mrs. Santa Claus—the Minister of State (Finance) (Mrs. McDougall) from Toronto—who is just as severe as Santa Claus, who also takes small change from kids and then turns around and hands out billions of dollars to companies, institutions and banks which had deposits in the Canadian Commercial Bank.

So here we are wondering how could that Minister, Mrs. Santa Claus, hand out $1 billion to bankers over a weekend while at the same time the Minister of National Health and Welfare takes money away from children, $103 million a year for starters and all the way up to $600 million a year by 1990.

Mr. Speaker, I want to draw your attention to the fact that the Government is trying to convince us that it has to take money away from children to balance the books. Yet at the same time it gives money to bankers, quite oblivious to its own argument that bank presidents should not really get family allowances because they can do without them. I should think they do not need any money, they just got $1 billion from the Minister of State (Finance). The Government gives with one hand and takes with the other, but it takes from the poor, from low income families and gives it all to the rich.

[*English*]

I should like to draw to the attention of the House some of the figures in terms of poverty among families, the purpose of a universal program of family allowances, the very real dangers in the dismantling of unversality under the Government and the disparity which occurs when a Government is prepared to give $1 billion to bankers in one weekend at the same time as it is prepared to take away $130 million this coming year and up to $600 million in 1990 from the mouths of children and of families, most often families with very modest incomes.

The National Council on Welfare has made a very serious study on the impact of the 1985 Budget on families at different levels of income. It has cumulated the impact over the course of the next five years, until 1990. No matter how we compare it, families with low incomes and children consistently lose more than families with high incomes and children. The middle class gets hit, too. I think what is most unconscionable is the fact that if you consider a family earning $80,000, because of the increase in the Budget in the exemption for Registered Retirement Savings Plans, because of the fact that capital gains up to $500,000 are now going to be totally exempt from tax, the $80,000 a year family comes out much better off, relatively speaking, than the $15,000 a year family.

• (1140)

Let us look at the figures. In 1990 the total loss, because of the Budget, to a family earning $15,000 a year will be $1,879. The total loss to the $80,000 a year family will be $1,125.

That is really progressive fiscal policy. You take more from the people who have low incomes, perhaps because there are so many of them, and you take less from people earning $80,000 a year who surely in our society are able to make a larger rather than a smaller contribution.

Mr. Speaker, consider a one-earner couple with two children and compare family earnings. Believe me, where people can afford to have one income it is usually a very big income, but the loss to a one-earner family with an income is $15,000 a year is going to be $2,422 by 1990. The extremely modest and brief increase in the total child package in 1986 and 1987 will be nowhere near enough to compensate for the other tax losses that that family will suffer. So they lose $2,422.

In the name of tax equity, what has the Government done for the family with one earner earning $80,000 a year? They are obviously so badly off that they need to be looked after. And they will come out, after five years, Mr. Speaker, $5,622 ahead. They in fact get lower taxes over the next five years, while the family who is trying to scrape by on $15,000 a year loses the equivalent of $500 a year over the next five years.

Last night I was knocking on some doors in my riding of Ottawa Centre. I talked to a number of people and said; "What is on your mind?" They said to me: "The family allowance, it just ain't fair." They said to me: "Look, it was not fair to deindex the old age pension for senior citizens and no more is it fair to deindex the family allowance for families."

I think they understood something which the Hon. Members on the government side do not understand and that is the reason we brought in family allowances originally and the reasons as well why we in our Party have always advocated that this be a universal program rather than a program which is only directed to people on very modest incomes.

One of the reasons why it is a universal program is, very simply, this. If you take two families, one with a couple of kids and the other childless, and their income is the same, I do not think that it takes a lot of reflection to realize that it costs more to pay the living expenses of the family with kids. Kids eat. They require bedrooms, a place to sleep, clothing, more housing is required. It costs money to go to the dentist; we don't have dental care in most parts of Canada. They need toys and entertainment. It costs money to take them to McDonald's or places like that.

Mr. Mayer: How about Wendy's?

Mr. Cassidy: Or Wendy's—those expenses are not expenses which accrue to the childless family. They may choose to use some of their disposable income on a nephew or a niece or the children of friends but they are not required to do so. One of the reasons that we have a universal child allowance program in Canada is precisely the fact that there are inequities within income groups in a sense that people with kids, who are carrying out a responsibility on behalf of us all, have greater expenses than people who do not have kids. That seems to me to be entirely fair. The Government does not recognize that, however.

I also have real questions about the very specious argument that was put forward by the Hon. Minister yesterday in introducing this particular piece of legislation. The Minister maintained, as have other members of the Government on a number of occasions, that we have to do something about social spending because social spending on the programs for which he is responsible is now equivalent to the interest on the national debt. Therefore, he said, we have to start do cut it. I think that that is a blinkered point of view which is extraordinarily unfair to people who are needy in our society or to people carrying out such socially valuable functions as, in fact, raising the kids who are going to be the next generation and who, among other things, will be paying the pensions for the MPs on that side of the House when they finally come to retire from the House of Commons one or two years from now—or six years from now.

Mr. Boudria: They won't be here that long.

Mr. Cassidy: If we wanted to look at why we have interest on the national debt, why not look at the fact that we have between $30 billion and $50 billion in tax expenditures every year in the Budget of the Government of Canada? These are hidden expenditures, they do not appear in the Estimates when the Minister of Finance (Mr. Wilson) stands up before the House of Commons to deliver his Budget. Yet nonetheless whether it is depreciation allowances, whether it is accelerated cost incentives, whether it is R and D, whether it is incentives of some kind for investments in movies or oil drilling or something like that, these are real losses to the Treasury. The most recent, Mr. Speaker, and I think the most unconscionable, is the decision which the Government has put forward in the Budget that it is going to exempt from tax entirely the first $500,000 of capital gains. So someone who works a lifetime, as some of the people in my riding do, to earn half a million dollars and is taxed year after year is going to be paying for Parliament, paying for defence, paying for social programs, paying for economic programs, not just for himself or herself, but on behalf of the coupon-clipper who is making half a million dollars of capital gains and is not having to pay any tax at all.

I would suggest that it is about time we started to look at things in that perspective rather than try to whip up into a frenzy that kind of welfare bum psychology where people say it is wrong to be giving social spending payments or to be redistributing income to people because they are poor, because they are raising children, because they are old and have contributed to our society over the course of their productive lifetime.

I think it is wrong. The Government learned a lesson, it seemed to me, last June when the senior citizens of this country stood up unanimously and said they will not put up with it. I recall the embarrassment of this Minister, Mr.

Speaker, when he got up in the House of Commons and said that all kinds of groups were telling him that they have to do this in order to make their contribution to the deficit. I was one, Mr. Speaker, who said, "Name one group of senior citizens who support the deindexation proposals". The Minister had to retire in disarray because he could not name a single group. Shortly after that, Mr. Speaker, the senior citizens' groups came here to the House of Commons to talk to us directly and to make that point.

We have a responsibility here. Many of the Members of the House of Commons have kids; I have three. The kids of this country are not in a position to organize as senior citizens can. For one thing, they are only age three, age five or age seven and some of them are in diapers. I met some of them last night and I am afraid that however cogent their comments on the deindexation of family allowances were, I had difficulty in translating what they said, as they gurgled and cooed, into words that would be understood here. So we have to speak as parliamentarians on behalf of this future generation. I am speaking on behalf of the kids in my riding and on behalf of children across this country when I say that Canada was not wrong 40 years ago when we established the family allowance program. That was something that was universally admired around the world when we made it a cornerstone of our family policy in this country. It was right then and it continues to be right today. We are doing things to the child tax credit and things like that that focus some assistance particularly on the neediest families. As my colleague, the Hon. Member for Vancouver East (Ms. Mitchell) said yesterday it is important that we preserve the universality because if we ever get to a situation where the majority of families in this country feel that they are simply paying for benefits that are going to a minority who are on modest incomes or who are poor, that is a recipe for social schism, for social divisiveness and it is a recipe eventually for a situation where the benefits will be cut back and eventually will be lost. That I would regret very very seriously.

• (1150)

[*Translation*]

Mr. Speaker, I want to emphasize, for the benefit of Hon. Members and of all those who are watching this debate, that in our society one family out of five is now living in poverty. Poverty is on the increase in our society. Real-term family income has been decreasing these past four or five years. This is especially so with respect to young families, that is people under 25 with a family.

Mr. Speaker, looking at the situation of children, we find there is a larger proportion of children living in poverty than there are people generally. Actually, some 20 per cent of our children live in poverty!

In my Province of Ontario, where people receiving social welfare benefits are concerned, we find that 43 per cent of all the people who are on social welfare, those getting benefits from the Canada Assistance Plan in the Province of Ontario, are children. There you have real poverty in our population.

Mr. Speaker, the Government then will say that with the $23,000 income bracket, we will start reducing benefits to families from the whole package that has been proposed, and they justify taking away $130 million from family allowances in 1986, and up to $600 million in 1990.

Mr. Speaker, I want to emphasize for the benefit of Conservative members that, quite possibly, one might survive with a $23,000-a-year salary in the constituency of the Minister of National Health and Welfare (Mr. Epp), but in Eastern Canada's major cities this is just below the poverty line.

Mr. Speaker, in my constituency, the cost of renting a family home or paying a mortgage on it is $600 to $900 a month. For a two-bedroom apartment, a minimum for a family with two children, the cost is $500 to $700 a month; failing that one has to go and live in a slum, or else slums are being rehabilitated thanks to the changes in the mortgage market.

Then Mr. Speaker, you have the cost of clothes and food for the children. There is also dental care and all the other expenses. Even with a $1,000 montly income, one is supposed to contribute to a pension fund, the Canada Pension Fund, unemployment insurance, workers' compensation, and so on and so forth. Income tax deductions may reduce income by $1,500 a month. After that the rent has to be paid, some $100 a week must be spent on food and other expenses. I believe that parents should go out and have someone look after the children because they are entitled to some leisure time, but they still must pay for a babysitter. They may also take holidays once in a while. Social agencies cannot give all that to children!

Mr. Speaker, as never in the past families are experiencing serious problems. If we had a really constructive policy concerning the family, as our community would grow richer, we would have more funds earmarked for families to provide a compensation for its highly significant role among us. Rather than acting in such a manner, we are reducing them!

Mr. Speaker, since the time allotted to me has come to an end, I will say once again that the New Democratic Party is opposing such measures.

The six-month hoist proposed by the Liberals is certainly something but it is not adequate because they themselves cut family allowances in the past.

We oppose the measure and we say: "Let us maintain the indexation of family allowances since the Government has now agreed to maintain the old age security pensions for our senior citizens."

[*English*]

Ms. Mitchell: Mr. Speaker, I would like to ask my hon. friend if he feels that in imposing this reduction in indexation on family allowances the Government is particularly attacking women in the home. This is something about which we have a particular concern. We are concerned about children and about families as well. However, I would like to have my hon. friend speak to that particular issue.

Mr. Cassidy: Mr. Speaker, I think my hon. friend for her question. What she says is absolutely true. In the first place, for families, where the mother is at home with the kids, the family allowance cheque is the only independent source of revenue that that head of family, the mother, will receive.

In the second place, we are talking about one child in five living in poor families. Let us be blunt about it. Many of those children live in mother-led families. It is a tragedy in our society; but, today, 49 per cent of mother-led families are poor. When family allowance is cut back, even if it starts at only 95 cents a month per child, it is women who are being hit and it is women who are forced to live on their own raising kids on their own. It seems to me that a Government which made such promises as those which the Prime Minister (Mr. Mulroney) made during the course of the election campaign with respect to the concerns the Conservatives had about the status of women in our society, would, in fact, be doing everything possible to maintain and improve the income status of women as opposed to cutting income, as is proposed by the deindexation.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I, too, would like to ask the Hon. Member a question. Given the penetrating observations on the tax system and the failure of the Government to take prompt action, and the decision to act without warning on an important part of our child benefit system, I wonder what comment the Hon. Member would have with respect to the social philosophy of the Government which this move reflects. The Government has a readiness to allow those who have the good fortune to achieve high incomes and comfortable lives to do so through capital gains measures and profits in that area, which is just one prime example of the way in which the system operates. Noting particularly what the Hon. Member had to say in response to the question by my hon. friend from Vancouver East with respect to the impact of these changes on families headed by women, what sort of a social philosophy does this move actually express on the part of our Conservative Government in building wealth and increasing poverty in the country?

Mr. Cassidy: I do not quote scriptures, Mr. Speaker. However, if I may reply in terms which may sound somewhat scriptural: To him or her that hath shall be given, and to him or her that hath not shall be taken away. That is the social philosophy that is reflected in this Government's Budget as a whole. The measure which is before us is one which particularly takes away from many of the poorest families in our society who are performing such a vital role in terms of raising children. Put in specific terms, that 94 cents means one litre of milk being taken away from each kid in 1986 per month, two litres in 1987, three litres in 1988 and a litre per week in 1990. That is what is being taken away.

What is being done on the other side? I mentioned some figures with respect to the amounts coming into the hands of families who are rich. It amounts to the equivalent of $300 or $400 per year, which is going into the pockets of families who are rich. In some cases, it is much more than that. That seems to me to be totally and entirely perverse.

I wish to remind Hon. Members of the fact that under the Liberal administration over the course of the last 30 or 40 years, despite the occasionally constructive efforts the Liberals made to redistribute income, the distribution of income in our society remains as unjust today as it was in 1945 or 1950. The bottom 20 per cent of families, in terms of incomes, receive 6 per cent of incomes, while the top 20 per cent of families in our society receive 40 per cent of incomes. Thus, the families at the top are receiving six or seven times the amount of real resources per annum as compared to the families at the bottom. The Conservative Government's response to that situation has been to implement the capital gains exemption and other measures which place more resources into the pockets of those families at the top while taking them away from families at the bottom.

• (1200)

Finally, I would remind you, Mr. Speaker, and my hon. colleagues opposite, that the defence put forward by the Government which is to say, "We have put money in the pockets of people with low incomes", is totally specious. For two years there was an increase of perhaps $100 per annum for families who are the very poorest, that is, $1 or $2 a week. By the time one takes into account anticipated inflation, and so on, these poor families will be worse off. In the meantime, money is being taken out of the payments for support of our family policy, which should be a cornerstone of social policy in general, in order to be applied to the deficit or to set up a little kitty so that the Minister of State for Finance (Mrs. McDougall) can bail out more banks over the course of the next two years or three years.

Ms. Mitchell: Mr. Speaker, I would like to ask my hon. colleagues if he agrees with the Minister who says that this deindexing of family allowance is not an attack on universality. I have challenged him many, many times in relation to old age pensions and also in relation to family allowances for reducing the amount of the benefit, in this case to children, every month. In effect he is eroding the total universal program. At the same time, his Prime Minister (Mr. Mulroney) has said that universality is sacrosanct, a sacred trust. But in effect, with that Party's practice, policies and legislation it is deindexing and this means it is eroding a universal program.

Mr. Cassidy: Mr. Speaker, I would say that my colleagues opposite in the House of Commons are in fact supporting a flimflam artist. The Prime Minister states that universality is a sacred trust. While he states that, by sleight of hand, the

Government through its Ministers, is taking away universality. I had an opportunity to see quite an amazing demonstration by a Canadian magician in this city on Sunday night. He is in fact a master of sleight of hand and is matched only by the Government. If after a few years the value of the family allowance is half of what it was before, Mr. Speaker, because of deindexation, then in fact universality is only half of what it was before. That, I am afraid, is the policy of the Government.

I entirely agree with my colleague. The Minister is dead wrong when he says he is respecting universality. He is not.

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

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would like to be able to say, as we traditionnally do when we address this House, that I am happy to take part in this debate today.

Unfortunately, the purpose of this legislation is such that the only thing to say is that we are sad to have to take part in such a debate because this Government is attacking Canadian families.

Mr. Speaker, the Progressive Conservatives have betrayed the Canadian people. You know as well as I do that they are not keeping the promises made last year.

[*English*]

I have here, Mr. Speaker, the compilation of Tory campaign promises. There are 338 of them. There are no less than 26 promises involving the enhancement of social programs.

Over the last year or so, we have seen this Government, time and time again, attack the social policies and programs established by previous Liberal Governments. Last fall there was an annoucement or a leak, that the Government was going to cut universality and we all know that with the debates which ensued in the House of Commons, led by the Right Hon. Leader of the Opposition (Mr. Turner), we finally convinced the Tories to drop that scheme. Only a few months later we see the Budget document of the Government, and what do we see? Universality has been attacked again on two fronts. Not only has the Government attacked the senior citizen's pensions but it has attacked families as well.

Disraeli once said, "a Conservative Government is an organized hypocrisy". We know why he said that, Mr. Speaker. Of course, it is the truth. The Prime Minister of this country promised the people that universality was a sacred trust. Let me outline to you, Mr. Speaker, some of the effects of the decision of the Government to deindex family allowances, to change the income tax provisions and to allow capital gains exemption for those who are better off in our society. The Hon. Member for Ottawa Centre (Mr. Cassidy) spoke a while ago about the effect this would have on some families.

[*Translation*]

Mr. Speaker, I would like to add that, in view of the tax exemptions granted to the wealthiest members of our society and the savings made possible for some of them, the impact of this Bill is even more serious than other have said.

For instance, by 1990, a family with four people and a yearly income of $10,000 will have lost $396. A family of four with an income of $30,000 a year will have lost $1,089 in 1990, and a family of four with an income of $30,000 a year is far from wealthy.

Let us now look at the opposite situation. A family with an income of $50,000 a year will get $279 more. In other words, while the poorest will have less, those with higher incomes will have more. Mr. Speaker, a family with an income of $100,000 a year will be better off by $2,054, and a family of four with an income of $200,000 a year will gain $4,519.

Mr. Speaker, I want to ask this House: where is the social justice of a program which will give $4,519 more to people earning $200,000 a year while taking away $396 from the poorest members of our society? I would like to challenge the Conservative Members, especially those who spoke about the programs of their party in glowing terms and who criticized the Opposition because it succeeded in reinstating old age pensions and forced the Government to withdraw a senseless policy.

Mr. Speaker, it is not surprising that the popularity of the Progressive Conservative party is going down, and seriously so. The Secretary of State, who sits opposite me in this House, is aware of this and he is probably quite alarmed by this situation because his seat is in danger. One day, when he receives unemployment insurance after his next electoral defeat, he may be happy that the Members of the Liberal party tried to preserve the family allowances of needy families.

Mr. Speaker, I would like to elaborate on what I said earlier to the effect that Conservatives have betrayed the Canadian people. I invite the Secretary of State to listen closely because, if I read slowly enough, even he will be able to understand, Mr. Speaker.

Could he reply to the following question which the Hon. Member for Laval-des-Rapides (Mr. Garneau) directed to the Right Hon. Prime Minister (Mr. Mulroney) on December 20, 1984: is it the Government's policy or intention to reduce progressively over a number of years, the tax exemption for Canadian families with dependent children? To this question, the Right Hon. Prime Minister had replied that no, it was not the Government's intention. May we conclude that the Prime Minister either misled the House or that the Minister of Finance (Mr. Wilson) was not present in the House at the time and, therefore, was not aware of the Prime Minister's instruction? Which of the two assumptions is the right one? The Secretary of State (Mr. Bouchard) who is also a member of

the Cabinet should know and could perhaps advise us accordingly in a little while. Did the Prime Minister tell the truth, or is it that the Minister of Finance was not aware of his boss' instruction? Which one? And I invite the Secretary of State to develop this point in a little while and advise us accordingly.

The Prime Minister's own Aunt Jeanne knows, Mr. Speaker. She publicly indicated what she thought of the Prime Minister. She felt that he did not always tell the truth.

And the Minister of State for Youth (Mrs. Champagne), who sits on the other side, responsible as she is for all young Canadians, will undoubtedly rise in the House and make a speech on this issue, because it is her responsibility to protect our young people, a responsibility she did not assume too streneously since her election last year; but encouraged by Members of the Opposition, she will certainly rise and stand up from now on. At least, I hope so, but I am not holding my breath, I can assure you.

Mr. Speaker, let us recall what happened in the Old Age Security Pension matter. The Government goofed when it chose a policy which did not make sense. Canadians quickly realized that, the Opposition defended the interest of the Canadian people in this House and the Government had to back down. Then, having backed down, the Government denied that the Opposition was right. It even denied that the Canadian people were right. Today, we heard the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) tell us the Government changed their minds simply because they were tired of hearing the Canadian people complain, or something to that effect. They were right and they should never have backed down. They should not have done so, and this came about because of heated opposition debates, or whatever, according to the Parliamentary Secretary to the Minister of Agriculture. In my view, the Parliamentary Secretary should rather address matters about which he may know a bit more, because it was clear from his remarks that, first, he did not know what he was talking about, or, second, maybe he should seriously consider firing the person who wrote that speech for him. But anyway, he had not done his homework, or at least the senior citizens in his constituency certainly do not share his view.

And I am also certain that the constituents in Roberval too are quite happy to have their pensions. And if the Secretary of State thinks otherwise, maybe he can rise later and say the Government was wrong about giving senior citizens their money back, as the Parliamentary Secretary to the Minister of Agriculture has just implied in this House.

Mr. Speaker, those same Tory members now suggest that the money should not be given back to the families, that they do not need it, that this is not necessary and that since the cut in their view is not that significant—although it is as I said—there is no need to give them back that money. How is it that the Government has enough funds to compensate those people who had savings in the Canadian Commercial Bank, savings of over $60,000 a year? How is it that they have money for that? How is it that they do not find any when the time comes to help those who are most in need?

• (1210)

[*English*]

Over $1 billion of taxpayers' money, Mr. Speaker, will go into the Canadian Commercial Bank in an attempt to bail this Government out of the financial fiasco it got itself into. What would it cost to restore family allowances? Some $55 million. That is what this Government is saving. Do you know how much it will cost to dress our military in different coloured uniforms so the Minister of National Defence (Mr. Nielsen) can tell them apart? Some $56 million. I am sure if I were to ask anyone in the military if he would give up his new uniform so that needy children can have family allowances, he would, of course, agree to give it up. Perhaps we could buy some other form of identification such as little name tags so that the Minister can tell them apart. That would cost far less. It seems that everyone else can tell the military apart, but the Minister requires that they have different coloured uniforms at a cost of $56 million.

It is a strange set of priorities, Mr. Speaker. Only a Conservative Government could think that this is the best way to spend taxpayers' dollars. That kind of logic escapes everyone else, but it seems to make sense to a Tory. Take from the poor and give to the rich, that is the Tory policy. It has been expressed very clearly in this House today by some Tory Members, and no doubt before this debate is over it will have been expressed again. If there is a Tory Member in this House who does not subscribe to that policy, why does he or she not stand up and speak in favour of restoring family allowances? But no, instead they spend their time telling us about the merits of the capital gains exemption. That exemption will not help families who have nothing on which to make a capital gain. In order to use the exemption you have to have made a capital gain; how does that help the poor, I ask Hon. Members across the way? Obviously it does not do one bit of good for the poor people in our society.

[*Translation*]

Mr. Speaker, I would like to speak about universality. On December 20, 1984, the Prime Minister stated in this House, and I quote:

> We will defend and enhance the integrity and the positive benefits which come from a universal social program.

Where is this commitment of the Prime Minister today, Mr. Speaker? Is the Prime Minister in this House to defend the position he explained last December 20? I have not yet heard him, Mr. Speaker. If he speaks the truth, and we all know that we cannot say in this House that the Prime Minister is telling anything but the truth, if he speaks the truth, and I hope he does, he will certainly be here later on to repeat what he said on December 20 and tell his Minister of Finance (Mr. Wilson) to withdraw this budgetary measure. If not, Mr. Speaker, I shall let you and the Prime Minister's Aunt Jeanne and all the

others make up your own minds. For my part, I shall draw my own conclusion even if I cannot express it in the exact terms that I would like to use in this House.

Mr. Speaker, the universality of social programs will be eroded by the lack of adequate protection against cost of living increases. These increases will come about. Whether the inflation rate is low or high, it will certainly exceed 3 per cent. We all know it, Mr. Speaker.

Finally, I would like to call to your attention an open letter sent to the Prime Minister of Canada. This letter was published in several newspapers this morning, in *La Presse* of Montreal among others. It bears the signatures of hundreds of people from various organizations, the Executive Vice-President of the Canadian Labour Congress and many others. Here is a quotation from that letter, Mr. Speaker:

> On this, the first anniversary of the swearing-in of the federal Progressive Conservative Government, the undersigned participants in the National Economic Conference of March 25, 1985 wish to express serious reservations about your Government's economic and social priorities.

Well, if some Conservative Members think that their priorities are good, how come they are the only ones who think so? Mr. Speaker, why is it that the Prime Minister and the Minister of Finance here in the House automatically assume that the applause from Progressive Conservative Members reflect approval by Canadians for the measures they want to implement?

An Hon. Member: Because there are 211 of them!

Mr. Boudria: The Member on the other side just said because there are 211 of them, Mr. Speaker. That is Conservative logic for you. Because there are 211 of them in the House they think it is all right to break their promises. Such is the opinion of a Progressive Conservative. There are 211 of them in the House and according to them, Mr. Speaker, they have every right to forget everything they said to the Canadian people last year. That is the mentality of a Progressive Conservative.

Still according to the Hon. Member, Mr. Speaker, there are 211 of them in the House so there is no need to worry about and look after the poor, let us look after the rich and after ourselves. Such is the Conservative mentality, Mr. Speaker, and that is the reason why my colleagues and I are not interested in supporting this Bill which would jeopardize the universal character of our social programs and would, in our opinion, have dire consequences for all Canadians.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for York East (Mr. Redway).

• (1220)

[*English*]

Mr. Redway: Mr. Speaker, I am most interested in the comments of the Member with regard to this particular piece of legislation. I know he is aware that this legislation is only one part of a total package affecting family benefits. That package includes not only changes and modifications to family allowances, but also reduction of the child tax exemption under the Income Tax Act and increases in the child tax credits. The net effect, as I am sure the Hon. Member is aware, is that the benefits for low and more moderate income families increase under this legislation, and the benefits for children in higher income families decrease. In fact, as the Minister has pointed out, the existing benefits for a family earning $30,000 a year are much greater than for a family earning $10,000 a year. The total effect of the Government's proposal will be to improve the benefits for lower income families.

I know that the Member is compassionate and that he wants to improve benefits for lower and more moderate income families. I know also that he is a very realistic Member and that he realizes that we are faced with an enormous deficit which has not been created within the last year but rather over the last 20 years of administration. I heard the Hon. Member and many of his colleagues criticize the package which has been put forth by the Government. However, I have not yet heard from the Hon. Member's Party, nor from the other opposition Party, an official program which they would present to the House which would increase the benefits for lower income people while, at the same time, taking into account our enormous deficit. It would be easy to improve benefits for everyone and add to the deficit, but I am sure that the Hon. Member's Party has something specific in mind. In fact, during the last few days of summer we heard that they would be putting forth their specific policy, and I would love to hear from the Hon. Member what that policy is.

Mr. Boudria: Mr. Speaker, I was wondering whether I would be given a chance to respond to the question. Yes, Mr. Speaker, I am concerned about the deficit. I am concerned about the $56 million which was wasted to change the colour of the uniforms of the Armed Forces. I am concerned about the squandering of money to buy limousines for Cabinet Ministers and about the hundreds of thousands of dollars spent to redecorate Cabinet Ministers' offices. I am concerned about the hundreds of thousands, and even millions, of dollars wasted on jet travel to carry these people all over the world. I am concerned about that Mickey Mouse of the House of Commons, the Minister of Communications (Mr. Masse), who was flying all over the place. I am very concerned about the 1,200 political patronage appointments of the Prime Minister. Yes, Mr. Speaker, I am very concerned about that kind of government waste and I thank the Hon. Member for bringing it to my attention.

If the Hon. Member's concern about the deficit is so great, why did his Party and his Leader not campaign in the last election on the theme, "Vote for me and I'll cut your cheque"? That is what they stand for now. Would it not have been more honest for that Party to state that during the last election? It may have been more honest, but perhaps it would not have obtained the same results. Maybe that is the reason why the Conservatives promised one thing and delivered another.

The Member has asked me what the net effect of the whole package was, and I thank him for bringing that to my attention as well. The National Council on Welfare has brought to our attention that a family of four with only one person working earning $15,000 would lose $2,422 by 1990, whereas a family of four earning a salary of $80,000 would gain $6,287. A study done by the Liberal Party has determined that, taking into consideration the capital gains exemption, which only rich families take advantage of, a family of four earning $200,000 would be almost $5,000 richer under the budgetary provisions announced by the Government and supported by the Hon. Member who asked me the question.

Mr. Redway: Mr. Speaker, I am still waiting to hear the positive policies that the Hon. Member's Party, specifically and officially, is putting forward as an alternative to this policy, which will add to and improve the lot of low income people of this country, at the same time taking the deficit into account.

Mr. Boudria: Mr. Speaker, it is interesting to see that the Conservative Party is so bankrupt of ideas that it wants the Opposition to draw up its Budget. It is very constructive on the part of the Member to ask the Opposition to write the Budget, but I do not intend to do that. The Conservatives are in power and we will let them write the Budget. When they do an improper job I will stand up in my place, as will my colleagues, to point out that it is not in the best interest of Canadians. During the budget debates we outlined very clearly why it is wrong and where it needs to be corrected. It is now up to them to do their job.

• (1230)

Mr. Young: Mr. Speaker, I want to point out to the previous questioner that the NDP did in fact put forward 11 proposals for reducing the deficit to the Government during the debate on the deindexation of the old age security benefits. One of those proposals would have reverted the income tax structure back to 1980 and the marginal tax levels for high-income earners that the Liberals changed in 1980 to allow high-income earners to get away with murder in terms of the level of income tax they paid. Would the Hon. Member who just spoke not agree that if the present Government would revert to that marginal rate structure which was in effect at that time it would go a long way to reducing the deficit and indeed continue the protection of disposable income that many women rely upon when they receive that family allowance cheque?

Mr. Boudria: Mr. Speaker, there are many ways to reduce the deficit. I am glad to see that the NDP seems to be concerned with that as well. Usually it is not a favourite topic for them but I am glad to see that new-found concern on the part of the NDP.

There are many ways in which this could be done. Of course, taxing the rich is certainly one way. Cutting down on wasteful expenditures by the Government, such as the ones I illustrated in the House on several occasions, is certainly another way. There is the present structure of the office staff of Cabinet Ministers as well as other examples of Government waste. Creating employment and returning people to work will create more revenue for the Government, rather than cutting jobs as the Conservatives have since they were sworn into office.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. I regret to interrupt the Hon. Member but the time for questions and comments has now expired. Debate.

The Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie).

[*English*]

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I welcome the opportunity to enter into the debate on Bill C-70, An Act to amend the Family Allowances Act. I am pleased that this Act will provide much more funds to the poorest families because we said during the election campaign that we would be assisting those who need assistance more. Today, the Minister of National Health and Welfare (Mr. Epp) is proposing an additional $52 million to be allotted for day care in Canada and is waiting for a committee report before that is implemented.

It is also interesting to note that we spend $60 billion a year on social programs in this country. When we are spending $60 billion in social benefits, I do not believe that people are not being looked after in this country. The amount to be spent under Canada Assistance Program for 1984-85 is $4 billion and, with a projected increase to 1989-90, it is $8.5 billion. In the 13 years that I have been in the House of Commons, I have never been approached by my constituents or anyone from Winnipeg asking the Government to feed their children or saying that they wanted to be totally dependent on the Government bringing up their families. I have been approached by many of them who said that they do not need this family allowance but never by people who need more. My office assists any family in my riding who is having financial difficulties, whether it needs that assistance from the province, the city or federally. I do not agree with the NDP or the Liberals that every Canadian must be totally dependent on the Government to feed and look after him. I believe Canadians are far more responsible than that.

Many programs to assist people exist already. For instance, this is a document entitled Federal Provincial Territorial Inventory of Programs of Assistance to Youth. The size of this document shows what we are doing to help people in this country. People are not destitute, broke or starving. The statements I hear from the Liberal party and especially the NDP in the House are an insult to the intelligence of Canadians.

It is interesting to hear the Grit hypocrites talk about their concern for social programs and people. They try to portray themselves as the guardians of social policy in this country when, between 1974 and 1975 and 1984 and 1985, the Liberals reduced federal spending on social programs from 50 per

cent to 43 per cent. Under the guile of their 6 and 5 restraint program, the Liberals reduced indexation to 6 per cent and 5 per cent while inflation was running at 11.5 per cent and 7.1 per cent, a *de facto* deindexation of 7.6 per cent over two years. I do not hear any Liberals raising that fact in the debate.

Let us review some of the statements the Leader of the Liberal Party made about the deficit during the election campaign. In Quebec City he said, "We must find more efficient ways of delivering our social services". That is what we are doing. He said, "We must find ways of limiting a duplication of provincial and federal services". That is what we are doing. "We must find ways of establishing a more efficient public administration". That is what we are doing. I suggest that the Right Hon. Leader of the Opposition, the Hon. Member for Vancouver Quadra (Mr. Turner), stands alone in his statements because the rest of the Liberal party totally opposes those views.

Let us review his record. As the former Minister of Finance, he is the one responsible for creating so many poor in this country. On May 6, 1972, he told Canadians:

> The bare fact of the matter is that we cannot do everything at once. We simply don't have the resources.

We realize that it is impossible to give increasing amounts of hand-outs. He went on to say:

> There are limits to the scope of fiscal policy. There are limits to stimulus and readjustment.

He certainly differs from the other 39 members of his caucus.

In his final Budget address on June 23, 1975, he told Canadians:

> The portion of the national income spent by governments on goods, services and transfer payments, and financed by taxation, has now risen to levels previously reached only during the Second World War.

He was going to reduce the size of the deficit by $15 billion when the other 39 members of his caucus would do the opposite and provide even more money. Approximately 90 per cent of the questions we hear during Question Period from the NDP and the Liberals call on the Government to give everyone more money. I do not understand how this two-pronged thrust can work. The reason the Right Hon. Leader of the Opposition created so many poor people during his term as Finance Minister is that the total number of people on the Government payroll during his tenure rose by 68,000, even after taking into account a 9,000 person decrease in the size of the Armed Forces. During his term as Finance Minister, spending on a national accounts basis grew by 102 per cent, from $18.1 billion to $36.8 billion. Furthermore, we cannot account for that increase. I would not want him to look after my piggy bank, let alone the finances of this country. This is what the Auditor General said about the Leader of the Opposition when he was Minister of Finance:

> I am deeply concerned that Parliament—and indeed the Government—has lost, or is close to losing, effective control of the public purse.

Our Government will not have a record like that. For example, during his term as Minister of Finance, public debt charges doubled from $2 billion to $4 billion. We cannot spend more money on people because they have increased even more since then. During his term as Minister of Finance, utilities, materials and supply costs rose by 55 per cent from $347 million to $537 million.

That Government displayed no fiscal responsibility at all and there has never been a more irresponsible Minister of Finance in Canadian history.

It is the Liberals who increased the number of poor in our country. When the Right Hon. member for Vancouver Quadra was appointed Minister of Finance in January, 1972, the unemployment rate was 6 per cent. When he left in September, 1975, the unemployment rate was 6.9 per cent. During his tenure as Minister of Finance, total unemployment rose by 164,000. The unemployment rate in that period for youth between the ages of 15 and 24 climbed from 10.5 per cent to 13 per cent. The number of youth unemployed climbed by 109,000.

• (1240)

On and on the horror stories go of the magicians, the Liberals, who know everything. They have an answer for everything. How did we end up in a mess like this with such brilliance, with people who know everything? They have an answer for everything so how did it ever happen?

Since we have taken over, Mr. Speaker, the Canadian economy is on the upswing and with that upswing there will be more money for more social benefits. The Canadian economy did exceptionally well in the second quarter of 1985. The GNP was up 4.1 per cent in real terms at annual rates. The increase included gains in consumer spending and business development.

Consumer spending is up, indicating that the average citizen has more money to spend. People are not all poor and starving. Since the election, 284,000 new jobs have been created. It is not just the number of new jobs that have been created, but the number of jobs that were saved by the Conservatives taking over the Government. I am sure that number must be up around 300,000 or 400,000. If that outfit, the Liberals, had been re-elected and had continued the same policies, we would have had more debt and more unemployment.

Interest rates are coming down and business confidence is rising. That is important. The business community and the investment community had absolutely no confidence in the Liberal Government. They have confidence in us. Corporate executives have stated that 53 per cent plan to increase capital expenditures over the next six months. Recent statistics found that business investment intentions for 1985 are up 12 per cent over last year's level. New capital spending will help to modernize Canadian industry, create international competitors and jobs. There is now confidence in this country.

Consumer spending is rising. Retail sales climbed by 8 per cent in nine months. That is not bad news, Mr. Speaker, that is good news. Price stability has returned. The low inflation rate is being maintained and bankruptcies are declining. Oil and gas drilling activity is rising. Alberta is now becoming a

thriving province once again and hundreds and thousands are finding work in the industry field. Manufacturing orders have risen by 10 per cent since September 1984. How about the fact that the Canadian economy is outperforming the American economy?

I do not very often praise a Liberal, but I have to give some credit to the Ontario Minister responsible for senior citizens. He made a very good observation this week. Ron Van Horne said that nearly 80 per cent of seniors, aged 65 or older, live on their own, leading productive and useful lives. That shatters the myth and the statements made by the NDP that every single senior citizen in Canada is suffering, is destitute, broke, hard-up and starving. Those are most insulting comments.

Ms. Mitchell: Who ever said that?

Mr. McKenzie: The majority of senior citizens have provided for their retirement. Just look at the bus loads of senior citizens who come here, who are enjoying life. They are not here because they are broke. Many are able to maintain two homes, one in the southern United States and one here. The other 20 per cent who are less fortunate, have financial difficulties or health problems are looked after in a most generous manner.

Let me give you another example that all our senior citizens are not broke, hard-up and impoverished, Mr. Speaker. Of the senior citizens between the ages of 65 and 69 in Canada, 576,415 are paying $866 million in income tax. That clearly indicates we have senior citizens who are not broke. Here is another interesting figure, Mr. Speaker of senior citizens over the age of 70, 876,000 are paying $1.151 million in taxes. When people pay taxes like that, they must have a lot of income and are very comfortable. Many have prepared on their own for retirement, and as I said, the others less fortunate will certainly be looked after.

There are a total of 238 programs to assist senior citizens and these progrsms will be maintained.

I have just listened to the comments about the Canadian Commercial Bank. The Prime Minister (Mr. Mulroney) pointed out the main reason for the bank's collapse, namely, the National Energy Program. In the *Alberta Report* for September 16, 1985, it was reported that a University of Calgary economist, Warren Blackman agrees and adds that Canada is in effect punishing the banks for the mistakes of the previous Liberal Government. He said:

> If those damn idiots in Ottawa had left us alone in 1980—

He is referring to the Grits and the NDP.

> —the economy of Alberta would be okay.

The banks, says Dr. Blackman, have suffered not because of mismanagement or fraud. He went on to say:

> During the energy and construction boom, capital was short in Alberta and those banks formed to supply the demand. It was a rational move. There was an opportunity there and they grabbed it. They couldn't foresee the disaster coming. Nobody could. It wasn't the banks' fault they ran into trouble, it was the fault of Ottawa's National Energy Program.

That program was supported by the Grits and the NDP. We told them that this would happen, and if anybody wants to challenge me on that, let them read the debates of the day. We gave detailed information about how disastrous that stupid National Energy Program would be. The Grits and the NDP created all kinds of poverty in Alberta. They are responsible for that.

Some Hon. Members: Hear, hear!

Mr. McKenzie: It is true that the pricing stalemate had far-reaching effects in Alberta. Close to 150 drilling rigs left the province at the time, 30 per cent of the energy service sector had to close up shop and thousands of workers lost their jobs, just to list a few things caused by the Grits and the NDP. It was forecast that Canada as a whole would suffer many long-term downturns due to the National Energy Program, and it was estimated that the National Energy Program would result in a loss of over $3.5 billion in industry investment by 1981. We not only lost all that, we lost taxes. We would have had a lot more money to hand out to everyone if that stupid program had never been implemented. Each dollar spent in Canada by the oil industry generated $1.70 in further economic activity. That is something New Democrats would never understand. It was estimated that the National Energy Program would reduce Canadian economic output by $9.5 billion, equal to 3 per cent of the gross national product at a time when it was doubtful that the GNP would grow by more than 1.5 per cent. Studies at that time showed that each job created in the industry resulted in more than three more jobs in the economy. About 60,000 jobs were lost as a result of the National Energy Program. The Grits and the NDP are responsible for creating a lot of poor people in this country.

I have a page here listing businesses in eastern Canada, Quebec, Ontario and Alberta that all suffered and had to lay off people because of the National Energy Program. The NDP was not worried about that when it was helping to create poor and unemployed people.

It is interesting to see what we have to pay as a result of the sins of the Right Hon. Leader of the Opposition when he was the Finance Minister, a pattern he started then. If you sent $3,000 to Ottawa today as payment of income tax, at least $2,400 is needed to pay interest charges on money the federal Government borrowed in previous years. I think we are pretty lucky we can still spend $60 billion a year on social programs with the mess that was created by the Grit-NDP coalition.

Over the past three years, the national debt has grown 75 per cent. In that same period of time our economy has only grown 25 per cent. We have reached the point where the federal Government is forced to borrow over $20 billion per year just to meet the interest on past debts. To put it another way: whereas it took one in eight tax dollars to cover the interest on our debt 10 years ago, it takes more than one in three tax dollars to pay the interest on today's debt. Interest costs on the debt now equal almost 80 per cent of the personal income tax collected by the Government. The debt has grown so large that the level of the deficit is highly dependent upon

interest rates. A one percentage point change in interest rates has a $1 billion impact on the deficit. I think we are doing remarkably well with what we have inherited. I can assure the House that no children will be starving and that no senior citizens will be suffering. The Conservative Government will look after them. They do not have anything to worry about.

• (1250)

[*Translation*]

Mr. Malépart: Mr. Speaker, the speeches we are hearing this week remind me of the ones we heard before the House adjourned for the summer. At the time we were considering de-indexation of Old Age Security pensions, and the same Member who just spoke and in fact all Conservative Members were agreed in saying that the elderly had no objection to these cuts. Today, they are doing exactly the same thing. The Right Hon. Prime Minister (Mr. Mulroney) has to admit to Canadians that he was mistaken, and with him all his Conservative colleagues.

When the Conservative Member—this is my question, Mr. Speaker—who just spoke blamed the Opposition and said that it was necessary to reduce the deficit and cut social programs, he should blame his Prime Minister and his Minister of National Health and Welfare (Mr. Epp). In the blue paper, it was his Prime Minister and his Minister of National Health and Welfare who said that the purpose of restructuring family income assistance programs was not to reduce the deficit but to help families on medium and low incomes. They were not cutting $15 million and $14 million in order to reduce the deficit.

Will the Hon. Member who just spoke have the courage to blame his Prime Minister for misleading Canadians when he held his consultations?

[*English*]

Mr. McKenzie: Mr. Speaker, I have the greatest respect for our Prime Minister (Mr. Mulroney). I would never follow anyone I coul'd not trust. He is a man who has taken on the greatest challenge in the world—to take over from a Liberal administration. He has pointed out that no one will suffer; they will be looked after. We will make increased improvements in social benefits whenever we can.

Today, as one example, senior citizens are receiving more benefits from the Conservative Government than they have ever received in the history of Canada. Just to give another example of people we have helped, all low-income, qualifying widowed persons aged 60 years to 64 years will be able to collect the spousal allowance regardless of the age at which their spouse dies. Approximately 85,000 widowed persons will benefit at an estimated cost of $190 million in fiscal year 1985-86. Another example of our social conscience and how we are helping people would be the additional $22 million contributed toward the pensions of veterans, providing veterans and their families with increased benefits. Included is the payment of an attendant's allowance, an exceptional incapacity allowance and a disability pension at the married rate for a full year following the death of the pensioners.

We have made many improvements since assuming office; many people have been added to the rolls. We have some excellent Veterans Affairs programs which were started under the Liberal administration, for example, going into the homes of veterans to assist them in removing snow, cutting grass and so on. We have expanded on those programs. We are assisting thousands and thousands of more veterans in the own homes. No one will starve, suffer or whatever. The figures in terms of the GNP increase indicate that more people are employed, that more revenue will be coming in and that there will be more more benefits. The Hon. Member can wave his blue book all he wants. I am glad to see that it is blue, Tory blue.

Mr. Gormley: Mr. Speaker, I have a question for the Hon. Member. I listened with interest to his speech this morning. My question involves representation and who speaks for the different citizens of Canada. I look on the government benches and see the highest percentage of women ever elected to a Canadian Government and the highest percentage of women in Cabinet, the highest percentage of farmers and rural people and, with all due respect, none larger of corporate individuals. I have a great deal of concern for getting to the crux of the debate—exactly who will be affected and who is speaking for those to be affected. In the opinion of the Hon. Member, for whom are the NDP and the Liberal Party speaking? Are they speaking with such vociferous intent and participating in strongly worded debate because there is a legitimate concern on their part, or does the Hon. Member have other opinions on why they are speaking and for whom they are speaking?

Mr. McKenzie: Mr. Speaker, I really do not for whom they are speaking. However, I can tell the Hon. Member that they are speaking with a forked tongue. I have statistics in my possession on how the New Democratic Party in Manitoba has affected the hospitals there with one of the cruelest provisions I have ever seen. It introduced a payroll tax, an idiotic tax. Firms cannot hire people because of the tax; small businesses are faced with this payroll tax. It is affecting hospitals. I do not understand why members of the New Democratic Party are not rising and condemning the NDP Government of Manitoba. It should remove this cruel, ridiculous payroll tax. They are always making comments about the capital gains proposal. The Hon. Member who directed his question to me is from the Province of Saskatchewan which has many farmers. Capital gains was included because of requests from farmers in western Canada, not millionaires or billionaires. It was included in recognition of the major contribution of farmers to Canada's economic life. A full exemption will be available immediately for capital gains realized on the sale of farm property. By encouraging Canadians to invest in small and large businesses, this measure helps public and private corporations to attract new equity and thereby accelerate their return to a healthy financial position. There is nothing wrong with that. Smaller businesses will be assisted in raising capital to pursue new ideas and directions and to reduce costly debt.

As well, it will help to raise capital for research and development and it will help farmers. I do not see anything wrong with that. It is interesting to note that the Canadian Federation of Independent Business conducted a survey on the feelings about the capital gains tax which indicated that 89.6 per cent of small businesses were in favour of it, not bankers or people on Bay Street. Members of the NDP and the Liberal Party are totally wrong in their criticism of the capital gains tax proposal. We are helping thousands of farmers and fishermen. They are grateful that we brought in this provision.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I have a comment to which the Hon. Member may wish to respond. He said something a few moments ago about always following someone he fully trusted, namely, the Prime Minister (Mr. Mulroney). However, earlier in his speech he referred to the expenditures on social programs totalling $60 billion, which very nicely gave the lie to something the Prime Minister of Canada asserted a few days ago when he declared that the interest payments on the national debt amounted to the same total spent on social programs. I am glad the Hon. Member set the record straight in such a forceful way and indicated that the Prime Minister was participating in flimflam. I should give the Hon. Member 30 seconds in which to respond to my thanks for his telling us where the truth actually lies.

Mr. McKenzie: The Prime Minister was stating federal figures. The $60 billion which I indicated includes provincial and municipal; it was the global figure for Canada. The Prime Minister was just talking about the federal one.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

FISHERIES

FACTORY FREEZER TRAWLER LICENCES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the issue of factory freezer trawler licences must be resolved by the Ministry of Fisheries and the Government of Canada. The granting of a licence would represent a major policy change for the federal Government and actually would be a violation of a written agreement between the Government of Newfoundland and the Government of Canada when the restructuring of the fishery took place some time ago.

The Governments of the four Atlantic Provinces have been consulted by the Minister, and the unions have been consulted. No decision has been made. This has prompted the Premier of Newfoundland to organize petitions in his own province in opposition to such a move by the Government of Canada.

The question should be asked, to cause a Tory premier to organize petitions in his own province, is that the new co-operative federalism that the Government announced some time ago?

* * *

NUCLEAR ARMAMENTS

FRENCH NUCLEAR WEAPONS TESTS IN SOUTH PACIFIC

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, all Canadians concerned about world peace must condemn the French Government's plan to test nuclear weapons in the South Pacific.

These tests can serve no purpose except to pander to an out-of-date illusion of Gaullist grandeur, the pretence that France is a super power to be compared with the United States and Russia. On the negative side the tests provide further pretext for future American and Russian testing and thus contribute to the growing destabilization of world affairs.

In spite of French assurances about their safety, the tests could result in radioactive seepage into the ocean, and they threaten the health of people who live in the area. We have already seen the evidence of deformed births and degenerative disease as a result of earlier tests in the South Pacific.

When the French Government tests nuclear weapons in the South Pacific, and defends it with a false doctrine of sovereignty, it betrays a colonialist attitude which has no place in the 1980s.

France should respect the treaty now signed by nine of the 13 South Pacific nations declaring their region to be a nuclear-free zone, and banning the manufacture, stationing or testing of nuclear weapons in that area.

With other Canadians I call on the Government of France to abandon its plan for the current series of nuclear tests and I urge the Government of Canada to join other Pacific nations in protesting these tests which are not worthy of civilized nations.

* * *

CONSUMER AFFAIRS

ILLEGAL TAX DISCOUNTERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, there is a move on foot to abolish tax discounting or to make it impossible for the legitimate businesses to continue to operate. The Tax Rebate Discounting Act was passed in 1978 by the House of Commons and the legislation provided for a maximum discount rate of 15 per cent, which included tax preparation

fees and all other expenses of the discounter. Tax discounting has been with us for more than 40 years but until the late 1970s it grew in an unregulated and generally in a disreputable fashion.

Today some 380,000 Canadian taxpayers use the services of tax discounters, compared to 6,000 in 1979. Criticism of the discounters is generally, if not wholly, against the illegal discounters. By and large, the large majority of tax rebate discounters are honest, upright citizens who offer their services to those who want to use them voluntarily. Those who are found guilty of cheating and stealing their clients' money should be given the maximum penalty contained in the law and prohibited from practising the trade.

The genuine discounters are providing seasonal employment and helping low-income taxpayers, including treaty Indians and many parents with large families who need cash at the time and who cannot wait weeks to get the money from the Department.

We don't throw out a crate of eggs because two or three of them are bad. Let's keep the good discounters and throw out the rotten ones.

* * *

[*Translation*]

TRADE

ESTABLISHMENT OF AUTOMOBILE PLANTS IN QUEBEC

Mr. Gabriel Desjardins (Témiscamingue): Like most Quebec Members in this House and the Quebec population as a whole, Mr. Speaker, I am delighted to hear that the Hyundai corporation, from Korea, is planning to build a car assembly plant in the province of Quebec. If we consider also that the Toyota and Suzuki corporations have clearly indicated their intention to invest in Canada, this is clear evidence that foreign investors have renewed confidence in the Canadian economy since our party came to power.

At the present time, Mr. Speaker, the only car assembly plant in Quebec is the one operated by General Motors in Sainte-Thérèse. With the arrival of the Hyundai corporation, there will be two car manufacturing companies in Quebec. That is a good start, but it is definitely not enough. That is why I urge the Toyota and Suzuki corporations which are planning to set up plants in Canada to come to Quebec; this province could not otherwise hope to become a major car manufacturing centre.

I therefore urge all my Quebec colleagues, as well as the provincial Government, to multiply their representations in order to convince these corporations to establish their operations in Quebec.

We have in Quebec both the human and technical resources to meet the needs of these companies. If this wish came true, Mr. Speaker, all Quebec regions and especially the great riding of Témiscamingue which I have the honour to represent in the House would benefit.

* * *

[*English*]

FISHERIES

EAST COAST HERRING CATCH—INCREASED QUOTA SOUGHT

Mr. George Henderson (Egmont): Mr. Speaker, inshore fishermen on the East Coast are battling the Conservative bureaucracy once again. The herring fishery closed in New Brunswick and Prince Edward Island last week because the quota was caught. Knowing the waters are teeming with herring, the fishermen asked for an increase in quota. The Minister said no to the New Brunswick fishermen. Prince Edward Island fishermen are still waiting for an answer.

Mr. Speaker, I cannot understand that answer. It comes at a time when the herring are schooling in the Northumberland Strait and the markets are strong. Herring is the toughest fishery at which to make a decent living. Why not let the fishermen catch the herring while they are in the waters? The herring will be gone within a week.

Increasing the quota would help the plant workers as well. They desperately need the jobs the extra quota would provide. Unemployment is a way of life in that area. The herring fishery on the East Coast is in a desperate situation, so desperate that New Brunswick fishermen are ignoring the closure. They have been fishing illegally since last weekend. I don't support them, but the Government is seizing the catches and selling them to the processors who are writing cheques to the Receiver General. What does the Government intend to do with the profit? Give it to the needy fishermen or use it to pay off the federal deficit? Why did the Minister not have the foresight to predict that this would happen? Where was he this summer when he should have been consulting with fishermen? What was he doing—fishing salmon in B.C.?

It is time for the Minister of Fisheries and Oceans (Mr. Fraser) to listen to fishermen and to pay attention to their concerns. The Government promised to maintain the inshore fishery, but fishermen on the East Coast can see throught that promise.

* * *

APARTHEID

SOUTH AFRICA—INVASION OF ANGOLA—CALL FOR MANDATORY SANCTIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, last Friday amid great fanfare the Secretary of State for External Affairs (Mr. Clark) announced a series of largely voluntary sanctions purportedly designed to send a message to the South African Government that Canada wants a change in apartheid and in the status of Namibia. The leaders of blacks within South Africa, Namibia, and the front line states had asked for mandatory sanctions since they realized that volun-

tary sanctions were not enough. Once again they were proven right because today we have South Africa's answer to our gentle prodding. It has once again invaded Angola with the military might supplied by the West.

Yesterday's actions by South Africa should not be a surprise to the Canadian Government in light of the type of measures which were announced. These include a ban on air travel that does not exist, a voluntary ban on bank loans that are no longer being made, and a voluntary embargo on oil exports that are largely insignificant anyway.

The Secretary of State for External Affairs promised tougher sanctions if things did not improve. Clearly matters have worsened. It is time for tough economic sanctions and leadership in the Commonwealth.

* * *

THE LATE LIEUTENANT GENERAL E. L. M. BURNS

TRIBUTE TO DISTINGUISHED CANADIAN

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise today to pay respect to a great Canadian who died on Friday, September 6.

Lieutenant General E. L. M. Burns, a distinguished soldier, engineer and diplomat, will long be remembered for his unselfish contribution to the Government of Canada.

General Burns graduated from the Royal Military College of Canada, was commissioned in the Royal Canadian Engineers in 1915 and won the Military Cross in World War I.

During peace time he experimented in the field of air photo surveys and served as president of the Canadian Institue of Surveying in 1936-1937.

General Burns commanded the first Canadian Corps during operations in the Liri Valley in 1944.

Following the Second World War he became involved in the movement toward peacekeeping and disarmament with the Department of External Affairs.

• (1410)

General Burns was loaned from the Department to the UN in 1954 and was appointed Chief of Staff of the United Nations Truce Supervision Organization. In the ensuing years he played a role in the Suez crisis, the Sinai, and was named Special Adviser to the Government of Canada on Disarmament.

General Burns was awarded the Pearson Peace Medal in 1981 in recognition of this brave Canadian's dedication. On behalf of all men and women who believe personal sacrifice is the route to world peace, General Burns will be missed by all Canadians.

Some Hon. Members: Hear, hear!

S.O. 22

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—EFFECT OF NATIONAL ENERGY PROGRAM

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I have listened carefully to the comments and accusations of the Opposition regarding the failure of the Canadian Commercial Bank.

As an Albertan, and as the Member for the constituency in which the bank operated, I cannot believe the Liberals could stand up in this House with a clear conscience and criticize us for attempting to help a fledgling financial institution which, in reality, failed due to the National Energy Program.

The Canadian Commercial Bank existed for western Canadians—of that I am proud. The bank, as well as many other institutions in the West, could never have foreseen the devastating effects of the NEP. The bank rose out of a growing economic infrastructure—until the Liberals chopped it down. Such a small institution could never protect itself against the National Energy Program, which was a steamroller of economic ruin in Alberta.

I ask you, Mr. Speaker, what would the Leader of the Opposition (Mr. Turner) have said if we allowed the bank to fail without making a valiant effort to save it? He probably would have said that the Government was forgetting about the West. Well, we did not forget about the West. It is simply hard to compete against the crushing policies of the previous Liberal Government.

We will not apologize for helping an Alberta institution. I am proud to say we did what we could. I am also proud to sit in the same Chamber as the Minister of State for Finance (Mrs. McDougall).

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

HUMAN RIGHTS

ALLEGED SEXUAL HARASSMENT AT STELCO PLANT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to point out to the House today a case of sexual harassment at the Stelco plant.

Bonita Clark is a 32-year old engineer who works there. On several occasions, she has been subjected to sexual harassment at work and she has lodged a formal complaint to the Ontario Labor Relations Board, but her case does not seem to be unique.

Indeed, this complaint about sexual harassment is not the first one. And the Stelco company is building up a very bad record as far as women are concerned.

In 1979, five women working at Stelco also lodged complaints. Apparently, the Stelco Company is reluctantly hiring

women hoping that they will voluntarily leave their job. Stelco is so reluctant to hire women that it has refused to provide them with washrooms.

After the 1979 complaints, Stelco has hired from 15 to 200 women, but there are less than 20 left today.

In Quebec, there is the Déméritas competition for the most sexist publicity. If companies such as Stelco go on discriminating against women, I can assure them that I will personally launch a publicity campaign which the manager of the company will surely not appreciate.

* * *

[*English*]

NATIONAL PARKS

MAINTENANCE OF BALANCE ADVOCATED

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, wilderness beauty is one of Canada's greatest assets. Our National Parks system is a proud testament of our commitment to the preservation of our wilderness treasures.

Forestry is Canada's most important industry in terms of trade, revenue, and employment. In British Columbia forestry is our lifeblood. When we talk of adding significant new areas of forested land to our parkland reserve—areas such as B.C.'s South Moresby, Meares Island, and the Stein River Basin—we cannot upset the delicate balance that must exist between the preservation of our environment and the preservation of our livelihoods.

There is a price to pay for everything, Mr. Speaker. Yet there is also a benefit to enjoy. Let us not look at any issue without looking at both sides of it first. Our pristine environment is our greatest asset, and our resource industries drive our economy and provide our jobs. This delicate and vital balance must be maintained.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF GEOFFREY PALMER, DEPUTY PRIME MINISTER, GOVERNMENT HOUSE LEADER AND MINISTER OF JUSTICE OF NEW ZEALAND

Mr. Speaker: Before we proceed to Oral Question I wish to advise the House of the presence in our gallery of Mr. Geoffrey Palmer, Deputy Prime Minister, Government House Leader and Minister of Justice of New Zealand.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF SEVEN MEMBERS OF THE MEMBERS' SERVICES COMMITTEE OF THE NEWFOUNDLAND LEGISLATIVE ASSEMBLY

Mr. Speaker: I would also indicate to the House the presence in our gallery of seven members of the Members' Services Committee of the Newfoundland Legislative Assembly, led by their Chairman, Mr. Tom Hicky, MLA.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—REPORT FROM UNITED STATES REGULATORS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. It concerns the Canadian Commercial Bank. Can the Minister confirm that the February 20 report from the United States regulators included warning of cease and desist order against Westlands Bank, California, which is wholly-owned by the Canadian Commercial Bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already indicated that this document is from the Government's regulatory authorities in the United States. I have no authority to release its contents. I can assure the Hon. Member, however, that in the strongest possible terms we have requested its release to our committee.

TRANSFER OF FUNDS TO CALIFORNIA BANK

Miss Aideen Nicholson (Trinity): Mr. Speaker, can the Minister confirm that between February 21 and March 14 the Canadian Commercial Bank transferred millions of dollars to its California bank in exchange for dubious loan assets?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, at this stage I can confirm no such thing. We are asking to have the matter put before a committee where all these matters can be explored. We have been discussing this all week.

[*Translation*]

ROLE OF UNITED STATES FEDERAL RESERVE BANK IN BANK COLLAPSE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, according to information sources in Canada and in the U.S., the report by the Federal Reserve Bank on the Westslands Bank, dated February 20, contained a veritable ultimatum for the Canadian Commercial Bank. Could the Minister confirm to the House that this ultimatum contained three options: first, increasing the equity of the Canadian Commercial Bank in the Westlands Bank; second, selling the American branch, and third, transferring performing Canadian loans to the American branch so that the Canadian bank would be left with only

non-performing loans? Could the Minister confirm those points?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I can confirm no such thing until we get the matter before a committee where we can look at the entire sequence of events.

[*Translation*]

Mr. Garneau: Mr. Speaker, could the Minister confirm to the House that this information was available to her at the time she proposed a $255 million bail-out to the House? Was the Minister aware of the ultimatum at the time she proposed the bail-out to the Parliament of this country?

[*English*]

Mrs. McDougall: Mr. Speaker, again, I have indicated time after time that I am prepared to release this document with the permission of the U.S. authorities. It will then become a matter of record for a committee to discuss in that context. We have put that in the strongest possible terms.

SECURITY OF DEPOSITS—OFFICIALS' DISCUSSIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, as more and more information comes before us, it is obvious that we are facing a billion dollar con job. My question is for the Minister of Finance.

This morning we learned that senior officials in his Ministry, along with senior officials in the Bank of Canada, had been discussing throughout the summer with officials of one of the major depositors of the Canadian Commercial Bank the security of its deposit. The same senior officials were giving the depositor assurances that its deposit would be safe. Was the Minister aware that his officials were giving these assurances on behalf of the taxpayers of Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sorry, but I cannot confirm the facts which the Hon. Member has just indicated. Discussions were carried on as a result of a report which came to us in August. Those are the discussions which led to the final closure of the bank.

CANADIAN CO-OPERATIVE CREDIT SOCIETY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, this morning in the Finance Committee the officers of the Canadian Co-operative Credit Society indicated that during the months of May and July their senior officials were in touch with senior officials of the Minister and of the Central Bank. At that time, they indicated that they were encouraged to maintain their deposits in the bank and were given assurances that their deposits would be safe. My question for the Minister of Finance, and not the Minister of State for Finance, is this. Were his officials giving these assurances with his full knowledge and support?

• (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am not aware of any discussions between the Canadian Co-operative Credit Society and the Bank of Canada. There were discussions around the Green Paper with the Canadian Co-operative Society and those were the only conversations I ever had with it, and I am sure it would confirm that.

Mr. Riis: Mr. Speaker, you can hardly see the Minister's lips move as he is speaking. A question I have to put is who is in charge here? We have his Ministers making assurances to major depositors that their deposit would be safe throughout the summer.

MINISTERIAL RESPONSIBILITY

Mr. Nelson A. Riis (Kamloops-Shuswap): My question is directed to the Prime Minister. We have the Minister of State for Finance and the Minister of Finance making the commitment for a $1 billion bail-out using taxpayers' money. How big a mistake does a Minister have to make, $1 billion, $5 billion, $10 billion, before the Prime Minister asks for that Minister's resignation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised at my hon. friend because he is usually noted for his fairness in this House. There has been no evidence of any mistake, wilful or otherwise, by either Minister. What we have offered—and I think what any reasonable Hon. Member of the House would accept—is that the matter be referred to committee so that objective assessments can be made, so that evidence can be adduced and proper value judgments be made, so we can cease the insinuations and the cheap shots. That does no credit to my hon. friend—

Mr. Blaikie: You ought to know about cheap shots.

Mr. Mulroney: —and I think he knows that.

MINISTERIAL DISCUSSIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Minister of State for Finance. When the Inspector General advised the Minister of State for Finance of the crisis at the Canadian Commerical Bank, would she confirm to the House that she herself was reluctant and had reservations about the bail-out and took the matter to the Minister of Finance for a decision?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it would be very unusual if I did not discuss such a matter with the Minister of Finance. As to what happened at the time, we had a number of discussions around the importance of what would happen to the system, what the systemic effect would be internationally and domestically, if this bank were to be allowed to fail.

Ms. Copps: You let it fail now.

Oral Questions

RESPONSIBILITY FOR BAIL-OUT DECISION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is then directed to the Minister of Finance. Would the Minister confirm to the House that when the matter was brought to his attention, he, too, was reluctant to make a decision and that in fact the decision to bail out the Canadian Commercial Bank was made by the Prime Minister himself on March 22 while at the National Economic Summit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me ask the Hon. Member to cast his mind back to the matters which were going on at that time. We had just had the Ohio Savings and Loan Banks close their doors. That resulted in a substantial drop in the value of the United States dollar. We had the Alberta Government giving financial support to a number of its credit unions. We had a number of weeks during which the Canadian dollar was under severe pressure.

An Hon. Member: Answer the question.

Mr. Wilson (Etobicoke Centre): Those were the matters which were taken into account at the time of that decision. The decision was a decision by the Government to proceed—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): —with an attempt to save a bank which was very important to the western economy, very important to the people, whether they be farmers, oil people or individual Canadians who had their money on deposit and who were also borrowing money from that bank. That is why we took that decision as a Government.

SECRECY PROVISIONS OF BANK ACT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. Having had an opportunity to review the secrecy provisions of the Bank Act, Section 251, I believe the Prime Minister would agree that at the time that was drafted no one would have considered or thought that there might be the necessity to bail out a bank to the extent of almost $1 billion.

Does the Prime Minister not think it reasonable and fair that the House of Commons should pass legislation which will exempt this particular transaction from the secrecy provisions of the Bank Act and guarantee that the taxpayers of Canada, who will have to foot the bill for the cost of the bail out, know who receives the money which they are asked to pay?

Mr. Hnatyshyn: That is an incredible question.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, on behalf of the person who is responsible for administering the Bank Act, may I say that the intent of that section is very clear and, if we make an exception in this case for the depositors of this Bank, then how can we stand up here and say that the depositors' information in any bank in Canada from here on in is going to be secure from public knowledge?

IDENTIFICATION OF DEPOSITORS RECEIVING REFUNDS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, let me then ask the Prime Minister if I may, is it not reasonable to think that those who wish to receive the benefit of the bail-out should in advance have to waive the provision of secrecy and allow that it be known to the Canadian taxpayers who it is that they, the taxpayers, are being asked to bail out? Is it not reasonable to say to those who might take advantage of the bail-out that in order to receive the money you must apply for it and must be willing to let it be known who you are?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the Hon. Member knows perfectly well that the depositors of this country deserve better treatment than this.

Some Hon. Members: Oh, oh!

Mrs. McDougall: The next thing I know, he will be asking—

Mr. Deans: What about the taxpayers?

Mrs. McDougall: As the Hon. House Leader for the New Democratic Party well knows, we have indicated that we will give categories within the committee—

Mr. Deans: That's a different question.

Mr. Hnatyshyn: No, it isn't.

Mrs. McDougall: The depositors of this country need to know that their concerns with their financial institutions—

Mr. Riis: Write a blank cheque.

Mrs. McDougall: —are private no matter what happens to that institution.

Some Hon. Members: Hear, hear!

Mr. Cassidy: It's in the public domain. It's our money that's going there.

GOVERNMENT DECISION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Will he confirm to the House that on March 22 when he presided over the National Economic Summit, the Minister of Finance and the Minister of State for Finance took up with him the serious condition and potential bankruptcy of the Canadian Commercial Bank and that he told them that on no account did he want a bankruptcy and that he wanted the bank bailed out?

The Prime Minister did not know the facts, he did not care, politics came first and he did not want to be responsible for the

first bankruptcy of a Canadian bank in 60 years. Why did he not say—

Some Hon. Members: Order.

Mr. Turner (Vancouver Quadra): —to the Minister of Finance and the Minister of State for Finance: "Why talk to me now, Mike, Barbara—"

Some Hon. Members: Order.

Mr. Turner (Vancouver Quadra): "—can't you see I'm busy—"

Mr. Speaker: Order.

Mr. Turner (Vancouver Quadra): "—give me the facts and I'll make a decision later"?

Mr. Speaker: Order.

Mr. Foster: Yes or no?

Right Hon. Brian Mulroney (Prime Minister): Thank you, John.

Some Hon. Members: Oh, oh!

Mr. Speaker: It is nice to know that Hon. Members are on a first name basis, but perhaps somewhere else.

Mr. Mulroney: First of all, Mr. Speaker, the fantasy described by my right hon. friend never transpired. What did take place in the normal course of business was a recommendation which came forward from the officials of the Government of Canada, and from their advisers, in regard to a problem which had arisen in respect to a young and very fledgling financial institution in western Canada. The pros and cons were discussed. The Canadians banks had been involed. The officials throughout the Government had been consulted and it was their considered view that this support package would sustain that bank in western Canada.

I indicated—which was not inconsistent with the views others held—that given the terrible damage which had been done to western Canada by the National Energy Program and the problems it had gone through—

Mr. Chrétien: What about the bank in the United States, in California?

Mr. Mulroney: —this institution deserved no less support than others. And we supported it that day and I am delighted to see that the Liberal Opposition supported it as well. That is what transpired. I think that any further questions could properly be addressed by a committee of the House.

REQUEST FOR DOCUMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister knows full well that the Liberal Opposition supported this bail-out package on the basis of assurances from the Prime Minister, the Minister of Finance and the Minister of State for Finance that the deal would make the bank viable. It is now clear that the Minister of Finance did not know the facts, the Minister of State for Finance did not know the facts, and now the Prime Minister has admitted that he did not know the facts.

Will the Prime Minister instruct his House Leader in the negotiations among the House Leaders to open up the entire documentation we have been asking for in this House for over a week, the list of deposits, all the relevant documents, including the bail-out arrangements? Will the Prime Minister give an undertaking, a personal undertaking, that the Minister of Finance will appear before the committee, as well as the Minister of State for Finance, the Governor of the Bank of Canada, the Inspector General of Banks—

Mr. Speaker: Order.

Mr. Turner (Vancouver Quadra): Will he give that undertaking?

Some Hon. Members: Hear, hear!

• (1430)

Right Hon. Brian Mulroney (Prime Minister): I am startled when I see the Member from Shawinigan applauding the Leader.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I am taken aback, I am sorry.

The Leader of the Opposition makes statements like: "The Prime Minister didn't know the facts".

Some Hon. Members: Right.

Mr. Mulroney: The Prime Minister knew all of the facts available at the time.

Mr. Gauthier: You should come to committee.

Mr. Mulroney: With the possible exception of the Blessed Virgin Mary, no one can know the future with certainty.

Ms. Copps: That is sacrilegious.

Mr. Mulroney: All we knew was that there was a problem.

Mr. Chrétien: That is not what you said during the election.

Mr. Mulroney: There was a serious problem and it was dealt with seriously. We felt that institution in western Canada deserved a chance to become viable. We thought, based on the best advice available to us, that it would become viable. There was no attempt to do anything other than place our trust and faith—

Mr. Chrétien: Your judgment.

Mr. Mulroney: —not only in the information we received but in the capacity of that institution to survive, given the

package of support provided. If the Liberals are opposed to helping in western Canada or elsewhere let them stand up and say so. We believe in this country.

Some Hon. Members: Hear, hear!

Mr. Gauthier: It is your judgment we fault.

Mr. de Jong: California, that is where the problem started.

Mr. Mulroney: Mr. Speaker, with regard to any data, information, or people who my right hon. friend or others feel should come before the committee, we will be there, we will provide all the answers required and we will be forthcoming, because it is in everyone's interest to get at all of the truth so we can make the appropriate value judgments.

TRANSFER OF BANK'S ASSETS TO CALIFORNIA SUBSIDIARY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, would the Prime Minister have authorized the bail-out if he had known, as we now know, that between the time the CCB received a cease and desist order from the Federal Reserve Bank in San Francisco and the time it came before the Inspector General of Banks on March 14, it had transferred all of its good assets and good loans down to the California subsidiary? The California subsidiary is still prospering; it is the Canadian parent in western Canada which is now bankrupt.

Mr. Gauthier: How do you explain that?

Mr. Clark (Yellowhead): What is the question?

Mr. Turner (Vancouver Quadra): Did you know about it?

Mr. Dick: Nice statement.

Mr. McDermid: What is the question, John?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have already indicated that we have requested from the federal regulatory authorities in the United States that we have this document with their permission to present to the committee where we want a full and frank discussion of everything which has happened leading up to March 22, and everything which has happened leading up to September 1. We have made that commitment both publicly and privately.

* * *

TRADE

UNITED STATES' RESTRICTIONS ON CANADIAN LUMBER EXPORTS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister. I have just returned from British Columbia and discussions with lumber worker leaders there. I want to report to the Prime Minister their opposition to his naive idea that a comprehensive trade deal would solve the back-door protectionist moves against us by the U.S.

The question they asked me to put to the Prime Minister is whether he will insist as a condition, before we enter any free trade negotiations with the U.S., that they drop their new non-tariff restrictions aimed at these Canadian producers. Otherwise we negotiate under blackmail conditions.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think we have made known very clearly the position of the Government of Canada regarding the prospective problems facing the British Columbia forest products industry. We have made that abundantly clear and we think it has registered appropriately in Washington.

With regard to the commercial discussions we may or may not be having with the United States, they would be largely and essentially designed to create jobs and provide British Columbians with greater opportunities. God knows, British Columbia needs that kind of help.

Some Hon. Members: Hear, hear!

[*Translation*]

CONDITIONS ATTACHING TO FREE TRADE DISCUSSIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a supplementary for the Prime Minister.

We must be very clear about this question. Once again: Before discussions on free trade are held with the United States, will the Prime Minister insist that the Americans eliminate the new non-tariff barriers facing Canadian producers in the lumber, fisheries and pork sectors?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I assume that if we negotiate, we will start from scratch. We will start with an open mind, without any preconditions, with the exception of the national items I already mentioned, that is, sovereignty and independence and so on.

But generally speaking, if we negotiate, we will wait and see what the other party has to offer, and vice versa.

* * *

[*English*]

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CANADIAN POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Prime Minister. First I would like to say that I applauded my Leader because I know that if he had been Prime Minister he would not have been dragging along a $1 billion fiasco like the present Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Mayer: It would be $5 billion.

Mr. Hnatyshyn: You got that right from the book.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have an important question for the Right Hon. Prime Minister. This morning, we read something in the newspapers about the Department of External Affairs that contradicts the statement made by the Right Hon. Prime Minister two weeks ago and which we applauded, to the effect that there would be no intergovernmental relations with the United States as far as the star wars project is concerned. Is it true that the Government intends to let Government agencies financed by the state, such as the National Research Council, become directly involved in the star wars project, as the spokesman for External Affairs said yesterday in Kitchener, Ontario?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister has made the position of the Government abundantly clear, no matter how many doors the Hon. Member wants to open—

Ms. Copps: Just the back door.

Mr. Nielsen: —on the different sides of his many-faceted mind. The position of the Government is that it is not the intention of the Government to participate in the SDI research on a Government-to-Government basis with the U.S. Private enterprises, as they always have been in this country, are free to make their own decisions as the opportunities might arise, if indeed they do arise.

STATEMENT ATTRIBUTED TO DEPARTMENTAL OFFICIAL

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, is the Deputy Prime Minister replying clearly? Yesterday a statement was made by an official of the Ministry of International Trade that federal agencies will be participating in SDI and helping the private sector to participate. Will the Deputy Prime Minister make it clear to the nation that there will be no financial involvement by the Canadian Government in this project with the American authorities?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is quite clear that the question is hypothetical. When and if circumstances—well, the hon. gentleman is showing me a newspaper clipping or whatever, which I have not read. If circumstances arise in the future which come anywhere near resembling what his worst fears, as I interpret them, might be, then I am sure that decisions will be made at whatever level, private sector, Government agency or Government, which are required. The decision-making process is in place and will be used.

● (1440)

[*Translation*]

TRADE

FREE TRADE NEGOTIATIONS WITH UNITED STATES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Prime Minister.

Recently, several of his Ministers have indicated that all economic sectors will be considered in the discussions on free trade with the United States. Yesterday, his Press Secretary said that the Government had no real idea about the results of these negotiations. Is it the position of this Government that no sector of our economy is safe and that all of them are negociable within the discussions on free trade with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that I have already indicated on several occasions sectors of our economy which are not negotiable as far as we are concerned. I believe that I was quite clear in this regard. Our objective is very simple. It is to create jobs. There are about two million jobs in Canada and Quebec which depend directly on an increased access to the American market. It is essential for us to develop this access to create jobs in this country.

This is our objective and I hope that it is also that of all the Members of this House of Commons.

[*English*]

SECTORAL TRADE INQUIRY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Prime Minister's press attaché says that there are no fixed ideas, but the Prime Minister says that there are certain sectors which are reserved. Which industries are in fact off the table? Is the Government prepared to protect agriculture, to keep the Auto Pact out of the discussions, and to ensure that the cultural industries are not given up in terms of protection because of a free trade agreement with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if we decide to initiate these kinds of negotiations, we would obviously be poor negotiators indeed if, before we sat down, we disposed of all the cards which we may or may not hold as a nation. There are cards that will never be disposed for or touched. These deal with our national sovereignty, our independence, and our cultural integrity, along the lines of the decisions that the Government made on SDI and on Arctic sovereignty last week.

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR DETAILS OF PRISON INMATE'S TRANSFER

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I have a question for the Solicitor General. Over the past week-end, and until yesterday, the Montreal Urban Community has experienced the longest hostage taking in its history. It involved Réjean Mathurin, a man sentenced to life for two murders, less than two years ago, and considered very dangerous. He was detained at the Leclerc Institution before he escaped.

Will the Minister tell the House whether he intends to order an investigation in order to find out why that man was, at a very early stage of his imprisonment, transferred from a maximum security penitentiary with concrete external walls, to a medium security penitentiary with external wire fences?

Mr. Speaker: Order, please. The question is long enough.

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the answer to that question is yes. Immediately upon the occurrence of an incident like this the Correctional Service would initiate an internal investigation. That is under way at the present time and we expect to have the results within a couple of weeks.

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—BUDGET PROVISIONS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. In the last several months the Government introduced several budgetary changes, including changes in family allowances, which will result in middle class families in Canada paying $3,500 more in taxes while rich families will have their taxes increased by only $1,125. Why has the Government chosen to fight the battle of deficit reduction on the backs of low and middle-income Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is amazing how short memories are in this place. I remind the Hon. Member that family allowances were not indexed at all prior to 1973. In 1976 the indexation was suspended for a full year.

Ms. Copps: John Turner intoduced indexation.

Mr. Wilson (Etobicoke Centre): Hold on just a minute now. On January 1, when the Hon. Member from Bay Street was the Finance Minister—

Ms. Copps: You're the Hon. Member from Bay Street.

Some Hon. Members: Oh, oh!

Mr. Mulroney: He wasn't referring to you.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think the Hon. Minister knows full well that such a reference is not appropriate.

Mr. Wilson (Etobicoke Centre): On January 1, 1979, the family allowance was reduced by 20 per cent and then was cut back to six and five during 1983.

The point that I am making is that there is no one more holier than thou than the Member opposite, and people are starting to see through it.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): On many occasions the previous Government took action against family benefits. We have chosen to reduce the rate of increase of the family allowance, but at the same time we have significantly increased the child tax credit so that those who need it most will get the most.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT PRIME MINISTER MEET QUEBEC FAMILIES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary on the same subject. We saw the Minister of Finance do the same crazy thing to senior citizens, for which he was forced later to apologize.

My question to the Right Hon. Prime Minister is this: The groups representing Quebec families want to know if you are ready and willing to meet them to change your—

Mr. Speaker: Order, please. Order! I would like to hear you ask a question.

Mr. Malépart: Mr. Speaker, I have a question for the Prime Minister.

I know he pretends he is not listening because he does not want to answer. His advisors told him not to.

Mr. Prime Minister, the groups representing Quebec families have called on me to ask you today if you would be ready to meet them in order to change your family allowance system? They do not want to lose the $55 million you want to take away from them.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I met Quebec families in the constituency of Manicouagan yesterday. They were very proud of the 284,000 new jobs created in 11 months by this Government, of the fact that interest rates have gone down by 2.75 per cent, that the inflation rate is at its lowest since 1971, that investor confidence has increased by 12 per cent and that the number of construction projects has gone up by 26 per cent.

I think Quebec families want to meet with us in order to congratulate us for quite a remarkable first year in office.

* * *

REGIONAL ECONOMIC EXPANSION

MODERNIZATION OF PULP AND PAPER PLANT AT DESBIENS—FEDERAL CONTRIBUTION—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to direct a question to the Minister of Regional Industrial Expansion.

This morning, the leader of our party met the representatives of the unionized workers of the pulp and paper plant in Desbiens, in the area of Lac-Saint-Jean, province of Quebec, and he was told that the Secretary of State had indicated that the $4.6 million federal contribution which the Minister had announced last May for the modernization of the Desbiens plant would only be available until October 10.

My question is this: Considering that the Lavalin Corporation has withdrawn from this project, could the Minister extend this deadline beyond October 10 and, if so, until when?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member is quite correct in indicating that on May 10 we made an offer of a 20 per cent assistance package with respect to almost $23 million of total financing for the plant to which he referred. We have extended our offer until October 10. We have not received a request for a further extension, but if we receive such a request we will naturally give it very early and, presumably, favourable consideration.

[*Translation*]

REQUEST FOR DETAILS OF FEASIBILITY STUDY

Mr. Lorne Nystrom (Yorkton-Melville): I should like to put a supplementary question, Mr. Speaker.

The union wanted to know which feasibility study has now been accepted by the Government, the $24 million one, from St-Raymond, or the $50 million one from the Lavalin company which has withdrawn from the project?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I indicated earlier, our figure was that of $23 million. That is the figure which we assume to be the correct estimate of the total cost. Being Conservatives, we always like to take the lower figure.

Oral Questions

YOUNG OFFENDERS ACT

REQUEST FOR AMENDING LEGISLATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Solicitor General and it is with regard to the Young Offenders Act. There are many flaws in that Act, especially in the provisions which came into effect on April 1 of this year. Assuming that he has had a chance to make a preliminary review of that legislation, what would he highlight as the main weaknesses and when will we see some action on this legislation?

• (1450)

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as I indicated in response to a question last week from one of the Hon. Member's colleagues, I fully share the philosophy that underlines the Young Offenders legislation, namely, that young offenders should be treated not on a case, welfare model but rather by holding them accountable for their actions.

There have been a number of concerns expressed about the application of the Young Offenders Act, including the issue of what is done in the case where a young offender is found not guilty by reason of insanity and what is done with the records. There is the issue of whether or not police are allowed to disclose the identity of young offenders who may be loose and dangerous, as well as the adequancy of some provincial legislation for dealing with young people under the age of 12. Certainly I will want to review all of these issues and solicit input from the Hon. Member and others.

* * *

[*Translation*]

AIRPORTS

SECURITY MEASURES

Hon. André Ouellet (Papineau): Mr. Speaker, I should like to ask the Minister of Transport why the very special security measures announced on June 25th by the Prime Minister following the Air India tragedy have not yet been implemented at the Toronto airport? And how is it that a CBC reporter could so easily make light of the entire security system put in place by his department in Toronto?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, needless to say, I am not at all happy about this incident. Indeed, I am very disturbed. The fact of the matter is that earlier this year we initiated a complete audit and review of Canada's security systems with respect to the procedures, the adequacy and the vulnerability. We have beefed up our security system, particularly with respect to international traffic, and particularly with respect to sabotage which is a part of a new era in which we now live.

However, the fact that there was an unattended door which literally broke the security shield disturbs me very much and I can assure the Hon. Member that it will be dealt with.

I should also point out to him the need, perhaps, for the last point detection system that we are working on, and the need for improved facilities and more manpower, which means dollars, of course.

MINISTER'S POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, are air travellers more secure now than before? Are we now going to believe what the Minister is saying? Is he more credible than when he made his statement on June 25? How much additional money has he received from the Minister of Finance to ensure security at airports?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member would agree that the security system is only as effective as its weakest link. Obviously, there is a weak link here. Furthermore, we have detected some points of vulnerability which we are addressing. Some of the audits have been completed, some recommendations are being implemented, and others are ongoing. A comprehensive review was initiated by the Prime Minister. That report is to be in our hands some time in the middle of October.

All of these matters are being considered and I repeat that it points out the need for a complete re-evaluation of our system, our facilities, our manpower, and the need for more resources to do the job properly.

* * *

PUBLISHING INDUSTRY

PRENTICE-HALL COMPANY TAKEOVER

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister responsible for Investment Canada. He will know that the publishing community and Canadians generally involved in cultural awareness are extremely concerned about the prospect of a takeover of a major Canadian publishing firm, Prentice-Hall, by American interests, Gulf and Western. Will the Minister assure the House that cultural industries will indeed be exempt from American takeovers and that this takeover of Prentice-Hall publishing in particular will not be permitted?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure that the Hon. Member is well aware that the Gulf and Western deal to which she refers is an indirect acquisition. It is not a direct acquisition of Prentice-Hall which is already owned outside Canada.

This matter is before us. The Prentice-Hall people have indicated that they would like some time to weigh the communications policy that my colleague, the Minister of Communications, made public some time ago. They will try to comply with that policy as far as Canadian ownership is concerned. Of course, we have facilitated their deliberations by giving them extended time.

GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my supplementary question is directed to the Minister of Communications. In July the Minister announced a firm policy stating that the publishing industry would be developed in Canada. Obviously, if this policy is to have any meaning, this takeover would not be permitted.

Would the Minister explain how this policy could be anything more than a pious hope if it is not respected in particular cases? This particular case has been a matter of concern to the community. There has been a great deal of lobbying on it for months, without any answers. The publishing community wants an answer.

Mr. Speaker: Order, please. For a supplementary question, it is quite long.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, a certain number of cases are now under review in the Department of Regional Industrial Expansion and there have been frequent, continous and warm consultations with my colleague. It rests with him to advise the companies involved of the government's decisions.

* * *

EXTERNAL AFFAIRS

PLIGHT OF CHILDREN IN BRAZIL

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Last night I was deeply distressed by the Radio-Canada news report on the fate of 35 million Brazilian children, and I would imagine that all Hon. Members were distressed as well. Mr. Speaker, Canada does not condone apartheid in South Africa, and in the past it did not condone oppression and injustice in the world. Can the Minister tell me what measures he intends to implement to force the Brazilian Government to look after the 35 million innocent children who have been abandoned by their Government and their families?

Right Hon. Joe Clark (Secretary of State on External Affairs): Mr. Speaker, I greatly appreciate the question raised by the Hon. Member. This program continues to shed light on a situation which has shocked all Canadians. I have asked CIDA and my Department whether Canada can do anything more. We already have a very active program under the aegis of CIDA to help the Brazilian Government.

In the final analysis I must emphasize that the situation depicted on television last night is an internal situation. Still, if there is anything Canada can do to help, we are prepared to do so.

* * *

[*English*]

AIRPORTS

OWNERSHIP AND RESPONSIBILITY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question directed to the Minister of Transport. Yesterday he misled the House—perhaps inadvertently—when he denied that an exercise is under way to divest the federal Government of responsibility and ownership of federal airports across Canada.

Would he now confirm that in fact a Mr. John Fisher, an employee of the Deputy Prime Minister's ministerial task force, has already held discussions regarding divestiture of federal airports in Regina, Winnipeg, Saskatoon, Whitehorse, Yellowknife, Fredericton, Saint John, Charlottetown, and St. John's, Newfoundland? If the Minister is still not able to answer the question, I suggest he refer the matter to the Deputy Prime Minister who obviously is running the Transport shop?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I did not think that I misled the House or denied that such an exercise was going on. As I indicated to the Hon. Member, the Budget papers of May 23 indicated that the Government would pursue the developments of a new management structure for the federal airport system in Canada. Options would be presented for consideration this year to provide for a self-sustaining system, incorporating the principle of cross-subsidization for the smaller airports. It is within that context that options are being developed by my Department and these options will be presented to Cabinet later this year for consideration. That is precisely what I said yesterday.

Mr. Speaker: A short supplementary question.

Mr. Tobin: Yesterday I asked for a list of airports that may possibly be affected. The Minister denied there was any such plan.

SAFETY FACTOR

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am concerned about safety. Does the Minister agree with a statement with respect to safety, authored by the Deputy Prime Minister in a confidential "Structure 90" document? It reads: "Users, carriers and the general public must gradually assume a greater role in ensuring their own safety". Is that the attitude that resulted in Radio-Canada making a mockery of your new safety instructions in Toronto?

• (1500)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I want to assure the Hon. Member, this House and the people of Canada that safety is the number one priority in any initiatives to be undertaken.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) on Monday, September 16, 1985, does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PRESENTATION OF THIRD REPORT OF STRIKING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour to table the third report of the Striking Committee in both official languages.

[*Editor's Note: For list referred to above see today's Votes and Proceedings.*]

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CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

TABLING OF ANNUAL REPORT

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 47(1), I would like to table, in both official languages, the first annual report of the Canadian Institute for International Peace and Security, which should be referred to the Standing Committee on External Affairs and National Defence pursuant to the provisions of Standing Order 47(4).

* * *

PETITIONS

SALES TAX ON DRUGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wish to present a petition on behalf of 6,130 citizens of Winnipeg, most of them senior citizens, who urge the Government to remove the immoral and unjust sales tax on thousands of over the counter drugs, surgical supplies and health care products. These citizens of Winnipeg implore the

Government to remove the sales tax from all cancer treatments, heart medication and drugs for a host of other illnesses.

[*Translation*]

CLOSING DATE OF GULF REFINERY PLANT

Mrs. Carole Jacques (Montreal-Mercier): Mr. Speaker, I have the honour to present to the House a petition from workers of the Gulf Canada refinery, in my riding of Montreal-Mercier.

Mr. Speaker, the 8,000 petitioners are workers of the Gulf refinery, as well as residents of the Montreal region.

We urge the Government of Canada to do its utmost to postpone the closing of the Gulf refinery to save 450 jobs and protect the petro-chemical industry.

Mr. Speaker, may I add that the workers of that refinery are supported by the whole Quebec caucus.

[*English*]

Mr. Speaker: Order, please. I can tell that some of the bootlegging habits are spreading throughout the Chamber. However, are there further petitions?

RENT INCREASES

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I am pleased to present to the House a petition on behalf of the residents of Vilnius Manor, a Toronto Lithuanian senior citizens residence located in my constituency.

The residents are being asked by Canada Mortgage and Housing Corporation to absorb rent increases from 5 per cent to 8 per cent even while the ceiling on rent increases in the Province of Ontario is 4 per cent. The petitioners request the House to urge the Minister responsible for the Canada Mortgage and Housing Corporation to provide relief from the increasingly high rental costs.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 385, 397, 419 and 423.

[*Text*]

HIRING OF SPECIAL CONSTABLES

Question No. 385—**Mr. Gauthier:**

Did the Royal Canadian Mounted Police recently hire 300 security agents and, if so, what language criteria were used in their hiring?

Hon. Perrin Beatty (Solicitor General of Canada): The RCMP has not hired any security agents in the recent past. There is presently a recruiting program under way, however, to hire 201 Special Constables who will be employed as Static Guards in the National Capital Region. This employment opportunity has been publicized in major newspapers across Canada, and proficiency in both official languages was identified as a definite asset, as was related military or security experience. To date, in excess of 17,000 individuals have indicated an interest in these positions. As a large number of candidates possess both the additional qualifications of language proficiency and related experience, processing of applications has begun with this group.

CANADIAN SECURITY INTELLIGENCE SERVICE

Question No. 397—**Mr. Garneau:**

Since its inception, how many person-years were allocated to the Canadian Security Intelligence Service and what was and what is, at the present time, the proportion of French-speaking employees?

Hon. Perrin Beatty (Solicitor General of Canada): The Canadian Security Intelligence Service is not subjected to person-year control. Treasury Board controls the funding available to the Service, placing a limitation on the amount provided for salaries and wages. The salaries and wages limitation is included in the over-all budgetary figure for the Service which is approved annually by Parliament.

Immediately prior to the establishment of the Canadian Security Intelligence Service, 29 per cent of the employee population was comprised of employees whose first official language was French. By June 1, 1985 this figure has been reduced to 25 per cent as a consequence of the decision of a number of French-speaking members of the RCMP who elected to remain with the Force on transition. Efforts continue by the Service to attract French-speaking candidates, with success evident in appointments made at all levels of the Service.

RENOUS PRISON, NEW BRUNSWICK

Question No. 419—**Mr. Robichaud:**

1. What is the total number of positions to be filled at the Renous prison and was the idea of building a special wing for dangerous criminals abandoned and, if so (*a*) how many jobs will be lost (*b*) what would have been the average salary at the prison in 1985 (*c*) in view of the multiplier effect, how many indirect jobs will be lost in (i) New Brunswick (ii) the Miramichi area due to the cancellation of the project?

2. How many unilingual (*a*) francophone (*b*) anglophone postions will there be in (i) management (ii) security services (iii) inmate services (psychologists, recreationists, etc.) and, in each case, what is its description?

Hon. Perrin Beatty (Solicitor General of Canada): 1. The number of positions to be filled at the Atlantic Institution is 271. The plan to build a Special Handling Unit was abandoned. (*a*) There will be 80 fewer jobs as a consequence; (*b*) the average salary at the Atlantic Institution will remain approximately $33,000; (*c*) it is estimated that approximately 66 indirect jobs will be lost: (i) 15, (ii) 51.

2. (*a*) There are no unilingual "French essential" positions identified as of August 1, 1985. (*b*) The linguistic profile of

the following positions is termed "English essential": (i) Management:—Assistant Warden, Industries (GL-C01)

This person is responsible for the activities which aim to maximize work, training and education opportunities for inmates. The object is to concentrate on cost-effectiveness and productivity with the goal of developing private sector standards for institutional operations.

(ii) Security services: five CX-06, 33 CX-04, 63 CX-02, one Institutional Preventive Security Officer.

Note: A "CX" is a correctional officer.

This section provides both operation and preventive security measures. Correctional officers in operational security are responsible for minimizing the risk of harm inflicted by inmates on the public, the staff, other inmates and themselves. Preventive security officers are responsible for gathering and analysing security-related information, ensuring reliability of staff and screening institutional visitors.

The security group comprises the largest category of employees in the institution.

(iii) Inmate services: one officer (ED-EST) and one support staff member (CR) in Education and Training.

Employees in this area provide academic and vocational training leading to recognized certificates of achievement or skills. On-the-job training is also available to help train inmates prepare for re-entry into the community.

Four registered nurses (NU-HOS). Medical personnel provide preventive and therapeutic health care delivery, which encompasses medical, psychiatric and dental treatment, as well as nutritional counselling.

Two officers in Visits and Correspondence (CX-COF); one officer in Social Development (WP); three officers in Recreation (WP); four Case Management Officers (WP); four support staff members (CR). Employees in Socialization provide counselling services, spiritual development, psychological services and stress management. Social and community activities, such as physical fitness, arts and crafts, citizen participation programs, et cetera, are also offered.

OPERATING COSTS OF AIR CANADA

Question No. 423—**Mr. Robichaud:**

1. How much will the operating costs of Air Canada increase in 1985 following the 1 per cent increase in the federal sales tax on gasoline in October, 1984, following another 1 per cent increase of the federal sales tax in January, 1986, and following another increase of two cents a litre next September?

2. Will Air Canada increase (*a*) the cost of its tickets and, if so, by what amount (*b*) service fees and, if so, which ones and by what amount?

3. Will the Corporation cut passenger services and, if so, which ones?

4. Will the Corporation change its number of flights in 1985 and, if so (*a*) how many (*b*) will they be new or cancelled destinations?

Hon. Don Mazankowski (Minister of Transport): The management of Air Canada advises as follows:

1. (*a*) 1985—$3.1 million; (*b*) 1986—$3.5 million; (*c*) 1985—$6.5 million; 1986—$20.2 million.

2. A 1.7 per cent fare increase was introduced on February 1, 1985 to recover fuel price increases including October 1, 1984 federal sales tax on gasoline and the November 10, 1984 petroleum compensation charge increase.

3 and 4. The corporation is constantly reviewing its schedule patterns and continually makes adjustments based on multiple factors such as consumer demand, competition, as well as operating costs.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be now read a second time and referred to a legislative committee, and the amendment of Mr. Frith (p. 6625).

Mr. Speaker: The Hon. Member for Parry Sound—no, the Hon. Member for Kenora-Rainy River (Mr. Parry). The Hon. Member will know my problem.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I would like to thank you for the backhanded acknowledgement that this "Parry" is indeed sound, but the riding is Kenora-Rainy River.

Some Hon. Members: Oh, oh!

Mr. Parry: I was following the course of this debate to this point with considerable interest and trying to examine for myself what was happening in the House and how the debate was proceeding. I was glad this morning that the Government side was not going to content itself with just the bald statements of the Minister of National Health and Welfare (Mr. Epp) in relation to the planned reduction of family allowances, both as a component of government spending and as a component of family budgets in Canada.

I was glad to see the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) and the Member from Winnipeg South rising in what I took to be somewhat stage-managed efforts to defend the Government's position. It struck me in listening to the Minister of National Health and Welfare, along with speakers from this Party and from the Official Opposition, that what we were looking at was an excellent portrayal of the disparate motives within the Progressive Con-

servative Party, undoubtedly around the Cabinet table and within the government caucus.

On the one hand we heard the Minister of National Health and Welfare defending the reduction of family allowance payments as being a marginal adjustment, something that did not compromise the principle of universality, something that was, in fact, a little tinkering with the works that was not going to have any effect at all on the budgets of ordinary Canadians. On the other hand, and by contrast, we had the Member for Winnipeg-Assiniboine (Mr. McKenzie) expounding what I believe is a tradition within the Progressive Conservative Party that is not going to lie down, a tradition which says that social payments are some form of wastage in the economy, a tradition which decries and denigrates social payments as some form of charity. For example, there was a reference to $60 billion of social expenditures by the Government. This reference did not enable Members of this House, listeners or readers outside of this House to understand the relative significance in budgetary and national account terms. It was merely a reference to global figures, and, by implication, a reference to the generosity which this represented, presumably to the more productive classes of Canadians as opposed to those he sees as unproductive classes.

I would like to tell the Government and point out to the Progressive Conservative Party that until that sort of thinking is eliminated, there may be those Canadians who will elect them but they will be short of Canadians who will trust them.

It seems to me the Government was rightly nervous in allowing its Members to speak to this debate. Some credit is deserved. The Government has decided to grasp the nettle of what sentiments might come out from some of the wilder fringes of that caucus. On the one hand we have the preoccupation with the deficit, and there is legitimate concern with the deficit, and on the other hand we have an ideological viewpoint which views social expenditures as some form of subsidy, some form of scrap thrown to the poor people in order to buy their silence and their compliance.

Ms. Mitchell: Mr. Speaker, I rise on a point of order. Could we ask Government Members, if they are going to hold meetings—it sounds like a tea party—to leave the House. This is a very important issue that my colleague is debating.

Mr. Speaker: I appreciate the Member's point, as I am sure Hon. Members do. May I simply say that the advice should be taken by all Members of the House at all times.

Mr. Parry: As one who is occasionally guilty of the conduct complained of, I was not going to complain myself, Mr. Speaker. I do not doubt the Government side has very important matters it would like to resolve before Ministers escape to the relative safety of their ministerial offices. Of course I know, as a practising politician, that the practice of talking over one another is useful. However, when it reaches the ear of the Speaker it seems to be meaningless chatter, although I do not doubt the relevance and indeed the importance of what was being said.

• (1510)

I should like to return to the theme which has been taken up by speakers in this Party and in the Official Opposition. I would ask Government Members why they are not questioning the Minister of National Health and Welfare (Mr. Epp), their Cabinet and their Prime Minister (Mr. Mulroney) as to the status of the election promises which were made by the Progressive Conservative Party. Of course those election promises said nothing about reducing family allowances in the context of the over-all social spending envelope. Those promises, however, had much to say about maintaining indexation. To use an outworn phrase which will never leave the consciousness of Canadians, those promises had much to say about the sacred trust which our social programs imposed and should impose on every Member of the House.

The nature of the Bill is simply the adjustment of the family allowances. All Hon. Members, in speaking to it, have chosen to discuss it in a wider context. I have no hesitation in following that precedent. While we have heard from the Government side that apparently every evil which has afflicted the country over the past decade can be traced to the National Energy Program, we have also heard some contexts that are eminently sensible as an analysis of what the Government is trying to do with the family allowance reductions. It is worth pointing out in the House the removal of indexation in the sense that indexation is now to be dropped by three percentage points and that only the incremental inflation above 3 per cent will be counted in the recalculation of family allowances. Even though that form of indexation provides for an increase every year in the family allowance payments, it does not, in and of itself, give a share of the increase in Canada's wealth and Canada's means to the people who are the main beneficiaries of family allowances, namely, the poorest of the poor. Because indexation merely links an increase in payments to the value of money, it does not take into account increases in our Gross National Product. It does not take into account policy directions or the possibility that we, as Canadians, would like to see some of the increase in our national wealth also shared with people who are undertaking—and let us never forget that—a very serious responsibility not only on their own behalf but on behalf of all. There are those people who will benefit from the fact that the Government has not reintroduced the marginal tax rates which the previous Liberal Government discarded in a pay-off to its wealthier supporters. There are the people who will benefit from the lifetime capital gains bonanza or exemption. There are the people who will benefit from the removal of the limit on RRSP contributions, and the people who will undoubtedly benefit from the tax breaks which the Government will introduce in the future. They will be raising their children in the same society as those people who will be losing because of the Government's regressive behaviour in terms of family allowances.

One thing has always struck me about Canada since I came here 15 years ago. It did have and still has today strong elements of feeling about being one society. Canada is mercifully free of the classism and elitism of the society which I left

to come here. I believe that that organic picture of society to which we as Canadians largely, although not totally, subscribe by our actions is a philosophy, an impression and a credo that the Government should be doing everything to reinforce and nothing, in my opinion, to denigrate. With the family allowance being reduced and with the compensating increase for a period of only two years in the child tax credit, we should look at the message which those changes are sending to Canadians. We should look at the fact that over a 5-year span there will be no families which gain from the proposals of the Government. We should consider the message which is being sent to families, particularly poorer families, by those type of adjustments. We should consider the impression of Canadians when they are confronted with those calculations and understand that by the year 1990 all those who are parenting will be losers from this package of measures. They will very likely see, as I see, the measures introduced by the Minister of National Health and Welfare as being a niggardly tinkering with our social support network. We should consider what the reduced exemptions for children will do to the income tax system. We should consider the impression in the minds of the parents of Canada when they juxtapose the Government's reduction in the effective increase in the family allowance with a statement made by the Minister of Finance (Mr. Wilson) that Canada has an acute shortage of rich people. We should consider what will be the impression of the average family when it realizes that the family allowance reduction will reduce its over-all budget and income.

Some Members of the House have spoken of the reduction in the increase in family allowances as an attack on families. To others that may sound like rhetoric. However, I believe that it contains a very important element of truth and significance. After all, it is never reality which governs the reactions, behaviour and beliefs of people in this country or in any other country; it is always the perception of what is happening. The Government is sending a clear message by these reductions to the people of Canada, particularly to the poorest families, that so far as it is concerned child rearing, parenting and the development and growth of families are less a concern this year than they were last year. They will be even less a concern in 1990 than they are this year, and they will be an ever-diminishing concern of the Government from now on.

We should also consider what will happen if the average Canadian family relates family allowance receipts to its budget and the cost of raising children. The family allowance, the child tax credit and the child tax exemption, even combined, are only an insignificant portion of the cost of child rearing. One of the experiences, I am told, which European Governments are coming upon is that the birth rate is continuing to decline. The belief is that this is largely because of the financial burden which potential parents or married couples perceive when they look at the cost of raising children and how it will affect their family budget, and when they consider the very nominal recognition of the tax system and social payments provided by their countries.

Also I think we should look, in particular, at the position of the working poor. They are the people for whom family allowance is perhaps the most significant part of their budget, not in the sense of its being the largest part of their budget nor even in the sense of its being a larger part of the budget for them. These people will find that their incomes are not geared by another form of social support for the effects of inflation. These are the people who will in fact suffer most from the deindexing of family allowance payments.

● (1520)

The Government has chosen in its attack on the deficit to look really at just one side of the ledger. If there was ever a fault of which I thought the Tories would not be guilty it was failing to appreciate that there are indeed two sides to the national accounts; that there is an income side and an expenditure side. I think the fact that the Government has not brought in or reintroduced progressive tax rates, the fact that the Government has telegraphed reductions in taxes, exemptions, loopholes to the wealthy taxpayers of the country is as clear an indication as could be given of the fact that the Government is concentrating on expenditure reduction as the means of deficit reduction and is not looking at instituting in Canada the sort of fair tax system which would be both more productive in absolute terms and would provide a fairer sharing than exists today of the costs of providing benefits to our people.

Others have spoken and at some length on the principle of universality once espoused by the Prime Minister as a sacred trust. I believe that these reductions in family allowances that are predicated are indeed an erosion, a reduction of the principle of universality. That principle is important not only for philosophical but for pragmatic reasons. It is only when all can see some benefit from the system of social payments in this country that we will have the support of everybody in continuing to provide and co-operate in the mechanisms that provide those social assistance payments.

I am glad to hear my friends in the Liberal Party on side in this matter because when I heard their announcement of a so-called Operation Injustice a couple of days ago my first reaction was: Spare us! We have had the six and five program, that was Operation Injustice. Don't inflict that upon us again! But if the Liberal Party is prepared to go through the country and, ignoring its own history in this matter, help to bring the Opposition toward reduction in family allowances into this House, then I say, more power to them. I know that they will be pushing the same line and the same philosophy that the New Democratic Party is pushing and has always pushed.

I am glad to say that the psychology of charity has been almost eliminated from the social payments system in this country. I am glad to say that we can see ourselves as providers and as beneficiaries. I am concerned about the effect particularly on single-parent families, particularly on the poorest of the poor, that these reductions will have. I am glad to join my colleagues in the New Democratic Party and in the Opposition in voicing our opposition to those reductions.

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

Mr. Manly: Mr. Speaker, I was pleased to hear the comments of the Hon. Member for Kenora-Rainy River (Mr. Parry). As I listened to him, a question arose in my mind. I was thinking about his own riding where he has a very high percentage of Indian communities, in fact I think one of the highest number of Indian communities of any riding in Canada. As the Hon. Member has pointed out many times, there is also a very high level of unemployment in those communities. I wonder if he could share with the House his feelings about what the deindexing of family allowances will do to Indian families and Indian communities. How is that going to affect them?

Mr. Parry: I would like to thank the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) for his question because, as he correctly observes, my constituency does contain the largest number of reserve communities of any constituency in Canada and I believe also the highest number of treaty Indian people of any constituency in Canada. The impact, quite frankly, in some communities where unemployment can run as high as 85 per cent in the winter time and can persist above the 50 per cent level all year, will be quite significant.

I have heard Members from the government side decry and deride this Party's opposition to these reductions on the ground that they are not really going to affect anybody. I can say with great certainty that there are people who are going to be affected, particularly when we look at the continuing cumulative effect of those reductions.

We know, considering the effect of inflation, that it will be 1988 before the real value of assistance payments to the poorest of the poor drops below what it is today. Simply because we are talking about a consequence that is three years down the line rather than an immediate consequence, I believe, does not give us the right to treat it any less seriously. The fact is that if it is in the Government's plans and prescriptions and programs that those people will function on a reduced income three years from today then we should discuss it with exactly the same weight as if it were to happen tomorrow.

Particularly for those women who are the heads of single-parent families with large numbers of children, they are certainly going to notice the difference in their family allowance cheque, particularly if the payments through the Canada Assistance Plan are not increased to make up for the reductions that they will experience. It will have a significant effect and I would call upon the Government to look at the effect upon the actual real life budgets of the poorest of the poor before this measure goes forward.

The Acting Speaker (Mr. Paproski): The Hon. Member for Vancouver East (Ms. Mitchell) has a question or a comment?

Ms. Mitchell: Mr. Speaker, I also would like to ask my colleague a question. I know that he has a background in accounting and is particularly well informed on taxation. He also is involved somewhat in our own proposals before the Standing Committee on National Health and Welfare regarding what the New Democratic Party would do to bring more money into the Government coffers that could be used to increase family benefits, particularly the child tax credit and also to retain full indexation and to have a surplus for job-creation.

I wonder if he would comment a bit on the tax reform that The thinks is needed in order to increase benefits for families.

Mr. Parry: Thank you, Mr. Speaker. As I recall the proposal that was put forward by the New Democratic Party to the Standing Committee consisted of an increase of 80 per cent in the child tax credit. There was also the suggestion made by our Party that the child tax credit should be paid in segments rather than in one big lump as it is at the moment.

The point that the New Democratic Party is trying to make about the tax system is that it cannot be viewed as something that is divorced from the benefit system because, of course, the taxes pay for the benefits. Therefore if the Government was looking to reduce the deficit it should be looking at that income side of the ledger and it should be looking at the effective rates of taxation that are paid by Canadian taxpayers which, of course, go to fund, among so many other things, the benefits which we are debating today.

It was the belief of the New Democratic Party that the Government could pay for an 80 per cent increase in the child tax credit very comfortably by eliminating the capital gains exemption and by reinstating the marginal tax rates which had been abolished in the 1981 Budget.

• (1530)

Mr. Keeper: Mr. Speaker, I have a question for my colleague. In addressing the family allowance question, the Government is attempting to leave the impression that by reducing family allowances and by increasing the child tax credit that it is, in fact, helping the poorest of the poor most and, therefore, this move is just. Can the Hon. Member comment on the Government's actions in this regard? What is the impact on poor people as a result of the policy changes which have been brought about through this package?

Mr. Parry: Mr. Speaker, there is, in fact, an increase in assistance to the poorest of the poor, an increase in real terms as well as current dollar terms, for the first three years in which the Government's changes will be implemented, if they are passed. However, from 1989 onward, assuming a 4.5 per cent inflation rate, the poorest of the poor will see the real value of their benefits under the family allowance child tax and child tax exemption programs reduce in real terms. That is my point when I say that simply because something is happening three years from today instead of today there is no reason to treat it less seriously.

Ms. Copps: Mr. Speaker, I too have a question for the Hon. Member. It relates to the performance by the Prime Minister (Mr. Mulroney) in the House today. We heard him chortle

about how the unemployment rate is improving in his own home town and how the people of Canada are pleased with his report card. Today it is one year since the Conservative Government has come to power. In that one year it has managed to begin the dismantling of family and social programs which have been established across the country for decades. Does the Hon. Member believe what the Prime Minister said in the House today with respect to his so-called A performance? Or, in fact, does he agree with an open letter which was written to the Prime Minister of Canada by, I think, 54 groups and organizations which participated in the Government's so-called economic forum and who have now suggested that the Government is bankrupt of ideas when it comes to jobs, social programs, taxation and the role of Government? Who is telling the truth? Is it the Prime Minister and his A rating, or is it the organizations across Canada who, today, in major newspapers across the country have accorded his performance an F?

Mr. Parry: Mr. Speaker, the answers are, indeed, easy. The answer to the first question is no, I do not believe the Prime Minister. The answer to the second question is yes, I would certainly agree and endorse the opinion of the participants in the economic conference. Further, I would say that a gratuitous invocation of the Blessed Virgin Mary does not enhance anyone's credibility.

Ms. Copps: Can the Hon. Member prefer any explanation as to why we do not hear from the Progressive Conservative Members with respect to this very important issue?

The Acting Speaker (Mr. Paproski): The time for questions and comments has now expired. On debate, the Hon. Member for Westmorland-Kent (Mr. Robichaud).

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, first of all I would like to say that your presence of mind is extraordinary.

Mr. Speaker, some mornings when everything goes wrong, we say to ourselves that we should have stayed in bed.

I think that Canadians, when they look back to what happened on September 4 last year, are saying that is exactly what they should have done on that particular morning.

However, Mr. Speaker, the Canadian people are not to blame for the results we see today. Canadians have been misled by some very alluring election promises. It is like La Fontaine's fable about the Crow and the Fox, where the fox, after buttering up the crow, grabbed the cheese, exclaiming: "My dear fellow, you might as well learn that flatterers live off those who listen to them." The cheese, was a small price to pay for experience. The crow, embarrassed and ashamed, swore "never again".

Mr. Speaker, like La Fontaine's sly fox, the Conservative Party played on people's emotions and gained their confidence. Subsequently, it changed its position and is now refusing to give voters what it promised them.

Mr. Speaker, I do not like taking part in this kind of debate and I think it is very unfortunate that we are having one. We had a debate last spring on de-indexation of Old Age Security pensions and we thought at the time that the Government had finally gotten the message.

An Hon. Member: The Conservatives are slow learners!

Mr. Robichaud: Unfortunately, they did not get the message.

Mr. Speaker, perhaps we should remind the Progressive Conservative Party, which has now formed the Government, what it promised us last year. I am not referring to election promises, because we know they have all been forgotten and that the Government has no intention of meeting those commitments.

I am speaking about a statement made on December 14, 1984, when the Right Hon. Prime Minister said to the press: "The federal Government has no intention of reducing family allowances for middle-income Canadians."

At the same time, the Minister of National Health and Welfare (Mr. Epp) dutifully stated that his role as Minsiter was to give signals and take initiatives to reinforce the role of the family and make it more meaningful in today's society.

Mr. Speaker, I would be the first to rejoice and to congratulate the Minister if he were to propose measures which favour the family. But we have to ask ourselves some questions.

By de-indexing family allowances, is the Minister strengthening the role of the family and the purchasing power of low and middle-income Canadians?

By de-indexing the child tax credit from 1990, is the Government guaranteeing the economic future of low and middle-income families and giving them opportunities to provide a decent education for their children?

By reducing the tax exemption for children from 1987, by forcing families to pay more taxes, and finally, by increasing the federal sales tax and oil taxes, is the Government reinforcing the economic power of families and making them more meaningful in our society? Mr. Speaker, there is only one answer to these questions: No, of course not!

The decision of the Government to take all these initiatives will only make low- and middle-income families poorer. This is obvious. By making cutbacks in all the programs aimed at families, the Government is reducing the income of these families and making life more difficult and much more expensive for them.

Mr. Speaker, I am not talking about abstract matters, but about harsh realities our families will have to face throughout the country and especially in New Brunswick.

• (1540)

Even though the Budget suggests that, with those changes, assistance to lower-income families will be increased, it is a fact that a good number of lower-income families and all middle-income families with children will get less than they are now receiving under the current system. For instance, in the area of family allowances, a family now gets $375 a year per child; in 1986, it will get less because of the family allowances being de-indexed, and so forth in 1987, 1988 and 1989.

What must be understood in the Government proposals is that there is a long-term loss for families, despite the increase in the income tax child credit proposed for 1986, 1987 and 1988. However, concerning the income tax child credit, as early as 1990, that also will be de-indexed. Moreover, the other Budget proposals will in effect wipe out any benefit derived from the tax credit increase. Actually, in the next four years family benefits will rise slightly because of the increase in the income tax child credit. But starting in 1990, benefits will decrease and they will go on decreasing over the following years. This is because in 1990 the income tax child credit also will be de-indexed, just as family allowances are now. That is to say that the increase in those benefits will correspond to the increase in the inflation rate over and above 3 per cent.

If all things were to remain as they are now, the benefit increase would be 4 per cent rather than 1 per cent. Therefore, even if there is an increase, it will be slight and will not match the current inflation rate or cost of living increase.

This is not all. The Government has other proposals that are extremely unfavourable to families. Indeed, from 1986 on fewer families will be receiving the maximum income tax child credit.

The income ceiling which makes it possible for a family to receive the maximum Child Tax Credit is presently $26,330. But the Government proposes to lower this ceiling to $23,500. Therefore, all families whose income is between $23,000 and $26,000 will no longer be eligible to the Child Tax Credit.

Moreover, because the average salary will increase from year to year, more and more families will earn over $23,500 and get only reduced benefits. What is more, the personal income tax will increase in 1986.

Because of the generous proposals of the Tory Government . . . I have still 10 minutes left, Mr. Speaker? Thank you. I thought a while ago that you were going to cut me short.

Because of the generous proposals of the Tory Government, the low- and middle-income family will loose its federal exemption beginning in 1986. Also, basic personal exemptions will be reduced, because they will be indexed from now only by the inflation rate exceeding 3 per cent instead of being fully indexed to the cost of living. The taxable income of the low-income family is therefore higher. So the Child Tax Credit will decrease, while the Income Tax and the Sales Tax will both increase.

In short, the future is far from being encouraging for low- and middle-income families.

Because of the budgetary measures, the poor families will get poorer and the rich families will definitely get richer.

Yesterday, Mr. Speaker, when the Minister introduced this Bill, he asked us to understand it and to consider it in the light of the deficit, the national debt, and the Government's need to limit its expenditures. But if we take into account the great many families it is likely to affect, we should consider it in the light of the $2 billion granted to the oil multinationals, in the light of the exemption of capital gain taxes which benefit high income families, and in the light of the increased tax deduction resulting from greater RRSP investments. Low-income families do not benefit from these programs. Under these circumstances, Mr. Speaker, the poor will have to pay for what the rich no longer pay. It does not make sense and, above all, it is unfair! Is that the way the Government means to help those who need it most?

Mr. Speaker, the Government is taking steps which are both stringent and unfair. The Progressive Conservative Government wants to increase the burden of disadvantaged families. Yet, according to the 1981 census, 13 per cent of Canadian families live below the poverty line. In my own province of New Brunswick, the 16.2 per cent of the families living below the poverty line will be severely affected by the family allowance cuts. For all these families, Government money represents a major part of their income and helps them survive and make ends meet. As you know, Mr. Speaker, poverty unfortunately still exists in Canada. Perhaps you do not, but your neighbours know what it is to be poor and to live on a very small income. It is a situation nobody would wish to live or to impose on anybody else.

Nobody is proud to be poor or to admit being poor. Nobody lives on a small income out of choice or willingly. Life is not easy for everybody. All Canadians are not born in an affluent region or to a family who is well-off financially. Many Canadians live in isolated regions where the education system is limited to the primary and secondary levels and where employment is only seasonal. Mr. Speaker, seasonal employment means that a person will work up to 10 or 12 weeks during the summer months to become eligible to Unemployment Insurance benefits during the winter months. Which means that these families live on an extremely low income. If you work for 10 or 12 weeks on a salary of $400 and you live on Unemployment Insurance benefits the rest of the year, you do not earn all together more than $14,000.

But if you are not so lucky and earn only $250 a week over the first twelve weeks you will simply end up with a little over $12,000 a year. That is what it is like to be poor, to have limited means. One can pinpoint a poor family when attending parent-teacher meetings, or again at the first meeting before

school opens when parents are told: You will have to buy running shoes for your children, gym suits, dictionaries, various items the young need to attend school. And you can read their expression, those people are all sad because they have to make a choice as to what they can or cannot afford to buy for their children. It is unfortunate because not only will those children not have what others enjoy at school but they will not be able to participate in various activities such as minor hockey or figure skating. They are indeed pushed aside and that is what really hurts, to realize that one is not as well off as the others.

Mr. Speaker, all Hon. Members have to listen to their constituents to appreciate the fact that many of them have needs and that something has to be done about it.

Far from improving the living conditions of our constituents, the constituents of all the Members here, this Bill will make matters worse. It simply does not make sense, Mr. Speaker.

That is why I cannot let the Government have free reins. As we did last spring, we have to stop it or else the future of this country will be hopelessly jeopardized.

Mr. Speaker, I am giving this Government a very serious warning on behalf of the people of New Brunswick. I urge you to reconsider your position and not to reduce family allowances.

Finally, Mr. Speaker, I most sincerely hope the Government will change its mind and do so before the people are forced to protest and demonstrate vigourously as they have shown they can during the debate on old age security pensions deindexation. The people of New Brunswick, both men and women, then joined forces with all other Canadians to tell the Government that it was being unfair. If need be, Mr. Speaker, I am prepared to help them launch the same kind of demonstration to prove to this Conservative Government that this Bill is unfair.

• (1550)

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I have a comment and a question. First, I would like to congratulate my colleague for Westmorland-Kent (Mr. Robichaud) on his excellent speech this afternoon.

I would also like to ask him two questions. Does he believe that the Government has its priorities right when it spends $56 million to buy new, different colour uniforms for the Armed Forces instead of spending $55 million to preserve family allowances for Canadians? Second, could he tell us why, in his opinion, the Conservative Members are participating so little, if at all, in the debate on such an important matter?

Mr. Robichaud: Mr. Speaker, naturally, the questions of my Hon. colleague are not that difficult to answer. In fact, the priorities of this Government are completely upside down, because it thinks it is absolutely impossible to find any money to help the less privileged, such as low-income families.

This is ridiculous, especially when billions of dollars, or $1,000 million, can be found to help businesses which are already well-off, such as the multinationals. To come back to the question asked by my colleague, Mr. Speaker, I would point out that $500 million were found to build an icebreaker to preserve Canadian sovereignty in the Arctic. I am quite in favour of protecting our territory, but it is strange that so much money could be found to build an icebreaker, and it is even stranger that all this was brought about by the actions of our great friends south of our border.

As for the non-participation of Government Members in this debate, the Minister himself did not have that many good things to say when he introduced his Bill yesterday. When it should have been the turn of Government Members to speak, they had absolutely nothing to say. They simply skipped their turn. I understood this morning why Government Members did not speak to this Bill yesterday. It is simply because they had nothing to say. The Hon. Member for Bellechasse (Mr. Blais) was content this morning with commenting on what had been said the day before without adding anything new. He only commented on the speeches made the day before.

Mr. Speaker, in reply to the second question, I would say that Conservatives simply have nothing to add and cannot defend the position of the Minister as reflected in this Bill.

[*English*]

Mr. Redway: Mr. Speaker, so as not to disappoint the Hon. Member and his colleagues, I thought we should have some participation by government Members. I already participated in the debate and comments previously, but I want to put a question to the Hon. Member.

He is well aware, of course, that this particular measure before the House is only part of a package regarding family benefits. The other parts of the package include not only the family allowance but also the child tax credit and the child tax exemption under the Income Tax Act. All of those make up the total family benefit package. As the Hon. Member knows, the net effect of all of those and the changes being proposed will increase the benefits for those low income families which the Hon. Member spoke about so eloquently and actually decrease benefits for the high income families.

I would be interested in knowing from the Hon. Member what the official Liberal Party policies are with respect to all three parts of the family benefit package, taking into account the question of the deficit and our difficulty with the $35 billion deficit funding. What are the specific and offiical policies of the Liberal Party to deal with all of those matters and still benefit the low income people that he and I are both concerned about?

[*Translation*]

Mr. Robichaud: Mr. Speaker, a package is proposed to us, but only one piece at a time.

And that, to my mind, is not quite honest because they say: "See, this one is not that bad but we have another one coming which will repair what we are doing wrong at present." Indeed, they are trying to sell it to us; they are slyly trying to sell it to the people with fine words suggesting that what we are now doing will not hurt them too much, because there will be something else.

When my colleague asks me what the position of our party is concerning the deficit, I say that we have only one position and it is that the deficit or the debt cannot be reduced at the expense of the most needy. There are other ways of doing it.

The Acting Speaker (Mr. Paproski): The period for questions and comments is over.

• (1600)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Environmental Affairs (a) Acid rain—Prime Minister's meeting with United States President (b) Appointment of Canada envoy; the Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—Shipbuilding (a) Halifax Industries Limited (b) Government plans; and the Hon. Member for Algoma (Mr. Foster)—Agriculture (a) Western drought—Government assistance (b) Request for direct payments to farmers.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be now read a second time and referred to a legislative committee, and on the amendment of Mr. Frith (p. 6625).

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, it is my pleasure to rise today on the first anniversary of the swearing in of the new Government to join in the debate on second reading of Bill C-70, an Act to amend the Family Allowances Act, 1973, and the subsequent amendment. The Bill would provide for inflation protection for family allowance payments when the Consumer Price Index exceeds 3 per cent. It is unfortunate that the Opposition has chosen the strategy that it has. Rather than join a reasonable and necessary debate on this important subject, they have chosen to introduce an amendment to delay second reading for six months. This tells the people of Canada that the Liberals have put the issue on the backburner, that they refuse to participate in the debate, and that they are interested in nothing but political gain in a campaign of fear and misinformation. Of course, as always, they are eagerly joined in such a strategy by the NDP.

I now know that the Opposition Parties do not understand the simple fact that has been stated quite clearly by my fellow Manitoban, the Minister of National Health and Welfare (Mr. Epp) which cannot be ignored in any debate on any social program. That simple fact is that social programs and benefits cannot be separated from economic realities. There is at last a Government in Ottawa that understands this. The healthier the national economy, the stronger the social benefit system.

As we continue to undo the economic damage inflicted on Canada by the former Liberal Government, we must ensure that a greater proportion of benefits go to those in our society who are in the greatest need. In just one year we have started Canada's economy on the road to recovery. There are now 284,000 more Canadians working than there were a year ago. Unemployment is still at a level that is unacceptable, but it is a step in the right direction. Inflation is steady and low for the first time in many years. Over the past three years the federal debt grew at a rate of almost 25 per cent, which is almost three times the rate of growth of the GNP. With the current fiscal plan, debt growth should slow to 17.7 per cent this year and 14.6 per cent in 1986-87. Housing starts have increased to an annual rate of 155,000 units, up 24 per cent from the previous two quarters. And we have only just begun.

I suggest that there is not a Member in this House who does not know that we must provide more for the less fortunate Canadians. We are now attempting to do that in concert with a healthy economic recovery, and not with our heads in the sand alongside the Opposition Parties. Bill C-70 is a good start toward improving the social safety net in Canada. At the same time we must consider the further measures planned by the Minister of National Health and Welfare to address the plight of low-income Canadians. Bill C-70 cannot be considered in isolation.

I refer the House briefly to page 43 of the Budget papers. I wish to refer to a few of the planned changes because they are so important to the debate on Bill C-70 and the amendment thereto. Beginning in the taxation year 1986 the child tax credit, payable in the spring of 1987, will be increased by $70 per child, from $384 to $454. In the taxation year 1987 the

child tax credit, which will be payable in the spring of 1988, will be increased by a further $35 to a total of $489. At the same time the child tax exemption will be reduced to $560 per child under age 18 at the end of the year. This makes the system much more progressive. For the taxation year 1988 the child tax credit will be increased a further $35 to a total of $524 per child under 18. At the same time the child tax exemption will be reduced to $470 per child under age 18 at the end of the year.

As you can clearly see, Mr. Speaker, Bill C-70 is just the first step in a series of changes that the Government is planning in response to the need for more benefits going to those most in need in Canadian society. The Government is looking to the future. We want to ensure the long-term health of our family benefit system, unlike the Liberals and NDP whose sole interest is short-term political gain at the expense of the very system they profess to be protecting. A delay of six months for second reading as proposed by the Opposition delays the beginning of changes to the system that are intended to improve the fairness of our family benefits system, and to ensure that maximum benefits go to families with children and with incomes of less than $25,000 per year. I keep hearing criticism from the Opposition on our proposal to introduce a capital gains exemption for individuals. They say that this is a proposal for the rich, but that is absolutely untrue. Among the number of Canadians who will benefit from this proposal are the farmers, the small businessmen, and the small town professionals who have worked hard and paid taxes to support our social benefits system.

"Private initiative" and "hard work" are not dirty words. People who have worked hard on family farms and in family businesses have been asking why they should work hard and take risks if the Government only penalizes them, as the former Liberal Government did. As a new Government we are going to reward hard work because we know that without these people we would soon have no social benefit system whatsoever. We have seen what the NDP Government in Manitoba thinks of small business and individual initiative. They slap on a special employment tax every time a business hires a new employee. That is some incentive; a tax on job creation.

I am also disturbed, Mr. Speaker, by a statement from the NDP spokesperson, the Member for Vancouver East (Ms. Mitchell). In response to Bill C-70 she said that "it is easier to attack children than it is to attack old age pensioners". Can you imagine a statement such as this from an NDP Member of Parliament? It is truly incredible. New Democratic Party Members, who feel no remorse at all in supporting the death of thousands of unborn Canadian children, are telling us that we are attacking children with Bill C-70. Obviously the concern for children expressed by the NDP does not include the ultimate protection, that is, the right to be born. That subject deserves separate debate, but it does point out the serious contradiction in Opposition arguments.

My wife and three children are the most important part of my life and I have been fortunate enough to be able to provide for them. However, in my 13 years of work in the health care field, I have seen many families much less fortunate than mine. My family would not hesitate to give up part of the increase in the family allowance so that others in greater need would receive more.

In this debate we have also heard criticism from the Opposition Liberals on our recent changes to the devastating National Energy Program. Such statements prove their total lack of understanding with regard to western Canada. We were treated as a colony by the Liberals for so long that they have forgotten what they did to us. I would like to give a small piece of advice to the Liberals. If they ever hope to be credible in western Canada, they had better talk to westerners in order that they can understand that the Western Accord restores to the west what the Liberals took away with the National Energy Program. The Liberal spokesman, the Hon. Member for Sudbury (Mr. Frith), say that he is, "convinced that grandparents are concerned about what is happening to their grandchildren". I agree totally, but not because I want to enlist seniors in a fight against Bill C-70, but because seniors have a lot of experience and common sense and they worry about the future of their grandchildren. They can see through the cheap politics of the opposition and will join us in a long-term solution and a return to fairness in Canadian society and its social system.

• (1610)

In conclusion, I want to emphasize that Bill C-70 is only a first step in improving Canada's existing benefits system. When considered with plans to increase child tax credit payments, to make the child tax exemption more progressive within the tax system and to improve the system even more as the economy improves, I know that Canadians will support Bill C-70.

The effects of Bill C-70 will be twofold: first, the benefits to families will be distributed more fairly; second, there will be recognition of economic realities by all Canadian families. The Government supports the family and we are working to assure the future of family benefits. Everything cannot be done at once. As conditions improve and as the May 23 Budget continues to improve the Canadian economy, the family benefits package will be further improved. Therefore, I urge the House to defeat the amendment and pass second reading of Bill C-70 so it may be referred to a legislative committee.

Mr. Keeper: Mr. Speaker, I was interested to hear the Hon. Member say that the Government was committed to social policy with regard to families that would make more resources available for those who need it most. Is he aware that while the changes do benefit the poorest of the poor in the first three years, after those first three years even the poorest of the poor will lose money according to the proposal which his Government has introduced? How does he justify that with his contention that the changes in social policy the Government is introducing will in fact help the poor?

Mr. White: Mr. Speaker, I stated several times that this is the first step in a long-term plan and we are not looking for a short-term political gain. Without proper economic management in our country there will be no social benefit package at all. These measures will proceed step by step and we believe that with our priority being economic recovery in Canada, economic justice and an improved social benefit package will follow.

Mr. Boudria: Mr. Speaker, I listened to the Hon. Member with great interest. I believe he said that Bill C-70 would improve benefits to families. How could a measure that cuts benefits be deemed to improve them in any way, shape or form? I must say that this is logic that most of us have some difficulty understanding. Could he elaborate on that for the benefit of Hon. Members?

Mr. White: Mr. Speaker, I am pleased that the Hon. Member listened attentively to my speech. I did not see him in his seat so I assume he was watching the television in the lobby. My answer would be the same as that given to the Hon. Member for Winnipeg North Centre (Mr. Keeper). We must also take deficit reduction into consideration. While it would be desirable to consider a social benefits package in isolation, it is not possible to do so as a Government. We inherited a tremendous deficit and we are trying to redistribute that package as it exists in order to put more money into the hands of the less fortunate. I believe we have begun that process.

Ms. Copps: Mr. Speaker, the Prime Minister of Canada (Mr. Mulroney) promised in the House of Commons that he would not use social service cut-backs to reduce the deficit. The Hon. Member stands in his place to say that his Government is taking this action to reduce the deficit. Canadians should be made aware of the fact that a family of four earning $15,000—disregarding the millionaires whom the Prime Minister and the Minister of National Health and Welfare (Mr. Epp) like to refer to—will lose almost $2,000 as a result of tax changes and cut-backs in family allowances between now and 1990. How can the Hon. Member suggest that a family of four earning $15,000 should face a cut-back of almost $2,000 to pay for the deficit which is a direct result of his Budget measures?

Mr. White: Mr. Speaker, I am pleased to say that the Government is looking at long-term policy rather than short-term political gain. Perhaps the Hon. Member is not aware of the tremendous debt that was left by her former Government. As finances improve and the situation permits, the social benefit package will be increased according to our policy, which is to look after those in greatest need.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, let me congratulate my corner colleague from the southeast Conservative caucus, the Member for Dauphin-Swan River (Mr. White), for his excellent presentation.

He illustrated some key economic indicators, some of which were also given by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) this morning. However, let me add other economic indicators which he neglected to include in his remarks but which are quite relevant in the over-all context of this subject. First, interest rates have dropped 2.75 per cent since last September. Car and truck sales, depending upon the area, have risen 20 per cent to 25 per cent. Investment spending intentions are up in this country by 17 per cent to 20 per cent. These indicators mean an increasing number of jobs. Members opposite should recognize that the Government is creating more jobs in this country. I know that it makes them very nervous to read those statistics because they do not like to see success.

The stability of our dollar is very strong. These positive signs are seen today, on the first anniversary of the swearing in of our Cabinet and the new Government of Canada. These indicators will provide confidence and a positive strength upon which we can build in this country.

My colleague put the debate into perspective when he said that we are not touching the concept of universality as a result of this Bill. No payments will be cancelled. No payments will be reduced. We are lowering the level of increase for next year.

Does the Hon. Member agree that the vast majority of Canadians believe that we must lower our losses in this country because we cannot continue to live beyond our means? Does he think that we in this country can continue to live beyond our means?

Mr. White: I thank my colleague, the Hon. Member for Ottawa-Carleton (Mr. Turner), for his question. He is correct that there were several positive economic indicators that I failed to mention in my presentation. However, if I had mentioned them all, I would have been here for hours.

As a western Canadian, I can say that there is a very positive attitude in the West. After being ignored for so long, we finally see a Government that is representative nationally and is dealing with national problems in a responsible manner.

The Hon. Member is quite right when he says that universality will be untouched by this proposal. It is not the first time that indexation has been modified. Similar steps were taken in 1976, 1979 and 1982. My constituents and other Canadians are beginning to realize the seriousness of our debt and, as he mentioned, they realize that we cannot continue to live beyond our means.

[*Translation*]

Mr. Malépart: Mr. Speaker, I have a supplementary and a comment for my colleague who, as I know, is a man of his word and a man of honour.

What I do not understand about the Conservative members and about my colleague is that they talk of reducing the deficit at the expense of children, at the expense of families with children.

I would therefore ask him: Does my colleague who just spoke now know—and I would like to remind him of a promise to be found in a Government document, the blue paper dated

January 1985—that none of the savings achieved through program changes will be used for reducing the deficit?

This is a commitment made by the Prime Minister (Mr. Mulroney), the Minister of National Health and Welfare (Mr. Epp) and the Government!

Then I would like the Hon. Member to tell me on his word, and he is an honest man, if he accepts to reduce by $55 million the funds earmarked for helping families with children, whether he agrees that $56 million be spent just for changing the colour of uniforms in the Canadian Forces rather than letting the families have the money to help them raise their children, improve their living conditions? Does he personally accept that the Prime Minister mislead the people by saying: "We are honest, it is not for reducing the deficit, it is for making improvements!" when all Conservative members say the $55 million are indeed for reducing the deficit?

• (1620)

[*English*]

Mr. White: Mr. Speaker, I thank my colleague for the question. He mentions that we want to decrease the deficit at the expense of children. That is a perfect example of what I said about using the politics of fear and misinformation.

I am quite familiar with the Blue Paper because I was on the subcommittee that wrote it. We have a Government that is looking at the long term. We, along with all straight-thinking, responsible, commonsense Canadians, realize that without proper control of our deficit, we will not have any social benefit package. We are looking at the long term, not what may be on television tonight or next week.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I would like to recognize the next speaker for debate. The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to participate in this crucial debate in the House of Commons. It is at least as crucial as the debate we had in the last session concerning pensions. We must examine very closely what the Government is proposing in the legislation before us. What is the purpose of the legislation and its effect? What exactly does it mean for Canadians?

First, it means there will be fewer dollars in mothers' pockets for the care of children. For a Government that speaks of having a strong economy in the future and for a Government that wants wise investment to take place in Canada, this is a short-sighted policy. My colleague, the Hon. Member for Dauphin-Swan River (Mr. White) said that the Government had a long view of events in Canada, that it was looking to the future and not just at today. If we are looking to the future and if we have a long-term view of social policy and of wealth creation in Canada, we should remind ourselves that one of the keys to that is human resources. Economists around the world are coming to that realization today. They have recognized that the creation of wealth is based on human resources and not simply on capital resources.

If this Government were looking at the long term, it would consider the impact of reducing family allowances as they affect investment in the development of our human resources. Our children, the children of every family in Canada, are the human resources of the future. They are the ones who will create the wealth. Adequate family allowances are an investment in those children and in the future of the Canadian economy but this Government is taking away dollars that would be invested through the measure before us.

This measure will put fewer dollars in the wallets of Canadian families for their children, and it is done by deindexing family allowances. Granted the deindexation is partial, but it is real, Mr. Speaker. If family allowances were to remain as they are today, families would receive an increase in their family allowance as the cost of living goes up. This is automatic, and the purchasing power of family allowances would be maintained. This does not mean families would be getting grand increases but by continuing indexation, the purchasing power is maintained rather than eroded. This measure will take money out of the pockets of ordinary Canadian families, contrary to the assertions of my colleague on my right—I might say on the far right, Mr. Speaker.

Mr. Turner (Ottawa-Carleton): On the left.

Mr. Keeper: Ideologically on the right. It is entertaining to hear some of my colleagues in the Conservative Party claiming to be on the left—

Mr. Turner (Ottawa-Carleton): You are on the right.

Mr. Keeper: —considering their attitude toward social policy and dollars for families and for children.

Mr. Turner (Ottawa-Carleton): Centre of the road.

Mr. Keeper: The purpose of the family allowance is to help mothers meet their children's needs.

We might ask ourselves whether there are any real needs of this sort to be met in the community. By way of illustration, let us consider nutrition. If a young child is to perform well in school, that child must have a balanced diet. Many children simply will not have that without adequate family allowances. A couple of weeks ago I was in Winnipeg and toured soup kitchens in my constituency. I talked to people preparing meals for those who have no other source of nutrition. Children have been seen on the streets of Winnipeg visiting the welfare agencies and the agencies which give out food because they do not have adequate food at home.

There are some very real needs of children that must be met. Family allowances are an attempt by the Canadian Government to meet those needs. It is not only in terms of having adequate food to eat that family allowances play a significant role, but they also have an impact with regard to human dignity and pride. Schools have just opened. Children like to have new clothes and new crayons to go to school. I was

speaking to some workers in social service agencies in Winnipeg and they described how parents like to go out and buy new clothes for their children so a child can feel good on the first day of school because everyone is expected to have new clothes. These workers knew that because parents were buying new clothes they would be running out of welfare money used for food before the end of the month. There is a very real human need in terms of families who are on the lower end of the income scale. To these people family allowances are crucial. The family allowance is the foundation to our very existence. It is a symbol of hope. It is important for the Government to realize that when it cuts dollars from family allowances, the Government is taking money away from people who have some very real needs.

The family allowances perform another role having to do with the equality of women in our society. The family allowance is a cheque that goes in the name of the mother to assist her meet her children's needs. It recognizes the contribution a mother makes to the care of the children. It recognizes the value of her work.

More and more men these days are considering and taking up the option of full-time child care. It is to be applauded, but it is still a rare exception and the family allowance continues to be a way for the Canadian Government to recognize the value of the unpaid work of women in our society. It is a way that we as a society can acknowledge the importance of the time and energy which primarily women put into the care of children.

● (1630)

Not only does the action proposed by the Government take away dollars from families but it is a direct attack on the principle of universality in social programs. This is not the first time the Government has attacked universality. When it issued its economic statement early in its mandate, it raised questions about universality. Also it issued a policy paper and raised the same questions. However, more important, it attempted in its last Budget to deindex old age pensions partially. One would have thought that the Government would have learned from experience that an attack on the universality of social programs is a very risky undertaking because people realize the fundamental importance of universality.

It is important that social programs respect the dignity of all citizens and remove the negative stigma from receiving social assistance. When social programs are based upon income or need alone, people are required to prove that they are poor before they are eligible for social assistance. We know that society looks down upon those who are poor. Quite naturally people feel a sense of shame when they have to get down on their knees, so to speak, before the representative of a social agency to obtain an application for financial assistance. We are saying that the dignity of each person must be respected. Therefore, we are prepared to give social assistance to all citizens so that they know that they are receiving assistance as a matter of right, not because they are on the bottom rung of the social ladder. In order to respect human dignity in the application of social programs, those programs have to be matched up with a fair tax system. If we have to raise revenues in order to continue such programs, we require a fair tax system so that people feel that it is only right and just to pay taxes because everyone else is carrying an equal share of the burden. In this regard, the Government is off the track. Rather than promote a fairer tax system in its recent Budget, it in fact made the system even more unfair. The best example of this would be the fact that as a result of the recent Budget, the average Canadian family will have to pay an increase of some $500 in taxes. At the same time the Government gave a write-off to upper-income Canadians of $500,000 under the capital gains proposal. Anyone with a great deal of capital will not have to pay taxes on the increase in the value of that capital. Those people with a great deal of wealth received a tax break while average Canadians were hit over the head with a significant tax increase.

The Government goes in the direction of attacking the universality of social programs and seeks to use selective social measures. It undermines the fairness of the tax system and its capacity to produce revenue. As a result, it finds itself in a corner with no alternative but to attack the universality of social programs.

Canadians value the universality of social programs. They demonstrated this when they beat back the attempts of the Government to attack the universality of pensions. We must match universality with a fair tax system and with an equitable economic policy. Rather than having as its objective the trickle down approach to economics, the Government should have employment for all as its major objective. The policy of the Government is to provide tax breaks for business and for upper-income Canadians in order to make it more "attractive" to invest. The assumption is that if there are fewer taxes on investment, there will be more investment, which automatically leads to more employment. Recently experience has demonstrated that that is false, that in fact the economy does not work that way. Over the last 20 years the burden of taxation on corporations relative to the burden of taxation on individuals has dropped significantly while its progressive nature has caused regression. As a result of this tax regime and the Government's economic policies, we have seen an increase in unemployment. The policy of the Government to make it more and more attractive economically for investors by lightening the taxation burden on them does not lead to the kind of economic growth which provides employment and therefore results in an equitable economic circumstance.

Along with universal social programs we need equity in economic policy. The primary objective of that economic policy must be to put all Canadians to work. We must co-ordinate all instruments at the disposal of the Government in order to reach that objective.

I want to examine briefly the performance of the Government since its election, particularly as it affects universality. Prior to and during the last election campaign, the Government described universality as a sacred trust. This so-called sacred trust has been torn to shreds. The one thing which

stands out in the minds of most Canadians today is that they can no longer trust the Government. Leading up to the election the Government made every effort to gain the confidence of Canadians, and the results of that election indicate that it obviously achieved this. However, since that time the Government has been rapidly losing the confidence of Canadians on the basis of its performance. On the one hand it promised to respect universality in social programs. On the other hand, as soon as it assumed office, it began a concerted attack on the universality of social programs. If there is one characteristic of this Government which stands out in the minds of ordinary Canadians, it is the fact that its performance is at variance with its promises. Therefore Canadians trust the Government less and less. While that has not yet been translated into large numbers in Gallup polls, that will come about. When Canadians lose confidence in their Government, there is no way that it can continue to hope for high levels of support in Gallup polls or in whatever other instrument exists for measuring the confidence of people in their Government.

In my remaining minute I should like to point out that the measure before us today should be withdrawn. It should be withdrawn because it takes out of the pockets of ordinary families across this country dollars which are necessary in order for children to have their basic human needs met. It should be withdrawn because it is a direct attack on the principle of universality. It should be withdrawn in order to sustain public confidence in the Government. The Government has lost and continues to lose the trust of Canadians by continuing this kind of action. We on this side of the House call upon this Government to withdraw the measure before this House, to respect its promises and to actually look for ways of improving social policy as it affects children rather than undermining them.

● (1640)

Mr. Redway: Mr. Speaker, I have always considered the Hon. Member for Winnipeg North Centre (Mr. Keeper) to be a person who is very reasonable and very wise in his comments and I am very surprised to hear some of the comments that he is making today. One statement he made was that there was an increase in unemployment during this past year. I know the Hon. Member is well aware that employment is up almost 300,000 from a year ago. Another comment he made was that this measure attacked universality and I know that the Hon. Member knows that there is no such attack on universality in this measure or any other measure that is currently before the House. The Government proposes in this measure to maintain family allowances exactly as they are now and to increase them on a modified index basis.

The one thing however that really astounded me was the implication, Mr. Speaker, that the less advantaged in the system should not get some increased benefits. There was an implication in those comments on universality that those with low incomes should not have their benefits increased. At the present time under the current arrangements the Hon. Member will know that a family earning $30,000 a year under the total family benefit package which includes family allowances, the child tax credit and the child tax deduction in the income tax gets more benefits under that than a family earning only $10,000 a year.

Surely, Mr. Speaker, the Hon. Member does not want that situation to remain. Surely he wants to correct that situation and surely he wants to support the government package, and this is only one part of the government package, which will improve the benefits for low-income families and reduce them for those at the high end of the income scale.

Mr. Keeper: I want to thank the Hon. Member first of all for his description of me as being both reasonable and wise. I was hoping that that part of his comments would continue a little longer.

Mr. Turner (Ottawa-Carleton): A slip of the tongue.

Mr. Keeper: I am sure he was speaking sincerely, Mr. Speaker.

One of the questions that the Hon. Member raises is with regard to the impact of these measures on low-income Canadians. He suggested that somehow I was against an increase in those benefits for low-income Canadians. He should examine the impact of the proposal before the House.

In the short term, over the next three years there will be some marginal increase for the lowest income Canadians with regard to the whole package that is before us. After that three-year period even the lowest income Canadian will lose dollars. The over-all impact of this program is to take dollars away from families who have children. The Hon. Member suggests that there is no attack in this package on universality. Has he thought about the fact that when you undermine the purchasing power of a universal social program, that that is an attack on universality?

Mr. Turner (Ottawa-Carleton): No.

Mr. Keeper: When you reduce the purchasing power of the family allowance, the family allowance being a universal social program, is that not an attack on universality?

The Government has described its measures as just because while it reduces the purchasing power of the family allowance, at the same time it made some marginal increase in the child tax credit for people at the lower end of the income scale. That in itself is a choice in social policy instruments. It is indicating that it prefers to go the selective route rather than the universal route. I pointed out already that even though it helped the lowest income person in the short-term, in the long run all Canadians lose money, even the ones at the bottom of the economic ladder.

He talks about unemployment and says over the last year there has been an increase in employment. We must give some credit where credit is due. There has been a marginal increase in the number of jobs available. However, I must point this out that a large part of that increase has been in part-time employment rather than in full-time employment and the over-all trend continues, which is unemployment at about the

10 per cent level. There are 1.3 million people unemployed in this country. Until the Government can make a real dent in that unemployment rate it does not deserve any real credit. The Hon. Member must recognize that unemployment in this country is a serious problem that demands the top priority of government economic policy, which is the contention that I put forward, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Ottawa West (Mr. Daubney)—Ottawa-Carleton (Mr. Turner), excuse me.

Mr. Turner (Ottawa-Carleton): Ottawa West, Ottawa-Carleton, Mr. Speaker. It is a magnificent city no matter where we come from.

A short question. It is very easy to maintain the status quo, is it not?

Mr. Nystrom: It is Conservative.

Mr. Turner (Ottawa-Carleton): But it takes courage to effect change and it takes courage to make tough decisions when you are running a country. We are prepared and we are obviously making some tough decisions.

Mr. Nystrom: Radical.

Mr. Turner (Ottawa-Carleton): We are making them in the best interests of all the people of this country.

Let me ask the Hon. Member for Winnipeg North Centre (Mr. Keeper), whether he agrees that if former successive Liberal administrations had not lived beyond their means and spent us into financial oblivion that we would not have to be taking these tough financial decisions today? Yes or no?

Mr. Keeper: I must say that it puzzles me why the Hon. Member, as part of the Government, wants to take tough decisions when it affects families and family allowances but fails to take the same tough attitude when he is dealing with the banks or when he is dealing with people who earn a capital gain in this country. Why, Mr. Speaker, can the Hon. Member not be fair and tough across the board rather than just be tough when he is dealing with children?

The Hon. Member says that they are having to pick on children now because the Liberals wasted our wealth over the last 14 years or so. Just because the Liberals wasted the national wealth does not mean that the Conservatives have to follow that policy by bailing out the banks, by bailing out the oil industry and by giving a capital gains to the wealthiest people in this country rather than trying to maintain social policy as it affects children in this country.

[*Translation*]

Mr. Nystrom: Mr. Speaker, I also have a question for my friend the Hon. Member for Winnipeg North Centre (Mr. Keeper).

During the election, the Right Hon. Prime Minister made a good many election promises. He often referred to our social programs and so forth as a sacred trust. He never mentioned any proposal to de-index family allowances.

Why in your view did the Prime Minister break his election promises? Why did he fail to keep that sacred trust, thus deluding the Canadian people, and perhaps still more important, Canada's children?

Mr. Keeper: Mr. Speaker, truly, I do not know why the Government made a promise before coming to power, and broke it after being elected. I do not know why, but I am sure that before being elected they made a commitment to protect the principle of universality of our social programs. Now, as a Government, they attack the principle of university. I am certain that ordinary Canadians are aware of those attitudes and actions of the Government, that they are losing faith in that Government.

Mr. Speaker, I do hope that the Government will change its attitudes toward Canadians, because it is important that the Canadian Government have a good social policy that will help families in this country.

• (1650)

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is ironic that today is one year to the day that the Conservative Government was swept into power, its Ministers appointed, its pledges made, its Throne Speech tabled and the promises were out there for the Canadian people to judge. They have spent the last year judging those promises, one of which, in the mellifluous tones of the Prime Minister (Mr. Mulroney), was as follows:

> As the women of Canada know, there is some distance between the principle of equality, widely accepted, and its reality, still far short of achievement. It is the duty of Parliament and government to help ensure that Canadian society travels that distance as quickly as possible. This will sometimes require the exercise of your power, and it will always need the power of your example.
>
> Economic equality is the vehicle through which women will come to full partnership and participation with men—

The Prime Minister went on in his mellifluous tones, that deep voice, to say:

> My government has as a high priority measures to support and strengthen the Canadian family, which is the cornerstone of our society.

If we hearken back to that time, Mr. Speaker, we can remember the words of the Prime Minister, the words of his first speech to this House, when he promised that his highest priorities would be to the women of this country and to the strengthening of the families of this country.

The last time I looked, the women of the country and the children of the country were looking to the Prime Minister and to the Government for leadership on economic issues. In fact, Mr. Speaker, notwithstanding his promises, notwithstanding

the very bold statements of the Minister of National Health and Welfare (Mr. Epp) who said:

[*Translation*]

It is my role as Minister of National Health and Welfare to give the signals and take the initiatives which will strengthen the role of the family and make it more meaningful in our society.

Mr. Speaker, there are still not many of us women in the House of Commons, and there are not many of us either in the Government or in the Opposition, but I can assure you that there are thousands of women from poor and middle-income families in Canada who were waiting for this Government to keep its promise as concerns universality, especially for family allowances.

[*English*]

There are few women in this House, Mr. Speaker, too few on all sides of the House; but there are literally millions of women out there represented through myriad organizations which have looked to this Government to keep its promises on the issue of universality. They believed the Prime Minsiter when he stated in those oh-so-believable tones, "Universality is a sacred trust", just as the senior citizens believed the Prime Minisiter when he stated in Sherbrooke that senior citizens' pensions would not be touched. Yet, we see not only the Prime Minister but the Minister of National Health and Welfare and the Minister of State for Finance (Mrs. McDougall)—all government representatives—standing in their places trying to justify to the Canadian people that these cut-backs on family allowances and on families who can least afford to pay can be justified in our fight against the deficit.

The Prime Minister did not talk about the deficit in the last federal campaign. In fact, the Prime Minister promised this House that he would not repay the deficit on the backs of our senior citizens, our children and our families. However, the canadian people are asking themselves why this Government cannot find the money when it comes to a 3 per cent indexing of family allowances and when it comes to a 10 per cent tax on drugs—drugs which people in this country need to survive. I am talking about the over 2,000 drugs which are still taxed under the heinous illness provisions which were introduced in the Budget. People are still looking to the Government and to the Prime Minister to keep his word. Unfortunately, on this, the anniversary of the coming to power of the Prime Minister, as well as his cabinet Ministers, all we can say from this side of the House on behalf of the women of Canada is that the people have been betrayed. This Government has misled and duped the Canadian people. Member after Member on the government side of the House will stand up and say: "We cannot afford it. It was all the fault of those nasty Liberals." Unfortunately, that argument does not hold much water when we see that the Government has $1 billion to bail out the banks because of the ineptitude of not only the Minister of State for Finance and, the Minister of Finance (Mr. Wilson), but the Prime Minister himself, who made the decision to bail out those banks to the tune of $1 billion of taxpayers' money. This Government has the nerve to tell the people of Canada: "We cannot afford to pay our families earning $15,000 a year."

There is another particularly sloppy or ridiculous provision in the Bill before us. Since I know my time is short today and that I will be continuing tomorrow, I would like to point out for those Government Members who doubtless have not had a chance to read the legislation that not only has the Minister of National Health and Welfare decided to implement cut-backs with respect to family allowances, which will hit out at families earning $15,000, $20,00 and $25,000 a year, but in a particularly curious clause which he has bootlegged into the Bill, he has suggested that he now be given the right to determine when a child is presumed dead. I refer to Clause 5 which amends Section 15.1 of the Act, in which the Minister of National Health and Welfare is now suggesting that contrary to the formal legal procedure, which would have meant courts declaring presumption of death after a seven-year period, the Minister is suggesting that he be given that right and responsibility. Only the Conservative Government could have the arrogance to not only include a Bill which will give it the right to issue a certificate for presumption of death, but this same Minister has determined that he will be able to re-determine the life of the child after the certificate has been issued. If the Minister feels the child is dead, he can issue a presumption of death certificate specifying the date. If the date is wrong, he is empowering himself further to choose a second date of death. If, by some happenstance, it is determined that, in fact, the child is alive, the Minister of National Health and Welfare is empowering himself with the powers of Lazarus. He will be able to issue a certificate to the effect that the issuance of the presumption of death certificate was incorrect. This is carrying governmental caveat a little too far. I suggest to the Minister that before he attempts to bootleg in a whole new section in the Bill which was intended to deal specifically with budgetary matters, he should determine that organizations such as Justice for Children and Child Find Ontario Incorporated be given an opportunity to comment on what is a clear departure from present legal precedence and that it will not be accepted by this Party.

I hope that the Minister has a chance to respond to that point. I know that I will be continuing my remarks tomorrow. I look forward to a clarification from the Minister with respect to Lazarus.

• (1700)

[*Translation*]

The Acting Speaker (Mr. Charest): It being 5 o'clock, the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

CRIMINAL CODE AMENDMENT ACT, 1985

SUGGESTED AMENDMENT RESPECTING CAPITAL PUNISHMENT

Mr. Scott Fennell (Ontario) moved that Bill C-240, an Act to amend the Criminal Code (capital punishment), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is a privilege for me to present this Bill in the House. I have conducted three surveys of my constituency and have found that between 85 per cent and 87 per cent of my constituents are in favour of the restoration of capital punishment. I remind you, Mr. Speaker, that in my riding there are approximately 5,000 police officers from Metropolitan Toronto and Durham, and their wives. I have been to the funerals of police officers from my riding. I have had hit home to me emotionally the trauma those families are under.

I would like to refer to one case of a young man in his twenties who pleaded with me before the 1979 election to take a stand on this issue. He told me all the reasons he was nervous about being a police officer. I went to his funeral. He died for the same reasons he told me he feared.

I call upon the House to reinstate capital punishment as an alternative to be available in cases of high treason and first degree murder. There is a certain provision in this Bill which states:

> No person shall be convicted of first-degree murder upon the evidence of only one witness, unless the evidence of that witness is corroborated in a particular material by evidence that implicates the accused.

To be perfectly clear, I wish to stress the fact that this Bill would allow the sentence of the death penalty as an alternative only in cases where proof is 100 per cent verifiable. What we are trying to avoid here is evidence which may not be factual, which may be construed as being a fact but as not being accurate.

I would like to explain why the Criminal Code of Canada should be amended to reinstate capital punishment. A free but orderly society is dependent upon the entrenchment of well-known and established standards for acceptable behaviour. Capital punishment is an affirmation by the community that it views murder with abhorrence. It is this statement of revulsion, echoed in subtle ways from many directions during an entire lifetime, which helps dissuade the potential murderer from his act.

Restoration of the death penality will be a clear indicator that society is prepared to defend itself against mass murderers, serial murderers and murderers who carry out particularly vicious and deliberately cold-blooded or sadistic killings. Capital punishment underlines, as nothing else can, that murder is a serious business. Abolitionists ask if the return of the death penalty will make Canada a better place. I suggest that if we continue along as we are going, taking good care of our murderers, we will subsequently extend an invitation to murderers from certain states below the border to make Canada their place of hiding.

I have also been very involved, Mr. Speaker, with victims of violence. In this connection, I feel we look after our murderers far better than we look after the victims and the families of victims. This invitation we are putting forward will surely be accepted, as in the case of Mr. Ng, as a recent editorial in *The Globe and Mail* pointed out. If we do not do something, we will attract those kinds of people to Canada and will have no jurisdiction to remove them. Does Canada wish to become a haven for the worst of U.S. society? Will that make Canada a better place? Most certainly not, Mr. Speaker.

Public opinion polls, and I have mentioned my own, have shown that since the 1970s an overwhelming majority of Canadians, at least 70 per cent, are in favour of reinstating capital punishment. Following the will of the people is what democracy is all about. Rehabilitation has become the ideal toward which we strive to the point at which retribution is in fact ignored. While I appreciate that rehabilitation is appropriate in many cases, Mr. Speaker, I believe that there are some crimes for which retribution must not be ignored. There are some acts, some crimes so terrible, so outrageous to public sensitivity that only the ultimate penalty will satisfy the need for rectification of the assault upon society.

I would like to address two of the major arguments used by abolitionists against capital punishment. They say that mistakes can be made. That is the one thing in framing this Bill that we were particularly careful about. Mistakes should not be made. The abolitionists state that people have wrongfully received the death penalty in Canada. This is not fact. They referred to Donald Marshall. He was charged on second degree murder so he was never subject to capital punishment.

The abolitionists also state that capital punishment is not a deterrent. Social scientists are actually divided on this issue. We could have a debate in this House for days, Mr. Speaker, and I do not think we could ever prove it one way or the other. The fact is that we will never know for certain how much of a deterrent capital punishment is or is not simply because we have no way in which to gather statistics on murders that never happened. The fact that the threat of capital punishment has not prevented some murders does not mean that it has not stopped others from happening.

I believe that it is our responsibility to take every precaution available to protect the lives of those who would become the innocent victims. Again, I speak on behalf of the victims who have been abused and who have not been taken care of. Hopefully, I will be presenting a Bill in this House on behalf of innocent victims.

In the case of premeditated murder, surely it can be assumed that the possible consequences of the Act are considered. It is also probable that the threat of the death penalty would discourage professional criminals for whom a stint in jail is an occupational hazard. Further, and in that connection, we have reviewed the situation of mandatory supervision. In

my own riding there have been murders committed by people out on mandatory supervision where the police force was not advised that those people had been realeased from jail. It is reasonable to assume that in seeking to avoid arrest, a criminal would be less likely to shoot a police officer if the result would be capital punishment. Common sense indicates that capital punishment must have some deterrent effect for the majority of human beings.

I would also like to point out, Mr. Speaker, that the morality in our society is in a sad state. Young people are committing crimes which they did not commit 30 years ago. I believe we have to deal with the most severe criminals first and that there should be a ripple effect down to the minor criminal who starts off on the streets. I have talked to policemen whose lives are frustrated by minor criminal offences. They do not want to put these people in jail but there are no laws to help those people to be rehabilitated. We have a serious problem in Canada and it is getting worse. All one has to do is look at the insurance statistics to find out how bad it is. The morality in our society is in a sad state and I feel that by so dealing with the most severe criminals, perhaps it might have an effect on the behaviour of some Canadians.

As I mentioned earlier, if a potential murderer has been conditioned mentally by the existence of the most extreme form of punishment to be aware of the very serious consequences of his crime, he may avoid the criminal act. He may just realize that it is not worth it. By reserving this drastic punishment for the most serious crime, the law would foster a special abhorrence of murder in the minds of the public and this in itself would be expected to have some deterrent effect.

Allow me to reiterate, Mr. Speaker. Capital punishment does deter by fear of execution but that is not the only way. It also signals the revulsion of the community toward the crime and trains society to naturally abhore the crime.

• (1710)

We also hear other arguments, Mr. Speaker, that society has failed murderers in some way. Perhaps so. However, what are the chances of rehabilitating someone who fires a shotgun at point blank range into the face of an innocent victim? The officer I mentioned, the one who's funeral I went to, that is precisely what happened to him. I believe society has failed to entrench the utmost abhorrence for the most drastic offences as a fundamental principle of its foundation. Put another way, I ask if we have not failed the innocent victims? The young people, police officers and prison wardens, have we looked after them properly?

We also hear, Mr. Speaker, that the majority of Canadians are uninformed on the issue and incapable of making a reasoned judgment. That is why the statistics are so out of line, it is claimed. Some have used this argument to avoid the wishes of those it concerns. As I said before, I represent a large population of police officers in my riding. The reason is that many Metropolitan Toronto policemen live in my riding because they do not want to work where they live.

In conclusion, Mr. Speaker, statistics show that between 1961 and 1981, the Canadian homicide rate rose by 116 per cent. This figure is usually given from the date of abolition in 1976. I am giving it to the House from the date when capital punishment was last imposed in Canada.

I would like to point out that some pretty crude methods of capital punishment have been used in the past. Better methods have been developed and that is why I suggested the use of a drug which has been proven by use in the United States and is administered by needle. It is humane and certainly not a crude method as we have faced in the past.

To go back to the statistics, I fully admit that the correlation does not imply causation and, therefore, we cannot say with certainty that the abolition of the death penalty has led to the increase in the homicide rate. The principle remains that we as a society must reaffirm our belief that life is sacred and the taking of a life with not be done cheaply, without retribution. I stand before you in this House today on behalf of my constituents and many other Canadians who have written to me from across Canada, including many police officers and prison wardens, and ask that this Bill be referred to the Standing Committee on Justice and Legal Affairs to be given due consideration as it reflects the will of the people. I believe our Party is committed to bringing forward a Bill of this kind. I only ask that some of the thought which has gone into this Bill be brought to the attention of the committee. I realize we will have our opportunity but I have a responsibility to a large constituency of approximately 150,000 people, as well as a responsibility to the police officers who protect these people. I am certain that the Solicitor General (Mr. Beatty) is working to develop the Bill and bring it forward. I started my Bill as soon as the House reconvened in September, 1984, and I have now had my opportunity to bring it forward. I repeat that I would really appreciate the opportunity of having this Bill referred to the standing committee where it can be thoroughly studied and reviewed.

Mr. John Nunziata (York South-Weston): Mr. Speaker, it is with considerable regret and chagrin that I participate in this particular debate. At the outset I would like to state my position and state it clearly for the record. My constituents are well aware of the fact that I do not support capital punishment and that, as a parliamentarian, I intend to use every means conceivable to stop any effort by any Member of this House or the Government to restore capital punishment. I am opposed to capital punishment for a number of reasons. First and foremost, I am opposed because of my moral conviction and my attitude toward human life. In my view human life is sacred and regardless of how miserable a human life may be, regardless of what criminal act an individual commits, it is my firm belief that no person other than the Creator, no person and no state, should take the life of an individual.

Hon. Members are aware of my position with respect to abortion. I have stated in this House my unequivocal opposition to abortion because of the fact that human life is sacred and because I do not believe that any state should take the life of an individual. There are those Members opposite and others

who might suggest that I should be representing my constituents. I freely admit that a large majority of my constituents are in favour of capital punishment. There is no question about that and I am sure it is the same for all Members of this House. However, I do not feel bound by the views of my constituents on this particular issue and if I offend some because of the position I take, I apologize to them. However, I would like to quote Edmund Burke, speaking to the electors of Bristol on November 3, 1774. He said: "Your representative owes you not his industry only but his judgment and he betrays instead of serving you if he sacrifices it to your opinion." I am exercising my judgment, Mr. Speaker, and my commitment and belief in the position I take on this issue.

In 1976, when Parliament abolished capital punishment, we as a nation became civilized; we as a nation became moral; we as a nation said to our people and to the people of the world that it is wrong, barbaric and grotesque to take the life of another human being. That debate took place nine years ago and, yes, there have been those who have clamoured for the return of the death penalty over the past nine years. To its credit, Parliament has resisted and I am sure Hon. Members in this House who were present in 1976 will recall that debate and how close the vote was. It carried by a six or seven or eight vote margin. It was a difficult time for Members of Parliament. It was a difficult debate which went on for 95 or 96 hours. To its credit, this Parliament abolished capital punishment and it was thought at the time that it was abolished once and for all. However, much to the chagrin of not only Canadians, but the world, Canada is now reconsidering the issue. The Government has committed itself to a free vote. During the last election campaign it promised that it would have a debate in the House of Commons. To his credit, and that of the Minister of Justice (Mr. Crosbie), the Secretary of State for External Affairs (Mr. Clark), and others, the Prime Minister (Mr. Mulroney) is opposed to it. I ask why in God's name we should be debating this issue again here today. What is the justification?

● (1720)

In an explanatory note in this Bill it is indicated that:

The purpose of this Bill is to restore the death penalty for first degree murder and high treason, while substituting a more humane mode of execution for hanging.

What is humane about taking another life? There is no humane mode of killing another human being. It is easy, I suppose, for some Members to argue for the death penalty. I suggest that some are reading the polls and playing politics.

Mr. Crosby: Not you.

Mr. Nunziata: The Hon. Member opposite says, not I. Indeed, not I. I am standing here speaking before this House and to my constituents, notwithstanding that my constituents, and the overwhelming majority of Canadians, are in favour of capital punishment. If political defeat is the result of the position I take on capital punishment, so be it, because I, as an individual, am not prepared to compromise some very basic principles. I cannot compromise my soul because of any public opinion poll. There are those who are looking at the polls and those polls are dictating how they should vote on this particular matter. I ask those Members who look at the polls to sit back and search their souls and ask themselves whether they truly believe that the state should take another life. Hon. Members opposite nod and say yes. That is their right and prerogative. They can do it. They can call for capital punishment, but I simply ask those who are not as committed as the Hon. Member who has proposed this Bill and have not come to a definite conclusion with respect to this particular issue, to look at the facts and search their souls because this is an important issue. It is not important simply because Canadians say it is important, but because it deals with human life. It will undoubtedly be the most important decision that we parliamentarians make during this Parliament.

Why capital punishment? The Hon. Member has given some reasons. He has indicated that a great number of Canadians support capital punishment, but it is my respectful submission that a great many Canadians, including those in my constituency of York South-Weston, perhaps do not understand the ramifications and fully comprehend the fact that capital punishment is not a deterrent. Study after study has concluded that capital punishment is not a deterrent.

Before I get into the statistics to substantiate my submission that it is not a deterrent, I would like to quote a passage from an essay called "A Hanging" written by George Orwell in 1931 and set in Burma. I think it comes closer than anything else I have ever read in conveying what it means to execute, to kill, to murder a human being. Orwell writes:

It was about forty yards to the gallows. I watched the bare brown back of the prisoner marching in front of me. He walked clumsily with his bound arms, but quite steadily, with that bobbing gait of the Indian who never straightens his knees. At each step his muscles slid neatly into place, the lock of hair on his scalp danced up and down, his feet printed themselves on the wet gravel. And once, in spite of the men who gripped him by each shoulder, he stepped slightly aside to avoid a puddle on the path. It is curious, but till that moment I had never realized what it means to destroy a healthy, conscious man. When I saw the prisoner step aside to avoid the puddle, I saw the mystery, the unspeakable wrongness, of cutting a life short when it is in full tide. This man was not dying, he was alive just as we were alive. All the organs of his body were working—bowels digesting food, skin renewing itself, nails growing, tissues forming—all toiling away in solemn foolery. His nails would still be growing when he stood on the drop, when he was falling through the air with a tenth of a second to live. His eyes saw the yellow gravel and the grey walls, and his brain still remembered, foresaw, reasoned—reasoned even about puddles. He and we were a party of men walking together, seeing, hearing, feeling, understanding the same world; and in two minutes, with a sudden snap, one of us would be gone—one mind less, one world less.

We have to ask ourselves what conceivable purpose capital punishment will serve. It is not a deterrent as I will try to show in my submission. It is an attempt by some to extract their pound of flesh, to extract their vengeance. It is simply state-sanctioned vengeance, retribution. Our criminal justice system simply cannot be based on vengeance and retribution; an eye for an eye, a tooth for a tooth. We are beyond that. That is barbaric, that is history, that is the mark of an uncivilized nation and of uncivilized people. We have gone beyond that. There must be some real justification for our criminal justice system. If Members opposite and others could prove to me and others that capital punishment is a deterrent, then I would

suggest they might be standing on firmer ground. However, they cannot do that. Even Chief Ed Lunney of the Edmonton police force concedes the studies that say capital punishment is not a deterrent.

Canadian and American statistics show that capital punishment is not a deterrent. In 1975, the year before Parliament repealed the death sentence, there were 701 homicides, including murder, manslaughter and infanticide. In 1983, seven years after abolition, there were 682 homicides. The more important statistic is the rate of homicides per 100,000 population. In 1975, again, the year before capital punishment was abolished, Canada's homicide rate was 3.09 per 100,000. By 1983, it had fallen to 2.74. Is that evidence of capital punishment being a deterrent?

• (1730)

Those who argue that capital punishment is necessary to protect policemen are also without supporting evidence. In the five years before abolition, 19 policemen in Canada were murdered, compared to 18 in the five years after abolition. These are the facts.

If we look south of the border, again there are statistics that clearly indicate that capital punishment is not a deterrent. At present there are 38 states in the United States that have capital punishment on the books. Among western countries, only Ireland, Liechtenstein and 38 states of the United States retain capital punishment for the crime of murder. Britain abolished capital punishment in 1965. Since then, the British Parliament has reconsidered the question and, to the credit of British parliamentarians, they again said no to capital punishment. In 1981 the French Government abolished capital punishment. Now we in Canada, in this haven of safety—if I may say so—are considering bringing back capital punishment. It is a black mark on our country and it will be a dark day if this country ever decides to reinstate capital punishment.

Let me return to the statistics. As I said, in the United States, 38 states have the death penalty. The homicide rate in the United States is 8.3 compared to our figure of 2.7 homicides per 100,000 citizens. Where would Hon. Members rather live—in the United States or Canada? We have a safer country, even though we do not have the death penalty. Our rate is 2.74 compared to 8.3.

The Americans have not been reluctant to carry out executions since the Supreme Court of the United States decided that capital punishment was not cruel and unusual punishment. Three thousand nine hundred people have been executed in the United States since 1930. Some of those were Canadians.

One of the most interesting facts about capital punishment in the United States is that those states that have sentenced the most people to death and have actually carried out the most executions tend to be the states that have the worst murder records. Most of the worst rates are concentrated in the southern states where nearly two-thirds of all death row prisoners are held. Figures from the Federal Bureau of Investigation for 1983 show Louisiana and Texas tied for the worst homicide rate in the country—14.2 for every 100,000 people. Both states have a death penalty and both use it. It is not a deterrent in those two states. Texas ranks third in the nation in the number of people executed since the FBI began collecting national statistics in 1930, with 298 executions. There were 367 executions in Georgia and 329 in New York.

The statistics go on and on. I would be pleased to share these statistics with Hon. Members and indeed anyone—

The Acting Speaker (Mr. Charest): Order, please. I am sorry but the period of 20 minutes is now over. Resuming debate.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, this afternoon we are considering a Bill that proposes to reintroduce capital punishment for the offence of treason and first degree murder. I am certainly very sympathetic to the views of the Hon. Member who introduced the Bill and who expressed his very deep concern about the loss of life of one police officer in particular. I think we are all very sympathetic to the situation of police officers and prison officers who are the ones who risk their lives on our behalf and are amongst those arguing for a reintroduction of the death penalty.

However sympathetic I am with the intention of the Hon. Member and indeed of the police associations and correctional associations which advocate the return of capital punishment, I cannot be at all sympathetic with their concrete proposal that the reintroduction of the death penalty will give any additional safety to police officers, prison officers or any citizens as they go about their business.

It simply is not a fact that the death penalty deters. There has been abundant evidence about this in many studies. The United Nations has produced evidence of many countries over many years that have abolished capital punishment, reintroduced it and then changed the circumstances. It does not seem to be the case that capital punishment is any general deterrent against the offence of murder or any particular deterrent for those who must work with convicted persons or deal with them as police officers.

The death penalty was abolished in Canada and the murder rate actually declined after its abolition. One might even argue that citizens would be at greater risk with the reintroduction of the death penalty since its abolition has had some success. In any event, we are not a highly violent society. I believe that comparisons to the United States and the influence from the United States where the death penalty has been reintroduced give a very false picture.

Our murder rate is less than half that in the United States; fortunately, we are not nearly as violent a society here. Therefore, we should not be influenced by the much greater sense of panic and desperation felt by people in the United States in coping with the crime problems there.

If deterrent is not a logical argument in favour of capital punishment—which it really is not—what other reasons have been offered for the reintroduction of capital punishment? A number have been given, including the principle, "Eye for an

eye, tooth for a tooth and life for a life". It is the idea that retribution is an honourable, proper and indeed just requirement. It is the argument that capital punishment is a religious principle and that there are reasons from our own religion to justify the reintroduction of capital punishment. Indeed, surveys tell us that people who hold a religious faith are more likely to be in favour of capital punishment than those who do not hold a religious faith. To one who does hold a religious faith, I find this a very shocking and disturbing fact. However, it is interesting to note that the churches themselves are becoming very active in the debate on capital punishment and coming out very strongly against the restoration of capital punishment as a matter of principle.

• (1740)

Let me cite some material prepared by the Interchurch Taskforce on Responsible Alternatives to the Death Penalty, produced by the Canadian Council of Churches which represents a very important cross-section of the churches in Canada. Let me quote from what they call "The Religious Viewpoint':

The continued abolition of capital punishment is officially supported by Catholic, Protestant and Jewish bodies, as well as by many organizations concerned with the justice system in Canada. Some Christians claim that the death penalty is needed to uphold the sanctity of human life: they rely on the Old Testament warrant, "Whoso sheddeth man's blood, by man shall his blood be shed,—But Christ's teaching stresses mercy and reconciliation. When they brought him the woman taken in adultery (then a capital crime), Christ did not deny the penalty under the law but only said, "He that is without sin, let him cast the first stone.'

That is a pretty clear teaching. The Viewpoint goes on:

Those who have experienced God's forgiving love must act on God's promise of power to redeem broken situations and people.—How can adding another broken body balance the scales of justice?

How, indeed? There is no way that capital punishment restores a life that has been taken and there is no abstract way in which this loss of life can be set aright by the taking of another life.

Let me quote again:

Violence as public policy only adds to the cycle of violence, vengeance, and destruction. We should never give up on a fellow human being. To love someone who has murdered is a demanding test of our faith. Since God "desireth not the death of a sinner, but rather that he may turn from his wickedness and live", we should follow the divine example.

That is a very radical teaching, and perhaps it is one too radical for the Parliament of Canada. It is one on which I think all Christian people should reflect very seriously when they want to use the notion of divine retribution as a justification for the human penalty of capital punishment.

Let me quote also from the statement by the Archbishops and Bishops of the Anglican Church of Canada, which is my own denomination. This is a very strong statement against capital punishment. It reads:

We urge our people and Members of Parliament that they consider seriously the implications of re-introducing the death penalty and not give in to a hasty response—These implications include such things as: the impossibility of reversing the hanging where there has been a miscarriage of justice—

We do know that there are miscarriages of justice. It continues:

—the ignoring of evidence concerning the ineffectiveness of the death penalty as a deterrent—

I think that has been aptly demonstrated. It continues:

—a belief that the murderer is beyond being changed by God's grace to be a creative member of society.

We are convinced that it is in the best interests of Canadian society as a whole that capital punishment not be re-introduced, but that as Christians we need to seek alternatives that recognize the infinite worth of the individual before God.

Mere incarceration without rehabilitation will not change the murderer. Reform of our correctional systems needs to become a priority of our Government.

I think that is putting it in a very whole context as to what the principles are and what our responsibilities ought to be. Let me make it very clear when I have been citing some Christian authorities on this I do not wish to suggest that the Old Testament examples should be taken, as they are very often used, as an unequivocal demand for human retribution as a consequence of breaking the law.

In the Old Testament times capital punishment was certainly permitted and required for a very large number of offences, but there was still a very important array of conditions that limited the use of capital punishment. The standard of proof required for conviction amounted to certainty. It was required that there be more than two adult male witnesses, a much more severe requirement for evidence than in any of our laws or what is in the Bill before us today.

Further, the Mosaic law had, as the penalty for perjury, execution itself, a very severe punishment for anyone who would give false evidence to convict a person, a much stronger provision against perjury to ensure that any evidence given in a murder case would be correct evidence. In difficult cases, the verdict was deferred to judicial experts who had to go to a different venue to reconsider the matter. In short, a very important number of conditions that would considerably have qualified the imposition of capital punishment in any case. Therefore, when people simply quote all the available opportunities for the use of capital punishment in the Old Testament, they must consider that the possibility of their being used would have been very, very severely constrained. How many instances would there really be of multiple witnesses, eye witnesses, adult males who gave evidence in the proper fashion and all of the proceedings were correctly gone through?

There are other examples one can site. Quoting from the Book of Deuteronomy:

To me belong vengeance and recompense.

And from Leviticus:

You shall not take vengeance.

There are all kinds of instances that we are told it is not necessary or proper for human persons to exact human vengeance. The first murderer appearing in the Old Testament, Cain, was not executed. His life was protected. So much for a very bloodthirsty rendition of the Old Testament as a good justification for the reinstatement of capital punishment.

Let us examine some of the provisos that have been proposed in the Bill before us today. It is the Hon. Member's intention that there be very selective use and careful measures taken. He referred to 100 per cent reliability. I would respectfully suggest that it is not possible to have 100 per cent reliability. His Bill said there would have to be more than one witness or if one witness, that there be corroborating material evidence. I do not quite know what he means by this witness. Is it going to be an actual eye witness to the murder? I wonder how many cases would be covered. We also know about eye witnesses. There have been instances of mistakes being made even with eye witnesses. It seems unlikely, but it has happened. We have instances of people being hanged or otherwise executed who have been subsequently found not to have committed the murder in question.

There is even the matter of having material corroborating evidence, and I think of a recent British case where there was a handful of hair in the victim's hand. Many years later it was found it could not have been hair from the convicted person because new scientific tests had been developed which made that identification possible. At the time of the trial, the material evidence was extremely convincing that the person convicted was the murderer. It sounds all very good in theory to talk about material corroborating evidence and eye witnesses, but we do know that mistakes will be made and there is no way of having an absolutely safe system.

I want to get a little more broadly into the issue of violence. I suggest that capital punishment is not going to help deter the offence of murder or treason. We do have too much violence in our society, even if our society is not as violent as that in the United States and in many other countries. Naturally we could all like to see a reduction in violence.

I wonder why we are focusing so much on murder and not spending our time more constructively in looking at other causes of violence and other measures which this Parliament could be taking. I refer to the issue of violent pornography on which we have had an enormous amount of stalling. Proposals have been made. I have been active in the struggle over a number of years. This Parliament is very slow to act. Here is an opportunity where we could change the context, change the reality in which people do commit murder. We have all kinds of practical things we could do about such things as husbands who beat their wives and children. There are far more things to be done by way of prevention, such as counselling services, group discussions, all kinds of practical measures to develop a spirit of co-operation and non-violent solutions to problems. It would be far more useful for us to be discussing these measures which possibly could have some practical impact and could actually reduce the level of violence in society.

• (1750)

Far more people are killed unnecessarily by other means. For example, roughly 5,000 people per year are killed in traffic accidents, and roughly half of these deaths is the responsibility of drunk drivers. That is far more than the murder rate. However, practical measures to reduce the number of drunk drivers and practical measures to enforce the laws in a stricter fashion are shunted aside; they do not seem to be so important. Also a large number of people die in industrial accidents as a result of negligence. People debate whether it is criminal negligence or non-criminal negligence, but it certainly is very wrong. They are violent, preventable deaths. They occur in much larger numbers than murder by one person in a deliberate fashion of another. Also there are large numbers of deaths of people as a result of exposure to low levels of radiation. This is not dramatic; it happens over time. It is not someone shooting or knifing someone else, yet the number of deaths caused in this fashion is very much greater. Also I could refer to the number of fires and deaths which are caused inadvertently by people who are careless smokers. Again the number is very large and many of these instances are preventable.

I do not think we as a society are helpless or that we have to accept a large number of unfortunate but "nothing can be done about it" deaths. We could be acting constructively to reduce many other forms of violence in society.

In conclusion, I suggest that capital punishment is a false solution to a problem. We are spending our time debating capital punishment, a relatively modest problem within the context of the world and within the context of other preventable causes of death in society. We are taking time away from much more practical activity which could be socially much more beneficial.

[*Translation*]

Mr. Barry Moore (Pontiac-Gatineau-Labelle): I would like to comment today on Bill C-240 sponsored by the Hon. Member for Ontario (Mr. Fennell).

Many of us have had an opportunity to speak to this topic during discussions in the House on the reinstatement of provisions relating to capital punishment. The problem is a very complex one. It raises questions about our personal convictions and philosophy, our concepts of justice and of what constitutes fair and equitable punishment for certain crimes.

However, although it may be difficult to avoid getting involved in philosophical considerations, nevertheless, it may be useful to aim for a more objective assessment of the issue.

Mr. Speaker, there are several subjects that can provide the neutral terrain favourable to the kind of discussion we wish to undertake. Some of these have already been suggested by a number of my colleagues in this House. Today, I would like to talk about international conventions.

At the international level, there has been for several years a growing concern for humanizing penal justice. The United Nations, for instance, has been making a sustained effort to obtain fair treatment for prisoners and inmates and to prevent abuse in the penitentiary system. As an example of these efforts I would like to quote certain provisions of the Universal Declaration of Human Rights: everyone has the right to be presumed innocent "until proved guilty according to law in a public trial at which he has had all the guarantees necessary

for his defence", or for instance, "no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment."

Mr. Speaker, there is also the International Covenant on Civil and Political Rights, whose aim is to ensure recognition, respect and protection of our fundamental rights and dignity, and especially of persons who are deprived of their freedom. Finally, I would like to mention other international agreements such as the Declaration on the Protection of All Persons Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and the Draft Resolution prepared by the Committee on the Prevention of Crime and Treatment of Offenders, which concerns guarantees for the protection of the rights of a person subject to the death penalty, both aimed at protecting the rights and dignity of prisoners and persons who have been convicted.

Mr. Speaker, I realize that in Canada as in other countries, our national law takes precedence. Thus, draft legislation that would not be in line with internationally recognized aims would not as a result become illegal. However, by signing international conventions or agreements, Canada has expressed its willingness to apply these principles and to consider them when preparing and implementing its own legislation. For instance, when interpreting our Canadian Charter of Rights and Freedoms, we could draw on the Universal Declaration of Human Rights. Furthermore, the purpose of the ratification by Canada of an international convention or covenant is to make their provisions binding on the federal and provincial governments vis-à-vis other signatory countries. Canada, for instance, ratified the International Covenant on Civil and Political Rights, and any contravention by Canada of the provisions of this covenant would be perceived as a violation of its international obligations.

Therefore, Mr. Speaker, Canada is bound by these international conventions and agreements, at least to a certain extent. We must take them into account in our legislation. And so, when we are discussing the reinstatement of capital punishment, we must take into consideration the various agreements to which we have given our support in the past. Unfortunately, the Bill before the House today does not entirely conform to these agreements and conventions.

The first point I want to make in analyzing Bill C-240 concerns procedural guarantees. In other words, the procedural rules that are to protect the rights of the accused.

Mr. Speaker, international agreements put a great deal of emphasis on the right of everyone to adequate representation before the courts. By adequate representation we mean the right to have the necessary time to prepare a good defence as well as the right to be represented by an attorney of one's own choice. A lot has also been said about the right to appeal to a higher court in cases where a sentence has been handed down. In the case of a death sentence, the latest international position which Canada is committed to consider as a result of the Sixth United Nations Congress on the Prevention of Crime and the Treatment of Offenders provides that the appeal is automatic and mandatory. In cases where the accused is punishable by death, international agreements contain provisions concerning the burden of proof. A draft resolution of the Committee on the Prevention of Crime and the Prevention of Criminality, which Canada has endorsed, recommends that the death sentence be carried out, and I quote:

"only when there is absolutely no doubt whatsoever that the person accused of a crime is guilty, on the basis of clear and convincing evidence which does not leave room for any other interpretation of the facts."

Finally, still with respect to procedural guarantees, the international agreements also emphasize clemency and commutation of sentence. Certain people acknowledge that any person sentenced to death has the right to ask for commutation or to petition for mercy on his or her own behalf.

Does Bill C-240 contain all the guarantees I have just mentioned? For starters, Mr. Speaker, this Bill does not have any provision concerning adequate representation for the accused before the courts. Although this principle is spelt out in our Charter of Rights and Freedoms, not only does it need to be stressed but as well the participation of an attorney in the defence of any person accused of a crime punishable by death ought to be made mandatory. In such a case the seriousness of the punishment fully warrants the provision of clearly expressed guarantees just so there will be no doubt that the accused has the best defence available.

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been made.

ENVIRONMENTAL AFFAIRS—ACID RAIN—PRIME MINISTER'S MEETING WITH UNITED STATES PRESIDENT. (B) APPOINTMENT OF CANADA ENVOY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am glad to have the opportunity today to follow up on a question I asked of the Prime Minister (Mr. Mulroney) shortly after his Shamrock Summit meeting with President Reagan in March.

You will recall that at that time when the Prime Minister became so famous for his rendition of *When Irish Eyes are Smiling* that I suggested in the House that if we did not see more action on acid rain than we had coming out of the Shamrock Summit, at the same time next year we could all join the Prime Minister in a chorus of *Raindrops Keep Falling*

on my Head, referring of course to the continuing problem of acid rain. I might also suggest that another appropriate tune for what has been going on over so many years with respect to acid rain would be the song that was a hit a number of years ago called *Killing Me Softly With His Song.*

What is happening here and what is happening to our lakes in Canada has everything to do with the quiet way in which the life in many of our lakes and streams is being extinguished over the course of time by the continuing inaction on the part of Governments with respect to acid rain. I think the new Minister of the Environment (Mr. McMillan) said it very well a couple of days ago, that politicians have essentially been asleep at the switch.

I think it is fair to say also that not all politicians have been asleep at the switch and there have been voices at the political as well as at the scientific level over the years which have called upon Governments to recognize that this was a problem, and to act, and that those voices have gone largely unheeded. Now it appears that indeed attention may be paid to them, and that is a good sign.

What has happened since I asked that question on March 19? A number of things have happened. Here in the House we have formed a special committee on acid rain on which I have the honour to serve as the New Democratic Party Member. That committee recently had the opportunity to meet in the Muskoka area with the two special envoys on acid rain, the former Premier of Ontario, Mr. William Davis, who is the special envoy of the Prime Minister and Mr. Drew Lewis, the special envoy of President Reagan with respect to acid rain. We had the opportunity to meet with those two gentleman in Muskoka for a couple of hours to discuss their work and the ways in which we might co-operate on the problem of acid rain and I must say, as one who was initially cynical and remains to a degree cynical about the envoy process I was nevertheless encouraged by what Mr. Lewis had to say about the direction he thought his report would be going and about the kind of advice he might be giving to the President with respect to acid rain. I was particularly encouraged that there did not seem to be any debate any longer, at least in Mr. Lewis's own mind, about there being a problem and about the need for action. If that could become an incontestable political fact in in the United States, that would be a victory for us and I hope that sort of thing will be forthcoming.

With respect to the Canadian envoy, Mr. Davis, my over-all impression was that he was far too relaxed about the subject and not as intense or as passionate about the need for action as I would like to have seen. That may be a question of style, it is too early to judge, and I hope that the former Premier will prove me wrong when he makes his report.

● (1805)

I am, however, concerned about reports which came out the day after the special committee met with Mr. Lewis and Mr. Davis, reports having to do with the budget which Mr. Davis received for his acid rain work. There was a report to the effect that the over-all cost of Mr. Davis' appointment would be in the neighbourhood of $500,000 and that, quite understandably, a great deal of that money would have to do with travel and accommodation. However, a great deal was also going toward his own personal staff, which is handling not just work pursuant to his responsibilities as Special Envoy for Acid Rain, but also his own personal business having to do with the variety of corporations on whose boards he serves. I am concerned about this.

I know that the Canadian Coalition on Acid Rain is also concerned about it because they do not want to see the whole issue of acid rain dragged down to the level of those arguments which go on about the nature of political patronage in this country. They certainly do not want Mr. Davis to be seen as a patronage appointment. I want to register their concern and my concern to the Government, and through the Government to Mr. Davis, that when he brings down his report, in every way possible it should be of a quality which will justify the money spent, so that we will know when it comes down that some of the concerns I have expressed before, and which others have expessed, about Mr. Davis' appointment will be proven wrong. We would be glad to be wrong on this matter, Mr. Speker. I just hope that the Government is taking every step now to ensure, with respect to the report on Mr. Davis' budget, that the money being spent in the name of acid rain is, in fact, being spent on that very issue.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, with respect to the comments made by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), I think the Hon. Member ended with a somewhat regrettable tone. I will deal with that in a moment. For now, I would like to come to the substance of his representations.

It has been a long time, indeed, since he first asked the question and a great many events have taken place in the interim. I appreciate his mentioning the fact that our current Minister of the Environment (Mr. McMillan) has indicated the high priorities acid rain has with this Government. I think this has been done with honesty in terms of how actions have not been taken over a long period of time by governments and politicians in the past in spite of the fact that there are some who have had a keen sense of awareness of the problem.

The issue boils down to identifying for the record several points which I believe are important. First, in February of 1985 a commitment between the federal Government and the provincial Governments for the apportionment of deposition in each area of Canada was gained so that our desired level of 20 kilograms per hectare per year could be reached. We then followed that up with a number of specific actions, including the sub-committee reinstatement and actual funds which were put toward the cost of control in Canada and so on. We have been doing this work in Canada. In fact, we have been seen to be doing our homework.

We were left with the serious problem which has been in existence ever since 1979 when the first memorandum of intent was signed with the United States. We have had, in fact, an impasse which could not be overcome. That impasse had to be dealt with in some way. I think that we were fortunate to

have been able to provide a break, if you like, in what seemed to be a firm boundary which had been drawn around the issue from Canada's point of view and from the point of view of the United States. Through the appointments of Mr. Lewis and Mr. Davis, I think we have a serious opportunity to see that impasse broken down. I know the Hon. Member was pleased, as were we, to see that Mr. Lewis was thinking seriously of making specific recommendations, not only in terms of abatement control now, but in terms of dealing with the whole issue on a long-term basis so that we can accomplish the entire chore which we set out to accomplish.

I have to take some exception to the allusions which have been made, not only in the newspaper article, but also here in the House of Commons, insofar as Mr. Davis is concerned. We in Canada had at the time that Mr. Davis was appointed a need for someone of his stature, his experience and, in fact, someone in whom the United States would have confidence, to carry the ball for us at that level. Mr. Davis happened to be available. I cannot account directly, Mr. Speaker, for the proportion of finances Mr. Davis has used and where they fall in terms of travel, office expenses and so on. I would have to challenge the Hon. Member to tell me if he has never had his secretary make a personal call for him. I believe the Canadian public should know—and in most ways do know—that not only is the job itself so serious and important that the actual amount spent by the envoys is very small indeed in comparison, but that both Mr. Lewis and Mr. Davis are working for $1 dollar a year. I do not know how many Members of Parliament would do that.

• (1810)

There are things which have to go on in the meantime. Life goes on for people who are dedicating themselves; to the extent of energy and effort which both Mr. Lewis and Mr. Davis have put into this effort. If there were calls made on behalf of Mr. Davis for the scheduling of other things, I really wonder whether the Hon. Member thinks that that is a serious affront to the sense of propriety we would all like to have. Unless the Hon. Member and other members of the press want to continue to try to raise the issue from this point of view, I do not believe it in any way jeopardizes the respect which the Americans will have for the efforts of Mr. Davis and the respect which we all should have for the contribution he is making on behalf of Canada in trying to come to firm grips with the acid rain problem.

SHIPBUILDING—HALIFAX INDUSTRIES LIMITED. (B) GOVERNMENT PLANS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, on June 27 I pressed the Minister of Regional Industrial Expansion (Mr. Stevens) to take action to ensure that the Canadian shipbuilding industry might again experience prosperity. The immediate focus of my question was the threat of bankruptcy facing Halifax Industries Limited, a matter about which some action was eventually taken. However, I noted the plight of the shipbuilding industry generally.

This is an industry which is in distress and which is baffled by the failure of the Government to act on promises made during the last election campaign to create a more viable and prosperous Canadian shipbuilding industry. The Minister said that he did not plan to let months and months pass before doing something. Today it is 10 days short of three months since he gave that response and we are still awaiting his announcement of measures to create a prosperous shipbuilding industry.

The last days have produced mixed signals for the industry. Ontario shipyard operators and workers, who appreciate the recent decision of the Department of National Defence to allow them to share in refitting work on Canada's aging naval vessels, are distressed to think that the Department may change its mind on this issue. In my own riding, Port Arthur shipbuilding, which is primarily involved in repair work, is one of the yards very concerned about the possibility of the Department going back on that recent decision.

The Government's decision last week to order the construction of the Polar Class 8 icebreaker for year-round service in the Arctic, on the other hand, will create a significant amount of work, possibly in more than one yard. However, the decision was in response to Canadian sovereignty considerations rather than reflective of any developing industrial strategy, or at least there has been no evidence to suggest that it was not primarily those sovereignty considerations which guided the Government.

I would suggest that as the Government continues to consider this matter and, hopefully, comes to an early decision, the possibility that an industrial strategy might be initiated by Government construction is a subject which should be immediately before the Ministers involved. The Canadian patrol frigate program for our navy, the construction of icebreakers of various sorts, the construction of ferries for CN Marine in particular, provide examples of construction which the Government directly or through corporations can carry on. By doing that on a reasonable schedule the Government could ensure that yards are kept at work and that technical capacity in the form of computer assisted design and manufacturing is built into our yards. By keeping the yards at work we could ensure that we have the necessary shipbuilding capacity for the future.

• (1815)

I would suggest that an important part of that approach needs to be the ship construction for Maritime Command. As we realize more and more the state of our navy, it becomes obvious there are many vessels to replace. That can certainly be a part of such a program.

However, the shipbuilders are anxious that their business not be based solely on Government orders. I quite appreciate their desire for a large volume of commercial construction. I point particularly to that as an area where the Government needs to be far more active. There are a variety of areas in which such construction will be needed. There are the inland fleets, particularly on the St. Lawrence and Great Lakes.

Offshore we have the fishing fleets and offshore drilling and supply, all of which is work that should be carried on by vessels constructed in Canada. Beyond that there is the larger question of whether or not Canadians should begin again the development of a deepsea shipping fleet. Having those vessels built in Canada would mean more work for our shipyards.

Now, I do not think I need to make arguments this afternoon about the economic value of such a program as one contemplates the decline in Government revenues which has been experienced and the cost of such programs as unemployment insurance. We have to consider carefully the way in which employment has fallen off in shipbuilding over the past 10 years, so one can appreciate the economic necessity for these things. However, I do not think I need to make those arguments at any length in the very few moments that I have because the Progressive Conservative Party in years past has recognized that.

The 1979 program of the Party called for the gradual development of a Canadian deepsea fleet. It called for the development of tax policies to permit pre-tax dollars to be spent on vessel replacement and to make available low interest loans to Canadian shipbuilders. It called for the restriction of Canadian waters, after 1985, north of 60, to Canadian designed and constructed vessels for all extraction and shipment of Canada's Arctic resources. On several other points they clearly recognize the needs of the industry. In 1984, the Party program again called for a number of actions designed to create a prosperous industry.

The shocking and quite incredible fact is that on this day, one year after the Government was sworn in, with a fiscal and economic statement delivered and a Budget passed, there has not been any action. It is not surprising that a Government Member was compelled to say to his constituents that the impact of the federal Budget on the shipbuilding industry in Canada was disastrous, to say the least. It is not surprising that the President of the Canadian Shipbuilding and Ship Repair Association should say that the P.C. record in recent years as far as shipbuilding goes is perfidious. These are incredibly strong words, but the sad fact is that the Liberals during the 1980s ran the industry towards disaster. However, a year has passed and there has yet been no clear cut plan laid out and no evidence that this Conservative Government intends to change direction and move the industry towards the viability and prosperity that it promised the people of Canada last summer.

[*Translation*]

Mrs. Monique Bernatchez-Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I would like in the first place to comment on the Hon. Member's contributions on the subject of a policy on changes in Canadian shipyards. To take up his question, yes, there is a study underway, as the Minister stated in the House last Spring, a study of the overall question, and as soon as there are discussions to be had with members in this House and announcements to be made, I am sure the Minister of Regional Industrial Expansion (Mr. Stevens) will be pleased to so advise the House.

However, I would like to comment on the example put forth by the Hon. Member to introduce his question, namely the Halifax shipyards.

• (1820)

[*English*]

I would like to remind him of what happened under this special project. On September 12, the Minister of Development for Nova Scotia announced that a group of prominent Halifax businessmen had purchased HIL. The consortium, led by a former President of St. John's Shipbuilding and Dry Dock Ltd. will take over management of HIL as of October 1985 and will become its owners as of January 1, 1986. The consortium will assume the provincial government's liability and invest an additional $1 million in capital.

Through various industry assistance programs the federal Government has injected some $49.6 million into the company since 1980. In addition, the contracts related to the three Coast Guard vessels currently being worked on at HIL have been renegotiated to permit the yard to complete this work. The three existing federal Government contracts will be completed at HIL, thereby providing continuing employment at approximately current levels for some months.

AGRICULTURE—WESTERN DROUGHT—GOVERNMENT ASSISTANCE. (B) REQUEST FOR DIRECT PAYMENTS TO FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, on September 10, I asked the Minister of Agriculture (Mr. Wise) when he was going to make financial assistance available to the farmers in western Canada who have lost so much through the drought this year. For the last couple of weeks we have been debating a billion dollar disaster caused by this Government in the Canadian Commercial Bank. However, Mr. Speaker, there is an even bigger disaster in western Canada, the drought which has affected millions of acres of land at an estimated cost of $3 billion. In Saskatchewan alone over 30,000 farms were affected by this drought. Over 14 million acres of farmland have been devastated.

After prodding by the provincial government, the federal Government moved to provide assistance to the livestock industry, but it is still procrastinating on a decision with regard to the grain sector. The situation is desperate. There have been many meetings at which hundreds and hundreds of people have pleaded with the federal Government to take action. Fourteen hundred people attended a meeting in Bengough; 200 farm women attended another meeting there. At a meeting in Swift Current 500 people petitioned the Premier of Saskatchewan who was unwilling to meet the people who are facing this disaster. Other meetings were held in Ponteix, Kayville, and Climax where people called upon the Government for action. However, there is no action forthcoming.

This is a disaster of biblical proportions, Mr. Speaker, and the Government should be moving on it. Instead, we see

procrastination by the Minister of Agriculture who says that he has a committee which is working on this problem, but he cannot get around to making a recommendation for action. The Saskatchewan Wheat Pool is calling for action. They have identified this as one of the most serious climatic disasters in the history of the province and are calling on the Government to provide a massive $500 million dollar drought aid package.

• (1825)

The Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson), with what appeared to be only a weekend's notice, were able to commit $1 billion to the Canadian Commercial Bank depositors. Surely after five to seven weeks, the Government can make a commitment to the farmers in Saskatchewan, Alberta and other area of the West that have been devastated by this disaster. If that decision is not made, the situation will continue and farmers will be driven to welfare and uncertainty. I want to emphasize the urgency of this matter. The Government should stop procrastinating. It is also important that the Government make the payment directly to the farmers.

With respect to assistance for livestock producers, the province announced a program, saying that it would go to Ottawa to obtain more assistance. The federal Government, with a flourish, announced its program and indicated that the one program was supplementary to the other. In fact, the province grabbed the federal assistance so that the individual livestock producers ended up with nothing more than the provincial help. The Government should act soon and I hope that whatever form that assistance takes it will make the payment directly to the farmer so that the viability of this industry can be preserved. It is a matter of national urgency.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am pleased to respond to the question put by the Hon. Member for Algoma (Mr. Foster). I am sure he knows that we have spent the summer attending many meetings in the areas he has mentioned which have been devastated by drought. I want to assure him and the House that the Government has taken this issue very seriously.

The Minister of Agriculture (Mr. Wise) went to the Prairies and met the farmers in several areas, along with the Agriculture Ministers of Saskatchewan and Alberta. Subsequent to that meeting, the Government responded quickly with respect to livestock in Phase 1 of the task force report. This amounted to some $48 million to the farmers to maintain their livestock herds.

The Hon. Member specifically mentioned the cost-sharing arrangement. He certainly should know that the arrangements between the province and the federal Government was cost sharing and the federal Government's commitment was $30 per head to the livestock producers. He must also understand that these agreements must be with all of the provinces on a fair basis and on a cost sharing arrangement.

With regard to Phase 2, any special assistance will be in addition to the crop insurance payments to Prairie producers, which are expected to total $500 million this year. The committee is now hard at work reviewing assistance requirements for crop damage. The full damage has not yet been assessed and, of course, it cannot be fully assessed until the crops are in. It would be irresponsible of the Government to prematurely put in place an assistance program for crop damage that may or may not be adequate to respond to the need. However, I can assure this House, on behalf of the Minister of Agriculture, that the committee will be in a position to make suggestions to the Minister just as soon as all the facts are on the table. I can also give the assurance that this Government will act quickly and responsibly once those recommendations have been received.

• (1830)

I also want to assure this House and the farmers of western Canada that the Prime Minister (Mr. Mulroney) has been very concerned and asked me to report on a daily basis to him as to the seriousness of the drought. I am sure the farmers are very thankful for the type of consideration that has been given by this Government. I know in speaking to many of the livestock producers that they have been very pleased with the response which this Government has given.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Wednesday, September 18, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

INDUSTRY

NEED FOR RENEWAL OF QUOTAS ON IMPORTATION OF SHOES

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, since current footwear quotas are about to expire, it has become imperative for the Government to renew import quotas so as to ensure that Canadian manufacturers will corner 50 per cent of the market over the next five years.

As a matter of fact, the Prime Minister made that commitment in Sherbrooke during the election campaign.

For a number of reasons quotas in the footwear industry are an absolute necessity. Among other things they guarantee 20,000 jobs equitably shared by Ontario and Quebec. They protect the interests of consumers, ensure the survival of the regional economy and might create many new jobs.

Last week Parliament Hill was the site of a gathering of a good many businessmen, employees and union leaders, here to convey to us a very clear message: We want to remain in operation, we want to keep our jobs, we need five-year quotas and 50 per cent of the market.

Do not let them down and deliver the goods as you promised during the election campaign by implementing quotas to guarantee 50 per cent of the market for the next five years.

* * *

[*English*]

AGRICULTURE

MANITOBA CATTLE PRODUCERS—NEED FOR PROVINCIAL ASSISTANCE

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, as Members of this House know, many western Canadian farmers were hit very hard this summer by a combination of drought and grasshoppers. The impact has been particularly severe in the cattle industry because it is often not eligible for financial assistance from crop insurance programs. Consequently, the federal Government promptly announced on August 14 that $48 million would be offered to cattle producers provided that the respective provincial Governments were prepared to participate on an equal cost-sharing basis.

Although most Manitoba farmers have benefited from substantially more rainfall than that enjoyed by their western neighbours, there are small but significant areas in the southwest where the volume of hay production is even lower than last year's. Consequently, the federal Government has allocated approximately $1 million to assist those Manitoba cattle producers, most of whom reside in my own constituency. Unfortunately, the NDP Government of Manitoba has so far failed to respond to that offer. As a result, cattle producers in my area are faced with the prospect of being denied what is rightfully theirs.

Therefore, Mr. Speaker, I rise today to implore my NDP colleagues in the House from the Province of Manitoba to add their voices to mine in order to persuade the Government of Manitoba to redress this wrong. That Government must not be allowed to play politics on the backs of Manitoba cattle producers.

* * *

FISHERIES

RELEASE OF CANNED TUNA PRODUCTS FOR SALE

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, many observers have expressed concern about the blissful ignorance of science among politicians in this technological age. As a scientist, I could not have imagined a more deliberately intentional or dangerous demonstration of that ignorance than the action of the Minister of Fisheries and Oceans (Mr. Fraser) in releasing one million cans of tainted tuna against the advice of a host of technical advisers. Perhaps the Prime Minister (Mr. Mulroney) should just fire all of his regulatory scientists, close down the Food and Drug Directorate, the Department of Fisheries and Oceans, the Department of Agriculture and, for good measure, the Science Council. For they all give scientific and not political advice. Think of the savings to the Canadian taxpayer if the Prime Minister just put that Star-Kist technician, the Minister of Fisheries and Oceans, in charge.

I wonder if there is anyone in the Government who understands that scientifically based food inspections are to protect people and must be independent, precisely because lawyer-politicians judge by politics and not on the basis of scientific criteria or safety. Angry consumers in Ottawa Centre have provided cans of tuna for the Prime Minister's consumption.

S.O. 22

Will he trust his health to the Minister of Fisheries and Oceans, or will he dismiss him and turn to science?

* * *

[*Translation*]

FEDERAL-PROVINCIAL AFFAIRS

AUXILIARY AGREEMENT ON TOURISM SIGNED WITH QUEBEC

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, I would like to recall two events that reflect very significantly the new role this Government intends to play in the area of federal-provincial relations.

On December 14, 1984, our Government and the Government of Quebec agreed to sign a regional economic development agreement that was to be the prelude to a new climate of national reconciliation. Subsequent to this agreement, on January 16, 1985, the Minister of State for Tourism (Mr. Murta) signed a subsidiary agreement on tourism with the Quebec Minister of Intergovernmental Affairs.

Mr. Speaker, yesterday I had the pleasure of attending a press conference where the Minister of State for Tourism and his provincial counterpart announced two major contributions to the tourist industry in the riding of Labelle, one at Mont Saint-Sauveur in Saint-Sauveur and one at Chantecler in Sainte-Adèle. These two contributions, which support initiatives by the private sector, reflect the importance of tourism in our region's economy. In concrete terms, it means that more than $6 million will be contributed by both governments and more than 240 jobs will be created, while existing jobs will be maintained.

* * *

[*English*]

INVESTMENT CANADA

CALL FOR REVIEW OF MERGER OF ALLIED AND SIGNAL CORPORATIONS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, the replacement of the Foreign Investment Review Agency by Investment Canada was intended, so we were told, to encourage new foreign investment in our country. It was surely not intended that it would oversee the outflow of foreign capital already in Canada. Yet that is exactly what will happen if the proposed merger of two American companies goes through. The $5 billion U.S. merger of Allield Corporation of Morristown, New Jersey, and Signal Corporation of LaJolla, California, which will effectively give control to Allied, includes a rather clever little reverse deal involving the Canadian subsidiaries of the two companies.

This deal would lead to $458 million of investment capital flowing out of Canada, and entail a loss to Canada of $69 million in federal taxes. These two companies have agreed that, prior to the consummation of their deal, Signal Corporation's Canadian subsidiaries will buy out certain of Allied's Canadian subsidiaries for $330 million U.S., in cash or promissory notes. They have further annnounced that any proceeds from the Canadian transaction would be used to retire the indebtedness of Allied Corporation in the U.S. The net effect of this gentleman's agreement is that Signal's Canadian subsidiaries will end up paying money to Allied Corporation in the U.S., which would then use that money to reduce the cost of taking over Signal Corporation itself.

I urge that both the Minister of Regional Industrial Expansion (Mr. Stevens) and the Minister of National Revenue (Mr. Beatty) review the details surrounding this shuffle immediately and see to it that under the loose rules of the—

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

* * *

ENVIRONMENTAL AFFAIRS

INTERNATIONAL CONFERENCE ON ACID RAIN

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to bring attention to a very important international event taking place in my riding as I speak. Over 600 learned men and women from 17 countries are attending the Muskoka acid rain conference from September 15 to September 20. They have assembled to address this important environmental issue from the scientific perspective on behalf of mankind.

The Government's new Minister of the Environment (Mr. McMillan) opened the conference on a very positive note by admitting the politicians of the world are lagging dangerously behind in environmental affairs. He noted the need for positive action within the year, and there is no doubt in my mind that this will come to pass in Canada.

International symposia such as the one held in Muskoka are crucial in the movement toward acid rain abatement. We must learn conclusively whether acid precipitation is indeed affecting human health. When the results are in, we must move swiftly to ensure future generations are not stricken because of our mistakes and shortsightedness. This is the third such conference ever held, and the first held in Canada. Let us be the first to pick up the torch and run headlong into the future toward a cleaner environment.

* * *

● (1410)

FISHERIES

SALE OF CANNED TUNA—EFFECT OF MINISTER'S RULING

Mr. Jim Fulton (Skeena): Mr. Speaker, the Minister of Fisheries and Oceans (Mr. Fraser) has not only endangered the health of Canadians by overruling his own scientific staff on the sale of tuna that was deemed unfit for human consumption, but has endangered our national and international reputation as a producer of superb quality fish products for the

Canadian and world market. With one of the largest and highest quality salmon packs in Canadian history sitting ready for sale on the B.C. coast, the Mulroney Government has placed the marketing of the product at risk. Our international competitors will now move at great speed to displace our products, be they tuna, salmon, herring, cod, crab, lobster, clams, or any other. The possibility of contaminated or unfit products is the strongest reason for any country or consumer not to buy up a product.

Regardless of the political deals surrounding the Star-Kist horror story, the Mulroney Government has failed the interests of the Canadian public and has now likely damaged our multibillion dollar fishing industry. All tuna related to this matter should be promptly removed from sale in Canada, the Minister canned as unfit for Canadian consumption, and a major program put in place to secure the trust of our markets and the value of our products at home and abroad.

* * *

[*Translation*]

SHIPBUILDING

NEED TO RETAIN FRIGATE CONTRACT IN MONTREAL

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, the workers at Versatile Vickers will fight "to the death" to prevent construction of two Canadian navy frigates from being transferred from Montral to Lauzon near Quebec City, because otherwise, according to them, the shipyard on Notre-Dame Street is doomed. All the refineries in Montreal East are along Notre-Dame Street as well, and they cannot be closed down either, anymore than the shipyards, otherwise Montreal East will be shut down entirely. We must keep the frigate contract in Montreal. This contract was awarded to Vickers in Montreal in 1983. If the contract is transferred, this means that Montreal East will be losing 650 jobs for four years.

I would urge my hon. friend, the Member for Hochelaga-Maisonneuve (Mr. Desrosiers), to keep working with the employees' union at Vickers to have the work divided fairly between the shipyards. Montreal East, with an unemployment rate of 19.5 per cent, deserves a fair chance.

Mr. Speaker, the workers can count on my full co-operation and support.

* * *

[*English*]

EMPLOYMENT

PROVINCES' CRITICISM OF FEDERAL POLICIES

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, it seems that the only people congratulating the Government on its employment policies are the Minister of Employment and Immigration (Miss MacDonald), the Prime Minister (Mr. Mulroney), and the Conservative caucus. Yesterday, the provincial Ministers of Education issued a statement criticizing the Government's job strategies. The province are concerned about the reduction in funds for job creation from $2.2 billion in 1984 to $2.1 billion in 1985 and to $1.9 billion in 1986, and also with the duplication of these programs by provincial programs.

Last week the Canadian Association of Mayors and Municipalities asked Canadian Governments to set up a $12 billion fund to renew municipal infrastructure, which would create 60,000 jobs directly and 300,000 jobs indirectly. So far there has been no response. On Monday of this week a number of groups which attended the Government's Economic Summit, including 35 labour leaders and 20 social and religious organizations, said that the Government's employment practices rely too much on the private sector to create the jobs required.

The Prime Minister and the Minister take great pleasure in announcing that the unemployment rate has declined to 10.3 per cent. Who in their right mind can be content with a 10.3 per cent unemployment rate? Before the recession in 1982 the rate was 7.5 per cent, and that should be the minimum goal for the Government. We call on the Government—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

SPORTS

NEW YORK YANKEES—POOR SINGING, POOR PLAYING, POOR GEORGE

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I address an open letter to Mr. George Steinbrenner, owner of the New York Yankees:

Dear George,

I, too, am proud of the longest undefended border in the world and I consider the U.S. our greatest friend and ally, even when it comes to baseball. But as the eyes of the sporting world focused on our remarkable Toronto Blue Jays, especially during the recent four game series in New York, I became quite angry with our friends in the Big Apple.

As I tuned into the game last Saturday night along with hundreds of thousands of other Canadians, I heard the words and the music of our national anthem being butchered by some misguided singer. Strike one, George!

That didn't bother me too seriously since many Canadians don't know our anthem either, but last Sunday, before a live national TV audience, a different singer finished off the wound from Saturday night with the *coup de grâce*. He blew it as well. Strike two, George!

We have a great marketing job to do and will have that chance during the upcoming World Series. You can butcher our anthem, but you can't beat our Blue Jays. Go get 'em, Bobby Cox.

Love,

Barry

Some Hon. Members: Oh, oh!

● (1415)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED KINGDOM MINISTER OF STATE FOR IMMIGRATION

Mr. Speaker: May I draw to the attention of Members the presence in our gallery of the Hon. David Waddington, Minister of State responsible for Immigration, of the United Kingdom.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF DELEGATION FROM DENMARK LED BY MINISTER FOR TAXATION

Mr. Speaker: I also draw attention of Members to the presence in the gallery of a delegation from Denmark, led by the Hon. Isi Foighel, Minister for Taxation.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA—MINISTER'S RULING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, nothing is more important to Canadians than the health of our families and our children, and nothing is more important to our fisheries than a world-wide reputation for good quality and performance.

The Minister of Fisheries overruled his own inspectors, his own health experts, and an independent review board, and allowed rotten tuna from the Star-Kist fish packing plant in St. Andrews, New Brunswick, to be sold to Canadians. Why is the Minister of Fisheries playing with the health of Canadians in this way? Why is he risking the world-wide reputation of our fisheries industry? Why did he allow the sale of one million tins of rancid and decomposing tuna to Canadian consumers? Give us the reason for this.

Hon. John A. Fraser (Minister of Fisheries and Oceans): First, Mr. Speaker, the allegations by the right hon. gentleman of course are not true. He suggested that health is an important matter, as well as reputation. Through you, Mr. Speaker, may I advise the House that at no time, under any circumstances, was there any suggestion, or any finding, or any allegation, or accusation that there was any threat to health with respect to a certain tuna product from a certain plant in New Brunswick.

Some Hon. Members: Hear, hear!

[*Translation*]

TUNA UNFIT FOR CONSUMPTION—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, David MacDonald, the co-ordinator of Canadian relief operations in Ethiopia, refused, and rightly so, a shipment of rotting tuna destined for Ethiopia. Why is the Minister of Fisheries and Oceans letting Canadians buy and eat tuna he quite rightly decided not to ship to famine-stricken populations? Does the health of Canadian families mean nothing to the Minister? Is he going to have this spoiled tuna taken off supermarket shelves immediately?

[*English*]

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I want to repeat that there was and is not any health threat from any tuna that has been or is being manufactured or produced in Canada. I want that clearly understood.

It is entirely irresponsible for Members of Parliament to proceed with those allegations, in spite of the fact that their mentor is Eric Malling of the CBC.

I am sure that the Right Hon. Member would want to know that in determining this matter I obtained two independent reports; one from the Research Productivity Council in New Brunswick—

Some Hon. Members: Oh, oh!

An Hon. Member: Hatfield's hacks.

Mr. Fraser: Then I set up an independent panel that was appointed by this Department. That independent panel's report approved the sale of the product outside Canada.

REQUEST THAT PRODUCT BE REMOVED FROM STORES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, apparently the Minister of Consumer and Corporate Affairs has advised Canadians to open the tins first before eating them—but I want to say to the Minister—

Some Hon. Members: Oh, oh!

Mr. Gauthier: Good idea.

Mr. Turner (Vancouver Quadra): Let me tell the Minister to get that rotten tuna off Canadian shelves. You knuckled under to Premier Hatfield. You put politics before health in this country. Do something about it.

● (1420)

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I am sure the Right Hon. Member knows that it is best to open the tin before eating the contents. But what the Right Hon. Member does not know is that it is best to think before opening your mouth.

Some Hon. Members: Hear, hear!

Mr. Fraser: The Right Hon. Member knows full well that there is not a tittle of evidence anywhere that any of this product is a threat or a danger to the health of Canadians. I would hope that the Right Hon. Member and other Hon. Members here would accept my word on this.

Some Hon. Members: Oh, oh!

Mr. Fraser: If you do not accept my word, then take the word of my own scientists from the Department of Fisheries and Oceans who tested the product in laboratories, and the word of the two independent panels. Both reports make it quite clear that there is no question of danger to health from these products whatsoever.

Some Hon. Members: Hear, hear!

REPUTATION OF FISHING INDUSTRY—REQUEST FOR PRODUCTION OF REPORTS

Mr. George Henderson (Egmont): Mr. Speaker, due to a serious error of judgment by the Minister of Fisheries and Oceans, thousands of jobs are now in jeopardy. Why has the Minister placed the reputation of the Canadian fishing industry in jeopardy? What is the Minister going to do to save those jobs now in jeopardy? Will the Minister produce the reports that he talks about that okayed this product?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the hon. gentleman, who is the critic for fisheries matters in the Official Opposition, has been a Fisheries Minister. I know that he will speak to the right hon. gentleman who leads his Party, and remind him of the necessity of not making allegations that affect the health of Canadians when those allegations are groundless.

Ms. Copps: Fraser speaks.

An Hon. Member: Table the reports.

Some Hon. Members: Hear, hear!

Mr. Fraser: Requests have been made of me by the media for these reports. My response has been that if the company involved is prepared to release them, I am.

Some Hon. Members: Oh, oh!

Ms. Copps: You are a dead fish.

Mr. Speaker: Order, please. I suspect this will be a difficult day, and I would ask for calm, please.

Mr. Fraser: Mr. Speaker, I view this as a serious matter because of the irresponsible allegations being made. I would think Hon. Members would listen.

I cannot release those documents right now and I will tell you why. There is an application by a media outlet under the Access to Information Act. That is being challenged by the company. Until that hearing on whether or not these documents should be released, which the Department of Fisheries and Oceans on my instructions has said we will release, is completed, I cannot in law release these documents.

Mr. Nunziata: It is your public duty.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Fraser: It is one thing to ask me to release something, but when the law says that I cannot release the documents yet, Hon. Members have to accept that. These documents, I am satisfied, will eventually be released. We are taking the position in the courts that they should be.

FISH INSPECTION STANDARDS

Mr. George Henderson (Egmont): Mr. Speaker, as a former Minister I must say I have never made a decision that has affected so many lives as the decision which this Minister just made.

Some Hon. Members: Hear, hear!

Mr. Henderson: Never, Mr. Speaker, in Canadian history has a Minister of Fisheries overruled his own experts on a matter of health. I want him to know that.

Do we have any standards for fish inspection in this country, or do standards change from day to day on the basis of political interference?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member persists in saying that this is a question of health. I have repeatedly said that it is not. The Hon. Member ought to be prepared to accept that. With respect to standards, one of the independent panels, which I appointed, commented that the guidelines were too vague. As a consequence, in June I invited industry to join with officials in my Department to revise the guidelines, which was done. I did not revise them; industry revised them.

• (1425)

Some Hon. Members: Oh, oh!

Mr. Broadbent: That is good news!

Mr. Riis: That is okay, John!

Mr. Speaker: Order, please.

Mr. Fraser: I am sure that all Hon. Members will realize that an industry which has to compete will not come up with unsatisfactory guidelines.

The Hon. Member said that never before has a Fisheries Minister overruled his officials on a matter of health. I categorically deny that I would, or did any such thing.

Some Hon. Members: Hear, hear!

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It concerns the following irrefutable facts: that the Minister of Fisheries and Oceans has approved about a million cans of tuna which two sets of federal inspectors, plus a panel from four Canadian provinces, deemed to be unfit for human consumption. This means, among other things, that it could cause senior citizens or children to throw up, as well as other people. That is all medical fact.

Is the Prime Minister prepared to accept the judgment of the Minister, which was that he was prepared to give the benefit of the doubt to the industry in such circumstances, that is to say, the Minister was prepared to gamble with the health of Canadians? Or will the Prime Minister do the proper thing and make clear that such a Minister is not entitled to remain in the Canadian Cabinet?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Fisheries and Oceans never said that he would propose to give the benefit of the doubt and gamble against the health and safety of Canadians. This Government always resolves any doubt in favour of Canadians; that has been its record.

In response to the thoughtful question of my hon. friend, as I understand it, what we have so far is no objective evidence whatsoever of any threat to health and safety, which are very important matters. I think my hon. friend would agree that since that time, since the incident occurred, regulations have been changed in such a manner as to preclude the possibility of this kind of incident ever occurring again and, no less important, that in this area Canada has a superb reputation for quality. I hope that no Member of the House would inadvertently make a partisan or unfair comment which would diminish it.

REQUEST THAT PRODUCT BE WITHDRAWN FROM STORES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has said that his Government will always do what is in the interests of Canadians. As is always the case with the Prime Minister, which Canadians are we talking about? That is the issue.

The Minister of Fisheries and Oceans is prepared to let this product remain out there on the shelves, almost a million cans, for Canadians to consume. Incredibly enough, the Minister of Consumer and Corporate Affairs is reported to have said this morning that he agrees, thus giving up his obligation to the consumers of Canada. Will the Prime Minister make it clear that he wants an industry which is important to this country to continue with its international reputation, and that he wants Canadians to have healthy food by having that product withdrawn from shelves all across Canada and taking corrective steps to ensure that this does not happen again?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my first obligation was to ensure that there was no evidence whatsoever of any threat to health or safety. That appears very much to be the case. My hon. friend asks about what would happen, notwithstanding that fact, if the product is less than desirable. If that is the case, it will be removed because the health of Canadians will be protected at all times and in all circumstances, and the quality of our products will be so recognized internationally.

• (1430)

INSPECTORS' FINDINGS

Hon. Edward Broadbent (Oshawa): My question pertains to the last comment of the Prime Minister. Considering the fact that not one but two groups of federal inspectors have said that it is unfit for human consumption, that it can make people vomit, and that this judgment has been agreed to by a panel representing four provinces in addition to the Province of New Brunswick, is this not enough evidence for the Prime Minister to make him reach the right conclusion now, to stop those cans from being purchased even this afternoon in stores across Canada and have them taken off the shelves?

Right Hon. Brian Mulroney (Prime Minister): I think I have responded fully to my hon. friend. The first obligation was to go to the core issue which was the issue of any possible threat to health and safety. I think that matter has been resolved. The benefit of any doubt, of course, is resolved in favour of Canadian consumers and our reputation internationally. We will take every action consistent with those objectives, I assure my hon. friend.

MINISTER'S RESIGNATION SOUGHT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister of Fisheries has placed a new meaning on the term "tuna fish surprise". It is not a very pleasant surprise to open a tin of rancid tuna.

My question is directed to the Prime Minister who removed from his first potluck Cabinet the Minister of the Environment because she endangered Canadian animal lives. I am asking the Prime Minister will he ask for the resignation of the Minister of Fisheries whose actions are threatening the well-being of Canadian human lives?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, within the last little while there have been some liberties taken with allegations of fact that affect reputations. They will be dealt with at a parliamentary commission and will be looked at very carefully. Some of the allegations that have been made deserve a response before an objective forum.

I think there is one thing that I can say that would be widely acclaimed by all Members of this House and that is that the Minister of Fisheries who has served in this House honourably and well, has served as Minister in two Governments—

Mr. Marchi: Play it again, Sam.

Mr. Mulroney: —as Minister of the Crown, a very effective representative of British Columbia and a proud Canadian.

Mr. Benjamin: Why don't you take up the violin?

MINISTER'S ACTIONS

Hon. Douglas C. Frith (Sudbury): This is a supplementary to the Minister of Fisheries, Mr. Speaker. With divided opinion, why did not the Minister of Fisheries request the Minister of National Health and Welfare to undertake an independent analysis of the tuna, and did you inform the Minister of National Health and Welfare when you made the decision to release the questionable product?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, there never was a question of health.

Some Hon. Members: Oh, oh!

Mr. Fraser: There was no question of health because the product was tested in laboratories in Vancouver, Blacks Harbour and in Halifax.

The independent committees that addressed this subject all report that there is no question of health hazard whatsoever. What there is is a question of aesthetics and it is not a completely objective standard. The report commissioned by my own Department says that the former guidelines were vague.

I with the Members of the House would appreciate the fact that repeated allegations of something which is clearly not so do not do any credit to this House nor do they in any way help the fishing industry of this country.

REJECTION OF PRODUCT BY CANADIAN ARMED FORCES

Mr. Ray Skelly (Comox-Powell River): My question, Mr. Speaker, is to the Prime Minister. On television last night the Minister clearly admitted what he had done. He clearly said that the company would have the benefit of the doubt in this case. The Armed Forces of Canada, after purchasing $100,000 worth of this tainted material that was at one point declared unfit for human consumption, examined it and rejected it as unfit for members of the Armed Forces. Why should Canadians, senior citizens in homes for the elderly, people in hospitals, and ordinary Canadians be subjected to this product that the Armed Forces rejected and that, in the minds of many Canadians today, poses a problem for their health and safety?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

An Hon. Member: Oh, here comes Erik!

Some Hon. Members: Oh, oh!

Mr. Speaker: It always amazes me when a question is asked that sometimes people choose, for some reason I don't understand, not to listen to the answer.

Mr. Nielsen: Mr. Speaker, as the Minister has explained, there was never any question as to health and safety involved in the product. Indeed, the Department did have a shipment and went to the trouble to obtain a reassessment, a re-examination in a laboratory environment. That laboratory examination certified that the product was completely free of any health or safety hazard.

REQUEST FOR DISMISSAL OF MINISTER

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is to the Prime Minister once again. The Prime Minister will know that several years ago the Canadian salmon pack was quarantined because of a hint of improper inspection of our fish products for our export markets. That is worth $1.7 billion a year with a half a billion—

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

Mr. Skelly: Mr. Speaker, the Minister of Fisheries has jeopardized that. Will the Prime Minister do the correct thing and dismiss the Minister of Fisheries forthwith?

Right Hon. Brian Mulroney (Prime Minister): I think I have already indicated my view of the role played by the Minister of Fisheries. The evidence is clear cut and I think it would be unfair of my hon. friend to take that attitude, given the assurances given by the Minister—

Ms. Copps: Would you feed it to your family?

Mr. Mulroney: —and other colleagues, and his Department, to the effect that there was no evidence of any kind of any threat to health and safety.

Nobody in his right mind would wish for an incident that would cause even the possibility of a threat to anybody's well-being, or anything that might diminish even in such a tiny manner the reputation for quality that our products have abroad.

It does happen; we have taken the appropriate action. I am informed that it cannot occur again and that what we should be doing is exercise vigilance but also be proud of the products of the Canadian fishery.

[*Translation*]

INQUIRY WHETHER GOVERNMENT INFORMED ABOUT TAINTED FISH

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. This morning, the Minister said, and I quote:

[*English*]

I think the consumer should be prudent, the consumer should check the smell and colour of the tuna. When a fish is improper for consumption I think we can smell it.

[*Translation*]

Maybe the Minister should eat a carload of tuna!

My question is as follows: Since the spoiled fish is a consumer product, could the Minister inform the House whether he was told about the problem last April?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to answer this question by saying that the Department of Consumer and Corporate Affairs is responsible for regulating the inspection of fish at the retail level only, and that such regulation or inspection is concerned with preventing fraud and with product packaging.

We are in no way involved in the health and safety aspect of food products. That responsibility lies with the Minister of Fisheries and Oceans.

That is our position in the debate on this issue with our colleague at Fisheries and Oceans.

● (1440)

HEALTH THREAT CAUSED BY CERTAIN PRODUCTS—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, could the Minister give Canadians the assurance that he and his colleagues will do whatever is necessary to remove this harmful product from store shelves and do so immediately, today?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): I can assure the House that the Department of Consumer and Corporate Affairs has an abiding interest in protecting the consumer, and in this respect, we were given the assurance by the Minister of Fisheries and Oceans that the product was safe, and we are satisfied with that statement.

REPUTATION OF CANADIAN FISHING INDUSTRY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister.

The disastrous decision made by the Minister of Fisheries and Oceans has had the effect of damaging and compromising Canada's excellent reputation in the fish products industry and threatening the jobs of workers in the fish processing plants of New Brunswick. Now does the Prime Minister intend to go about repairing the harm done to the reputation of Canada's industry and restoring the confidence of Canadian consumers?

[*English*]

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the answer is, of course, that in New Brunswick, where the people know all about this situation, there is a general sense that the matter was properly and fairly dealt with. There is no concern in the fishing industry in New Brunswick whatsoever.

My hon. friend talks about jobs. There is no safety issue here. I can assure my hon. friend that, as a consequence of the better guidelines that are now in place, those jobs are probably more secure than they were before.

ENFORCEMENT OF INSPECTION PROCEDURES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Prime Minister. In order to restore Canada's good reputation in the fishing products industry, is the Prime Minister prepared to send the Minister of Fisheries and Oceans to New Brusnwick immediately to assure the workers in that particular plant that the high levels of inspection and the procedures to ensure that quality products are put on the market will be enforced?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I can give my hon. friend the assurance that the Minister has done so on many occasions. In the area we are concerned with, the issue we are dealing with is a matter of health and safety. I think it has been dealt with today in the House to the satisfaction of all Members—

Mr. Rodriguez: It is a matter of confidence.

Mr. Mulroney: —and in doing so, I think that in this important matter, the Minister is sending a message of confidence to the industry's workers and to consumers.

* * *

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—DIVIDEND ON PREFERRED SHARES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. On March 5, knowing that it was in financial difficulty, the Canadian Commercial Bank nevertheless declared a dividend on its preferred shares. Now that the Minister has had six months to examine the affairs of this bank, can she explain that decision to the House?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the problems of the Canadian Commercial Bank were brought to my attention on March 14, 1985, and not on March 5. In the spring, we had indicated in committee how the problems had arisen and that management at that point had some confidence in the company and its earnings.

TRADING IN SHARES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the Minister of Finance. On the strength of the March 5 dividend, the price of CCB preferred shares rose and some 8,500 shares were traded

before the bail-out was announced on March 25 and prices fell to rock bottom. On April 29, in response to my question in the House, the Minister said that he was sure the bank had complied with all provincial regulations for full and timely disclosure of shares trading. Will the Minister tell the House if he still stands by that statement?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is the sort of question that should be put during a committee hearing. I will not stand here and answer a question with the complexity lying behind that one. Having served for a number of years in the investment business, I know the care that must be taken in responding to that type of question. I would ask the Hon. Member to save that question for when the committee sits.

* * *

[*Translation*]

SMALL BUSINESS

MEASURES TO REDUCE RED TAPE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, my question is directed to the Minister of State for Small Businesses.

I would like to know whether his Department has taken steps to reduce to a minimum the number and complexity of the forms that small- and medium-sized businesses have to complete for Statistics Canada—

An Hon. Member: That is politicking.

Mrs. Duplessis: Will the Opposition side please keep quiet?

Some Hon. Members: Hear, hear!

[*English*]

Mr. Speaker: I have the distinct feeling that there were caucus meetings this morning.

[*Translation*]

Mrs. Duplessis: There has been a notable absence of decorum since the House resumed sitting.

I would like to know whether there have been any tangible results to date, and this is further to complaints received from owners of businesses in my riding.

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, first I would like to thank the Hon. Member for Louis-Hébert for her very pertinent question. In February and March this year, I held national consultations and asked businessmen and my provincial counterparts a number of questions. These questions were raised with a view to achieving harmonization and a reduction in paper work in this country. We set up task forces in each province, and these groups have started their work. We shall be seeing concrete results within the next few months.

However, the matter is fairly complex, and we cannot reduce paper work by tackling only one form at a time. A comprehensive approach is necessary.

* * *

[*English*]

FISHERIES

SALE OF CANNED TUNA—INSPECTORS' FINDINGS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister and it is a very easy one. Under federal regulations and by federal inspectors under the mandate of the Prime Minister's administration, the million cans of tuna in question here were found to be unfit for human consumption. Would the Prime Minister tell the people of Canada what the words "unfit for human consumption" mean to him?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, let me respond to the Hon. Member. The inspectors rejected certain stock on the basis of what is called an organoleptic test. That means that they touch it, they smell it, they look at it, and they consider its texture and aesthetics.

Ms. Copps: It stinks.

Mr. Fraser: This is a task which is not easy and which is at times very subjective.

Some Hon. Members: Oh, oh!

Mr. Fraser: The plant in question was quarrelling with the judgment exercised by these inspectors. It appealed. The same inspectors sat on the judgment. They came to the Minister and asked if they could not have an independent look at this matter. The Minister gave them two committees which took an independent look at the matter, and made a ruling.

Hon. Members are so concerned with jobs, but if they keep on this way, they are going to have a delegation of workers from New Brunswick—

Mr. Speaker: Order, please. The answer is getting long.

LABELLING OF CANS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is again directed to the Prime Minister. If these million cans of tuna were sold outside Canada, then according to Canadian law each can had to have a cautionary label on it showing that it had not been approved in Canada. Again, what do the words "unfit for human consumption" mean to the Prime Minister? Why would there have to be cautionary labels put on cans sold outside Canada? Did the million cans sold inside Canada not require precisely the same thing?

• (1450)

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the assumptions upon which the Hon. Member's questions are based are just not correct. The stock in question was recommended for sale outside Canada by one of the independent committees.

FISHERIES ACT—REFERENCE TO "TAINTED OR RANCID FISH"

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Fisheries and Oceans has some trouble with the definition of "unfit for human consumption and health". The Fisheries Act states in these words: "No one shall sell tainted fish or rancid fish". Is that no longer a requirement?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, if the Right Hon. Leader of the Opposition would get his legal research work done adequately, he would know that the words to which he referred are set out in certain guidelines. The question at issue was whether or not the objective or subjective application of judgment by the inspectors was adequate or inappropriate. That was the matter which was being appealed. It had nothing to do with health whatsoever.

I want to just remind Hon. Members that in this country when we have a Department of Fisheries and Oceans, which literally has the power of economic life and death over the people who are governed by its regulations, if a citizen cannot come to the Minister to get an independent assessment of something with which he quarrels with the Department, the citizen has no appeal at all. And you would transfer any independent assessment, any independent appeal, to the very people who rejected the product in the first place.

Ms. Copps: Rancid is rancid.

Mr. Fraser: I am sure that that would not fit well in the areas you come from, if you are talking to your own processors.

Some Hon. Members: Hear, hear!

* * *

TRANSPORTATION OF DANGEROUS GOODS

REQUEST THAT LEGISLATION BE STRENGTHENED

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of Transport. While many Canadians are concerned about the transport by rail of dangerous goods such as toxic and explosive chemicals, in some circles there is more concern about the transport by trucks of dangerous goods. Since the provincial Governments are quite involved in some aspects of transport by trucks, could the Minister clarify for us where we stand on this very important piece of legislation which appears to need strengthening?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, on July 1 broad regulations covering the transportation of dangerous goods were promulgated. These regulations apply to all modes of transportation. In the case of provinces, Ontario specifically agreed and became a party to those regulations, which means that transportation by truck both interprovincially and intraprovincially is covered by the Dangerous Goods Act and by the regulations which were promulgated on July 1.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—AUDITING OF LOAN PORTFOLIO

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Minister of Finance. The Minister of Finance and the Minister of State for Finance have told us repeatedly that they relied upon the best available evidence before agreeing to a support package back in March which will probably now cost Canadian taxpayers about $1 billion.

Why did the Minister of Finance or the Minister of State for Finance refuse to accept an offer from the major banks to conduct a quick special audit which would have determined the value of the loan portfolio upon which the whole support package depended?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have said repeatedly in this House that we consulted with the banks, that the banks had some input into the decision which was made, that they had some right of examination, that the Inspector General had the right of examination, and that the combined decision—combined decision—was based on the impact that this bank could have on our system. And I am looking forward to discussing this further in committee.

OFFER MADE BY CHARTERED BANKS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, does the Minister of State for Finance deny that an offer was made by several of the chartered banks to conduct a quick special audit in order to determine the value of those assets, that that offer was made and refused?

Hon. Barbara McDougall (Minister of State ((Finance)): Mr. Speaker, I have denied none of the events which are related to any of the activities surrounding this decision. This was a collective decision. It was made on behalf of the banking system in Canada, it was made on behalf of the Canadian dollar, it was made on behalf of the Canadian people, it was made on behalf of the Alberta economy, and the banks participated in making that decision.

Mr. Johnston: Yes or no?

FISHERIES

SALE OF CANNED TUNA—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to go back to the Prime Minister who did indicate earlier that he would be prepared at some point to take action in order to get the contaminated tuna off the shelves.

Mr. Fraser: It is not contaminated.

Mr. Broadbent: The Prime Minister said he was taking this matter seriously, and I have a serious question for him. Considering that we do know, and no one is saying that anyone's life is being threatened—no one on this side is saying that—

Mr. Fraser: Well, we got that out of you, anyway.

Mr. Broadbent: No one is saying that. But we do know that—

Mr. Fraser: You have been saying it all day.

Mr. Speaker: Order. If I must admonish one side not to interrupt, I must also admonish the other side.

Mr. Broadbent: We know that lives are not being threatened but we do know that it has been said that this fish is unfit for human consumption and that it could cause elderly people, children, as well as others, to be sick. My question to the Prime Minister is simply this. How many Canadians have to get sick before the Government will take action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that my hon. friend would recognize that that is an unworthy question—

Mr. Broadbent: Pardon?

Mr. Hnatyshyn: Unworthy.

Mr. Broadbent: Unworthy?

Mr. Mulroney: And it was very much an unworthy question. I have given my hon. friend the assurance that he sought, quite properly, that at no time was there the slightest evidence of danger to health or safety at any time. I further gave him the assurance that as far as I was concerned, and the Government was concerned, any quality matter less than top quality was unsatisfactory. We will be moving in that direction.

I thought that we responded fully and completely to some accusations which may have caused panic and caused hardship and unfair damage to people and to reputations. I have given my hon. friend honestly and openly the full assurance of complete co-operation of the Government that any matter will be resolved on behalf of the ordinary Canadian.

Mr. Broadbent: Mr. Speaker, with respect to the Prime Minister, I say that his response was an unworthy response. If he is going to describe a serious question in those terms, then he deserves to get it back.

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): I want to ask the Prime Minister a question on behalf of everyone in this House who is serious about the health of Canadians and about the viability of the industry. Since it is now known that the product on the shelf can cause people to bring up, which causes a lot of damage to people's health, as we would understand it, why will he not take action now to preserve the health of Canadians, instead of waiting? That is the question.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, there is nothing in any of the information which has been brought to me that justifies the allegation that the Hon. Leader of the Democratic Party is making. No matter how he wants to disguise it, he has now admitted that there is no health problem—

Mr. Broadbent: No.

Mr. Fraser: —but he is trying to create a health problem by using other words. I assure you, Mr. Speaker, that the Hon. Leader of the New Democratic Party and those Hon. Members who pursue this line of questioning will have to satisfy themselves, apparently, that there is no health danger in this stock.

* * *

[*Translation*]

TEXTILES

RECENT CLOSURE OF DOMINION TEXTILE PLANTS AT SAINT-JEAN AND VALLEYFIELD, QUEBEC

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion.

Last week you said that the Government was seeking ways to help the textile industry and that it was about time the industry faced up to the reality of international competition. Would the Minister tell the House how he can possibly reconcile that statement with the recent shutdowns of two Dominion Textile plants in Saint-Jean and Valleyfield?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the question of the Hon. Member, what was indicated last week was that we are in a very competitive world. The textile industry in many countries is extremely competitive today and we must accept the reality of the real world, which means that imports can come into this country at a very competitive price. Unfortunately, that is costing Canadian jobs. That is part of the reason the Dominion Textile plants were closed. This Government is now reviewing measures which we might take to relieve the situation.

Mr. Speaker: Before proceeding to petitions' reports, may I simply remind Hon. Members that we are developing an

unhappy habit of putting questions and answers using the word "you". May I remind all Hon. Members, please, that for the future questions and answers must go through the Chair.

* * *

● (1500)

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, September 17, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

RELEASE OF VACLAV PIVRNEC DETAINED IN CZECHOSLOVAKIA

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present a petition from residents of Ontario concerning Vaclav Pivrnec, who is detained in Czechoslovakia and who is unable to reunite with his family in Canada. The petitioners ask the House of Commons to urge the Government of Czechoslovakia to issue Vaclav Pivrnec a permit to rejoin his family in Canada.

SINGING OF CANADIAN NATIONAL ANTHEM AT INTERNATIONAL EVENTS

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I have the honour to present to the House a petition on behalf of the Toronto Blue Jay fans who were recently subjected to viewing the shabby treatment of the Canadian National Anthem at the hands of Yankee fans in New York City. While an apology has been received from U.S. officials, the petitioners request that the Government of Canada ensure there are no future affronts by making our concerns known and by providing for the distribution of our anthem as recorded by the Royal Canadian Mounted Police and chorus at all future international events which call for the singing of our national anthem.

[*Translation*]

OPERATION JUSTICE FOR FAMILIES WITH CHILDREN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have the honour to present a petition entitled: Operation Justice for Families with Children.

The petition reads as follows: We the undersigned urge the Prime Minister of Canada, the Right Hon. Brian Mulroney, to restore full indexation of family allowances and of the tax credit—

Mr. Speaker: Order, please. Is the petition presented to Parliament or to the Government? This is the place to present to Parliament—

Ms. Copps: To Parliament, Mr. Speaker!

Cut-backs of $55 million will be imposed in family assistance unless the Government and Parliament reconsider this Budget measure.

[*English*]

I have the honour to present this petition on behalf of my Leader, my Party and the great citizens of the County of Lanark-Renfrew-Carleton.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 311 could be made an Order for Return, the return would be tabled immediately.

Mr. Nunziata: Mr. Speaker, on March 15 of this year, I put some 40 questions concerning the Richard Hatfield marijuana case on the Order Paper. They are still outstanding and I would like to ask the Parliamentary Secretary if he can indicate a precise time when these questions will be answered.

Mr. Dick: Mr. Speaker, I would be glad to bring that to the attention of the new Solicitor General and I am sure the questions will be responded to as quickly as possible.

Mr. Speaker: Is it the pleasure of the House that Question No. 311 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

PHOTOGRAPHS OF SOLICITOR GENERAL

Question No. 311—**Mr. Kaplan:**

1. How many photographs of the Solicitor General have been hung in the premises of the (*a*) Correctional Services of Canada (*b*) RCMP and, in each case, in which locations?

2. What was the cost of the (*a*) photograph (*b*) framing (*c*) distribution (*d*) hanging of the photographs?

3. Under what item of the departmental budget were the costs listed and what government objective was achieved by such expenditure?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

MOTIONS UNDER S.O. 31

SALE OF CANNED TUNA

Mr. Speaker: I am in receipt of two notices under Standing Order 31. I propose to hear them in the order in which I received them. The Hon. Member for Egmont (Mr. Henderson).

Mr. George Henderson (Egmont): Mr. Speaker, pursuant to Standing Order 31, I ask leave to move that this House do now adjourn for the purpose of discussing an important matter requiring urgent consideration, namely the decision of the Minister of Fisheries and Oceans (Mr. Fraser) to permit the sale of tainted tuna.

Mr. Speaker: I am in receipt of a similar motion from the Hon. Member for Comox-Powell River (Mr. Skelly).

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I also ask leave to seek adjournment of the House to debate a matter of urgent and pressing necessity concerning the withdrawal of a product which has been identified as a matter of serious health concern and safety to the Canadian public. It is apparent that the Armed Forces removed and disposed of that product and it would be in our interest to deal with that issue as expeditiously as possible.

Mr. Speaker: That is somewhat different from the notice the Hon. Member for Comox-Powell River (Mr. Skelly) sent me. I take it he would like me to deal with what he sent me which is the requirement under the motion.

I gave quite a lot of thought to this matter. I think the Speaker is always in a difficult position on these questions. I think I can conclude from today's Question Period that the matter has had at least a substantial airing. In that context I would find it difficult, given all the circumstances and given today's Question Period and the attention it has received, to find that the matter would qualify for a debate under Standing Order 31.

I remind Members that they may wish to look at other rulings to see what constitutes an emergency and what constitutes a question of urgency for debate. But I did think, listening today, that given the questions and answers which have aired the issue which needed to be aired, and there is no question about that, in that context I find it difficult to find that Standing Order 31 applies.

Mr. Deans: On a point of order, Mr. Speaker. I wonder if you would take under advisement and perhaps comment at a later time on the difficulty that would confront members of the Opposition if in a matter that was deemed by them to be a matter of urgent importance they chose not to raise it during Question Period and how that might influence the decision of the Chair.

Some Hon. Members: Order.

Mr. Hnatyshyn: Shame.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans)—

Mr. Nunziata: That is logical.

Mr. Speaker: No, it is not logical. The Hon. Member for Hamilton Mountain is in fact using a point of order to comment on a ruling of the Chair, which he knows is improper.

Mr. Deans: I know.

Mr. Hnatyshyn: Unworthy.

Mr. Speaker: He knows that. I think I know why he is doing it, because I think I sensed from Question Period the seriousness with which this issue is taken by every Member of the House.

Mr. Riis: We thought it was serious.

Mr. Speaker: The point the Speaker must take into consideration is the degree to which there is, *prima facie*, a perceived emergency. What I—

Ms. Copps: A million cans of tuna.

Mr. Kempling: Shut up!

Mr. Speaker: Some Members may think it is reasonable to interject at all times no matter who is speaking, but I do not.

Some Hon. Members: Hear, hear!

Mr. Kempling: That is stupid, Sheila.

Mr. Speaker: What is not helpful on one side is not helpful on another side.

The dilemma I face in all of these situations is whether I perceive any emergency to exist. I am not suggesting that the raising of the question in Question Period eliminates an emergency if one should exist, nor would an emergency not exist if questions were not asked in Question Period. The question is: Has the information that I have on which to make a judgment been changed, added to, altered, augmented or modified in any way by what I have just heard in the last hour? What I am suggesting to the Hon. Member is that I have found that the information I now have on which to make a judgment includes all the press reports, Question Period and everything I have seen, and it suggests to me that the emergency issues contemplated very narrowly in Standing Order 31 are not met.

Mr. Gray (Windsor West): On a point of order, Mr. Speaker. I respectfully ask you to consider for future decisions the matter of the proper interpretation of the relevant Standing Orders. I am not talking about your current decision, but since this is something which comes up quite frequently I would respectfully like to ask your consideration of the following brief comment. Subsection (5) of the relevant Standing Orders says:

S.O. 31

In determining whether a matter should have urgent consideration, the Speaker shall have regard to the extent to which it concerns the administrative responsibilities of the government or could come within the scope of ministerial action and the Speaker also shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

It may be argued that the wording is such that the criteria in this subsection of the Standing Orders are not exclusive. However, I respectfully submit that if the wording is not exclusive, it is very close to being exclusive, and calls upon the Speaker to look upon only two matters: one, whether the issue in question comes within the responsibility of the Government or is capable of ministerial action; and two, whether in future there is the probability of the matter being brought before the House within reasonable time by other means. Therefore, I urge you to consider, Sir, whether any reflection on, or consideration of, current circumstances at the time the motion is raised is something that a Speaker should take into account rather than what opportunity can reasonably be expected to be provided for debating the matter in question within the very near future.

• (1510)

Mr. Speaker: I thank the Hon. Member for his intervention. Recognizing that he does not wish me to take it as a comment on a decision, I will therefore not take it as such. I suggest to him that he and I may need to have a conversation on this matter, and I am perfectly happy to do so. However, for the moment, I refer him not only to Subsection 31(1), but to paragraph 31(16)(*a*). I thank him for reading to me a part of our rule book that I can assure Hon. Members I know by heart simply because making decisions as to what is an emergency matter is taxing to every Speaker. Therefore, Speakers learn this rule.

Subsection 31(16)(*a*) narrows the issue substantially. It constrains the issue to find an emergency debate necessary only when:

the matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;

Those have been the two criteria which have caused every Speaker difficulty. I fully appreciate what the Hon. Member is saying and I can assure him that if I were persuaded that as of this moment a genuine emergency existed, I would not hesitate to find a need for debate.

As I may have just now left the wrong impression, may I also say that it is not up to me to find that there is an emergency. It is up to me to find that there is *prima facie* ground to believe that an emergency exists sufficient to justify changing the order of business of the day to allow a debate right now. That is where the other issues come in with regard to when another matter is appropriate. If I were persuaded that a *prima facie* case of an emergency has been made, I would not hesitate to grant the debate. I have, however, ruled that in my judgment I am not persuaded that a *prima facie* case has been made.

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed from Tuesday, September 17, consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be now read a second time and referred to a legislative committee, and on the amendment of Mr. Frith (page 6625).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am not surprised that the Government has introduced the anti-family, anti-child legislation which we see in the context of this particular proposed law, because we have seen quite clearly today that this same Government is prepared to play Russian roulette with the health of, potentially, a million Canadians. We heard the Minister of Fisheries and Oceans (Mr. Fraser) stand in his place in the House and say that the industry thought the standards were too high, so the problem was solved by lowering the standards. It is a not a problem of health, Mr. Speaker, it is a problem of aesthetics. We are talking about a million tins or rotting tuna that the Government refuses to take off the shelves. I am not surprised, Mr. Speaker, that the Government would adopt a cavalier, devil-may-care attitude with regard to the issue of family allowances, child tax exemptions, and, indeed, the issue of missing children which I dealt with in my remarks yesterday. Quite clearly, a Prime Minister who can stand in his place, as he did today, and defend a Minister of Fisheries who has ignored—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member knows that we are debating the amendment to the Bill on family allowances. I do not know why we are debating tuna fish. I hope the Hon. Member will get back on track.

Ms. Copps: Mr. Speaker, my reference to tuna relates to the health and welfare of Canadians, which is also being dealt a fatal blow as a result of this particular legislation on family allowances.

An Hon. Member: She doesn't know what she is talking about.

Ms. Copps: The Member says I do not know what I am talking about. I believe that Canadians understand what rancid tuna is, and if we have to bring a can into the House to show them, we will do so.

Some Hon. Members: Order.

Ms. Copps: With regard to the main question, which is family allowances, we are talking about the people who would be most affected by this cut-back. The Government says that $22 is not a lot for Canadian families. Well, families and single parents who are struggling to raise small children, often surviving on tuna, are being directly assaulted by the Government's anti-family Budget measures. Look at the package. The Minister of National Health and Welfare (Mr. Epp) has said on numerous occasions that this particular measure will assist poor families.

Let us examine the facts. Let us examine the truth, if it is possible for the Government to put the truth before the Canadian people. The truth speaks volumes about the anti-family legislation that is personified in this family allowance attack. The truth is that as a direct result of the Budget measures introduced by the Wilson-Mulroney Government, the purchasing power of families earning $15,000 a year will be reduced by almost $2,000. Almost $2,000 will be taken from the tax credits, the family allowances, and the tax exemption of families earning $15,000 a year.

An Hon. Member: We can't hear you.

Ms. Copps: I am sorry if the Member finds it difficult to hear the Opposition speaking out for the women of Canada. I can understand why the Member would not want to hear the truth—

Mr. Andre: No one has difficulty hearing you.

Ms. Copps: —when it comes from the government side of the House, because there are not too many people on the Government side who have stood to fight for women and to save the family allowance cheque which, for some women who are not working outside a home, is the only support they receive from the Government of Canada. I can understand why the Member would support his friends from Bay Street with a $.5 capital gains write-off and a $1 billion bail-out for the banks, yet would wash his hands of the $20 that the Government has been sending out to families who are at the low end of the income scale.

I wish the people of Canada understood now what they will understand from a fiscal point of view when the final impact of this sneaky and insidious Budget is felt. An average family of four, earning the average Canadian income, is going to lose almost $4,000 when the cumulative effects of this Budget are felt. That includes the deindexation, the cut-back on family allowances, and the reduction in the child tax credit as well as the insidious tax on over 2,000 health supplies which continues to be imposed by the Government.

I can understand why Members on the Government side of the House are not speaking to this legislation. It is quite clear that they are fighting for Bay Street, for the banks, for the billion dollar bail-outs, and for the tuna companies which want to have the standards lowered, but they are not fighting for the ordinary Canadian. I believe that Members on the Government side of the House have heard from their constituents, and women in particular, who do not necessarily receive any income from other sources. They have looked to the Government for leadership and follow-through on its promise to home-makers, which we have not seen materialize. Those women are looking to the Government to live up to its promise of the so-called economic partnership between men and women that the Prime Minister spoke about in his very first statement in the House of Commons.

• (1520)

[*Translation*]

Sad to say, we do not see any leadership among Progressive Conservatives with respect to programs concerning women. Mr. Speaker, I must tell you that a great many women who are housebound are in no position to make personal representations to the Government to seek renewed justice in terms of family allowances. So it is up to us in the Opposition parties to show the Government how strongly opposed the people are to the decision of the Minister of Finance (Mr. Wilson) and particularly the decision of the Prime Minister to slash $2,000 off the purchasing power of the poorest and most underprivileged families in Canada. I am talking about families of four persons who earn $15,000 on average. Those are not rich people. Bankers do not need the protection of the House of Commons any more than the big tuna industry, but it quite obvious that the Minister of Fisheries and Oceans (Mr. Fraser) is prepared to speak up for companies and apparently could not care less about the health of thousands of Canadian men and women. The Government changed, quite clearly, in its approach concerning the promises made to the Canadian people.

Today, Mr. Speaker, I was a guest on a radio program and a man phoned from Kingston and said over the air—

[*English*]

The gentleman on this radio show said that he was conned in the last election. He voted Conservative. He said he was conned because he believed the Prime Minister (Mr. Mulroney) and the Government when they said that universality is a sacred trust. People believed the Prime Minister when, in his first statement in the House, he said that one of his greatest priorities was the economic integrity of women in this country. They believed him when he said that the support of the family was going to be a cornerstone of the politics of the Conservative Government. Unfortunately, we have seen that the Prime Minister has put the word "con" back into the Conservative Party.

The Minister of National Health and Welfare has abandoned his responsibilities to women and children in this coun-

try. He has washed his hands of the support for families that has been a hallmark of the Liberal Government in the past.

How much does it cost to raise a family? No one is suggesting that the sums we receive from family allowance, the tax exemptions and child tax credits, even minimally support a family. According to the figures used by the Children's Aid Society in providing support for foster parents, and statistics dating back to 1984, it costs over $100,000 to raise a child from birth to 18 years of age. According to the Metropolitan Toronto Social Planning and Research Council, it costs over $100,000 to supply the bare minimum in food, clothing and education for that same child. This does not take into account post-secondary education or luxuries.

Many women in Canada have welcomed that family allowance cheque and the support which Government provides for families. Two income families, such as a steel working family in my riding earning $30,000 a year, are not living in the lap of luxury. Rather than asking whether we should be cutting back from those families, we should consider whether a single income family should be paying the same taxes as a single person who is earning $30,000. Having been single myself, not supporting a family, I would suggest that I should pay a greater burden of the Canadian tax share than a man or woman who is supporting two, three or four children.

A basic principle of Canadian political life and Canadian social sovereignty has been that families be given support. That support has taken various forms, such as family allowance which is paid directly to mothers, tax credits paid directly to mothers and through the tax system indirectly in order to provide support for families.

[*Translation*]

But now, Mr. Speaker, once and for all we see the true colours of the Progressive Conservative Party of Canada. They are the real "blues" who cold-bloodedly work for the rich. They easily managed to come up with thousands and thousands or even a billion dollars—I am not sure I have it quite right in French but I think you know what I mean. They could find money for the banks, just like that. It does not matter—

Mrs. Killens: One billion.

Ms. Copps: One billion . . . It matters little to Canadians that you can come up with $1 billion for the bank, but can you not find any money at all for the families? Now that is really something, they easily found $1 billion for the banks without even asking for collateral, without any real guarantee that the bank will—

[*English*]

The Acting Speaker (Mr. Paproski): I am sorry but the Hon. Member's time has expired.

Mr. Angus: Mr. Speaker, the Hon. Member referred to single parents. Could she provide the House with specific figures that will directly show the impact of this deindexation on single families headed by mothers? There are some single males raising families but these single-parent families are primarily headed by females. Would the Hon. Member add to her already fine contribution?

Ms. Copps: I could provide some statistics that were gathered by the Liberal Party but I am sure the Government would immediately disavow these statistics. Let me refer to the documentation that was placed before us by the Canadian Council on Social Development. When considering single families headed by mothers, a yearly income of $15,000 would be higher rather than lower than average. However, according to these statistics, as a direct result of these Budget measures, a single parent family earning $15,000 a year will see a reduction of almost $2,000 in the moneys that it receives directly and indirectly from the federal Government.

In other words, by 1989 its purchasing power will be reduced by almost $2,000 through direct sales taxes as well as an indirect reduction in tax exemptions that will take effect in the latter part of the Budget.

What makes this Budget particularly insidious is the fact that the short-term effect of the provisions being implemented by the Minister of National Health and Welfare appear to be good. It appears that the family allowance cheque will be slightly increased for those families in need. Unfortunately, the cold reality of the Conservative Party's fiscal policy will hit those people between the teeth in 1989 when they see a net reduction of their purchasing power of almost $2,000.

The Acting Speaker (Mr. Paproski): Debate.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, today we are examining a Bill to deindex the family allowance. This is part of a Government plan that we disapprove of profoundly. It is a plan to redistribute income from lower and middle income Canadians to wealthier individuals. It is part of a plan that the Government has obviously instituted in its Budget.

The Government still uses the rhetoric of compassion and support of the welfare state. However, the measures throughout the Budget are ones from which lower and middle income Canadians will suffer particularly.

The measure before us to deindex family allowance by 3 per cent a year is, of course, very similar to the measure that the Government introduced for the deindexing of old age pensions. I am pleased to say that we persuaded it not to take that action. Millions of Canadians protested the deindexing of old age pensions.

• (1530)

It was for precisely the same reason for which people objected to that deindexation that I want to address the subject of the deindexing of the family allowance. These programs are universal social programs which have been developed over the years for which the CCF, the founder of the NDP, fought for decades. They were finally instituted by Liberal Governments after a great deal of prodding. Yet the principle of universality was one never very firmly held by the

Liberal Government and we have seen the erosion of the old age pension and the family allowance over the years.

It is with some sadness that I note this important principle has received only partial support from our Liberal colleagues who have joined us in this fight, although we welcome them aboard the fight for universality. We wonder where they were in past decades when they deindexed the family allowance, the old age pension, and capping under the six and five program. All these measures have made it easier for the Conservative Government to proceed with its even more diabolical plan of a massive redistribution of income.

This Budget has different measures in it, and the Bill we have before us today deals with one measure, but we must look at the global picture, which is quite terrifying. There will be federal tax increases. There are increases in personal income tax. The tax exemption will be reduced so the actual tax families will be paying, including lower and middle-income families, will be going up in a period in which wages are barely keeping up with the cost of living. For many people, wages are falling slightly behind. Many families will have lower real wages but higher taxes to pay. With the attack on the universal programs, which have been part of the total revenues for families, people will have to cope with that too.

Many people will say "What is $100 million for the federal Government? What is a few pennies a day, a few dollars a day for individuals?" The Conservative Government tries to justify its plans by saying it is a very modest sacrifice that people are being asked to make. But it is not a modest sacrifice at all. This Government is clever enough that when it wants to introduce massive redistribution it does not do it in one fell swoop, which would make everyone a little more than suspicious, but it does it bit by bit, year by year and program by program. The family allowance is not being abolished. There were Conservatives who opposed the family allowance and never wanted it in the first place but the family allowance will stay. Families will continue to get a cheque. The cheque they get will not be worth very much because its value will decrease.

What we have, which is very interesting, Mr. Speaker, is a triple whammy in four years. First, there is the deindexation of the family allowance. It begins January 1, 1986. People will not get the same increase according to the cost of living that they would have under current regulations. The deindexing of the family allowance begins in 1986 and continues year after year.

The second whammy begins in the next year, that is the attack on the child tax exemption, which will go down, and will not be worth as much. We have some concerns about this. If the money the Government is saving by not rebating it through the tax exemption would be going into other child care programs, we would be very happy, for the tax exemption is not a good point of public policy.

As everyone knows, the tax exempiton favours rich individuals because it is proportionate to income. The very poor do not benefit from it at all. We are quite happy to see the end of the tax exemption. We would be advocating it very firmly if it were not for the fact that the money is not going to other child care programs but is relayed into other Government programs, such as bailing out the Canadian Commercial Bank and any other number of preferred corporations which this Government likes to support. This measure will allow capital gains exemptions for wealthy individuals.

The second whammy of reducing the child tax exemption is one for which we have a more complex message, that is, yes, it is the right thing to do but the money should be redirected.

The third whammy is the one concerning the child tax credit, which begins two years later. It takes us into 1989 and it will continue in future years. All this time, of course, the family allowance deindexing is in effect, so it is declining. The tax exemption begins to decline a little bit later and then the child tax credit begins in the fourth year.

It is interesting to note that the Government has made it so complicated for people to follow that it is a sort of give a little here and take a little there, add and subtract. It has taken a little while for people to figure out what the net result will be, namely, that Canadian families will be much worse off. The long term results are a very substantial reduction in child care support for families.

One of the sneaky measures which this Government has used is to increase the child tax credit before beginning to deindex it. This procedure is being used by the Minister of Finance (Mr. Wilson) to say that the Government cares about families with needs, about single parents and families headed by women who do not have other financial resources and who depend more extensively on the child tax credit. We are glad to see the increase in the child tax credit but we are very aware that this increase in the child tax credit is a very temporary increase. It is to sweeten the blow. It is to make it not so obvious that the family allowance is being deindexed.

The family allowance is being deindexed, beginning in the next year. The tax exemption is going down beginning the following year. The child tax credit will go down only a little later. Then all three of them will continue to go down each year that we have a Conservative Government. Canadian families have to understand that it is not just a few pennies of sacrifice they are being asked to make in any one year. It is this ongoing erosion in support for the family.

[*Translation*]

The National Council on Welfare has projected the reductions in benefits for poor families over the next few years. For instance, before the Budget, a family with an income of $9,000 and two children would have received $1,549, but after the Budget, if the Bill is passed, it will be receiving only $1,527, a difference of $22. Families stand of lose $22 next year, and these are the poorest families. Furthermore, the purchasing power of that amount will be reduced, because we must take inflation into account. If the rate of inflation is 4 per cent, it will be as though they were receiving $1,466, meaning a real reduction of $83 for next year.

It is not true that the Conservative Budget will protect the most disadvantaged families in our country. It will simply cut spending on families for the benefit of other groups: investors and private corporations, the people that receive capital gains.

The Minister of Finance (Mr. Wilson) says that Canada no longer has the money to subsidize family allowances at the same level. Is he right, or is he just using this as an excuse? What are the facts?

The Minister of Finance is wrong. When the family allowance program was started, family allowances cost the Government a lot more. In fact, they represented 7.7 per cent of the federal Budget in 1947 when the program was introduced. In 1965, family allowances represented 6.1 per cent of federal spending. This percentage has continued to decrease. There was a reversal in 1974 under a Liberal minority Government, when the New Democrats forced the Government to increase family allowances.

Since that time, family allowances have suffered cuts as a result of decisions by the Liberals and federal Conservative budgets.

I find it somewhat hypocritical that today, the Liberals are supporting us in our fight against de-indexation. Remember, it was the Liberals who cut family allowances before, and who did so several times.

● (1540)

[*English*]

Can we afford the family allowance program? Certainly that question is a reasonable one and it is being extensively debated. Let us look at the facts. Family allowance distributes $2.4 billion to 3.6 million families in Canada with 6.6 million children altogether. Obviously a very large number of people benefit from this program. Nearly 20 per cent of this amount is recovered in federal taxes, so the net outlay of funds for family allowance is just under $2 billion. This amounts to only 2.4 per cent of federal expenditures and it is only .57 per cent of the Gross National Product. When people indicate that we cannot afford the family allowance program, these are figures about which they are talking. In terms of federal expenditures, it is not a lot of money. In terms of the importance of raising the next generation in healthy and safe conditions and in terms of giving them adequate stimulation, leisure, recreation, sports and all other things which children need, it is simply not enough. It is not a great deal of money when we think of the enormous number of expenditures to which the Government has given higher priority. We would like to see fully indexed family allowances. Indeed, we would increase other child support measures.

Specifically, we would increase the child tax credit by 80 per cent. It would be a mechanism to ensure that more tax revenues went to families in greatest need. We would ensure the existence of a universal program for all families and an important increase in the amount of money for families in greatest need. These types of figures are perfectly reasonable. They were afforded in previous times. There is no reason that they could not be afforded now. For example, if we returned to the tax rates of the pre-1982 period when wealthier individuals were taxed at a higher rate, and if we imposed a minimum tax on wealthy individuals, such as a 20 per cent tax for people with incomes of $50,000 and above, we would raise about $3 billion more. In short, there are other ways to ensure that money is available for families. It is a question of lack of political will, not an economic barrier, which keeps us from giving families what they need.

Why does the Government say that it cannot afford that now, when the Government could afford it 20, 30 or 40 years ago when the family allowance was instituted? In those intervening decades, Governments have come up with higher priorities to them, such as corporate giveaways. There has been an increase in corporate giveaways throughout this period and a decrease in taxation for wealthier individuals. The Auditor General estimates that $30 billion to $50 billion per year go into corporate giveaways. It is for those reasons that there is not enough money to pay a $2 billion program for families. Let us look at the proportions: $30 billion to $50 billion for corporations and $2 billion for family allowance. It is shameful to say that we cannot afford it, and it is patently untrue. It is a question of political will, children should be placed much higher on our political agenda.

Family allowance is a question for women because women do most of the child raising. It is the woman who actually receives the family allowance cheque, unless the father of the child or some other person is physically looking after him or her. It is a recognition of the enormously important work of Canadian women in the area of child care. It is shameful to think that the Government would want to reduce this very important recognition. In fact, in my opinion the recognition is not great enough. It is something for which Canadian women had to fight. They won the right to have their family allowance cheques payable in their names. It was a very interesting fight in the Province of Quebec, led by Thérèse Casgrain. They wanted the cheques to be payable to women because they were the ones who were looking after the children, buying the necessities and managing the family budget. It was felt that they were the ones who should have that money.

The last federal Government underestimated Canadian women in a battle over the Constitution. This Government has underestimated Canadian women as well, and the fact that there will be a terrific fight on this issue. I invite Canadian women and all people who care about children to join in this fight. They should say to the Government that families and children are important and that we can afford it. We have the resources. We simply have to use them in support of our children. I ask people to sign petitions, to write letters, to talk with their Members of Parliament and to lobby. I ask organizations such as church groups, parent groups and day care centres, to be active. All people who are concerned about children should speak up now. It is only the beginning of a fight, a very important fight. It may seem like pennies and dollars now, but it is a long-term erosion of the family

allowance and of social support for the next generation, the children of today. We ask the Government not to deindex the family allowance. It should be kept where it is and Canadian families should be given the support they need.

Mr. Boudria: Mr. Speaker, I have a question for the Hon. Member for Broadview-Greenwood (Ms. McDonald). In view of the presence in the House this afternoon of the Associate Minister of National Defence (Mr. Andre), does the Hon. Member agree with the priority of the Government or the priority of the Minister of National Defence (Mr. Nielsen) in that it has $56 million to buy new military uniforms but does not seem to have $55 million to restore the family allowances which were just taken away?

Ms. McDonald: Mr. Speaker, my disagreement with the priorities of the Government in the area of expenditurese goes well beyond expenditures on uniforms. I think the Government is misguided in many respects. I do not quite see the point of focusing on any one expenditure as being a misguided one. If I were the Minister of Finance, I would go for a massive change in the taxation system in order to have fair taxes. I would certainly want to find money in the many other ways which are available through tax reform, through seeing that corporations paid their fair share and through seeing that wealthy individuals paid their fair share. I would certainly give social programs a very much higher priority. However, I do not see the point in focusing on any one expenditure. I think the Government needs a massive realignment of its priorities, and that is what I would advocate.

[*Translation*]

Mrs. Killens: The Hon. Member for Broadview-Greenwood (Ms. McDonald) criticized the Liberal Government's 6 and 5 Program. May I remind the Hon. Member that without this program, interest rates would now still be at the double digit level? The federal Government appealed to all groups in our society, unlike Bill C-70 before the House today, which singles out one particular group. May I remind the House that we appealed to the elderly, parents, employers, business people and unions, and everyone helped to bring interest rates down to what they are today. I think it was a great victory for the Liberal Party and should not be referred to as a black mark on the record of the Liberal Government.

Does the Hon. Member have any alternatives to the steps we took at the time?

• (1550)

[*English*]

Ms. McDonald: Thank you, Mr. Speaker. We opposed the six and five program, which was a method of deindexing. I think we were right to oppose it and I think the Liberals have a great deal of gall to be so much in support of full indexing now when they were not in the past.

[*Translation*]

Mr. Blaikie: By the way, Mr. Speaker, your French is "dobra".

[*English*]

I wonder if the Hon. Member from Broadview-Greenwood (Ms. McDonald) could elaborate. She mentioned the significance of the family allowance for Canadian women and referred to the battle which Canadian women and their allies here in Parliament waged with respect to their economic rights during the constitutional debate. Could she comment on the way in which this is now shaping up as a battle on the part of Canadian women for economic rights and the need for them to win this battle as well.

Ms. McDonald: Thank you, Mr. Speaker. I think there are some very important parallels between the two situations. First of all, the women of Canada, when they were engaged in the constitutional debate, were very worry of what the Government had proposed because women had been hurt very badly by provisions which Governments have brought in, such as in the Bill of Rights, and they were most insistent that there be strong wording and special protection to ensure that there were equal rights for women. I do not want to go into the details of this battle which are extremely interesting and we could certainly happily spend a great deal of time on them. But I think the point is that the Government of the day entirely underestimated Canadian women. It made some mistakes; they thought that these would blow over quickly, but in fact Canadian women did not let the Government forget about mistakes. They organized and they marched on Ottawa, they had meetings across the country and they lobbied their MPs. They did all of the normal political activities which Governments were not expecting women to be doing. They did them and they did them very successfully and indeed became a model to other pressure groups who were encouraged to see that the Government had to buckle under and change the wording of the Constitution, the Charter of Rights.

I think there are parallels here. I have already been in touch with some women's organizations. The National Action Committee on the Status of Women has sent a wire on this subject. It is the umbrella group that represents most of the women of Canada. I have been in touch with representatives of the National Action Committee in Quebec, and of course there is going to be a big fight there. I think we are going to be seeing women across the country speaking out, because women who fought for their political rights do not want to lose their economic rights. Why did we win politically to lose economically? Women are going to see that and I think they are going to object.

It is not just going to be a women's fight, Mr. Speaker, because women and young people supported the old age pensioners in the fight last spring, and I think we are going to see the old age pensioners speaking up on this issue and indeed they have already begun and they are going to continue to do that. They will be supporting the women and families in this struggle. I think we are going to see a really interesting

coalition of people coming forward fighting for our universal programs and fighting for the family allowances.

Mr. Young: Thank you, Mr. Speaker. The Hon. Member for Broadview-Greenwood (Ms. McDonald) may be interested to know that I met with a group of single-parent families in Kitchener several weeks ago when they were expressing very grave concerns to me about the impact of this budget measure on the incomes of those families. They pointed out to me that in single-parent families there has been an increase in poverty in the last five years of some 25 per cent. They also pointed out to me that this is not just a question that affects women and children but one that affects society as a whole. They said to me that if the federal Government gets away with reducing that income to those families, the needs will still be there and other levels of Government will have to pick up that need. They were projecting that since provincial Governments, which are primarily Conservative also, are cutting back on fiscal expenditures, in all likelihood the municipal tax base will be required to pick up that need, which could mean an increase in property taxes at the municipal level.

I wonder if the Hon. Member for Broadview-Greenwood would like to comment on that, or if she has heard similar expressions.

Ms. McDonald: Thank you, Mr. Speaker. Of course one thing that can happen when the federal Government cuts back is that these needs are pushed down to the provincial and the municipal Governments and they may or may not choose to meet them. The problem the Hon. Member raises, and I think he put it optimistically, was that they would choose to meet those needs at the cost of raising taxes, in other words that the needs would have to be met and they would simply be paid for in a different fashion.

The other alternative is much worse, and that is, that the needs will not be met and people will go hungry, people at the bottom level, and they are going to be hurt as well because they are affected by the tax increases and the reduction in the family allowance and they will simply go without. That is the dim prospect and that is a very decided possibility.

Mr. Maurice Foster (Algoma) Mr. Speaker, I am just delighted to have the opportunity to speak on Bill C-70, the family allowances amendments Bill, because I think that this Bill and the deindexation of the family allowances is part of the over-all scheme and plan which we saw in the Budget presented by the Minister of Finance (Mr. Wilson) last spring. Perhaps we did not realize at the time all of the problems that the Government was creating for municipalities and others across the country through the collapse of the Canadian Commercial Bank, but clearly that Budget was designed to unleash on Canadians a veritable rain shower of taxes, not massive taxes for any one individual at any one place but taxes which will be spread over the next 12 months or so. The deindexation of the family allowance is part of that general increase in taxation across the broad lower and middle-income families of this country while at the same time reducing the benefits made available to them.

There, of course, was the massive battle that took place last spring over the issue of the deindexation of the old age pensions. Family allowance is a similar payment made to families and the same thrust of the Budget applies to this benefit which in fact, for a family of four will start to knit in in 1986 and cost some $22 annually.

During that year we are looking at a general taking away of benefits, especially to lower and middle-income families of some $20 million, but by 1986-1987, the following fiscal year, it will be $90 million and by 1990-1991 it will be $400 million. We can see how this reasonably small reduction in benefits the first year continues to grow each year until we are talking about almost half a billion dollars being taken away from middle and lower-income families. The great concern of people across the country is that it will be very harmful to take $400 million in family allowances during that period of time.

• (1600)

In my constituency the area of Manitoulin has one of the lowest average incomes in the Province of Ontario. Of course, this reduction will be most harmful to low-income families that in many cases live in northern and rural areas of the country. This reduction in benefits due to a deindexation of the family allowance is a harmful and unwarranted attack on Canadians.

There is some concern because the promises made by the Prime Minister (Mr. Mulroney) during the 1984 election campaign were so strong. He promised that he would maintain the entire social security system of the country and that he would maintain full indexation for that system. I would like to quote from the speech the Minister of National Health and Welfare (Mr. Epp) made in the House last November 15. I assume this speech was made in response to the Speech from the Throne, and it appears on page 277 of *Hansard* for this Parliament. The Minister of National Health and Welfare said:

> It is my role as Minister of National Health and Welfare to put forward signals and initiatives which will strengthen the role of the family and give it more prominence in society than I feel it has been given before.

How can the Minister of National Health and Welfare make that speech and then, during the budget debate last May 23, support the cut-backs which took place through the deindexation of the old age security pensions and family allowances?

A week or so before that statement was made by the Minister of National Health and Welfare last November 15, we heard the Speech from the Throne of November 5, 1984. The Speech reads in part:

> My government has as a high priority measures to support and strengthen the Canadian family, which is the cornerstone of our society. The need for accessible and affordable child care has in recent years come to the forefront of the social agenda facing Canada. In an effort to reach a national consensus on options in this area, you will be asked to establish a parliamentary task force on the future of child care in Canada.

We see a Government which has made maximum use of rhetoric, but after the decisions have been made in Cabinet, we see a Government that comes down against the average family. As I said, this is part of an over-all pattern of taxation which I

believe will total some $37 billion over the next four or five years.

First there were reductions in the old age pensions and the family allowance benefits through deindexation of those programs. There was an increase in the excise tax on fuel a week or two ago. There are sales taxes on pharmaceuticals and health care needs. As well, there is a deindexation of the personal exemptions on income tax. There has been a veritable rain shower of new taxes hitting the average and lower-income familes.

Let us look at the impact of the deindexation of the personal income tax rates. In this fiscal year, that deindexation will amount to some $80 million but by 1990-91, it will amount to $4.36 billion in additional taxes created by that deindexation. The personal surtax on high-income Canadians will only last for 18 months to two years while the deindexation of personal income tax goes on and on and amounts to billions and billions of dollars.

The exemption in the capital gains tax will be only $300 million in 1985-86. Although that is a substantial amount of money, it will be $600 million in 1986-87 and by 1990-91, the reduction in taxes for high-income Canadians will be $1.25 billion.

We see emerging a constant pattern of massive taxation imposed in a regressive way. Sales taxes and excise taxes are those kinds of taxes which bear more heavily on low-income Canadians just as the deindexation of the family allowance bears more heavily on low-income Canadians.

Who are the big winners in the Budget? Obviously it is high-income Canadians who are able to take advantage of the capital gains tax exemption of $1.2 billion by 1990. It is the large multinational oil companies. The PGRT will provide some $2.5 billion worth of benefits to the large oil companies. The deindexation of the family allowance will be a very heavy burden on lower-income Canadians, a burden of some $400 million per year by 1990-91.

The deindexation of the family allowance and child tax credit will cost low and middle-income families some $15 million in 1985-86. It will cost them $40 million in 1986-87 and this will affect the 3.5 million Canadian families with children.

Because of last year's election campaign, the *Toronto Star* published an article entitled "Promises, promises, promises" on June 8, 1985. The newspaper calculated that some 29 promises had been broken or had not seen any action. Some of these promises are very significant to our debate today because they represent this general attack on the family.

For instance, one of the promises made was to maintain the tax exemption for families with children at current or higher levels. Another was to increase funding to the provinces for medicare. If we look at the projections based on the Budget, we see that by 1990-91, there will be a reduction of $2 billion per year in transfer payments to the provinces. I am sure that as we approach the day when the transfer payments begin to be reduced, we will hear a great deal more from the provincial Governments because of this promise to increase the medicare funding to the provinces.

Another promise made by the Government during the election campaign was that all savings generated from any changes in social programs would be redistributed to other social programs and would not be applied to deficit reduction. The reduction in the family allowance alone of $400 million by 1990-91 will go to cover about one-third of the benefit which is being transferred to high-income Canadians under the capital gains tax exemption.

• (1610)

The Government made another promise to increase federal transfer payments to the provinces. We have heard the debate during this past year and I have just mentioned the $2 billion reduction in transfer payments which are provided for in the Budget.

There are no tax increases because that would start a recession. That is the really crucial part of this entire Budget unless we really believe that giving to oil companies suddenly is going to create hundreds of thousands of new jobs proportionate to the $2.4 billion reduction, or the exemption of $500,000 a year. What we have to look at is that massive tax increase not only from the deindexation of the personal income tax scales and exemptions but all of the regressive taxes, the sales tax, gas tax, and so on, which is estimated to be some $38 billion of additional taxation during the next four or five years.

The promise was right, Mr. Speaker, but the result of the Budget was wrong. The Government may think that because of the rhetoric of the Prime Minister this has somehow or other not got through to the average Canadian. However, a report in *The Globe and Mail* on July 25, 1985, showed the results of a poll conducted by Decima Research, which is the polling organization used by the Prime Minister's Office. Those results indicate that the Canadian people are pretty sophisticated and knowledgeable with respect to the Budget and the impact it will have on all Canadians. I would just like to read a couple of key paragraphs from that article. The first one reads:

> The results of the poll obtained by *The Globe and Mail* show most Canadians are unhappy with Finance Minister Michael Wilson's budget and think they will end up paying more taxes than they do now.
>
> Entitled Decima Quarterly Report, the poll's results also show 49 per cent of Canadians do not think the Conservatives will meet their promise to reduce the federal deficit through the new budget.

The article continues, and I quote:

> According to the poll, 21 per cent of Canadians are "very dissatisfied" with the federal budget, while 39 per cent of the population is "somewhat dissatisfied."

In other words, Mr. Speaker, 60 per cent of the population are dissatisfied with the Budget and the impact it will have upon them and their families. According to the Decima Research poll, 3 per cent were very satisfied. Those are probably the corporate executives of the large oil companies.

The Decima Research poll further stated:

Two-thirds of respondents said the budget will not lead to a fairer tax system, while 27 per cent said it will result in a more equitable tax system.

Clearly, two-thirds of Canadians thought that the Budget was not a fair Budget. The article continues:

In addition, 77 per cent of those polled said they believed they will pay more taxes as a result of the new budget.

All of the aspects of the Budget which cut into family benefits are harmful, but the worst part of the Budget is that I do not believe it will result in the economic growth which the Government has claimed. In fact, the Government's own estimates in the Budget project that the economic growth, which was some 4.7 per cent in 1984—it was actually 5 per cent in Ontario—will be some 2.4 per cent in the year 1986, which is about half of what it was in 1984. The Budget will really start to impact then because all of the additional taxes will be in place and the drag on the economy will be felt even more than it is now. That is not surprising because regressive taxation, taking that amount of money away from low and average income Canadians, is bound to have a negative impact on growth and consumer spending.

Last spring, when we were in the Budget debate itself, I read that a family of four earning $15,000 a year in 1986, will pay $162 more per year. That same family will lose some $22 in family allowance. The Budget is simply an attack on average and low income Canadians. If we look at that same family of four and project ahead, because all of these things, the deindexation, the personal exemptions and the income tax scale are all cumulative over the years, by the year 1990, that family of four with the $15,000 a year income, will pay some 36 per cent more in income tax. But a family in the $200,000 bracket is able to take advantage of the capital gains exemption and so on and will actually pay $2,352 less in taxes. Surely this is a very unfair scheme. This Bill on family allowances which is before us today is an integral part of the whole budget process.

I commend the Minister of Finance (Mr. Wilson) for making an exception to a number of the sales tax items for health care needs and drugs and so on, but I feel he really needs to take another look at the family allowance benefits and the deindexation in his Budget because, surely, if taxing health saving drugs and medical supplies is clearly wrong and improper, then deindexing the old age pension is equally wrong and will be harmful to Canadian families. Therefore, I hope the Government will change its mind on these items, just as it has on other items in the Budget and allow this motion for the six months hoist which has been put forward by the Hon. Member for Sudbury (Mr. Frith), to be carried.

Mr. Benjamin: Mr. Speaker, I would like to ask my good friend, the Hon. Member for Algoma (Mr. Foster), if he would be prepared to comment: When the six and five program was debated, which he mentioned in his speech, which in effect deindexed family allowances, did he or did he not support the six and five program? And would the Hon. Member explain the holier-than-thou attitude of the Liberal Party now for something it did when it was in power?

Mr. Foster: Mr. Speaker, the six and five program was instrumental in reducing inflation to less than 6 per cent and 5 per cent. There was really no loss in revenues to Canadian families in the family allowance or the old age pensions. Clearly, this Budget's provisions, which deindex old age pensions and family allowances, directly benefit very high income groups and the large multinational oil companies. But it is the low-income families who are going to be the most hard hit. According to the secret document put out by the Department of Finance, low-income families over the next five years will have to pay $4.3 billion due to the deindexation of the personal income tax exemption. Young couples in the lower income range will lose the benefit of RHOSPs. The whole thrust of the Budget is an attack on low-income families.

• (1620)

Mr. Benjamin: That was not my question.

Mr. Foster: Well, I have outlined in some detail how this Budget attacks low-income families, and in such a strange way. It seems to me that if the Government wanted to wind up RHOSPs, which I do not agree with, and if it wanted to give the economy a tremendous boost, it should have said that people had to put the money into a home or major appliances for the home. That would have given the economy one of the greatest boosts it has ever received but, instead, the Government just said that people can take the money and transfer it to some other saving program. There was no economic benefit and the Government loses the taxes on that money.

The Acting Speaker (Mr. Paproski): I believe there is another question for the Hon. Member.

Ms. McDonald: Mr. Speaker, the Hon. Member has certainly said many fine things in favour of support for families. Does he agree that families need support more than just indexation of family allowances? Would he agree that the child tax credit ought to be increased very substantially as the NDP has recommended?

Mr. Foster: Mr. Speaker, everything I have said indicates that our Party favours improving benefits for families. Clearly, the child tax credit is less regressive than other means of taxation. That is the problem with the whole Budget. It is not improving the progressive aspect of our taxation system because so many of the taxes are very regressive. An example of that is the 2-cents a litre or 9-cents a gallon gasoline tax. It is very regressive for people living in the northern and western parts of our country. They have to travel longer distances. As well, the Government is imposing $1 billion worth of new taxes. We have the sales tax on health care and personal hygiene products and non-prescription drugs. The 1 per cent sales tax which the Government will impose on farmers next January will cost them $11 million in 1986.

We are faced with a very regressive tax regime and the deindexation of family allowances is part of that plan to increase taxes and reduce benefits for low and middle-income Canadians.

Ms. McDonald: Mr. Speaker, I am puzzled by the way the Hon. Member has managed to say all these things in favour of increasing child support. Could he explain how it was that the Liberals, when in Government, allowed the family allowance to decline? It was given a shot in the arm during the minority Government of 1972 to 1974 when the NDP insisted that it be increased, but other than that it has substantially declined.

The Hon. Member referred to regressive taxes. We are certainly against regressive taxes but it was a Liberal Government which reduced the marginal tax rate on wealthy individuals and increased the giveaways to corporations. Therefore, how does the Hon. Member manage to justify this principle of being in favour of progressive taxes when his Party has done the reverse?

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member one minute to respond.

Mr. Benjamin: Where were you when we needed you?

Mr. Foster: Mr. Speaker, I always hear the NDP taking credit for old age pensions and their indexation, taking credit for family allowances and their indexation, and taking credit for the child tax credit. I do not remember the NDP actually being in power federally. If it is responsible for all these things why was it not in power?

Mr. Benjamin: We will take the credit anyway.

Mr. Foster: It was the Liberal Government which did these things and put them in place. As the Hon. Member for Regina West (Mr. Benjamin) says, the NDP did not do these things; it just likes to take credit for them.

Mr. Benjamin: That is right, and we kicked you into doing them.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Benjamin: On a point of order, Mr. Speaker. As a former famous football player, I ask you if Hon. Members, in responding to questions during the last 10 minutes, are allowed to call time out and take three minutes to say nothing?

The Acting Speaker (Mr. Paproski): I do not think I should answer that question. I would like to recognize the excellent Member for York East (Mr. Redway).

Mr. Alan Redway (York East): Thank you, Mr. Speaker, I appreciate that. I appreciate as well the opportunity to address a few remarks in connection with Bill C-70, an Act to amend the Family Allowances Act of 1973. This Bill has been repeatedly characterized by the Opposition over the past day or two as the Bill which deindexes family allowances. In fact, as all Members of the House realize, this Bill is only one part of a three-part package which deals with family benefits generally. The three parts include changes to family allowances, changes in the child tax credits, and changes in the child tax exemption under the Income Tax Act.

• (1630)

I think it would be great to have all of these items before us at the same time to enable us to debate this issue in its totality. Unfortunately, that is impossible under the rules of procedure of the House. Coming from a municipal council background, as I do, it disturbs me that we cannot deal with an issue in that way. In municipal councils all of the issues revolving around a particular problem can be dealt with at one time. That points out, only too well, that we need further changes in the rules of procedure of the House.

The three-part package which I referred to has been the subject of much debate and scrutiny over the past number of years by a great many social agencies. There is now an organization called The Social Policy Reform Group which represents a coalition of four of those groups. It has been calling for substantial changes in this area for the past few months. It has called for three specific changes. The first is for a substantial increase in child tax credits. The second is for the elimination of child tax exemptions under the Income Tax Act, partly to provide funding for increased child tax credits, and partly because of the inequity of people earning higher incomes receiving more benefits than people earning lower incomes. The third thing they have been saying is that family allowances should not be modified and should continue to be fully indexed.

The net result of all the changes that they are proposing would be that people earning lower incomes would receive a greater net benefit than people earning higher incomes. The reason given for requesting these changes is that under the present system, which was established by the past Government, a family earning an income of $30,000 a year receives greater benefits than does a family earning only $10,000 a year. The Government recognizes that this is an inequity and it has been the subject of a great deal of debate in the committee relating to this matter. Therefore, the Government has acted in these three areas.

The Government has made changes in the child tax credits. In fact, in line with what was suggested by The Social Policy Reform Group, the Government has increased the child tax credits. They will increase from a maximum of $384 for a child to a maximum of $524 for a child in 1989. After that they will not decrease, as many members of the Opposition have been saying they will, but will continue to increase with modified indexing.

The child tax exemption is going to be changed too. It will not be eliminated, as is advocated by The Social Policy Reform Group and some Members of the House, but will be reduced in stages from the current level of $710 to $382 per child in 1989. Those reductions will generate additional funds which will allow for the increase of the child tax credits.

The third thing that will happen with be a partial deindexing of family allowances. Presently the family allowance is $31.27 per month per child. That will not decrease or be eliminated. In fact, if inflation is in excess of 3 per cent, it will continue to increase. The net effect of those three measures will be exactly what has been suggested by The Social Policy

Reform Group and other critics. The effect will be that the total family benefit package will increase for people on low incomes and decrease for people on higher incomes.

In spite of those facts, we have heard a grat deal of criticism of these measures. Most of the criticism has been geared specifically to the legislation before the House. It is being implied that this is the only change being made to the family benefits package. In fact, that is not the case at all. One of the criticisms that can be levelled against the changes in the package is that the child tax credits should be increased even more. I do not think anyone would quarrel with that. Everyone would like to have the child tax credit increased even more. However, realistically, the Government has to take into account the total fiscal management of the country rather than one isolated area. Our annual deficit is now $35 billion a year and our cumulative deficit is $200 billion a year. I believe that Canadians understand that it is impossible to increase the child tax credits any more than they are being increased at the present time.

The second criticism that has been levelled against the legislation is that the child tax exemptions under the Income Tax Act are not being reduced enough. That criticism is not being levied by everyone, because most people realize that if the child tax exemptions are completely eliminated those funds will come out of the middle class. The Government has taken into account the suggestions that higher income people are getting more benefit from the child tax credit exemption and therefore is reducing it. However, at the same time, it is not being eliminated altogether so that there will still be some benefits for all sectors of the Canadian population.

● (1640)

The third criticism, obviously, is the one we have heard for the last few days concerning the partial deindexing of the family allowances. That is being done to provide some of the funding, at least, to look after the increase in the child tax credits. Without that additional funding there would not be enough funding generated by the reduction in the child tax exemption to provide for the increase in the child tax credit. Therefore, the total package will have the net effect of increasing child benefits and family benefits for low income people while taking it away from high income people.

It has also been suggested that some of the money that is coming from the modification in the indexation of family allowance will leave the social welfare package and not be spent in the social welfare area. In fact, that is not the case. According to the figures, it is estimated that in this fiscal year, 1985-86, the change in the family allowance will generate about $20 million in additional income for the Government, whereas the increase in the spouses allowance—which Members will recall was introduced before the summer break and then supported after much debate and discussion by all parties—will cost approximately $190 million in this fiscal year, 1985-86. In fact, even taking into account changes in the family allowance, that will not divert funds from the social security package altogether.

Next year, the money generated by Family Allowances—approximately $90 million—will go elsewhere. That is compared to the cost of Spouses Allowances next year which will be $325 million. Therefore, no money has been diverted from the social security package by the net effect of all of these changes. The net effect of all of these changes simply is that it will increase the family benefits for people who are at the lower end of the income scale and decrease it for people who are at the upper end of the income scale.

In the last few days the Opposition has indicated that the other changes in the Budget—referring to tax increases and other tax changes—will have a detrimental effect on everyone, not only low income people. That is quite true. Of course, we would like to be able to increase all of the benefits and take credit for it. Mind you, Mr. Speaker, whenever we increase them, the Opposition will always continue to say that we have not increased them enough. Of course we would rather increase benefits because all Members, whether in Government or Opposition, like to increase benefits. Furthermore, no one likes to pay increased taxes. Unfortunately, bearing in mind the total fiscal picture of the country, we must be realistic and I believe that Canadians are realists. They know that when they go shopping after earning $100 for the week, they cannot spend $150 because they would have to borrow from the bank. That is the problem we face as a country and that is the difficulty with raising taxes. No one wants to pay taxes and no one wants to be responsible for raising taxes. Unfortunately, when the financial affairs of the nation have fallen into the state they have it is necessary to correct that situation. It is a necessity not only for the Government but for everyone in this country.

We would all like to see improvements. I represent a constituency consisting of many low and middle income people. I am very conscious of any changes in their social security package. I listened very carefully to the Minister of National Health and Welfare (Mr. Epp) when he said that the Government would be monitoring the effect of these changes very carefully and that if any detrimental effect on anyone in Canadian society became evident, changes and modifications would be made to make sure that it did not happen. I want to assure Members of the House that I will hold the Minister to that statement. However, bearing all of that in mind, and in spite of the criticism that has been levied against this particular piece of legislation, it is quite clear to me that the total effect of this package is something that all of us can support. Like it or not, everyone supports the concept of improving family benefits for those in the lower income scale and that is what this Bill does. I am sure that Members of the Official Opposition and the NDP will finally support this bill.

[*Translation*]

Mr. Tardif (Richmond-Wolfe): Well, Mr. Speaker, let us say that I am pleased and that I wholeheartedly endorse any measure likely to improve the situation, particularly if it restores the balance so that those who have the capacity to pay assume the social charges.

But the question I am asking myself, the question I was asked is this: Let us take a case which is not uncommon at all, a family with two children, a mother of two children who is the sole breadwinner and who asks: Why should I have to accept a cut-back, or will I eventually be forced to accept a cut-back?

I think the question is relevant, appropriate and to the point. And that woman, that sole breadwinner goes on to say: I understand and I am fully aware that our country's financial situation is not very promising, but when it comes to banks and matters of capital gains, do you find the means, the money, the resources? Yet, when it is a matter of small or minimum incomes, more often than not the strict minimum, you cannot find what is, under the circumstances, a relatively small amount, something like $50 million.

Here is my question: What do you say to the man or woman who asks: Why must I bear the brunt of this measure?

[*English*]

Mr. Redway: Mr. Speaker, I am sure that the Hon. Member will have a very good and clear explanation for his constituents in answer to that particular question. Quite clearly, he can explain that we are not talking about one change to one program. We are talking about a package of three programs. The net effect of those three programs—with an increase in the child tax credits, a decrease in the tax exemption for children under the Income Tax Act and the modification in the indexing of the family allowances—is that families on lower incomes will receive more benefits.

● (1650)

I assume the Hon. Member was referring to a constituent in that position. I suspect he will be able to tell her that the net effect of all the changes in the Government's Budget for her and her family is that she will be much better off than before when under a Government of which he was a supporter.

Mr. Angus: Mr. Speaker, I have a question for the Hon. Member for York East (Mr. Redway). He made reference to the three packages and his belief that this measure will not negatively impact on lower income people. What if we add to that equation the other packages contained in the spring Budget, the changes in consumer taxes, the increase in RRSP limits and the capital gains break?

Does the Hon. Member agree that when you add those components and do a comparison by income level that in real dollars by 1990 those who are making $10,000 a year will actually lose $396 while those making $200,000 a year will be increasing their benefits by over $4,500?

In percentage terms, there is a greater difference. When you look at the percentage of disposable income, you find the $10,000 a year earner dropping by 4 per cent but as a percentage of the discretionary spending, a drop of over 11 per cent occurs while the $200,000 a year person increases his disposable income by 3 per cent and 4.2 per cent of his discretionary spending.

Has the Hon. Member looked at the total package contained in the Budget, not just the narrow social one that he detailed a few moments ago? If he has, does he agree with the figures I have related to him?

Mr. Redway: Mr. Speaker, I certainly have looked at the entire budget package. I have looked at it in comparison with the family benefit package as well. I must say that I have to take issue with the Hon. Member on his figures. I am sure that in making his calculations, the Hon. Member has utilized the absolute maximum benefits that anyone could obtain under all of the provisions of the Budget if they remained in effect until 1990.

I am sure, at the same time, the Hon. Member has not taken into account any other changes that may come along in the interim between now and 1990. As we know, this Budget is for the fiscal year 1985-86. There will be five more budgets between now and 1990. Obviously there can be very substantial changes in all situations. As indicated on many occasions by the Minsiter of Finance (Mr. Wilson) and by other Ministers of the Government, provided the economic situation improves, very substantial changes will be made in all of the benefit packages that Canadians receive.

The Hon. Member overlooks the impact which the other changes will have. For instance, what about improvements to the economic situation, bringing about a Government fiscal situation with the deficit being brought into line and having people back at work again. In doing so, we generate wealth in their hands which, as the Hon. Member has pointed out on many occasions, generates additional tax revenue which in turn helps to reduce the deficit and helps to provide revenues to allow additional benefits to be increased.

When you look at the net effect and the whole picture, it does not look anywhere near as black as the Hon. Member paints. Far from looking black, the net effect of the Budget should be that employment will increase, people will be going back to work again, and not as many people will be on welfare and unemployment insurance. This reduces the costs of Government and in turn the deficit because people will be paying taxes again. All of this will get the deficit under control and will put people back to work again. The net effect will be additional revenues available for the Minister of National Health and Welfare and his colleagues to increase all of these packages.

When you look at things in a very narrow sense, and I understand that is the role of the Opposition—quite rightly so—the Hon. Member's job is to criticize, to be negative and to make sure that all of the negative aspects of a situation are brought out and not the positive ones, then you can certainly understand what the Hon. Member is getting at. However, if one takes a more positive view and looks at the net impact of all the figures in the Budget, he sees that we will be a lot better off whether a person is at the low end of the scale, the middle or wherever.

Mr. Schellenberg: Mr. Speaker, I have a comment and a question. I would like to compliment the Hon. Member for

York East (Mr. Redway) on his calm, cool and reasoned explanation of this Bill. With the debate we have had in this House over the last few days and some of the misinformation given, it is nice to hear someone tell it like it is. I think it is safe to say that the Hon. Member has convinced me to vote in favour of this Bill.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Schellenberg: The Hon. Member talks about his wish to increase the child tax credit measure. Should our Government not consider perhaps removing the child tax benefit for those making in excess of, say, $50,000 a year so we may continue this reverse Robin Hood method to provide more in the form of child tax credit?

The Acting Speaker (Mr. Paproski): The Hon. Member may want to answer that question behind the curtain. I would like to recognize the next speaker. Questions and comments are now terminated. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I want to deal with two matters relating to Bill C-70, an Act to amend the Family Allowances Act. I want to deal with the very obvious one, that of deindexation of family allowances. I want to begin, however, by dealing with the section entitled "Presumption of Death".

Clause 15.1 of this Bill is a new section. It does not deal with the question of deindexation or the amounts payable for family allowances. It deals with the Minister having the right to declare a child dead or alive.

I want to deal with this in two ways: the psychological impact and the financial impact on families who may be affected. Before doing so, Mr. Speaker, I would like to read the three paragraphs under the portion "Presumuption of Death":

(1) Where a child has, either before or after the coming into force of this section, disappeared under circumstances that, in the opinion of the Minister, raise beyond a reasonable doubt a presumption that the child is dead, the Minister may issue a certificate declaring that the child is presumed to be dead and stating the date on which the child's death is presumed to have occurred, and thereupon the child shall be deemed for all purposes of this Act to have died on the date so stated in the certificate.

(2) If, after issuing a certificate under subsection (1), the Minister is satisfied from new information or evidence that the date of death is different from that stated in the certificate, the Minister may revoke the certificate and issue a new certificate dating a different date, in which case the child named in the certificate shall be deemed for all purposes of this Act, to have died on the date so stated in the new certificate.

(3) If, after issuing a certificate under this section, the Minister is satisfied from new information or evidence that the child named in the certificate is alive, the Minister shall shall forthwith revoke the certificate and cause to be paid any allowance that would have been payable in respect of the child if the certificate had not been issued.

● (1700)

I am greatly concerned about this particular part of the Bill. Let us all think about what the impact would be on ourselves if one of our children or grandchildren went missing. We all recognize that from time to time children go missing in Canada, some never to return. Of course there is a certain anguish on the part of the parents, the family and the community. We hear about abductions, runaways and murders. From time to time they are interrelated. However, we must consider the impact on mothers and fathers who still have some hope that their children are alive out there somewhere. For many of them that is all they have left—hope. What will happen if some bureaucrat, because obviously it would have to start at that level, decides that the period of absence has been long enough and the Minister must declare the child dead? What would that do to the hope of such parents? I ask all Hon. Members to think about that. I am sure we all know of instances in our communities where children have disappeared, have come to very unfortunate ends or have just never returned and no one knows where they are. In 1976, the last year in which Statistics Canada attempted to track disappeared children, there were still some 1,200 on the books as missing. I learned today from one of the organizations dealing with missing children that 90 per cent of all such children are abducted by one of their parents. We have heard of the stories involving a family separation, one parent receiving custody and the other parent deciding to abduct the child. I do not think we are talking about that because in most cases the parents know where the child is located. However, what about the remaining 10 per cent, the children abducted by non-family members or strangers for whatever purpose? For the first while a lot of work is done in the community, spearheaded by the parents and the authorities, in an attempt to find the child. The age range can be anywhere from one year old to some 17 or 18 years old. They always hold out hope, but this law will indicate to them that there is no more hope. For reasons of financial importance to the Government of Canada, the child will be declared dead and the Government will not have to pay the family allowance.

There is a psychological aspect and there is the actual financial impact on families who have, since their children went missing, spent every cent they could by posting rewards and by telephoning around the country. They scraped together every cent. Many times money is donated to the cause by friends and neighbours in the community. The Government would then come along and say that it is stopping the $31 payment because the child is not living at home. However, the parents could still be looking out for the interests of the children by trying to find them and to bring them back into the warmth and security of home.

I understand why the Government needs some kind of mechanism. Currently, with the Statute of Limitations, I gather that it takes seven years to declare a child dead. Conceivably someone could be receiving family allowance for those seven years. If we require a mechanism, perhaps we could have some kind of suspension procedure rather than a declaration of death. In that event the Government could say that until the child returns home or until there is clear evidence that the child is no longer alive, it will temporarily

suspend the family allowance payments. It could also tell the parents that the moment the child is found or has returned home, they should notify the Government and it will be reinstated. I urge Government Members and the Minister to look at the problem to see if there is any way to soften the blow or perhaps to see whether it is really worth the pain and anguish. If we are only talking about some eight to twenty children per year, surely that amount of money will not break the Government of Canada. We are not that bankrupt! I will continue to raise this matter, as I am sure others will, in an attempt to arrive at a solution. I encourage parents who have been through that situation to write to all of us to tell us what they think the effect of this proposal will be.

I should like to turn to another aspect of the Bill, one which touches most Canadians. The main principle of the Bill is the deindexation of the family allowance. What is deindexation all about? If inflation rises by 5 per cent per year, it means that the family allowance will only increase by 2 per cent. If inflation rises by 2.9 per cent, it means that the family allowance payment will not be increased. No one is suggesting that the Government is actually taking away the paper figure. It is not being reduced from the $31.27 per child, but the purchasing power of the recipient is being reduced. Each year the payment will be worth 3 per cent less in terms of purchasing power. If it is compounded over the years, it is even worse. In real terms it means that families, in particular women and their children, will have less money to spend on children's clothing, family food, school supplies, bus tickets and essential medications for those individuals who are ineligible for Government income support programs. Also it means that there will be less money for recreation or to sock away for future education. These are the types of things for which family allowance payments are used. Perhaps, for those of us here who are making what would be considered a damn good buck as Members of Parliament, $370 per year for each of our children does not seem to be much. However, for many Canadians it means the difference. For many women it is their only income. Let us not erode it. For many families it is a nest egg for the future, not only for their future or the future of their children, but for future generations, by providing for their education, because unfortunately we do not have free education.

The previous Hon. Member who participated in the debate talked about three particular components. I would like to ask him about the rest of them and to present to the House some detailed figures. First let me indicate that these are not my figures; quite frankly I am not an economist. These are the figures of the Canadian Council on Social Development, a well-respected agency in the country. Its previous head went on to become a Minister of the Crown in the Province of Ontario, the Hon. Reuben Baetz, who is not exactly what one would call a ranting, raving lefty. That organization is very well respected because it conducts research to ensure that we in the House of Commons know the impact of our decisions.

• (1710)

There is a table in one of their documents entitled "Effect of the Budget on the Disposable Income of Families in 1990—Couple with Two Children". It has a range of the various income levels and I want to run through some of these.

For those whose gross income level in 1985 is $10,000 the tax deindexation and tax deductions will take $179 away from them. Child benefits will reduce this income by $89; consumer taxes will take another $130 away from them; the increase in RRSP limits really does not affect them because they do not have any money to put aside; capital gains break, for some reason they will get $2. In 1990 dollars that translates into a loss of $396 per year of 4 per cent of their disposable income and 11.3 per cent of discretionary spending. Those who are making $15,000 a year lose $398 through the tax deindexation and reduction; $103 through child benefits; $140 through consumer taxes; no increase in RRSP limits that benefits them; and $7 in capital gains break for 1990 dollars of $634. Their percentage of disposable income is 4.4 per cent while discretionary spending is 9.8 per cent.

We go on, Mr. Speaker, until we reach the last plateau where there is a decline which is in the $40,000 bracket. They lose $625 because of tax deindexation and tax reduction; $277 from child benefits; $361 due to increase in consumer taxes. They gain back $863 through the increase in RRSP limits and $42 in capital gains. Their net change in 1990 dollars is a loss of $358. That is a 1.1 per cent decrease in disposable income and a 1.9 per cent decrease in discretionary spending.

Let us take a look up the line, though, to the folks at the top. It is not the $500,000-a-year bank president who some people in this House like to refer to, but it is someone who is grossing $200,000—and I think sometimes that is an appropriate way to describe it. The tax deindexation and tax reduction will drop their income by $1,552; they will lose $344 from child benefits; they will lose $1,442 from consumer taxes, but here is where it changes, and this is the argument we are making. It is not a balance. The increase due to the change in RRSP limits is $3,825. They get $4,032 more because of the capital gains break. In total 1990 dollars they have a net improvement of their lot in life of $4,519. That is a 3 per cent increase in disposable income and 4.2 per cent as a percentage of discretionary spending.

Very clearly, Mr. Speaker, based on that kind of analysis, the phrase "the rich get richer and the poor get poorer" is no more or less applicable here than any place else in terms of this Bill and the other Government measures. Somebody with income of less than $10,000 loses $396 and someone with income of over $200,000 gets $4,500.

What about the ability of this country to afford family allowances? Do we really have to reduce the value, and I want to be careful in using those terms, of family allowances in order to pay for our deficit?

Mr. Speaker, I can see that I am going to have to go to stage two at some point in this debate which I suspect will be a fairly

long one. You would not want to declare it six o'clock, would you?

Mr. Benjamin: Agreed.

Mr. Angus: Mr. Speaker, I will leave the affordability aspect for another time. However, I think it is very clear that the reduction in the value of family allowance is not the way to go if we must bring about a reduction in our deficit.

I thought for a moment that the Hon. Member who spoke before me was reading my previous speeches when he talked about the need for employment creation so we could get people working and paying taxes. That is what we have been saying all along. Let us focus on that; let us put people to work now so that they can pay taxes so we will have the money to keep the family allowance indexed.

The reason it was indexed originally, was to ensure that we did not have to keep coming back and increase the amounts by acts of legislation. It was to establish a base and from that base keep in tune with inflation so that nobody fell behind. It was hoped that perhaps from time to time, as Governments changed, we might be able to improve that base. The philosophy was that there was the protection out there and this Government, like the previous one, is quite committed to eliminating that protection wherever they can, particularly when it affects ordinary Canadians.

Mr. Speaker, I thank you and I look forward to another opportunity at a later date.

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

Mr. Dingwall: Thank you, Mr. Speaker. I was very happy to hear the remarks by the previous speaker. I wonder if he would entertain a question and perhaps provide some of his thoughts and the thoughts of his Party. As many of us know, the family allowance of roughly $31 a month goes to each child. I am wondering if the Hon. Member has in his constituency and knows of other individuals across this country who are in a situation where on paper a family may look as if they are fairly well, and I use the word "oiled" in terms of income.

I hope you do not interpret my remarks as being sexist, Mr. Speaker, but the income as a result of the family allowance goes to the mother and that money is not expended on frills, or on grandiose schemes to invest in corporations in the United States—and I am coming to the question—it is spent on the necessities of the child and of the family. It is spent on such things as rubber boots, jeans, T-shirts, sneakers, socks, school supplies and medicines.

I want to ask the Hon. Member as the first part of my question, does he have in his constituency situations of that nature and is he aware that there are large numbers of Canadians from coast to coast who are in that situation, where they use the family allowance not for what I think the Government is suggesting, as maybe for frills, but for the necessities of having a good family life. Could he answer that question?

Mr. Angus: Mr. Speaker, I thank the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) for his question. Very clearly, not just in my constituency and elsewhere in northwestern Ontario, the part where I come from, but right across this land there are people who need that money. They are just so close to the line in terms of their cost of survival. That relates not just to those who we traditionally think of as low-income Canadians but to those who through no fault of their own have been forced for years into very high mortgages. Mothers in particular have been forced out of the home to work in order to help pay for that. Those who have chosen to stay at home use the family allowance to provide those extras that, thanks to Government policy, were taken away from them through exorbitant interest rates, consumer price increases and things like that.

What we have to do is turn things around. We have to say to those recipients of family allowances that we are going to continue the protections. We are not going to allow the value of that cheque to be reduced through any Act of this Parliament. What we want to do now is make sure that we tackle those other things that will take the pressures off so that all Canadians can have a better life.

• (1720)

Mr. Dingwall: Mr. Speaker, I will certainly leave time for my colleague to ask a question as well. With regard to the fairness of reducing the family allowance, does the Hon. Member not agree with me that there could be nothing more unfair than for a national Government with in excess of 200 seats to get tough by saying to families with children that the Government will reduce the family allowances? Would the Hon. Member not agree with me that that is absolutely unfair and shows the ruthless and uncaring attitude of the Government?

Mr. Angus: Mr. Speaker, not only would I agree with the Hon. Member but I would point out that since we are looking for fairness, perhaps the Government could impose a minimum tax on the rich, something which would bring in at least $400 million a year, provide some fairness in the tax system and eliminate the need to fiddle around with the support programs that exist for women and children in this country.

Mr. Redway: Mr. Speaker, I have a question for the Hon. Member, but before I ask that question, I would like to comment briefly on the previous question and answer.

The Acting Speaker (Mr. Paproski): No, just ask the Hon. Member a question, please.

Mr. Dingwall: Can I comment on his question?

The Acting Speaker (Mr. Paproski): No.

Mr. Redway: Mr. Speaker, I was interested in the Hon. Member's comments regarding the provisions in the legislation relating to presumption of death. I wonder if the Hon. Member is aware that the provision that is included in this legislation is already included in the Canada Pension Plan

legislation and that the provision that is being proposed in this legislation relating to the presumption of death is already included in the Old Age Security Act. I wonder as well if the Hon. Member realizes that under the current family allowances provision, as soon as a child disappears, the family allowance cheques are to be cut off and that in fact this provision allows the compassion to which the Hon. Member refers by allowing the Minister to have the payments continue rather than be cut off immediately as the current provisions provide.

Mr. Angus: Mr. Speaker, the answer to the Hon. Member's first two questions is yes and the answer to the last question is no. With regard to the first two questions, one of my experiences both as a Member of Parliament now and as a provincial Member—in fact, it was 10 years ago today when I was first elected—

Some Hon. Members: Hear, hear!

Mr. Angus: I just thought I'd add that in.

Mr. Benjamin: Ontario's loss, Canada's gain.

Mr. Angus: I have experienced having to convince the powers that be that some senior citizens were really alive. Can you imagine the feelings of a lady receiving a notice from the Government of Canada, through a bureaucratic mix-up, saying that her husband who is sitting right beside her is dead? I think we do have to be careful.

In terms of the latter question, I suggest that providing that flexibility is a positive step but I think having it as a declaration of death as opposed to a procedure for suspension other than at the moment the child runs away would be a better way to approach the issue. I would ask the Hon. Member if he could communicate that to the Minister.

The Acting Speaker (Mr. Paproski): Are there further questions or comments? If not, I will recognize the next speaker.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I rise in the House today to speak on behalf of thousands of Canadians who will be deprived of a sum of money that is essential to their well-being, if this majority Government manages to adopt Bill C-70.

In the riding of Saint-Michel-Ahuntsic, almost 10,000 families out of 20,000 are living on incomes of $19,000 or less, which means that half of the people in my riding have to live on a salary of less than $19,000. These families will be heavily penalized by the new measures provided in this Bill.

The more I listen to the debate, the more I think the issue is being confused, Mr. Speaker. In my comments I intend to make a sincere effort to explain to Canadians the injustice that will result if Bill C-70 is passed.

Women are penalized by this Bill, more so than any other group in our society. My colleague from Vancouver East (Ms. Mitchell) described yesterday the harsh reality of single mothers living on a minimal income, who are forced to count every penny to feed their families, and sometimes end up soliciting on the street. I think it is appalling for a Government that is able to find thousands and even billions of dollars to bail out the Canadian Commercial Bank. And in the same breath, that same Government is talking about reducing the deficit. Where is the consistency in all that? What criteria are being used to support a large financial institution like the Canadian Commercial Bank instead of promoting the well-being of Canadians? Why is this Government penalizing our families and our children? And why should the needy once again have to pay?

In *Hansard* of November 15 of last year, the Minister of National Health and Welfare (Mr. Epp) said in the debate on the Throne Speech, and I quote: "It is my role as Minister of National Health and Welfare to put forward signals and initiatives that will strengthen the role of the family and give it more prominence in society than I feel it has been given before."

What made the Minister of National Health and Welfare change his position between November 15, 1984 and September 15, 1985? Does he think Bill C-70 is going to strengthen the role of the family? Our analysis will prove the contrary. The argument being used in this debate on the other side of the House is as follows: There will be an increase in the child tax credit. True $450 for each child in 1986, $489 for each child in 1987 and $524 in 1988. However, they failed to mention that starting in 1989, the child tax credit will be only partially indexed.

As far as family allowances are concerned, in 1986, a family will receive $22 less in family allowances. From 1987 to 1990, as the increases in the child tax credit are added, a family will be getting higher benefits for their children under the Budget. As I just said, it is true benefits will be higher, but they will start losing ground in 1991, and these losses will increase from year to year, because the two child benefits, namely family allowance and the child tax credit, will be increased only by that percentage of inflation that is in excess of 3 per cent.

• (1730)

Without the Budget changes, these benefits would have been fully indexed to the cost of living. That is something we must not forget.

The neediest families will get increased child benefits from 1987 to 1990. Subsequently, they will lose money because of other changes in the Budget. However, the vast majority of Canadian families, including many families living below the poverty line and on low incomes, will be receiving reduced child benefits as of 1986. To understand why this is happening, we have to consider the Budget's further repercussions on child benefits and on our income tax system.

For instance, here is how logical they can be, as advocated in the Budget. First, partial deindexation of family allowances in 1986. Second, deindexation of the child tax credit. Third, deindexation of personal tax exemptions for both father and mother. Fourth, abolition of the $50 tax exemption. Fifth, higher federal sales tax rates, from 10 to 11 per cent as of January 1, 1986. Sixth, a new tax on drugs.

According to our figures indeed the poor will benefit from a higher tax credit for three years but, beginning in 1988, owing to the many other regressive measures I have just mentioned, the poorest of the poor will be penalized under Bill C-70.

On the other hand, wealthy Canadians will continue to claim their capital gains tax exemption and lower retirement plan contributions such as in the case of RRSPs. Given the capital gains tax exemption, people whose income amounts to $100,000 or more will receive in excess of $600 million in tax benefits, whereas under the amendments to the Act now under consideration, with respect to the child tax credit and the tax exemption, the Government will save only $150 million. It is easy to figure out even without being a chartered accountant that the Government will give $600 million to the rich, take $155 million from the poor and have middle class Canadians make up the $445 million difference.

The Budget will also cut down the number of families eligible for the maximum child tax credit because it will lower the limit from which the benefits start to decrease. The limit is now $26,330 but it will be lowered to $23,500 for the 1986 fiscal year. For instance, a family with a net income of $26,000 is eligible for maximum credit under the present system since it is below the limit from which the tax credit is calculated. Once the limit has dropped to $23,500 the child tax credit will be $155 less, which is 5 per cent of the difference between $26,000 and $23,500.

In addition the limit will be geared to the inflation rate less 3 per cent. As a result, since the average income will go up year after year, more and more families will earn more than the limit and will therefore get reduced benefits.

On Monday, Mr. Speaker, I met in my constituency office a mother who strongly objected to the deindexation on the basis of her family budget which I am going to read to you. The father is the only bread winner for his wife and his two children. Net income: $19,195.82. Food for the year: $6,360. Rent: $5,100. Heating: $780. Life insurance: $540. Telephone: $192. General insurance: $800. Back to school expenses: $100. Transportation: $110. Total expenses: $13,982. This gentleman has a taxable income of $10,240. This couple cannot afford a car. In this budget, there are no provisions for entertainment, clothing, drugs. In 1984, they received a Tax Credit of $367 per child, which means that they received $734 for both their children. In 1985, the wife was compelled to seek part-time employment. If we add the wife's part-time salary of $7,000 to the husband's net salary of $19,195.82, we get a total net income of $26,195.82. Now that the wife has decided to return to the labour force to help balance the family budget, this young lower middle class couple will incur a tax credit loss of $155 the first year, because the budget, as I said earlier, is lowering the ceiling from $26,000 to $23,500. If the ceiling remained at $26,300, this young couple would be entitled to the full Child Tax Credit.

Mr. Speaker, this Bill will have other negative impacts on Canadian families. In the area of taxation, for instance, we are all aware that when the time comes for taxpayers to submit their income tax returns, people are anxious to get an advance payment on their income tax. To do so, they will go to companies which can get them the money more quickly. Did you know that these American-owned companies make between $15 million and $20 million profit on these Child Tax Credits?

Moreover, among single mothers whose income is below $2,000, one out of five of those entitled to Child Tax Credits had to contact a discounter. These mothers need the money, and such examples further demonstrate the need to maintain the social programs for Canadian families, for Canadian men and women. Last year, 60 per cent of the people who used that service earned less than $8,000. I am referring to the service of discounters. In 1979, there were 7,000 discounting operations. In 1984, five years later, there were 385,000 discounting operations compared with 7,000 five years before. In 1979, there were only a few discounting offices. In 1984, there were over 1,000 in Canada. Between $15 and $20 million in profits are made on income tax child credit payments. The assignment of income tax refunds is prohibited in the Province of Quebec and in the United States. The Social Action Committee and the National Anti-Poverty Group are urging that income tax refund discounting be abolished, because even if there is a temporary increase in the income tax child credit for the people most in need, the increase will find its way deep into the pockets of discounters, because if the income tax refund takes four months to come, the discounter is charging four times 15 per cent, which means the client will be paying the discounter 60 per cent of his refund.

I was dismayed yesterday when I heard the statement made by the Hon. Member for Bow River (Mr. Taylor) under Standing Order 22, and I quote:

> Mr. Speaker, there is a move on foot to abolish tax discounting or to make it impossible for the legitimate businesses to continue to operate.

He went on to say:

> Today some 380,000 Canadian taxpayers use the services of tax discounters, compared with 6,000 in 1979.

As I said earlier.

> By and large, the large majority of tax rebate discounters are honest, upright citizens who offer their services to those who want to use them voluntarily.

In my view, the Hon. Member for Bow River is very ill-informed and I will keep on defending the rights of low-income people.

I also want to remind the House that in Quebec, since the Budget of April 23, 1985, all Quebecers must pay a tax on all insurance premiums: life insurance, automobile insurance, fire insurance, theft insurance, personal insurance, group insurance, medical-surgical insurance, supplementary death benefit insurance—

An Hon. Member: That is the provincial budget!

Mrs. Killens: That is the provincial budget, as the Hon. Member is saying but anyway I do represent Quebec families living in my constituency of Saint-Michel-Ahuntsic and—

Mr. Bernier: This is mental distortion!

Mrs. Killens: It is their budget that I am now defending, Mr. Speaker.

Who speaks on behalf of the poor? Who defends them? We do as Liberals, Mr. Speaker. This is why I rose today and I am taking this opportunity to urge all Members of our various organizations in Canada to sign petitions urging the Prime Minister to re-establish full indexation of family allowances and the income tax child credit.

• (1740)

Due to the complexity of the issue and the time that will elapse before people feel that reduction of income, I hope that all this will not slow down the mobilization of all those who are affected by that legislation such as single-parent families who live in many instances under the poverty level, families with low- and medium-sized incomes which will seriously suffer because of that legislation. We have to remember that sometimes it takes very little for a family to slip under the poverty line.

In addition to that, in Quebec . . . I have in hand a Quebec mazagine called *Rubrique économie, la gazette des femmes.* Under the headline "The New Quebec Budget", we read:

Backward reforms which could bring women back to square one.

The Quebec Budget of April 23 last seems at first glance quite pleasant. The publicity surrounding the budget maintains that it will improve the budget of your family.

However, a careful review indicates that this is true for only certain classes of families. In addition it does absolutely nothing to improve the financial conditions of women. And, finally, a profile of a woman called Linda.

With respect to the subtitle "Family allowances radically reduced", it says:

You will point out that Linda will still get family allowances for her children. Of course. But what will they be worth in 1986? As far as federal allowances are concerned, which come to $582 a year, the federal Government is already collecting $101 in income tax on them. With the new system, the Quebec taxation system will also levy its share—

This is new.

—that is $146. As for provincial allowances, they are worthless. From now on, they will be fully repaid to the Quebec Government by the parent claiming the child as dependent. On top of that, some people say that this fictitious income could give rise to the payment of an additional federal tax of $39.

I wanted to mention this even if it comes under provincial jurisdiction because, as I was saying earlier, I am defending the women in my constituency.

When we think of all the consultative processes initiated by the Government, we have to ask ourselves some serious questions. The following statement is found in the preface to the Blue book published by the Minister of National Health and Welfare (Mr. Epp):

Through it, I invite all interested parties, whether individual Canadians, organizations concerned with social policy, business, labour or provincial governments to consider how we can ensure greater fairness in the distribution of benefits from these programs without disturbing the universality of Family Allowances and the Olf Age Security pension . . . The views expressed by Canadians in this process will be taken fully into account before program changes, if any, are implemented.

Further, on page 5:

—the government's twin tests of social responsibility and fiscal flexibility will be guided by the following principles:

1. The concept of universality is a keystone of our social safety net. Its integrity must not and will not be called into question.

Mr. Speaker, it is really hard to find any consistency in those statements.

I would like to take this opportunity to draw the attention of this House to the open letter sent by the Canadian Labour Congress to the Right Hon. Prime Minister (Mr. Mulroney), which says the following:

Listen to all Canadians and not only those whose views you find convenient.

The letter also requests the continuation and increase if necessary of benefits under essential social programs such as Unemployment Insurance, Old Age Security and family allowances, and the preservation of the universality of certain programs.

The estimates and the previous debate on the universality of family allowances clearly show that the erosion of social programs may be an objective your Government is determined to reach—

—says the letter.

The letter asks for a reform of the tax system so that:

—all individuals and companies pay their fair share to the Government—

—and warns that, by 1990, the increases and fiscal rebates announced in the Budget will have resulted in a $2 billion reduction of corporate taxes, while personal income tax and sale taxes will have increased by $4 billion and $3 billion respectively, making present disparities even worse and—

—bringing about an even greater polarization of wealth and poverty.

We expect in the future continuously high unemployment, social programs in jeopardy, an increasingly unfair tax burden on low- and middle-income Canadians, a Government less and less present in essential areas of life. In other words, we foresee a more difficult future for most—

—warns the letter written by the Canadian Labour Congress.

Mr. Speaker, I see that you are on the point of rising and I shall therefore conclude my comments.

Those statements are not mine, Mr. Speaker. This is a letter sent by 56 participants in the national economic conference organized by the Prime Minister last March. It should be noted that these 58 signatories of what I have just read represent about half the participants in this conference. This is food for thought.

It is obvious, Mr. Speaker, that in this debate, the Opposition Members are those who speak for the people, and if I have another opportunity, I shall rise to speak again.

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

The Hon. Member for Beauce (Mr. Bernier).

Mr. Bernier: Mr. Speaker, just a comment. Am I entitled to a comment or a question? A comment?

The Acting Speaker (Mr. Paproski): Yes, a comment.

Mr. Bernier: A comment? Thank you Mr. Speaker.

I think the Hon. Member who just made a speech, not a masterly one, I must add, because I would like to know the name of the assistant who prepared that pile of figures—she must have taken a leaf out of the book of the former President of the Quebec or Montreal Savings Bank, an expert on distorting figures and interpreting numbers, and she must have drawn her inspiration from her Party's finance critic.

The Hon. Member said that last April, our Government imposed a 9 per cent tax on insurance in Quebec, but she did not specify which Government, and I would ask the Hon. Member to make a correction immediately and make it clear whether it was the present Progressive Conservative Government or the present Government of Quebec that imposed the tax. It is being implied that our Government is doing all the taxing: taxes should be ascribed correctly and honestly and not the way the Hon. Member did a few moments ago.

The Acting Speaker (Mr. Paproski): The Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens).

Mrs. Killens: Mr. Speaker, I am looking at my notes and I think the Hon. Member is right, because I said: Furthermore, in Quebec, since the Budget was brought down on April 23—the Budget date makes it obvious I was referring to the Quebec Government. Mr. Speaker, it was indeed the Government of Quebec that imposed the tax on insurance.

Mr. Bernier: I have a supplementary, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Beauce (Mr. Bernier), on a supplementary.

Mr. Bernier: Mr. Speaker, I accept the Hon. Member's withdrawal, but now I wonder why she included this comment in her speech. So it was just to have people think the Progressive Conservative Government was forever imposing taxes, but I would like to add for the Hon. Member's information that we inherited a situation of which she is well aware.

The Acting Speaker (Mr. Paproski): The Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens).

Mrs. Killens: Mr. Speaker, I would like to take this opportunity to clarify the comment I made earlier. I said that in my riding in Saint-Michel-Ahuntsic, I represent people living in Quebec, and that is why I made a reference to the budget of my constituent who came to my office and who, of course, have to pay taxes on insurance in Quebec.

The Acting Speaker (Mr. Paproski): The Minister of State for Small Businesses (Mr. Bissonnette).

Mr. Bissonnette: Mr. Speaker, I was listening earlier to the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens) arguing about the possibility—and I repeat possibility—of a reduction, but is that what people want or would they not rather have employment and lower interest rates, something which this Progressive Conservative Government has been striving to achieve and has succeeded in doing within a year? Did you tell that to the people in your comments? Did you point out those extremely important facts to the Canadian people?

We definitely did lower interest rates, we definitely did create jobs, 300,000 new jobs, about which you have not said a word. You referred to prostitution a while back. I am somewhat ill at ease when you suggest that people could be forced, when you tend to imply that people could be forced to engage in prostitution.

But, Madam, hearing such statements gets to be extremely frustrating. Even when the reference is to 3 per cent on a possible $15 family allowance, that boils down to 45 cents a month. Are you telling the people that a person might have to engage in prostitution because of a 45-cent a month reduction? I think a little more honesty and straightforwardness are called for.

This Conservative Government has been struggling to find jobs. We have created 300,000 new jobs. This must be stressed. I think you should look at the positive aspects rather than talking about prostitution in your comments.

• (1750)

Mrs. Killens: When I talked about prostitution, Mr. Speaker, I was merely quoting from the comments made by the Hon. Member for Vancouver East (Mrs. Mitchell) in her speech this week.

Besides, to reply to the Minister's question when he asked what people want in my constituency, well, what they want in my constituency is "jobs, jobs, jobs"! You are right, but they

also want something else. They would like this Government to stop making foolish expenditures, when for instance it wastes $56 million on new uniforms for the Canadian Forces. Our taxpayers, those at home at least, are concerned when their tax money is being used to buy limousines for Ministers, cabinet Members and so on. Thirdly, hundreds of thousands of dollars were spent uselessly to redecorate the Ministers' offices. We hear also that hundreds of thousands of dollars, even millions of dollars, are wasted by the Ministers travelling on private jets both in Canada and to other continents. They are afraid, apparently. On top of this, we could add the billion of dollars the Government will spend to bail out the Canadian Commercial Bank.

So my constituents back home are concerned because they feel that these are useless expenses and they are eager to see the national debt reduced and the social services maintained. Also, they want jobs. But they certainly do not have the same priorities as Hon. Members opposite seem to have.

The Acting Speaker (Mr. Paproski): The Chair recognizes the Hon. Member for Champlain (Mr. Champagne).

Mr. Champagne: Mr. Speaker, I should like to ask my hon. friend from the Opposition how she can talk in the House about spending public funds in an exemplary fashion, in order to redistribute the wealth among our constituents, among the Canadian people, when her own Government, over the past 20 years, managed to create a deficit that is practically insurmountable, and to accumulate a debt that the Canadian people, more specifically our families, our senior citizens and most everybody, will have to pay. Because her Party which was the Government at the time and which is now in the Opposition is now claiming that it has found all the answers that eluded it for 20 years. They are raising issues they were unable to solves successfully over a 20 year period.

As my colleague the Minister of State for Small businesses (Mr. Bissonnette) was saying, we have created a great many permanent jobs and we must repair the damage which your Government caused when it was in power.

I think also that if you were a little bit honest, you would stand up in the House and admit that your party is responsible for the deficit, a problem that we must now solve in the interest of all Canadians. That is what the Prime Minister (Mr. Mulroney) said and that is what we are going to do.

Mrs. Killens: Mr. Speaker, I take this opportunity to point out that when we were on the other side of the House as a Government we had only 36 ministers, but they now have 40. That is what we mean when we talk about ministerial budgets. I did say something about the limousines, but that is peanuts. They decided that an executive assistant was just not good enough, so now they have put a chief of staff over the executive assistant, and is he ever well paid! Just one more item to boost the budget. I am saying this in passing, but I could mention a few other things.

I would like to say something to the Hon. Member—whose riding I forget—who shouted 6 and 5 a moment ago. Now that is one of the programs we are proud of, it is one of our better achievements because we got co-operation from all segments of society—the elderly, parents, management, industry, unions. It had to be a sound decision since we were successful in lowering the inflation rate from 12 per cent then to 3 or 4 per cent now.

Mr. Bissonnette: The Hon. Member referred to the use of Government aircraft. Well last year we used them 30 per cent less than your Government did. Thirty per cent less last year. What do you say to the people of Quebec when we invest more than $160 million in Quebec industries to create jobs in your riding? Now that is something. More than $800 million in investments in the coming months, in Quebec alone. Only to create jobs. Now, what about interest rates—2.75 per cent less for a family with a $40,000 mortgage—what about that? It amounts to over $1,000 a year. Did you tell that to the Canadian people? No. I think one has to be more positive, even on the Opposition benches. One must be positive and see things as they are. That is the message I wanted to convey to you.

Mrs. Killens: I am not in position to argue about figures, about the $35 to which you refer. It could be less costly but I will surely have the opportunity to check and we will see in a few months whether—

Mr. Bissonnette: Some 30 per cent less.

Mrs. Killens: You say 30 per cent less, very well.

Now you know when a moment ago you took all the credit for the improvement in interest rates and everything else, all this is the result of our efforts. Now it is because—

The Acting Speaker (Mr. Paproski): We are through with questions and comments.

[*English*]

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander-Twillingate (Mr. Baker) on debate.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a few words to say in this particular debate. It is rather amusing to listen to a Cabinet Minister across the way take credit for the jobs that were created in the country since the new Government was elected. The fact of the matter is that the best record in the past three years for the creation of jobs in the private sector in this country is held by the Turner administration. When one checks with Statistics Canada one discovers that on a month-to-month basis that is a fact.

However, the Hon. Leader of the Opposition (Mr. Turner) would not have the audacity to stand in this Chamber and dispute what the Conservatives are saying because the present Prime Minister (Mr. Mulroney), the last Prime Minister, and the Prime Minister before had nothing to do with the job creation that this Hon. Member is talking about. If he would analyze it on a month-to-month basis, using Statistics Canada figures, he would find that this is so.

They should not dare to stand up and say "we created these jobs". That is like a lot of things with this Government. Do you know who said on December 21, 1984, on page 1459 of the *House of Commons Debates* the following: "All savings generated from any changes will be redistributed to social programs and will not be applied to deficit reduction"? The Minister of National Health and Welfare (Mr. Epp), who is now saying that we need to reduce the deficit, said that. Who said, on November 17, 1984, in an interview with *The Toronto Star* in response to the question, "Would the commitment be that all money that is saved would be applied directly to giving more money to the neediest?", "There would be, there could be, no other reason". The question was asked, "It wouldn't be applied simply to the deficit?" And the answer was, "No, absolutely not". Do you know who said that, Mr. Speaker? The Prime Minister of this country.

Now we hear Government Members standing up and pointing out how bad the deficit is and saying that we now need to cut family allowances. Why are they cutting 22 cents here and 22 cents there? They say it is to reduce the deficit. Mr. Speaker, that is not good enough for the families in this country who are living on an income between $5,000 and $10,000 with five or six children.

Mr. Speaker, I see that you are saying my time is up. I am sure you will allow me to continue this excellent debate at the next sitting.

The Acting Speaker (Mr. Paproski): It being six o'clock p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, September 19, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed from Wednesday, September 18, consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read a second time and referred to a legislative committee; and the amendment of Mr. Frith (page 6625).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to conclude the remarks which I started yesterday. I was pointing out to the House the great contradictions in the statements made in this Chamber by the Minister of National Health and Welfare (Mr. Epp) as recorded in the House of Commons *Debates* with regard to the intent of this legislation. As recorded on page 1459 of *Hansard*, on December 21, 1984, the Minister said the following: "All savings generated from any changes will be redistributed to social programs and will not be applied to deficit reduction". That same day, as recorded on page 1444 of *Hansard*, the Minister of National Health and Welfare said: "I can confirm that the regular indexing of the Old Age Security, Guaranteed Income Supplement, and family allowance will be increased as of January 1, 1985 . . .".

I point that out to indicate the contradiction in Government policy. There is an even greater contradiction in what the Progressive Conservative Party proclaimed prior to the election campaign and what actually happened in the Minister's Budget. In introducing this legislation which will cut back on family allowance increases, the Minister said that this is part of a package deal. The Bill before the House proposes that the amount of money a mother receives for a child will not be increased by its normal amount. The Minister said that that is only part of the package and there are other things that will be done that were included in the Budget which, he claimed, will offset this reduction is income for the poorer families.

That is why we have a motion for a six-month hoist before the House today. That motion should be for a fifty-year hoist. However, in parliamentary procedure we cannot do that. But let it be understood, Mr. Speaker, that we would prefer that this Bill not be presented to the House at all.

In the budget papers we see an increase in the child tax credit for the taxation year 1987, but we also see that the child tax exemption will be reduced to $560 per child under the age of 18 at the end of the year. The Budget calls for a further increase of $35 per child in the child tax credit in 1988, and a reduction in the child tax exemption to $470 per child under the age of 18 at the end of the year. The Minister of Finance (Mr. Wilson) said in his Budget that in the taxation year 1989 the child tax exemption will be further reduced to equal the value of the family allowances.

That is not all, Mr. Speaker, the Minister of Finance said that starting in 1986 the existing federal tax reduction will be eliminated. He said that, consistent with the Government's general approach, indexation of personal income taxes will also be modified starting next year. He said that beginning in the 1986 taxation year the indexation of personal exemptions and tax brackets will be based on the amount of the annual increase in the CPI that exceeds 3 percentage points. Further on in the budget papers, the Minister said that as part of the deficit reduction measures the Budget proposes to eliminate the federal tax reduction for 1986 and subsequent taxation years. The maximum tax increase from this measure will be $50 for single and $100 for married taxpayers in each year. The package which the Minister is talking about includes tax increases all over the place. There will be a reduction in the amount of money that can be claimed on income tax forms.

The Canadian media have looked at these figures and the over-all package and concluded that new calculations show that the Budget will hit poor parents the hardest. In an article on June 13 the Canadian Press said that families earning $20,000 will lose something in the order of $100 or $150. The article then goes on to discuss families earning between $10,000 and $20,000. The Minister of Finance presented a Budget which projected that poorer families would benefit. However, no one knew how much they would benefit by because it depends upon how much the Budget takes away from poorer people.

• (1110)

There was a claim made by one of the New Democratic Party Members in this Chamber yesterday that perhaps in the first three years some of the poor families would benefit more. I doubt that very much. That is stretching it to the hopeful extreme. When you look at this package which the Minister of National Health and Welfare is talking about, you see there is a loss. Everybody loses. The people who lose the most are the poor people. I will tell you why, Sir. This Bill is one of the reasons.

It is fine to look at all the reports of the social agencies and people who examine the income of poor people. They say that the best way to give money to parents for children is through the child tax credit because it is based on a person's income. The less you make, the more you get back.

There is one flaw in making calculation totally on the basis of income at the end of a taxation year. The cheque we are talking about here today is a monthly cheque. Someone in my riding is making perhaps $5,000 a year. He has seven or eight children at home. His total income is $5,000 a year. Add up what this person gets in the monthly family allowance cheque, multiply it by 12 and it comes to half of $5,000. Now his income is $7,500. Then you add on what the family gets. The head of the family gets this money. Why do I say that, Mr. Speaker? Because that money is used to pay the light and the heat bill as well as groceries. That is what that monthly pay cheque is used for. When you add the child tax credit, the income goes up to $9,500 for the year. You can now see the importance of the family allowance cheque and the child tax credit cheque. The most important cheque is the monthly family allowance cheque.

What happens if that cheque is delayed? I was going to say, "The Government of Canada in its wisdom", but I do not know where the wisdom was when the Government cut back on the hours in which the rural post offices could be open in Newfoundland and in other parts of Canada this year from 40 hours to 30 hours. When that happened, a problem arose. UIC cheques come on a certain day, Canada pension cheques come on a certain day, old age pension cheques and family allowance cheques come on a certain day. Some of those post office closures meant that for three or four days the family had to go to a merchant and beg for some food. They owed money for food. That is the normal thing in rural and other areas of Canada, Mr. Speaker. A lot of people, and certainly the Minister and the Government of Canada, do not realize this.

I recall the time when the Government of Canada, under the auspices of this Minister, changed the place of issuance of the Canada pension disability cheques from St. John's, Newfoundland to Ottawa. All of a sudden the Government discovered, when it changed the system on March 31, that the cheques did not arrive on time. The Government blamed the delay on the mail. But Members of Parliament received phone calls, as I did from one lady, who said that for the first time in her life she had to go to the local merchant, whom she disliked intensely, to ask if she could charge her food because she did not get the Canada pension disability cheque on time.

Under consideration in this debate today is the family allowance cheque that a person gets on a certain day. Hon. Members of the House of Commons on all sides of the House may find it difficult to understand, although the majority of them in this Chamber know exactly what I am talking about, that the family allowances cheque which does not come on the anticipated day causes mayhem in that household. The bills cannot be paid. The children cannot eat. We are not talking here about clothing or school books; we are talking about absolute daily necessities of life. That is what is wrong with this Bill.

• (1115)

I would like to refer back to what the Minister and members of the Progressive Conservative Party of this country have said during the election campaign and after—

Mr. Malone: Read the polls.

Mr. Baker: The Hon. Member says to read the polls. His is a Government that operates by polls. If you analyse the polls, Mr. Speaker, you will discover that the Progressive Conservative Party picked up 6 per cent but the New Democratic Party went down 6 per cent. So just imagine that Party bragging about the polls when it apparently got its support because of the shift of support from the New Democratic Party. But this is a Government of contradictions, anyway.

I would like to get back to my point now, Mr. Speaker, without any more interruptions from the Hon. Member from Alberta. The Minister of National Health and Welfare can satisfy his Party's position prior to the election campaign. He can satisfy what he said in this Chamber as it appears on the official record last December, 1984, that the social programs could not be used for deficit reduction. I will give the Minister an honest suggestion. Why not take the amount of money he is saving by reducing the family allowance and add it to the cheques of the poor people in this country? When the analysis is made of the child tax credit, why not add more on to the family allowances?. If he is so concerned about poor people as he claims in this Chamber, why not add that money to the monthly family allowances cheques of those poor people whom he professes to supports? That is an obvious solution for the Minister. But I am sure the Minister cannot do that because he is tied into a system of deficit reduction. It is deficits, deficits, deficits. Yet, the Government is steadily increasing the deficit at an alarming rate. Why is it doing that, Mr. Speaker? Because the Government has friends. It can give away $15 billion to the oil industry and we will see an increase in gas and oil prices.

Mr. Malone: Oh, oh!

Mr. Baker: The Hon. Member is laughing. The Government can put up a billion dollars to bail out a bank or it can put up any amount of money for anything it wishes. At the same time the Government says it wants to reduce the deficit and that is why it is taking money away from the monthly family allowance cheques of Canadian mothers. What an outrageous claim that is on the part of the Government of Canada!

Surely, the Minister of Finance, the Minister of National Health and Welfare and the Prime Minister (Mr. Mulroney) of this country can do better than that. Surely they have some heart. Surely they can at least try to comply with the promises they made prior to getting elected.

Mr. Redway: Mr. Speaker, I know the Hon. Member is aware of the fact—and he referred to this in his comments—

that this particular measure is part of a three-part package in the Budget which refers to family benefits. The first, of course, has to do with this change in the family allowance. The second is the child tax credit to which the Hon. Member referred, and the third is the change in the child tax exemption under the Income Tax Act. I know that the Hon. Member is quite aware, in spite of his comment that he has great doubts, that the net effect of all these changes is that the benefits for families earning low amounts are increased and the benefits for families earning larger amounts are decreased. In fact, I am sure he is aware, as the Minister of National Health and Welfare indicated in his comments, that right now under the present system a family which earns some $30,000 a year receives a greater advantage from these benefits than a family who earns only $10,000 a year. Of course this will change that situation. I know as well that the Hon. Member is aware that nothing is being taken from the social package by the changes being made in the modification to family allowances. In this fiscal year, 1985-86, for the $20 million that is coming out of the family benefits package, $190 million will be used to pay for the new spousal allowance for spouses between the ages of 60 and 65. In fiscal year 1986-87, for the $90 million which will be coming out of the family benefits package, $325 million will be going into the spousal allowance provisions. I know the Hon. Member is aware of all those facts, but I am interested in knowing the official policy of the Liberal Party, of which he is a member, with respect to improving family benefits for those at the lower income end of the scale and taking into account the proper and reasonable financial management of the company—

• (1120)

Ms. Copps: To bail out banks.

An Hon. Member: It is not a company.

Mr. Redway: Of course some opposition Members feel that this matter is not serious and that they have to interrupt at this time. They should listen carefully. I am sure the Hon. Member will tell us the official position of his Party with respect to improving family benefits for people at the lower income end of the scale, many of whom he represents, of course bearing in mind proper and reasonable management of the debt with which we are now faced.

Mr. Baker: Mr. Speaker, the Hon. member has noticed that some of my colleagues are a little restless this morning. The reason for that is that we are debating our particular motion for a six-month hoist; in other words, to throw the Bill out of the window where it belongs. The Hon. Member referred to three elements of the social package, but when we think about the social package in the Budget, it involves at least a dozen elements. It does not only involve the Bills of the Minister of National Health and Welfare. It involves reductions in the amount of exemptions one can claim on one's income tax form, which affects everyone. Also it involves the elimination of the federal tax reduction program, which affects everyone. In the Budget it was indicated that that was introduced in 1973 because there was a difficult economic time and that it is no longer needed.

I could go on and on. However, I am sure the Hon. Member will have to agree that when we look at the total social package, there is an over-all reduction. There has to be. If we look at only three programs, wherein the Minister takes away from two and gives on one, there is a benefit to some poor families. However, the total social package is covered by the Budget. How much will we end up with in the end? As a matter of fact, everyone in society will lose except millionaires.

Before sitting down, I want to say that there is one particular clause in the Bill on which the Minister should perhaps be congratulated. I am referring to the amendment in Clause 4. Some Hon. Members in a future speech should make reference to it. I did not have a chance to do so because the Speaker cut me off; the Speaker would not allow me the time to explain my point on Clause 4. That particular clause enables the forgiving of amounts owed to the federal Treasury. That is a very important clause. We have difficulty with it from one point of view in that it says the Minister "may". It does not say the Minister "shall". It says it would apply in cases of hardship perhaps over a period of time—it is a judgement call. The provision should be more specific than it is in this particular Bill. That is another clause that should be talked about more generally.

• (1125)

To conclude, in answer to the Hon. Member's question, let me say this, that family allowances and old age security and all such programs are Liberal measures, Liberal policies. The Liberal Party brought them in. The NDP says, well, the Liberal were forced to do it by the NDP.

Ms. Mitchell: Right on.

Mr. Baker: But certainly the one claim that cannot be made in this Chamber is that the Tories had anything to do with it at all.

I think that is the final point and I think it answers the Hon. Member's question. He can perhaps understand our frustration here on this side of the House. We want this Bill thrown out through the window, thrown out, kicked out, not rewritten, not even discussed. That is why we have the motion before the House today and that is why some of the Members here in the House are perhaps a bit unruly at times.

[*Translation*]

Mr. Malépart: Mr. Speaker, perhaps my hon. colleague, considering the comment made by the Hon. Member on the Government side, who, I am afraid, only reads the Bible according to Brian—

Perhaps my hon. colleague would consider what was said by the Advisory Council on Health and Welfare, a non-partisan advisory agency whose role consists in advising the Government. It stated clearly,—I wish the Hon. Member would read

these comments instead of the Brian Bible—that poor families will lose $22 in the first year.

I have another question. I would like my hon. colleague to comment on what the Government has done in this area, because it is the first Government to decide to take advantage of the illnesses of its citizens to reduce the deficit.

What does my hon. colleague think about the 10 per cent tax on medication? I am thinking, for instance, of arthritis sufferers who must take medication regularly, and who use liniment and aspirin to relieve their pain and suffering. This Government has also taxed all medication that belongs to the "family pharmacy".

According to the Advisory Council on Health and Welfare, the increased number of taxes under the new Budget will cost a Canadian family $125 more. Nevertheless, Progressive Conservative Members and the Prime Minister (Mr. Mulroney) would have us believe that they are helping poor families with the proposed changes to family allowance payments.

[*English*]

Mr. Baker: Mr. Speaker, even down to pet food and candy in the confectionery stores and down to woodburning stoves—practically everything. I do not know if they left anything out. Do not forget, too, that they have increased the normal rate. That is what we are talking about, Mr. Speaker, the total package put before this Chamber by the Minister of Finance.

When examining the total package and adding on to that the provincial sales tax on the bottom line, because the federal tax goes on first, one sees that those living in Alberta do not pay as much for that product as do those who live in Quebec or Newfoundland where the tax rates are different.

This Government also, Mr. Speaker, because of that package gave a windfall profit to the provincial Departments of Finance right across this country. About half of the federal tax is added on again in provincial sales tax at the provincial level. It is sometimes very comical to hear a provincial Premier say, "We did not increase taxes in our Budget." He did not have to do so because he knew from this new-found federal co-operativeness that he was going to get a windfall profit from the Minister of Finance when he presented the federal Budget. The provincial Ministers of Finance did not have to increase the tax on gasoline; the federal Government did it for them. I see you are saying I am out of time again, Mr. Speaker.

An Hon. Member: And everything else, too.

An Hon. Member: Rest your jaw.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have an opportunity to rise today to say just a few words regarding Bill C-70. The Government says it is an Act to amend the Family Allowances Act. I think maybe it should be called an Act that is part of the Conservative program to make the rich richer and the poor poorer in Canada. Perhaps it can be called a Bill that is a symbol of the real Progressive Conservative Party's programs for Canada. It is actually with a great deal of sadness that I rise today to speak to this Bill which will reduce family allowance payments. That is hardly the kind of Bill about which one looks forward to speaking.

• (1130)

We should consider the kinds of Bills that we should be discussing at this time. At a time when we should be coming to grips with the economic and social challenges facing this country, to be debating a Bill that is asking for a reduction in the amount of money paid to mothers for their children is absolutely disgusting. Yet I have been waiting patiently for members of the Conservative Party to rise and explain to the people of Canada why they are taking up the valuable time of this House to reduce the family allowance payments to Canada's children.

I have not heard many Members justify what is going on today. I hear Hon. Members of opposition Parties asking questions and pointing out the unbelievable nature of this waste of the time of the House of Commons, but I do not hear many Members opposite rising to justify the taking up of valuable time for such silly nonsense.

Perhaps there is some value in this exercise because it provides us with an opportunity to find out what this new Government is really doing. Multimillion-dollar PR campaigns are going on all the time and there are pages and pages of Government advertising in newspapers trying to explain all of the wonderful things the Government is doing. There is the usual mumbo-jumbo and bafflegab that one hears during political discussions. Therefore, people are a little bit confused. However, discussing this Bill will provide us with an opportunity to give the public a clear example of the priorities of this Government.

I would like to remind Hon. Members that the Government thought it was important that we spend tens of millions of dollars on new uniforms members of in the Armed Services. Ask the people who are in the Armed Forces and the people who provide leadership in the Armed Forces if they thought that this was a priority. I do not think a single one has come forward to say that this was priority. However, tens of millions of dollars were spent on new uniforms.

We have seen corporate bail-outs occurring one after the other. I do not have to name the corporate giants of this country that were involved. The Government spent tens of millions and hundreds of millions. It did not matter.

There was a fair bit of discussion by Members opposite about the Western Accord. One of the aspects of the Western Accord was a $7-billion tax relief to multinational oil companies. I know that the Hon. Member from Alberta is an honourable man and he will agree with me that $7-billion worth of tax grants went to such multinational corporations as Texaco. There is enough money for that. There are billions of dollars for that and there are millions and millions of dollars for Ministers to jazz up their offices and to take special flights to their constituencies when time and time again commercial flights are leaving at virtually the same time.

Mr. Manly: Forty thousand dollars to Peru.

Mr. Riis: There is all kinds of money for little junkets to Peru. There is all kinds of money for Government advertising. I do not know if you saw the newspapers last weekend, Mr. Speaker, but just to remind us of all the good things the Government is doing let me point out that it took out full-page ads in the newspapers. It must cost tens of thousands of dollars to advertise like that in national newspapers, and this is occurring day after day. I think that if the Government were doing good things for the people of Canada, it would not have to tell the people what it was doing. It could tell by example and show by action. It becomes rather suspect if the Government has to advertise its programs just like Coca-Cola advertises the new Coke.

We saw the Budget cut services to Planned Parenthood and to social housing at a time when there is not one housing group in this country that is not appealing for greater support for social housing. The Government cut $2 billion in transfer payments to the provinces, and that means that there will be cuts in health care and education payments.

The Minister of National Health and Welfare (Mr. Epp) rose the other day to say that he was concerned about families in Canada and about providing support in whatever way possible for the family unit. One of the very first things the Government did was to cut the Registered Home Ownership Savings Program when 75 per cent of those using that program were young couples in their twenties saving money to buy their first homes. The Government felt that it did not need to help young families to buy their first modest homes.

Then the Government increased the sales taxes and gasoline taxes. Sales taxes are the most regressive taxes that exist because they place the largest purchasing impediment on the shoulders of low-income families. Statistics Canada came up with an interesting comment the other day. It said that as a result of the Budget that was brought in by the new Minister of Finance (Mr. Wilson) and the new Government, 750,000 Canadians would be placed below the poverty level. Three-quarters of a million people will find themselves living below the poverty line as defined by the Government itself because of the measures introduced in the Budget. I could go on and on. I could talk about the $500,000 capital gains tax exemption which will help thousands of upper-income Canadians.

In the last few days, we have seen when this Government really focuses its support. In a matter of a few hours, the Minister of State for Finance (Mrs. McDougall), the Minister of Finance, the Governor of the Bank of Canada, the Inspector General of Banks and the Prime Minister (Mr. Mulroney) found $1.5 billion to help all those large depositors in the Canadian Commercial and Northland Banks. They did not find money to help people with $20,000 or $60,000 in the bank. They found money to help the Bank of America, Citi-Bank, Barclays Bank and the Royal Bank, large financial conglomerates with deposits of up to $50 million. The Government indicated that it was going to give them back all their money even though it was not insured. The Government indicated that it would be able to find $1 billion or even $2 billion to help its friends.

I made that point because it is important that we see the context in which we are debating this Bill today. While the Government has no hesitation in finding billions of dollars for the deficit by raising taxes or cutting services, it has the courage to come to Parliament to ask for authority under Bill C-70 to cut family allowance payments because it cannot afford to pay for them. It is almost unbelievable that this is taking place within this context. We cannot afford a modest monthly increase in family allowances just to keep up with the cost of living. We must recognize that the cost of living is increasing and that a modest family allowance payment should increase at least to keep up with the cost of living. That is all we are asking, but the Government says that it cannot afford that.

I would like to remind Hon. Members of the cost of all of this. In 1984, family allowances cost $2.4 billion and that money went to help 6.6 million children. About 20 per cent of that is taxed back because upper-income families pay taxes on their family allowances. Therefore, the net amount was of $1.9 billion. That is probably about the same amount we are going to be paying to the banks in this instance.

Are Government Members saying that we really cannot afford to pay people a cost-of-living increase on their family allowances? I do not know if that is what they are saying. I suppose it is, because that is what this Bill asks for.

Last weekend I had the opportunity to tour three housing complexes in my riding, two in the City of Kamloops and one in the City of Salmon Arm. By and large, these housing complexes were the homes of people with very modest incomes. A number of the families were single-parent families. I went door to door and I asked these people whether they were aware that the Progressive Conservative Government which they had recently seen elected intended to reduce the increases in their family allowance payments because the Government, could not afford it, apparently. When the people heard that their family allowance cheques were going to be reduced from the cost of living, on a number of occasions tears came into these people's eyes. Hon. Members opposite may laugh at that, as Hon. Members are doing now. They are chuckling at that. Imagine people getting a little nervous and perhaps bleary-eyed because the Government is going to be cutting family allowance payments.

• (1140)

Mr. Thacker: I rise on a point of order, Mr. Speaker. I was not laughing at it. I insist that the Hon. Member withdraw his comment.

Mr. Riis: Mr. Speaker, I will say that the Hon. Member for Lethbridge-Foothills (Mr. Thacker) was not laughing. Not all Members were laughing. I simply said that some Members opposite were laughing.

Mr. Thacker: You did not say "some Members".

Mr. Riis: I am saying that some Members opposite were laughing when I said that when mothers heard that their family allowance payments were going to be decreased tears came into their eyes. I do not find anything funny about that. I realize that not everyone was laughing; I am simply saying that some Members opposite found that to be humourous.

Mr. Manly: They should be standing up defending those people.

Mr. Riis: I know that for many people the family allowance cheque which comes each month does not make a big difference in terms of purchasing power. However, when one considers that there are something in the neighbourhood of 1.5 million Canadians who are children of low income families, believe me, when that monthly family allowance cheque comes it is important. To some families it means the difference between having winter clothing for the children to wear to school and not having those clothes. To other families it means being able to afford a pair of running shoes in order that those young children can participate in school sports. In some cases, it means whether or not there will be food on the table for those young people to eat.

In the City of Kamloops, and in many other cities across the country, food banks are very busy at a certain time of year and at a certain time of month. I am speaking of the time when funds from welfare cheques have run out and when people are waiting for family allowance cheques to come in. I am speaking of the time when mothers have to go to the food banks to obtain food in order to put it on the table for their children. That has become a reality now for an increasing number of families in the country.

As responsible parliamentarians, we cannot overlook that. We cannot pretend that it is not taking place. That is why we as New Democrats feel this legislation must be hoisted—it must be stopped. That is why we speak in favour of this motion to hoist this Bill for at least six months. Quite frankly, it should be hoisted for an eternity. It should be an infinite hoist, not one for just six months. I am certain that six months from now it will not make any more sense than it does today. However, it is a way of deferring the decision until, hopefully, saner heads prevail.

It was an extremely stressful situation for me to go door to door and speak to these individuals who will be receiving diminished family allowance payments. It was not easy to ask them what it would mean to their lives; nor was it easy to find out that a decreased family allowance payment over the next number of months will have a profound influence on many of the families whom I visited. It was but a handful, Mr. Speaker. However, I remember vividly a few months ago when the present Minister of Justice (Mr. Crosbie) had this to say: "Mr. Speaker, you have to be tough, mean and nasty and do all kinds of unpleasant things." The context of the preceding quote was in the sense that we cannot tell the people of Canada what we will do when we get into power because if we tell them then they will never elect us. That was a statement by the present Minister of Justice before the last election. I remember his words. I remember referring to them on a number of occasions and recognizing that there is an honest man who spoke the absolute truth. I realized that if the Progressive Conservatives had actually laid out what they were going to do before the last election, it would be quite a different result today. However, that is past history. I just wish to point out that, in a sense, we were forewarned when senior spokespersons for that Party indicated that the Government has to be mean and nasty. I suppose a great many of us did not think that the Government would have to be mean and nasty to Canada's children and to mothers struggling to raise those children. We really did not think that is what the Minister of Justice was referring to when he made that comment.

Today, in Canada, one out of every five children under the age of 16 lives in poverty. I hope Members opposite will reflect carefully when they vote on the motion before us. I hope Members opposite will reflect on what this legislation will mean to those young people who are living in poverty. I hope they will reflect on what this move will mean to families who really look forward to the family allowance cheque to make up the difference.

I realize there have been changes with respect to tax credits and to the Income Tax Act which will help some families. Let us also recognize that that happens once a year, at tax return time. The people I am referring to are people who are literally struggling on a day-to-day, week-to-week and month-to-month basis. The fact that they will receive some relief at the tax year-end is encouraging. However, it is a year late. What will those families do for the other 12 months of the year?

I ask Members opposite to think seriously about what this measure will do to so many people in their own constituencies. This is not unique to any region of Canada. It is not isolated to any one constituency or province. When one considers that the legislation which is before us is being placed on top of legislation which was introduced with the Budget to cut back on housing for low income Canadians, legislation which removed the possibility for so many Canadians under the Registered Home Ownership Savings Plan to afford decent housing, and when one considers the cut-backs on planned parenthood and on transfer payments, and when we see the Government increasing the cost of living for people as a result of the federal sales tax, we see this measure as simply one more burden. We do not have to go through with it. When one considers the total federal Budget, the amounts of money we are considering here are infinitesimal. I plead with Hon. Members, particularly those who sit on the government benches, that, when the time comes to vote on the motion, they realize the importance of doing whatever we can as responsible parliamentarians to ensure that those people who need help today receive it. What that means is that this legislation must not be allowed to proceed.

Mr. Deputy Speaker: The Hon. Member for York East (Mr. Redway) on a question or comment.

Mr. Redway: Mr. Speaker, I was pleased to hear the Hon. Member finally recognize toward the end of his remarks the

fact that the piece of legislation which is before us is only one part of a three-part package. I am speaking of changes to the child tax credit, the child tax exemptions under the Income Tax, as well as the measure which is before us. I am glad the Hon. Member recognizes that the net effect of all this will be an improvement for people at the low end of the income scale. I am sure that the people to whom the Hon. Member spoke in his riding were at the low end of the income scale. Being an honest man and an upright Member of Parliament, I am sure he explained to those people that, in spite of this one change to the family benefits package, the entire package will actually benefit people at the low end of the income scale.

I know that his Party, unlike the Official Opposition, did have a positive and constructive position to put forward with respect to changes in family benefits. However, one of the suggestions that was made, as I understand it, was to eliminate completely the child tax exemption under the Income Tax Act. As the Hon. Member is aware, it is proposed that that exemption decrease from $710 at present to $382 in 1989 for each child. The reason, of course, is to generate extra income in order to increase benefits under the child tax credit. There will be other income as well, some of which will go to help pay for the spouses' allowance provisions that were brought in last fall.

• (1150)

Can the Hon. Member tell the House if he personally supports the total elimination of the child tax exemption under the Income Tax Act? This would mean that modest middle-income families, many of whom I am sure live in his riding, would be deprived of substantial benefits that they will continue to get under the package proposed by the Government as a result of the Budget. Does the Hon. Member support the position of his Party that all of the child tax exemption should be eliminated?

Mr. Riis: Mr. Speaker, I appreciate the comments of the Hon. Member. Yes, I did explain the total package to the people I visited, not simply an edited version. However, as the Hon. Member is aware, my concern is that people have to live 12 months of the year. The monthly family allowance payments are very critical to so many families. Having said that, I want to respond directly to his question: Yes, indeed, I do support that position. I want to make it very clear that this is not just the NDP position or my position; virtually every single social reform group which advised the committee on this issue made reference if not to the exact proposal, then to something very similar.

Our proposal is for an 80 per cent increase in the child tax credit, which perhaps the Hon. Member did not mention, I do not really recall. This would provide a significant increase for virtually all middle and lower-income Canadians. That is based on the assumption that upper-income Canadians do not require support in the same way to assist them in raising their children, and as well that the family allowance should remain universal, no question about that.

Mr. Redway: Mr. Speaker, I am aware that his Party's proposal would increase total family benefits, but the way it proposes to do it is not only by eliminating the child tax exemption but also by pumping in substantially more new funding. However, I know the Hon. Member is well aware of and concerned about this country's financial position. He is aware of the deficit and I know he would like to see it reduced and eliminated if possible. I know as well that he would never advocate anything irresponsible and which might increase the deficit. I am sure he recognizes it would be impossible to find money from other sources because all it would mean would be an increase in the deficit. Bearing all those things in mind would he still advocate, in order to improve this package, the complete elimination of the child tax exemption, something which, if we did not pump in all this extra money which no one has, would obviously have a detrimental effect on the low and middle-income people of this country?

Mr. Riis: Mr. Speaker, both I and my Party have no hesitation in providing the necessary funding to assist those in need in our country. As the Hon. Member well knows, our program does not result in an increase in the deficit, however. His Government is doing that. The Minister of Finance said the other day he was going to increase the deficit by $1 billion at least—there was no hesitation—not to help children or families but to help large financial corporations, domestic and international. There was no hesitation there, not one bit. There is no hesitation in saying we are going to give everyone a $500,000 capital gains exemption and lose all kinds of money, billions of dollars over the years. But we do not have enough money to help children. That is what the Government has been saying.

We feel quite differently. We say that it will not increase the deficit to do this. We can pay for it by reforming the tax system, something which every Member of this House agrees needs to be reformed. There are many corporations and individuals who do not pay their fair way today. We feel, as I am sure all Hon. Members do, that if those corporations and individuals simply paid their fair tax, we would have all the necessary funds to provide the capital injection to assist those people in need, whether it be young children or families. We would not increase the deficit, we would just have a fair collection of taxes, which I am sure the Hon. Member would endorse 100 per cent.

Mr. Redway: Mr. Speaker, the Hon. Member has referred to his Party's proposals concerning a fair tax system. Certainly, as he indicated, all Members of the House endorse the idea of a fair tax system. Of course where we would have our differences, I am sure, is over the question of what is a fair tax system. As he knows the Budget proposed a minimum tax and the Minister of Finance this week, in answer to a question I posed myself, indicated that a minimum tax is on its way and will be introduced to be effective as of January 1, 1986. In addition to that, there are other proposals in the Budget for raising funds. The net effect of all those proposals and all the proposals I have heard from the Hon. Member's Party which

suggest we should reinstate some of the marginal tax rates which previously existed, as the Hon. Member knows, will not be to eliminate or reduce the deficit or change the course this country is moving in, because those marginal tax rates were in place at a time when the deficit was growing and they did not halt the growth of the deficit. Regardless of how we may differ on reform of the tax system, I think we know that that alone will not change the direction of the financial affairs of this country and eliminate the deficit. He and I both know that in our hearts and minds.

However, bearing in mind that regardless of reform there would still be a deficit and we would still have financial difficulties, would the NDP and the Hon. Member personally still advocate that we eliminate altogether the child tax exemption in the Income Tax Act?

Mr. Riis: What does the Hon. Member want me to do, Mr. Speaker, put it in writing in blood? We have a position and I do not know what more I can say. Yes! Yes! What I find interesting, as I try to answer his question, is that what we are debating here is not the deficit. I wish the Hon. Member would rise and say that he believes that the appropriate thing to do is to reduce increases to family allowances. Does he really believe that we should be reducing the increases to the family allowance payments across the board to all Canadians? Does he support what is before the House at the moment?

• (1200)

Mr. Deputy Speaker: Resuming debate.

Mr. Riis: Give him a chance to answer.

Mr. Deputy Speaker: Is there unanimous consent to allow the Member for York East (Mr. Redway) to answer?

Some Hon. Members: Agreed.

Mr. Gauthier: For a short answer.

Mr. Deputy Speaker: Very well, the Member for York East has the floor for a short response.

Mr. Redway: Mr. Speaker, as the Hon. Member knows, we are talking about a three-part package—

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

[*Translation*]

Mr. Deputy Speaker: Order. The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, we agree with the Hon. Member being given the floor to explain his position. However, I would like to reserve the position of the next speaker, because you may have noticed it is now 12:01 p.m., and I think there are 58 minutes of debate left. If the Hon. Member recognized on this side of the House takes the floor before the 50 minutes are up, he will be entitled to take 20 minutes for his speech and not the additional 10 minutes.

Mr. Deputy Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) is right. However, the 58 minutes are up in any case, and the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) will have 10 minutes.

[*English*]

Mr. Redway: Just to conclude, Mr. Speaker, the Hon. Member realizes that we are talking about a three-part package, the net effect of which is to improve benefits for low income families. The second point is that, apart from that, there is going to be no decrease in the family allowance. It may not increase as fast as it would otherwise, but there is to be no decrease, and the Hon. Member knows that quite well.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is with sadness that I rise in the House to take part in the debate today, because for the third time we are considering a Bill that is anti-social and is aimed at an important although unorganized group in our society.

Mr. Speaker, there are three groups in society that should have the concern of Governments and all Members of this House and which must be defended. First, the elderly; second, the sick; and third, our children.

Mr. Speaker, there are other groups in our society, and I am thinking for instance of farmers, business people, small businesses, the multinationals and workers, that are structured and organized and able to argue their own case. Unfortunately, the three groups I referred to, namely the elderly, the sick and children, are not organized, and previous Governments, whether they were Conservative or Liberal, have always seen it as their duty to protect them.

And now, for the first time in our history, a Prime Minister with his gang of Conservative Members is attacking the three poorest and least organized groups in our society. For the first time, Progressive Conservative Members, led by their Prime Minister, are basely taking advantage of the inexperience and lack of organization of these groups to get their money and give it to the rich.

Fortunately, the elderly proved to the Prime Minister that they were capable of taking a stand, and they humiliated him right here on the Hill. Fortunately, Opposition Members and the various associations that help people in their struggle against various diseases were ready for this, and again, they obliged the Prime Minister to apologize and backtrack on certain kinds of medication. But unfortunately, he did not have the courage to backtrack on everything.

And now we have a third attack, this time on families with children, Mr. Speaker. It is too bad I have only ten minutes, because I would have liked to have had more time to consider the subject in detail.

Mr. Speaker, regarding the tax on medication, the Prime Minister knows perfectly well, although Progressive Conservative Members may not be aware of this, that the "family pharmacy" is now taxed. Arthritis sufferers need liniment and bufffered aspirin.

The Government said it would tax that because it is not important. I would like to give you some figures. How many youths under age 15 suffer from arthritis and whose parents are faced with additional expenses just to pay the 10 per cent tax?

An Hon. Member: There is no tax.

Mr. Malépart: Mr. Speaker, a Progressive Conservative Member claims there is no tax. Read the press release. He does not know anything, Mr. Speaker. I have no idea which riding he comes from, we have never heard of it.

Mr. Speaker, 3.2 million Canadians suffer from arthritis, including 600,000 in Québec. Some 30,000 young Canadians under age 15 suffer from arthritis and must use pain relieving drugs on a regular basis, yet this Government and this Prime Minister of Iron Ore fame have chosen to levy a tax on sick Canadians. Who are the biggest consumers of cough syrups, congestion relieving drugs, dressings and band-aids in Canada? Families with children. Here again this heartless Government has seen fit to launch a frontal attack against families with children. I see the Hon. Member for Lac-Saint-Jean (Mr. Côté) indicating it is not so. He has stood up for millionnaires, he has decided he came here to protect millionnaires, and that is his right. Well, Mr. Speaker, I for one, thought I would come here to champion the cause of poor and middle income Canadians.

Mr. Bissonnette: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Minister of State (Small Businesses) on a point or order.

Mr. Bissonnette: Mr. Speaker, I would suggest that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) wants to rake me over the coals, but he has precious little to say. This is just another opportunity for him to speak nonsense, Mr. Speaker.

Mr. Deputy Speaker: I do not think that was a point of order. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) may continue.

Mr. Malépart: He does not know anything, except perhaps in the field of structural beams, and that is just about it.

Mr. Speaker, I would like to prove that the Government, the Prime Minister and most Members on the other side of the House have misled the population. They did admit to misleading the elderly, so they apologized for that, they did admit to misleading the sick, so again they apologized for that, and once again we will do everything we can to force them to apologize for misleading families with children.

The November 5th Speech from the Throne was a Progressive Conservative document in which the Prime Minister had the Governor General say this about social justice:

> My Government has as a high priority measures to support and strengthen the Canadian family, which is the cornerstone of our society.

The Government slashes $55 million off income support programs then throws that money down the drain—$56 million—to change the colour of military uniforms. That is one of the measures endorsed by the Hon. Member for Lac-Saint-Jean (Mr. Côté), the Minister of State for Small Businesses. That was the option of all Quebec Conservative Members, $56 million to switch colours at the expense of families with children, Mr. Speaker.

Mr. Côté (Lac-Saint-Jean): A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Lac-Saint-Jean (Mr. Côté) on a point of order.

Mr. Côté (Lac-Saint-Jean): I should like to make a correction, Mr. Speaker. The Member for Lac-Saint-Jean is not Minister of State for Small Businesses.

An Hon. Member: Nor will he ever be!

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: Mr. Speaker, I continue. There is a conflict, and it is a very nice start for the Conservatives.

Also, Mr. Speaker, the Minister of National Health and Welfare (Mr. Epp) has been nicknamed the Minister of Social Injustice. It is the first time in the history of our country that the person in charge of that department has fully endorsed the interests of the multinationals and the rich at the expense of the poor, Mr. Speaker.

For the information of Progressive Conservative members who know how to read, I should like to quote a statement which the Minister of National Health and Welfare (Mr. Epp) made on November 15, 1984, as reported on page 277:

> It is the family and commitment to community which guarantee stability in our social fabric.

That is the Minister of Social Injustice speaking.

> It is my role as Minister of National Health and Welfare to put forward signals and initiatives which will strenghten the role of the family and give it more permanence in society than I feel it has been given before.

He has succeeded, Mr. Speaker, he has cut $50 million from the assistance programs aimed at helping them. Here is another proof, Mr. Speaker. This consultation paper entitled *Child and Elderly Benefits* has a blue cover and was published by the Progressive Conservatives under the authority of Jake Epp, Minister of Social Injustice.

• (1210)

When we want to determine the intellectual honesty of this Government, of this Prime Minister, Mr. Speaker, we must use as criterion the principle of universality which is the basic element of our social safety net. Its integrity should not be questioned and will not be questioned.

In January, 1985, speaking on behalf of his Government and on his own behalf, the little guy from Baie-Comeau stated: We are not going to touch universality. Four months later, he blamed the Canadian public for lacking the necessary maturity to discuss social programs. That is the image of our Prime Minister!

In this same blue consultation paper, the Prime Minister and the Minister of Social Injustice of Canada pledged that the findings were aimed at starting a debate, both open—I wonder if he knows what it means—and objective on our tax benefit programs and at redirecting all the savings to programs aimed at urgent social objectives, including the protection of needy Canadians, rather than the reduction of the deficit. It is written black on white. That is the word of the Government and the member from Toronto or wherever he comes from who wants to reduce the deficit on the backs of our children. There is a contradiction in that party, Mr. Speaker. And there is still more evidence that the accused is guilty as charged.

On December 20, 1984, as shown on page 1401 of *Hansard*, my colleague for La Prairie (Mr. Jourdenais) asked the following question to the Prime Minister:

> Could the Prime Minister inform the House whether it is his Government's policy, or whether his Government intends, to reduce gradually over the years the tax exemption for families with children?

The answer of the Prime Minister, whose words must normally and quite rightly be believed, was as follows:

> No, Mr. Speaker. That is not what the Government intends to do.

However, if you look in the Budget, you find that it is exactly what he has done.

Mr. Boudria: Aunt Jeanne was right!

Mr. Jourdenais: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for La Prairie (Mr. Jourdenais) on a point of order.

Mr. Jourdenais: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has just quoted something that I never said in this House.

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I never spoke about the Hon. Member for La Prairie (Mr. Jourdenais); it is not worth it because nobody knows him. I can understand that he would feel insulted because we never speak about him, but—

Ms. Copps: He has nothing to say.

Mr. Malépart: I only have one minute left?

Mr. Speaker, I could also quote the comments of the Minister who, in his honesty, invites the committees . . . it is true that he looks good. When I was an MLA in Quebec, Maurice Bellemare called people like the Minister of National Health and Welfare and the Prime Minister clean cut guys because they are neatly combed, neatly dressed and have a distinguished appearance, but they are just empty shells, Mr. Speaker. I agree with Maurice Bellemare.

Mr. Speaker, all the groups, that is 92 groups of citizens from across the land came here to tell the Minister: All the money you will be slashing from income tax deductions should be transferred to the income tax credit. What do we see in the budget? It is taking $55 million out of the pockets of families in need. They are not surprised to hear the Minister of State for Small Businesses (Mr. Bissonnette), who defends millionnaires, suggest that indeed they were going to reduce the deficit with that.

We find in the document that a member of the organization of the Health and Welfare Advisory Committee, an independent body, which is neither Liberal nor Conservative or NDP has carried out a major study, and I would urge Progressive Conservative Members to read it. It clearly shows that needy families will lose money starting from the first year. Secondly, couples with an average income of $26,000, which does not make one rich, will lose $125 starting from next year because of this Government's senseless actions and the ignorance of Progressive Conservative Members.

Mr. Speaker, I can tell you, and I will conclude on this for lack of time, unfortunately, yes, I can tell you that when we supported the senior citizens, we worked day and night, body and soul to force those Members who, as they are now saying today about family allowances, pretend they support that and today they look foolish because the Prime Minister backed down, because he recognized his error; we will be working body and soul and all the groups in Quebec are joining together, and I can tell you that Progressive Conservative members are in for a show and we will find another Mrs. Denis, and Charlie Brown will again have someone speaking his mind to him.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I like very much the title to which the previous speaker referred, "The Minister of Social Injustice". Several years ago, the former Prime Minister ran a campaign on a "just society". He was in power for a number of years but he failed to reach that goal. Chief Cardinal from Alberta wrote a very good book entitled *The Unjust Society* which tabulates the injustices which have been done to the native people across the country. I think it is time for a new book. Perhaps we can use Chief Cardinal's title and call it, "The Government which is Developing an Unjust Society". Not only is that the net result of the Government's Budget but in the area under discussion we

do not have any kind of suggestion that the people of Canada should trust the Conservative Government to produce a just society. In its scramble to protect its friends at the higher levels of income and to eliminate the deficit, the Government has put itself into such a position that none of the people of Canada at any level will be able to trust it.

What did the Budget do, Mr. Speaker? It was aimed at getting more money from the lower and the middle income groups. Bill C-70, which is before us today, is only one of the steps in the process of getting money out of the lower and middle income groups and, in effect, passing it on to the large corporations and to the shareholders of those corporations who will profit from the situation.

Step number one was obviously the intended reduction in the senior citizen's pensions. That failed. It embarrassed the Government, the Prime Minister and it embarrassed the "Minister of Injustice", as the previous speaker suggested.

Number two is a tax on illness because the Government has established across the board, and is already collecting, a tax on many of the drugs which people need to survive. We have a tax on illness we have a tax on old age, and now we have a tax on children. The Government is attempting to reduce the amount of money which the mothers of Canada are going to need to keep their families going. It is not just the poor people in the country who are going to feel this. Anyone who is having difficulty making ends meet recognizes that as the family allowance goes up with inflation, they have that little extra money which helps them to keep going.

What does this Bill do, Mr. Speaker? First of all, it attacks universality. I know that Members of the Government side will say that it does not attack universality but if we project what is happening in this Bill over a period of time, we find that eventually the family allowance will be very insignificant and the tax credit will be increased, so that we will end up with a program which is selective and not universal. That is the direction in which we are headed. It is obviously part of the government agenda to eliminate universality of social programs. The Minister of National Health and Welfare (Mr. Epp), when he was commenting on the MacDonald Report suggested that he would like to reopen the case for universality. The defence of the Government on this matter has been to suggest that it will raise the tax credit, and that suggestion is valid and worth-while.

● (1220)

There is no doubt about the direction and the agenda of this Government. It shows up in this Bill and it showed up in the previous suggestion which failed concerning reduction in the senior citizens pensions. It shows that this Government is willing to choose selective payments over universal payments. Even if we did accept the idea of the tax credit as being a replacement, the amount being put into the tax credit is so insignificant that it will not pay for the increases in sales tax. It is not enough. The tax credit is not enough to help a poor mother or a poor family pay for the taxes being imposed by this Government. The Government keeps telling us and hopes that we believe—but I think the people of Canada know better by now—that it is trying to do these things for the benefit of the family.

The effect of this Bill falls mostly on two groups of people. First, it affects the families. Within the families there are two other groups. The Budget and this action affect the amount of money a person on social welfare will get. In many places, Saskatchewan is probably a good example, the amount of social welfare has been cut so drastically that it is very difficult for a family to get along on what it gets from social welfare.

With the number of unemployed increasing and with the lack of jobs being developed by the Government, more and more people are receiving social welfare. By the third or fourth week of the month, perhaps at the end of the second week if a person is paid every two weeks, people find themselves without enough money to eat well. That is just one group of people who will be affected by this Bill over a long period of time.

We recognize that the immediate effect of the Bill will not be felt. I think the Government is counting on that to make the Bill acceptable. Canadians know what indexing is. Canadians know that this Government committed itself to social programs and said that it would not cut back on universal or social programs.

In one of the Minister's main statements he said that the Government would not cut back social programs to reduce the deficit. When he rose in his place the other day, his first statement was to say that everybody knew the country has a deficit, that we must do something about it, and as a result he was introducing Bill C-70 so the Government would be able to reduce the deficit. That was a direct statement that the Government will reduce the deficit by reducing social services and that it will be done on the backs of children and families, the lower and middle-income groups.

Several months ago, the same Minister guaranteed that any reduction in social programs would not be used to reduce the deficit but would be given to people more in need than others.

What we have is an absolute lack of trust. If the Government thinks that in this approach it will get the support of Canadians, it is badly mistaken.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to participate in this debate. I am pleased to have the opportunity to stand in my place, but not at all pleased that it is necessary for Members of Parliament, yet again in a period of a few months, to remind this Government of its broken promises, broken commitments and of its abandonment of the principle of sharing the burden of taxation equitably.

It was only a few months ago that many of us stood in our places and suggested to the Government of Canada that it had done something unjust and immoral in attempting to balance the books on the backs of senior citizens, those least able to defend themselves, but here we are again. We are to get a message through that targeting precious dollars predicated on

the notion that the state has a role to play in ensuring the welfare of Canadian children is a mistake.

I remember standing here as other Members did, including the Hon. Member who just spoke so eloquently, telling the Government it was making a mistake in attempting to take dollars out of the hands of mothers and fathers, primarily mothers, used to caring for their children. This is immoral, unjust and wrong and the Government will not get away with it.

I am sure I speak for both opposition Parties when I say that Members are not here simply to make noise, to score political points or to embarrass the administration. We are telling the Government that this measure is unacceptale to us as parliamentarians and that Bill C-70 is unacceptable to Canadians. Let me tell the Government now that this country is going to organize. The Coalition for Justice that spontaneously came together just before this House rose for the summer will come together again. The sense of moral outrage expressed by Canadians last May, June and early July, shall be expressed again.

Bill C-70 will progressively, over the next four year period, take precious dollars and cents out of Canadian households, the dollars targeted to ensure the health and welfare of children.

When I sit and look at the assessment undertaken by the health critic for the Liberal Party, the Hon. Member for Sudbury (Mr. Frith), showing the impact of this Bill on Canadian families, I am startled. By 1990, a family with an income of $15,000 a year—two earners and two children—will pay an additional $1,844 in taxes. A family with an income of $80,000 taking advantage of capital gains, will pay an additional $404, and one not taking advantage of capital gains will pay an additional $1,125. Where is the justice in telling a family with an income of $15,000 which puts them squarely below the poverty line and on the bottom of the totem pole, that it will have to pay an additional $1,844 while a family earning $80,000 will have to pay only $1,125? Where is the justice in that kind of measure? Where is the reflection of the so-called sacred trust which the Prime Minister (Mr. Mulroney) claims was bestowed upon him by Canadians last September 4? How can that kind of regressive and immoral measure be described as keeping faith with Canadians?

• (1230)

We in Ottawa live in an ivory tower, not only as we work in the House of Commons, surrounded by stained glass windows and marbled imported from the continents of the world, but as we live in the suburbs of Ottawa, in Rockcliffe Park, Craig Henry and so on. These are neighbourhoods of beautiful brick homes with two-car garages, paved driveways and even pink flamingoes on the front lawns. However, that is not reality. It is a lovely model for the rest of the country and it is a dream to which those who have not aspire.

What about a $15,000 wage earner in the community of Anchor Point, Newfoundland, with a house built on the rocks overlooking salt water? The husband slaves for four months of the year in the North Atlantic in order to bring home some income. I see the Minister of State for Small Businesses (Mr. Bissonnette) nodding his head; he visited that area not too long ago. In fact, the wife works in a fish plant splitting fish for three or four months a year so that the family can make that $15,000. Do the Prime Minister and the Minister of Finance (Mr. Wilson) really believe that such people can afford to pay an additional $1,879? Do they really believe that loggers in northern British Columbia can afford to pay that amount? Such loggers find themselves facing a diminishing resource. They work with their hands in order to bring home incomes for their families. They are not living on taxpayers' dollars from bureaucratic jobs and living in Craig Henry or Rockcliffe Park. They live in northern British Columbia communities such as Smithers and work with their hands for a living. Can they afford to pay an additional $1,879, which will be taxed away from their income? Is that the trust which he placed in the hands of the Prime Minister, the sacred trust which the Prime Minister claims is a mantle of prime ministership? No, it is not.

Last summer Canadians amazed this administration when they spoke with one voice in defence of the quality of life of senior citizens. The true measure of any nation is how it treats its elderly citizens and its children. We saw that Canadians would not accept a measure or an attempt to balance the books on the backs of senior citizens at a time when the Government was contemplating capital gains giveaways and giveaways to multinational oil companies. Every Member of the House knows that Canadians will not stand by silently and watch a measure being introduced which, between now and 1990, will have a serious impact upon the ability of the poorest people to provide for their children—to provide a roof over their heads, to provide proper clothing and to provide decent food. Canadians will not stand for it.

Mr. Lapierre: Nor for tainted tuna.

Mr. Tobin: Nor for tainted tuna, that is for sure. I plead with Hon. Members opposite to do what they did last year. They should speak up in their caucus meetings and in their private councils. They should warn the Minister of Finance that this will not wash any more than the Government's last attempt to punish those least able to fend for themselves. If they were astonished last summer and learned respect for grey power, they should remember that every senior citizen, among the most unselfish people in Canada, who stood and demanded justice at that time will join the cause and demand justice for their children and grandchildren. I advise them to withdraw this Bill.

Mr. Simon de Jong (Regina East): Mr. Speaker, it is with a degree of sadness that I rise to participate in the debate on Bill C-70. At this time in the progression of civilization and the human race, major social, economic, cultural and technological changes are taking place. They are changing the way in which society operates and traditional family structures. They are also affecting the manner in which children are raised and the traditional roles of males and females. Also at this time

there is very little certainty and it is no longer possible for a youngster to attend school, obtain a degree and be assured of a job for 20 to 40 years and then to retire. In fact we are all experiencing tremendous changes, very fast and severe social changes. There is a need for collective government action at this time. Very often the elderly and the children are the victims of fast social, economic and cultural changes. Yet it was the old and now it is the young which the Government attacked in its Budget.

Earlier this year the people of Canada, not just old people but men and women of all age groups and from all walks of life, joined together and created such a massive protest that the Government had to back down on its deindexation of pensions. The same will be true when it comes to the attack of the Government on the children of Canada.

Raising children nowadays is not an easy task. I should know, in that I have been a single parent for part of my life. Right now I have six children for whom I have some responsibility. They range from teenagers to a young baby. The task is certainly easier for me than it is for most of my fellow Canadians. In terms of my income, I am one of the few privileged Canadians. However, most parents do not fall into that category. Even though I am a member of this privileged class, I know that family allowance cheques are an important part of my budget. I know what it is like to purchase new running shoes and jackets for five teenagers to return to school in the fall. The purchase of such shoes can involve an outlay of some $20 to $40 per pair.

Also we must remember that we are living in an age of mass media advertising, much of which is directed to children. Some of the best psychologists are working on that advertising, and the children of today are subjected to forces at work which are much more poweful than in earlier days. They are concerned about peer groups and peer acceptance, much of which is affected by consumer items.

This summer I had occasion to visit some of my constituents. I knocked on doors in a low-income district. I spoke with an older, single parent woman who had a teenage son attending high school. She could not afford to buy him a new pair of running shoes. It was a $25 to $30 outlay which she just could not afford. Mr. Speaker, she expressed her frustration at not being able to provide her teenage son with the things that the other teenage children at school had.

● (1240)

As these families and as all families in the country do the difficult job of trying to raise their kids in a half decent way and provide them with love, a sense of security and a sense of belonging, and they, hopefully, in turn will become upright, decent and productive citizens of this country, I think families need help. They do not need to be attacked. The state cannot, Mr. Speaker, do all those things that will ensure that the kids of this country will have a decent family home, with equal opportunity and the ability to become productive citizens. The state cannot guarantee that, but the state can do those things that will help parents do their jobs.

We hear from the Tories tremendous rhetoric and they wrap themselves, Mr. Speaker, in righteous and moral platitudes about the importance of the family. I agree, the family is a very important, very essential unit for the social fabric which has been under tremendous strain. We hear many members of the Government, as they wrap themselves in this moral self-righteousness and talk about the importance of the family, denounce some miserable soul who might have got pregnant out of wedlock and seeks to have an abortion because the alternatives in her life are not very attractive. Oh, no, these moral, selfrighteous people will denounce the poor child, but they are the very same ones who will attack the opportunity of that young girl to carry through with her pregnancy and to raise her child. They will attack her economic opportunity of raising that child. They will force her into an option that is unacceptable.

It is unfortunate that people are forced to discontinue a pregnancy through economic circumstances. I think that when a civilization and a society reaches that stage where people cannot continue with a pregnancy and cannot give birth and raise their children because economically they cannot afford it, then the civilization and society has reached such a low point that it can surely be considered barbaric.

Instead of this Government helping the family, helping young women make a "pro choice" it is in fact creating the economic conditions in which the opposite occurs. Surely the responsibility should be the Government's for the type of society that it is creating in this good, rich country of ours.

Mr. Speaker, I stand opposed to the motion.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am very pleased with this opportunity to take part in the debate on Bill C-70.

I think that when considering this legislation, we have a choice of two approaches. One is more or less mathematic, and by that I mean that, on the basis of this Bill, we can imagine a whole series of situations and scenarios in which a number of families could possibly benefit by the implementation of these provisions.

However, Mr. Speaker, the fact remains that all this is entirely hypothetical, and further assumptions must be made with respect to the inflation rate and salary levels, so that the range of possible answers is very broad indeed.

I intend to ignore this approach, for the simple reason, Mr. Speaker, that whatever the mathematics of the question may be, I feel that if there is even one case, one family in Canada where the implementation of this Bill will result in a potential or outright loss, that in itself would be reason enough to take an energetic stand against this legislation.

Mr. Speaker, that is why I would prefer another approach which considers the humanitarian aspect, that is, the impact on many hundreds of families as a result of a reduction in family allowance payments.

The Opposition will say this reduction is only marginal and hardly significant.

Mr. Speaker, I think they forget that to these families $5 can make all the difference.

We must remember that those families and we meet them in the course of our work, where one person has full responsibility for one or two children in many cases depend on welfare. They wonder how they can afford to send their children back to school in the fall, because of all the expense involved. They worry because the family allowance they get seems hardly enough to start the school year. For these people, $20 when you have to live in that kind of situation—it is simply disastrous, and I think that justifies opposing the passage of this Bill most aggressively.

Besides, the principle of these cuts has already been clearly established, and I would like to quote from a document entitled: "Securing Economic Renewal", in the Budget Papers, where it says:

> Net federal expenditures will be reduced by approximately $15 million in fiscal year 1985-86 and $40 million in 1986-87. Provincial tax revenues will not be affected in 1985-86 and only marginally in 1986-87.

Thus, it is clear from the start that the purpose of the Bill is to save money and add to the Government's revenues.

The justification given for a decision of this kind is, of course, the size of the national debt and the fact that the country's ability to pay has become problematic. We can accept the argument up to this point, that is, academically and theoretically speaking. Except for the rich, as my colleague so rightfully points out.

• (1250)

Canada's present financial situation is a matter of fact for everybody, rich and poor alike. But the problem, the catastrophy, the drama is that we are so indulgent towards the rich, we are making unbelievable concessions to them. To the poor, to old age security pension recipients and to others who cannot do without drugs we say: You have a social burden, you shoulder a responsibility and so you must share the problems facing this country.

And then we turn around and think nothing of granting generous tax concessions to oil companies, we readily support banks, and we make all kinds of decisions in favour of individuals who we know full well can indeed pay their own way.

It seems to me, Mr. Speaker, that it is imperative and essential to correct the situation. As a matter of fact, the recurrent theme advocated by our friends opposite throughout the election campaign can be summed up by the word generosity. I doubt if I ever heard the Prime Minister (Mr. Mulroney) rise to speak without saying that we had to be generous, particularly towards underprivileged people. Generous here, there and everywhere.

Well, this Government has indeed been very generous, extremely so. The problem is that it has been generous towards people who, in the circumstances, could also be generous and accept to share part of the financial burden, if only to give some respite to men and women who simply cannot support our ever increasing financial load.

Here is a statement made by the Minister of National Health and Welfare (Mr. Epp), whom my colleague rightfully dubbed the social injustice minister: "The stability of our social fabric is guaranteed by the family and our attachement to the community. As Minister of National Health and Welfare, my role is to give directions and take initiatives designed to strengthen the role of the family and give it more importance than ever in our society". As a philosophy it seems encouraging and reassuring for those who are anxiously waiting to see what the future has in store for them.

Those people are sitting at home watching TV and wondering what they can do. How can I show my disapproval? How can I say I disagree? They are totally help less. They cannot afford to hire lobbyists. They cannot afford to have friends close to the system express their discontent. However, they are the ones who have the most crying need for those crumbs, for those amounts which I know are marginal but still something important for them. And there are people asking us: How is it that you the managers of this country cannot find the money, the big money of course, because $50 million have been mentioned, which we need to enjoy at least the same stability we had under the Liberal Government when you find the money needed to help out banks, to buy icebreakers, to change armed forces uniforms and to allow so many other usually harebrained expenditures? I must honestly say that unfortunately I do not know the answer.

Look at the party opposite. I was listening yesterday to the Minister of State (Small Businesses) (Mr. Bissonnette) bragging about inflation and about interest rates. But Canadians are not that dumb. They know quite well that today's inflation and interest rates are not the result of steps taken by the Government, by the party opposite, but the result of those taken before this Government ever came to power. When things are going badly they say that it is the fault of the previous Government and when inflation and interest rates are low they say we owe it to the previous Government.

Before concluding, Mr. Speaker, I would ask you to do exactly as you did on the issue of old age security pensions that is to back down as you did when you acknowledged that you were wrong about that. Please do now what you did for medicine and for old age security pensions and the opposition members will back you up.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the last 30 or 40 years, we have seen some very important programs adopted in this country, programs which have improved the lot of most Canadians. I am thinking of the Unemploy-

ment Insurance Program, the Old Age Security Program, the Canada Pension Plan, the Canada Assistance Plan and others. Most Canadians who are working seem to feel that we have solved most of the country's problems. They believe or want to believe that we have eliminated poverty in this country. Nothing could be further from the truth.

In the City of Winnipeg and in every city of Canada, there has been a dramatic increase in the number of people who are appearing every day at facilities provided by churches and other community groups to get a decent meal. At the Stella Mission in Winnipeg, just a few blocks from my own constituency, they are again providing food hampers for people who are in need. That is something which occurred 75 years ago when the founder of the CCF, J. S. Woodsworth, the Party which preceded the NDP, was in charge of that mission.

Schools and churches in Winnipeg and in every other city in Canada are collecting used clothes to provide for people in need. There are people who cannot go to work unless they receive those used clothes because they cannot afford to buy needed clothes to wear. There are children in the core areas of Winnipeg and other cities who cannot go to school because they do not have shoes unless they receive them from voluntary organizations who are trying to meet those needs.

I relate these facts because when the Government proposes to deindex family allowances, to take away from many women the one sure source of income they have, it is striking at the hearts of people in need. We are not talking about a few people, we are talking about hundreds of thousands of people.

It has been estimated that half of single-parent families headed by women are living in poverty. That is the situation; yet the Government is proposing that beginning next year we deindex family allowances by 3 per cent. It is almost certain that in the next number of years, the cost of living will increase by more than 3 per cent.

Let us assume that the cost of living increases by 4.5 per cent. If one considers what has happened in the last 10 years, that is a very conservative estimate. That will mean that the real value of family allowances, particularly for those in a lower-income bracket, will be reduced by 3 per cent each year. If that continues for three years, as it undoubtedly will, we are talking about a very substantial decrease in the real value of family allowances.

We say that this is unacceptable, and we are not alone in saying that. Every organization involved in working with families and children has expressed very clearly that what the Government is proposing is unacceptable. May I call it one o'clock, Mr. Speaker?

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

At 1 p.m. the House took recess.

S.O. 22

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

NATIONAL SOVEREIGNTY

ASSERTION IN ARCTIC THROUGH NATIVE PEOPLES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as custodians of the land known as Canada we have the responsibility of conserving and protecting the fragile nature of the Arctic. With the important issue of Canadian sovereignty looming over us, certain questions become necessary and timely. Should sovereignty become an expression of military presence only? Is sovereignty to be asserted by breaking ice and taking oil south? Should we rely on icebreakers, submarines, oil rigs and the like, in order to assert our presence?

Rather than using all this disruptive technology as the only way of asserting ourselves, why not identify and encourage civilian presence by way of reinforcing the native people, their lifestyle and activities in the Arctic? We could facilitate and strenthen traditional life—the living off the land—as was practised so well before the arrival of the white people, and which is now endangered. We could encourage the expansion and facilitate the movement of caribou, musk-ox, and reindeer herds.

We could accelerate the creation north of 60 of a network of national parks and wilderness areas. Our native people have proven over the centuries their ability to live in the Arctic and they should be active participants in reinforcing Canadian sovereignty. In the long term, we will be better served by developing sovereignty with the help of the native people rather than relying on the technology and values prevailing in southern Canada.

* * *

THE ADMINISTRATION

CRITICISM OF MINISTERS' ACTIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, this is a story of three billion-dollar Conservative Ministers and each had a little pen.

The first Minister was in charge of the Wheat Board. By the stroke of his little pen he cut out our quality advantage over other wheat exporters by permitting the sale of low quality unlicensed wheat. This was in keeping with the Prime Minister's (Mr. Mulroney) wish that we have a level playing field in our trade relations with the United States. We have now lowered our quality standards to theirs; but the cost to western farmers in lost future sales will be in the billions of dollars.

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The second Minister gave a billion dollars to bank depositors—some of them were even Canadian. With her little pen she showed the world that Canadian banks are not terribly well supervised. Not only did she cost the taxpayers over a billion dollars in bailout guarantees, but she sent a signal to all future foreign investors to avoid Canadian banks. That is billions of dollars that we will not get to use.

The third Minister used his little pen to overrule his food inspectors' advice on some rotting tuna. Military cooks would not use it. We would not let starving Ethiopians eat it, but he insisted on putting it on the market. Now nobody wants Canadian processed fish—not Canadians and not foreign buyers. By lowering our standards he, too, has cost us a billion dollars in lost sales and lost reputation because he did not pay attention to quality.

Quality counts. Canadians used to have it. With their three little pens, three Ministers took us from world class to bush league.

* * *

[*Translation*]

HOUSE OF COMMONS

BEHAVIOUR OF CERTAIN MEMBERS DURING PROCEEDINGS

Mrs. Suzanne Duplessis (Louis-Hébert): Yesterday, Mr. Speaker, as I was asking a question of great importance to the businessmen of my riding, the Liberals—and I hasten to say that the New Democratic Members were quite respectful—the Liberals were practically raising hell in the House. I am saying that because it was not the first such incident since we came back earlier this month.

Last spring only the odd Member behaved like that, but the attitude of the Liberals has deteriorated so much since last September 9th that those Members, bent on emulating the belligerent approach of their leader, keep shouting and kicking up a row, systematically opposing all interventions by Government Members. They no longer bother to listen to answers given to their questions by the Prime Minister and his Cabinet colleagues.

It is not as if they were trying to defend the interests of Canadians. What matters to them is the political points they might score. The Gallup poll proves it and Canadians are not fooled. The moment they enter the House, those men and women follow their leader, forget all about good manners and behave like uncivilized people. This is a deplorable situation—

Mr. Speaker: Order, please. The Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley).

[*English*]

THE LEADER OF THE OPPOSITION

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, for ten days those of us in western Canada have witnessed the debate over the Canadian Commercial Bank. In this time Parliament has reached a new low in partisan irresponsibility. It is unfortunate that the Leader of the Opposition (Mr. Turner) has departed from his usual high role as a responsible spokesman and has chosen the rankest and most dubious kind of denunciation.

In the House, the Leader of the Opposition indulged in some wild flights of fancy of which the House should take notice. Furthermore, the House is entitled to an explanation. The Leader of the Opposition has levelled wild, unfounded accusations at the Government, its Ministers, high public servants, the banks, and everyone connected with the demise of this western Canadian bank. His statements and unfounded charges have done grave damage to public confidence and to Canada's banking industry at large.

I challenge the Leader of the Opposition to make public, away from the protection of the House, his destructive allegations. Parliamentary privilege has thus far protected the Opposition Leader in his wild accusations. It should protect him no longer. Surely the Leader of the Opposition will endeavour to rescue his tattered credibility and explain his allegations. If he fails to do so, with his credibility now reduced to a level even below that of the Rat Pack's, he should resign.

* * *

HOUSING

CRITICISM OF GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the near future the Minister responsible for Canada Mortgage and Housing Corporation will be meeting with his provincial counterparts to sign agreements on the future of social housing in Canada. All signals indicate that the Government wants nothing more to do with providing adequate and affordable housing for Canadians. Co-operative housing associations, native Indian bands, social planning groups and labour unions have condemned the transfer of social housing responsibilities to the provinces as a foolish and costly mistake of the Government.

In British Columbia, where the Social Credit—read Conservative—Government was given responsibility for senior citizen housing in 1979, the Bennett Government cut housing starts from 1,700 in 1978 to 600 in 1979, to 350 in 1983. While the PC Government of Alberta spent $128 per capita on housing last year, the British Columbia Government spent a total of $13 per person. Giving the Bennett Government control of social housing would mean thousands more Canadians living in the streets with no homes to call their own.

I call on the Government to begin caring for Canadians in need of housing. Do not leave them freezing in the cold this winter without adequate shelter.

FINANCE

APPLICATION OF SALES TAX TO NON-PRESCRIPTION DRUGS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the application of the sales tax now being applied for the first time to non-prescription drugs, which was announced in the Budget last spring, has created real hardship for thousands of people in Canada, but particularly for two groups of people—our retired people, the seniors, who frequently need to purchase drug items such as aspirin, cough remedies, anticids and laxatives, and mothers with young children, who make frequent and regular purchases of items such as cough and cold remedies, baby aspirin, baby oil and powder, and vitamins.

We are told by the Minister of Finance (Mr. Wilson) that he had to do these things because he has to deal with the record deficit. At the same time as he puts this tax on people who really cannot afford to pay the increased cost, he has increased the benefits to people in the highest income brackets through the $500,000 exemption for capital gains, through the increased reduction of income taxes, and so on.

I call on the Minister of Finance, who has been able to reduce taxes for those upper income Canadians by several billions of dollars, to remove this new sales tax which he has applied to non-prescription drugs and which is having such adverse effects on so many Canadians in the low and middle-income brackets.

* * *

[*Translation*]

THE LIBERAL PARTY

BEHAVIOUR OF LEADER OF THE OPPOSITION

Mr. Gilles Bernier (Beauce): Mr. Speaker, the actions of the Leader of the Opposition (Mr. Turner) leave much to be desired. It is too bad he ignored the advice of the editor of the newspaper *Le Devoir*, Jean-Louis Roy, who wrote on September 16th: "It is time for the Liberal Leader to go beyond the level of crassly partisan speeches in the House and set forth his vision of what this country needs."

Mr. Speaker, it is doubly unfortunate that the Leader of the Official Opposition has failed to take advantage of this opportunity to moderate his comments.

Instead of taking the very apt advice offered by Mr. Roy, the Leader of the Opposition has preferred to make countless unfounded comments and accusations. The inordinate and excessive charges he made involving the Prime Minister, the Governor of the Bank of Canada and Canadian bankers have had the effect of seriously harming the financial institutions of this country.

Now that many of his statements have been contradicted by officials in the United States and by presidents of Canadian banks, he owes the House an explanation. The House of

Commons is neither a neighbourhood bar nor a businessmen's club: it is the public forum of this country.

Unless he wants to be branded as irresponsible, the Leader of the Opposition ought to take this opportunity to give the House and this country the explanations to which they are entitled.

Fortunately, Canadians are not fooled by the Opposition's accusations. Look at this morning's polls—

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

* * *

• (1410)

[*English*]

THE LEADER OF THE OPPOSITION

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, early this week the Leader of the Opposition (Mr. Turner) claimed the Canadian Commercial Bank transferred all its good assets and good loans worth $300 million to its California subsidiary between the time it received a cease and desist order from the Federal Reserve Bank in San Francisco and the time it came before the Inspector General of Banks.

This claim has been repudiated.

David Scott, the Deputy Superintendent of the State Banking Department in Los Angeles, is quoted as saying the U.S. Federal Reserve Board did not warn the CCB of a pending cease and desist order in February. Mr. Scott is also quoted as saying there was no flow of $300 million from the CCB to its California subsidiary. I talked to Mr. Scott today and he confirmed the accuracy of the report in an Ottawa newspaper.

On Tuesday the Leader of the Opposition asked the Prime Minister if he knew about this transfer of funds. On Thursday we ask the Leader of the Opposition: Did he know about it? Did he look for evidence before making his allegation?

It is because I have a real and profound respect for the Leader of the Opposition, perhaps more than some of his Members do, that I now urge him to return to this subject today, present the evidence he has to support his claims, if he has it, and, if not, withdraw his remarks.

* * *

[*Translation*]

IMMIGRATION

CONDITIONS UNDER WHICH REFUGEES DETAINED

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I want to draw the attention of Canadians to the intolerable situation prevailing at the Ville Saint-Laurent Detention Centre for refugees in Montreal. Yesterday, detainees who were on a hunger strike were involved in a fight with security guards, and one refugee was wounded.

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The conditions under which refugees are detained in these centres are deplorable and fail to meet the minimum standards of the United Nations. I visited the Centre in June with several other Members, and we found conditions similar to those in prisons.

The Standing Committee on Labour, Employment and Immigration transmitted a report on these detention centres to the Minister last June, and we are still waiting for a reply.

A few months ago, five security guards at the Ville Saint-Laurent Centre were fired because of their brutal treatment of the refugees, which means that the authorities are aware of the problem.

The detainees who are on a hunger strike want to meet the regional authorities responsible for detention centres tomorrow, with their lawyers.

I hope the authorities will have the decency to listen so that finally something can be done about the inhuman conditions under which these people are being detained.

* * *

[*English*]

THE LEADER OF THE OPPOSITION

Mr. Albert Cooper (Peace River): Mr. Speaker, we have in the last few days seen the development of a serious situation in Canada. As we all know, the Opposition often releases information which becomes the news in the nation. This news quickly reaches into the homes of the people of Canada. The credibiity of the Opposition rests on the accuracy of that information.

Over the last couple of weeks the Leader of the Opposition has made a number of serious allegations about people and about issues. He has been quick to call for resignations and to offer his condemnation of actions on nothing more than what now appears to be rumour. Today we read that the Leader of the Opposition has been dealing in rumours. He called for the resignation of others on the basis of rumours; what will he now do faced with the facts of his own?

Will he, one, take the advice of the Hon. Member from Shawinigan and call a convention?

Some Hon. Members: Hear, hear!

Mr. Cooper: Or, two, will he check his facts before attacking the credibility of others?

Or, three, will he continue as he is now by keeping the rest of the rats quiet while he is out in front of pack?

Some Hon. Members: Hear, hear!

Mr. Speaker: I think Hon. Members would expect me to indicate that the last reference in that statement would be normally out of order.

CANADIAN BROADCASTING CORPORATION

INCREASE IN CANADIAN TELEVISION PROGRAMMING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, as arts and culture critic for the NDP caucus I joined with the arts community and Canadians generally in pressing for more Canadian programming, especially in entertainment. Thus it is with a great deal of pleasure that I welcome the CBC's announcement of an increase in Canadian television programming to 80 per cent in prime time this year.

If the focus on Canadian programming last week is anything to go by, we have a most exciting season to look forward to. The announcement of a 30 per cent increase in drama programming is even more welcome and more overdue. This new programming will mean jobs and opportunities for Canadian writers, performers, directors and producers, independents as well as those in the Corporation. Yet there are losers as well, for the CBC is continuing its policy of treating women as second-class citizens. The increased opportunity for male writers, actors and so forth is not being matched with similar opportunities for women. Indeed, since more women appear in American programming than in Canadian programming, this move by the CBC may reduce the portrayal of women to below the current and paltry level of one-quarter.

I call on the CBC to become the excellent national network it could be and portray the dynamism and creativity of Canadians of all regions and both sexes.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA—SEIZURE OF DISPUTED PRODUCT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. In reviewing *Hansard* and the answers to questions yesterday by the Minister of Fisheries and Oceans, the Minister of Consumer and Corporate Affairs, and the Prime Minister, I can only conclude that the Government is more interested in covering up incompetence than in coming clean with Canadians.

In view of the statement the Prime Minister made yesterday to the House that "less than desirable", tuna products would be removed from consumer shelves, why does his Minister persist in refusing to withdraw that contaminated tuna from Canadian grocery shelves in light of the Prime Minister's very categorical statement in the House?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I want to respond to the right hon. gentleman's question without necessarily accepting some of the rhetorical comment which preceded it. I would like to tell the House that in the interest of public confidence—

Some Hon. Members: Oh, oh!

Mr. Fraser: —and because there are public concerns about the acceptability of the disputed stocks for consumers, I have today asked my colleague, the Minister of National Health and Welfare, to invoke the power of the Food and Drug Act and to effect the seizure of the disputed product.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Better late than never. It is a number of months too late but we on this side of the House welcome that statement. In the circumstances, we will review the situation and see how effective it is.

I want to say to the Minister, on behalf of a number of people who telephoned my office, particularly Richard McColl of Killaloe Station in the Ottawa Valley, who was sick all night a few months ago after eating a tin of Bye The Sea tuna, that he and thousands of others of Canadians will be relieved that the Minister is taking strong action—belatedly and too late, but finally.

Some Hon. Members: Question.

Mr. McDermid: What is the question?

Mr. Speaker: That being no one else rising to ask questions—oh, the Hon. Member for Oshawa.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): The whole House is exhausted.

DISCRETIONARY POWERS OF MINISTERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I, too, would like to say it is good to see the Government do something. Even though it is acting late, it is now going to be done.

My question is directed to the Prime Minister and it concerns the discretionary power which would still reside with the Minister. It is still possible for a Minister, on his discretionary authority, to reach a decision which could see food substances going on the shelves of stores all across Canada which could technically be described as unfit for human consumption. Therefore, will the Prime Minister take steps to ensure that that kind of discretionary power will not reside with a Minister of the Crown?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Deputy Prime Minister, in the course of his review of various aspects of federal operations, pointed out some time ago in a preliminary report the almost inherent conflict of interest which exists in some situations where various Ministries are called upon to pass value judgments upon products under their legislative purview. One of the recommendations he is bringing forward is to centralize this capacity for review and judgment in the Department of National Health and Welfare. I think that is a recommendation that most Members would look upon with favour.

• (1420)

CENTRALIZATION OF POWERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Prime Minister would say, in the spirit in which he answered that question I would like to ask him another one just so that we are very clear. Is the Prime Minister telling the House that the discretionary authority which currently resides with a Minister of the Crown to make a decision that has health implications is going to be removed and put into the Ministry of Health and Welfare?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the discretionary authority which the Hon. Member is speaking of resides in several Departments including those of Agriculture, Corporate and Consumer Affairs, Fisheries and Oceans, and Health and Welfare. The thrust of the recommendation that will be brought forward will be to centralize these inspection services in order that a common standard and a higher degree of excellence can be achieved to ensure health and safety in inspection services throughout the broad range of government authority.

RECOMMENDATION TO CABINET

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I do not wish to be pedantic on the point, and I understand that the thrust of what the Minister said is to turn health matters over to the Minister who has responsibility for that. However, he did not answer the question, although I am not saying it was deliberate.

The question concerns the discretionary authority specifically. Is he assuring the House that the discretionary authority, which now resides in a variety of Ministries, to make a decision over and above the technical advice on health matters, will be removed and put into the hands of the Minister of National Health and Welfare?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that essentially is precisely the consideration that will be brought forward to Cabinet for its decision.

Mr. Frith: It's about time.

Mr. Nielsen: It certainly is about time. It's a pity that it wasn't done many years ago.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I expect that that proposal will be before Cabinet by approximately the middle of next month.

MINISTER'S ACTION

Mr. George Henderson (Egmont): Mr. Speaker, I too, was very pleased to hear the announcement of the Minister today. I am sure that to some extent the industry is going to be pleased

as well. However, the Minister made a very, very serious mistake in judgment. In doing so I believe that he contravened, probably deliberately, the Fisheries Inspection Act which bans the sale of fish that is tainted, decomposed, or unwholesome. That includes, of course, fish that is aesthetically offensive to man. Why did the Minister violate the Fisheries Inspection Act and allow that tuna to go on the market in the first place and cause all this damage?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I will repeat again what I think Members of the Opposition accepted yesterday. There was no hazard to health through any of this product. Under the present situation, citizens who believe that they are aggrieved by any application of the standards by inspectors have only one appeal, that is to the Minister. I listened to those grievances. I did not make the decision on whim or caprice, but as a consequence of two independent committees. On the basis of that advice I released the product.

I am sure that the Member, who has been a Minister of Fisheries, would be interested to know that it is my intention to bring about, as soon as possible, an adequate appeal procedure for such cases.

FISHERIES COUNCIL'S ADVICE

Mr. George Henderson (Egmont): Mr. Speaker, I was also extremely disturbed this morning when I learned that the Minister had placed a gag order on his own staff regarding this issue. I was disturbed because you do not restore confidence by muzzling the troops.

Some Hon. Members: Hear, hear!

Mr. Henderson: Will the Minister accept the advice of the Fisheries Council of Canada and the industry, and publicly state in his place today that under no circumstances will he ever again overrule, for political expediency, the decisions of his inspectors regarding the quality of Canadian fish products?

Some Hon. Members: Hear, hear!

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I can assure all Hon. Members that I will endeavour to do everything possible to ensure the high standard of Canadian fish products and to serve the fishing community to the best of my endeavours. I must say, though, that I do not appreciate, nor do I accept, any suggestion of political interference.

Some Hon. Members: Oh, oh!

[*Translation*]

CONDITION OF ATLANTIC REGION FISHERY—GOVERNMENT'S INTENDED MEASURES

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans, and I was very pleased with his statement. However, the fact remains that the Minister has plunged the Atlantic fisheries in a serious crisis that might result in a loss of jobs.

I would therefore ask the Minister what he intends to do to restore the industry's credibility and protect the jobs at risk as a result of his actions.

[*English*]

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member knows that I have as great a concern for jobs in the Atlantic fishery as has anyone. I can only say that the steps which I have taken today with my colleague should address any question of confidence in that regard.

[*Translation*]

MINISTER'S ACTIONS

Mr. Fernand Robichaud (Westmorland-Kent): I have a supplementary, Mr. Speaker.

To get back to my question, the Minister said that he was taking certain steps. What are those steps? I would like to know so I can give the Atlantic industry some reassurance. May I know what those steps are?

[*English*]

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I thought it was obvious to all Hon. Members that I have today asked my colleague, the Minister of National Health and Welfare, to effect a seizure of the disputed stock.

Ms. Copps: That's it?

EXERCISE OF MINISTERIAL DISCRETION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Prime Minister. The Minister of Fisheries appears to have overruled the Deputy Prime Minister, indicating in the House today that he will be setting up his own appeal procedure. Would the Prime Minister clarify exactly what is going on here with ministerial discretion?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I see nothing inconsistent between what the Minister of Fisheries and Oceans said and what I said in trying to be helpful to the Hon. Member's Leader. The Task Force on Program Review will be bringing forward, for consideration by the Cabinet, a recommendation that all food inspection services be consolidated in the Ministry of Health and Welfare.

We have just been discussing the overlap that exists in federal Departments. In provincial jurisdictions as well there are parallel food inspection services which we will have to discuss with our provincial colleagues in the hope of achieving a high-level, centralized food inspection service that guarantees the health and safety of all Canadians.

INSPECTION OF FISH PRODUCTS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Minister of Fisheries and Oceans said in the Chamber today that he was setting up his own appeal procedure and that he would do it again. There has been a misuse of discretionary power which has resulted in a serious problem. Would the Prime Minister clarify exactly what is going on now in inspection services rather than what will happen in the future? What is going on now?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member is the fisheries critic for his Party and he knows full well that there is very grave concern within the industry about appeals with regard to inspection matters. My colleague has indicated that because of overlap this problem will be addressed, and I will be making representations at Cabinet to ensure that a proper appeal procedure is in fact established.

• (1430)

[*Translation*]

TAINTED TUNA—PROTECTION OF CONSUMERS—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

Yesterday, the Minister said he was satisfied with the decision made by the Minister of Fisheries and Oceans to authorize the sale of tainted tuna. Mr. Speaker, it is incredible that yesterday the Minister should have been satisfied with the situation and that today, his colleague at Fisheries and Oceans should be withdrawing the tainted fish from supermarket shelves. How can the Minister claim to protect the consumer and what does he intend to do in future to prevent such a catastrophe?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that yesterday I repeated several times what I would do, and I urged consumers to be careful. Today, I am very pleased with the request made by my colleague at the Department of Fisheries and Oceans, and also with the Government's announcement that it will make the same agency responsible for both food and drug inspection.

REQUEST THAT CODE NUMBERS ON CANS OF TUNA BE PUBLISHED

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, even if the cans of tainted tuna are withdrawn from store shelves, I want to ask the Minister whether he at least intends to publish the code numbers on the cans.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): My answer is simply that it has always been our concern to protect the consumer. We have carefully followed all developments in this debate, and we are satisfied with the procedures and with the decisions that were made in the best interests of Canadian consumers.

[*English*]

GOVERNMENT POSITION

Mr. John R. Rodriguez (Nickel Belt): Yesterday the Prime Minister said: "This Government always resolves any doubt in favour of Canadians". The Minister of Fisheries and Oceans on television last Tuesday said that he had to make a decision on this tuna problem and he gave the benefit of the doubt to the company.

Can the Prime Minister tell this House—and he was supportive of the decision of the Minister of Fisheries and Oceans yesterday in the House—whose interest the Government is really protecting, the health and safety of Canadians, or of the companies?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated yesterday that, should there be any doubt, that doubt would always be resolved in favour of the Canadian consumer. That is precisely what transpired at the request of the Minister of Fisheries and Oceans today.

PROTECTION INQUIRY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed again to the Prime Minister. The Minister of Fisheries and Oceans said yesterday in this House that as a result of this whole episode he had invited industry to help revise the ground rules for inspections "I did not revise them—"

Mr. Speaker: Order, please.

Mr. Rodriguez: "—industry revised them".

Mr. Speaker: Order, please. Preambles are not allowed to supplementary questions. A supplementary question, please.

Mr. Rodriguez: My question to the Pime Minister is this: whose interests, really, is the Government trying to protect, those of the company? Are you protecting ordinary Canadians, or is this an ordinary way to run a country?

Mr. Fraser: Mr. Speaker—

Right Hon. Brian Mulroney (Prime Minister): I am sorry, I did not see my colleague rise, but his answer would be the same as mine.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The only interest involved is the interest of the taxpayer and of ordinary Canadians.

Oral Questions

MULTICULTURALISM

GOVERNMENT PRIORITY

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. There have been some recent concerns expressed to me by various ethnic organizations in my riding that the Government is no longer giving the multiculturalism portfolio the priority it deserves. Their concern focuses on the fact that the new Minister of State for Multiculturalism has a dual portfolio instead of a single portfolio as was the case previously. I would ask that the Minister please address this concern and give his assurance that multiculturalism remains a priority with the Government.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, it is typical that the concern for the ethnic community comes from a member of the Conservative Party rather than from the Opposition.

Some Hon. Members: Hear, hear!

Mr. Jelinek: I compliment the Hon. Member for asking the question. In answering it, however, I can assure the Hon. Member and others that they can put that concern to rest. First, dual ministries are not new. Second, this Government over the past 12 months has laid a strong foundation on which to build, including the devleopment and establishment of a permanent Standing Committee on Multiculturalism.

Finally, Mr. Speaker, it is a total and absolute commitment, dedication and sensitivity to this area by, myself and the Government, which will guarantee success. We will reach out, Mr. Speaker, to 8 million Canadians of ethnic origin like never before.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

FEDERAL-PROVINCIAL CONFERENCE

Mr. Sergio Marchi (York West): Mr. Speaker, if we take those words as reality, could the Minister still get up in his place and tell the House why the First Ministers' Conference was void of any results? And why did the Government cut the budget by 9 per cent? If that was a priority, it would not have cut the Budget. Could the Minister please answer that question?

An Hon. Member: Right on.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, those Hon. Members have been sleeping for the last three weeks. They have finally come on board after my colleague has asked the question. The answer is simple. My predecessor, for the first time ever, was able to hold a federal-provincial Ministers' conference. Work from that conference is going to come to the Standing Committee on Multiculturalism—

Ms. Copps: Where is the 9 per cent?

Mr. Jelinek: —and I look forward to this member's participation. As far as the reductions are concerned, the Hon. Member will be very happy to know that we have already increased the budget of multiculturalism and we will proceed on that basis.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Trinity. Is the Hon. Member rising to ask a supplementary question?

Mr. Marchi: I have a supplementary question, Mr. Speaker.

SIZE OF BUDGET

Mr. Sergio Marchi (York West): If the multiculturalism budget has been increased, then it is news, not only to this side, but to the other side as well, because last April that budget—

Mr. Speaker: Order, please. The Hon. Member indicated he had a supplementary question.

Mr. Marchi: Mr. Speaker, I would like to ask a very simple question. By how much was the budget increased, and when?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, it appears to me that there is "Panic City" across the floor on the other side.

Now that the Hon. Member has finally woken up in his seat, I invite him to come to the Standing Committee where I will explain the details of the whole thing.

* * *

AIR CANADA

DEATH OF PASSENGER ON FLIGHT TO TORONTO

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport. As he knows, flight attendants are responsible to be aware of and continue to pay attention to the well-being of passengers abroad the aircraft. Is the Minister aware that on an Air Canada flight which arrived in Toronto nine days ago, a passenger who was taken on board in a wheel chair as a debilatated passenger, passed away during the flight, and the attendants did not notice and were not aware of the passenger's death until it was time to take him off the aircraft in a wheel chair?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have not been made aware of the subject to which the Hon. Member refers. As he knows, there were some 72 alleged infractions which were submitted by the CALFAA organization. Most of those have been investigated. There are

still 16 which are undergoing further consideration but I will certainly undertake a look into the incident to which the Hon. Member has referred.

Mr. Benjamin: I hope that passenger didn't eat any tuna.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame.

Mr. Speaker: No comment. A supplementary question.

FLIGHT ATTENDANTS' STRIKE—APPOINTMENT OF MEDIATOR

Mr. Les Benjamin (Regina West): Mr. Speaker, may I ask the Minister if he does not now agree that the situation of amateurs operating cabin crews on Air Canada has gone on long enough and the issue should be resolved with the immediate appointment, as requested by CALFAA, of a mediator, and more stringent enforcement of the regulations by the Minister's Department?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can advise the Hon. Member and the House that my colleague, the Minister of Labour, has indeed appointed a mediator this afternoon. He has announced the appointment of Roland Doucet as mediator pursuant to Section 195 of the Canada Labour Code.

• (1440)

I can assure my hon. friend that the surveillance and monitoring of safety standards is ongoing. As I indicated to him earlier, it has been beefed up substantially.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—SEIZURE OF ASSETS IN CALIFORNIA

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Don't be so happy.

Miss Nicholson: The Government has lead us to understand that the Bank of Canada has first claim on all the assets of the Canadian Commercial Bank, but U.S. regulators have seized $255 worth of CCB assets in California and are quoted as taking the position that California residents will have first claim. Can the Minister tell us what steps are being taken to protect Canadian interests?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, let me say that the first protection for Canadian interests is that we do not spread around misinformation picked up at lunch at the Toronto Club.

Some Hon. Members: Hear, hear!

Mr. Frith: What about the Albany Club?

Mrs. McDougall: What has happened in California is a routine matter of regulation in that the Superintendent of Banks of the State of California took steps to take possession of property. Officials of the Bank of Canada are in touch with the state regulators. Our position continues and the Bank's position continues to be that Canadian interests are covered.

Mr. Gauthier: By whom?

UNITED STATES FEDERAL RESERVE BOARD REPORT

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister has said that she is trying to get the U.S. regulators to make available to this House their report of February 20 on the Canadian Commercial Bank.

An official of the Federal Reserve Board in Washington has been quoted as saying that she has not yet had a request. Could the Minister explain just what is happening?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, with reference to the request to the U.S. regulator, the article that appeared in the press today was surprisingly based on invalid information. Concerning that inquiry, I will read the telex response, and I am prepared to table it, Mr. Speaker. It reads:

> The report of examination is the central tool of the supervisory process in the United States. It contains the findings of the examination, including information about specific assets and borrowers and criticisms of various aspects of an institution's operations. Confidentiality of the document is intended to respect the private business affairs of individual customers—
>
> Accordingly, it is the policy of the Federal Reserve not to accede to requests from outside parties—

That was confirmed by telephone this morning. We are continuing to pursue other channels.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Prime Minister. On September 7, the Prime Minister made what appeared to be a very clear statement about Canada and star wars. The Prime Minister stated that it would not be in Canada's interests for the Government of Canada to participate in SDI research.

Since then the Deputy Prime Minister has totally muddied the waters. Will the Prime Minister take this opportunity to restate that policy and tell us in no uncertain terms that if government agencies and Departments, such as the National Research Council, the RCMP, and research centres in

Defence and Communications, are asked to assist or invited to join in star wars work by the SDI office in Washington, they will decline and join the Prime Minister and say no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated on September 7 that the policy of the Government of Canada was that we did not feel participation on a Government to Government basis was in the interests of Canada or Canadians, and that it might inhibit the exercise at all times of an independent foreign policy, which is exactly the primary interest of the Government of Canada. That is why we said no on a Government to Government basis. I thought that was in the interests of Canada.

This is still a democracy, as the Deputy Prime Minister has pointed out—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —well, relatively speaking.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I thought the Deputy Prime Minister set out the other criteria fairly and well.

NATIONAL RESEARCH COUNCIL INQUIRY

Ms. Pauline Jewett (New Westminster-Coquitlam): Fairly well, my foot.

Some Hon. Members: Oh, oh!

Ms. Jewett: The Deputy Prime Minister has suggested that the National Research Council getting involved in star wars research would not involve the Government of Canada, Mr. Speaker.

Is the Prime Minister saying to the House that the National Research Council, the RCMP, the research centres in Defence and Communications are free to become involved with the SDI office in Washington? This is what we are confused about. Would the Prime Minister, not the Deputy Prime Minister, make it quite clear that they must not be involved, consistent with his policy on SDI?

Mr. Speaker: Order, please.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Hon. Member is going to get the Deputy Prime Minister whether she wants to or not, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: So much for your foot.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nielsen: What she has said in her preamble is utterly false. I have said it before and I say it again that, as research projects come up involving the continued co-operation that we enjoy with the United States in this field, and hopefully they will grow, we will determine whether or not to proceed on any individual project on the basis of Canadian priorities and Canadian objectives.

Ms. Jewett: You are saying yes to star wars.

* * *

REGIONAL INDUSTRIAL EXPANSION

EMPLOYMENT OPPORTUNITIES IN CAPE BRETON

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, this week more than 150 employees of Cape Breton's heavy water plants were laid off. Tomorrow and over the weekend I will meet some of these people. My question is for the Minister of Regional Industrial Expansion. What can I tell these people when they ask if there will be new employment opportunities in the region?

An Hon. Member: Nothing.

Mr. Riis: Rely on the market-place.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I am sure he will be very pleased to learn that since we indicated our new Cape Breton initiatives we have had over 400 inquiries. To date we have made 90 offers aggregating several millions of dollars. If all the offers are put in place with new businesses established it will result in over 500 jobs being created in Cape Breton.

In addition to that, we have 51 major projects defined as projects under review that could produce employment for 100 people or will involve over $2 million. Those projects would create thousands of jobs in Cape Breton. Cape Breton has never had such a job creating effort before.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

BANKS AND BANKING

REQUEST FOR DETAILS ON LOANS MADE BY AGENCY OF CANADIAN COMMERCIAL BANK IN SANTA ANA

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance or the Minister of State for Finance.

According to information contained in public documents released by the California Banking Commission, the Santa Ana Canadian Commercial Bank branch had outstanding loans of $396 million on its books as at December 31, 1984 and, on June 30, the loans totalled only $165 million, a

decrease of $232 million U.S., or roughly $300 million in Canadian dollars.

Can the Minister tell us what happened to those loans? Were they transferred to other Canadian Commercial Bank branches?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to point out that the first order released on the Canadian Commercial Bank, its agency and its subsidiary bank in California from the regulatory authorities, came in February, 1984.

I am not sure where I was then precisely, but I know I was not here. I think the question around the transfer of assets could be addressed to some of the Hon. Member's former colleagues since the activity in those agencies started long before my time.

Some Hon. Members: Hear, hear!

● (1450)

[*Translation*]

MINISTER'S KNOWLEDGE OF THE FACTS

Mr. Raymond Garneau (Laval-des-Rapides): A supplementary, Mr. Speaker.

Am I to understand that the Minister is telling us that between January 1, 1985 and June 30, 1985, when the bank was bailed out, when the fiasco really began, she did not know and still does not know where the loans went, who got the loans, or even whether they were repaid? Mr. Speaker, how can we possibly launch a proper investigation in committee if the Minister does not know anything at all about a situation where she did ante up $1 billion of Canadian taxpayers' money?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, if there is anybody who has not ignored the situation, it is myself. We have indicated to the Hon. Member, to his colleagues, and to our other colleagues across the aisle, that we are prepared to discuss this matter in full in committee. I am really looking forward to that discussion.

* * *

INDUSTRY

SYDNEY STEEL CORPORATION—GOVERNMENT FUNDING

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Yesterday an announcement was made with regard to the Sydney Steel Corporation indicating that the federal Government was willing to co-operate in some development there. When will the Government commit itself to complete funding of Phase II and, in doing so, will it make some commitment that Canadian railways, CN especially, will be ordering their rail lines from Sydney Steel?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member undoubtedly knows, I met with Premier Buchanan yesterday. Among other things, we discussed the situation at Sysco. We received the updated Hatch report concerning Sysco. We reviewed its recommendations and felt that they were quite positive. In the context of those recommendations, we have agreed in principle to come to an agreement which will hopefully affect the recommendations in the Hatch report, and an announcement should be made within a few weeks.

MODERNIZATION OF PLANT

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the same Minister. Will a commitment be made by the Government to complete funding of the Phase II modernization of that plant, or will we have more years of delay and indecision as we had under the Liberals?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, obviously the Hon. Member was concentrating on his supplementary question without listening to what I said. When he has an opportunity to read *Hansard*, I think he will see that a very definitive, positive answer was given.

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REGIONAL ECONOMIC DEVELOPMENT

DESIGNATION OF AREAS IN ALBERTA UNDER FEDERAL DEVELOPMENT PROGRAMS

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. He will know that the national energy policy of the former Government devastated the economy of the Province of Alberta with resulting high unemployment. Has the Minister taken action to designate areas of Alberta as tier 2 areas so that they may qualify for the Government's economic development programs?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member is aware of how the tier 2 and other designations are determined. We have the entire tier system under review. He will be pleased to know that under the existing ERDA program a subagreement affecting his area will likely be entered into very soon, and I think the area residents will find it very beneficial.

Oral Questions

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—REPORT OF AUDIT OFFER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Minister of State for Finance. I have listened to, and I have read her answers in *Hansard*. She is becoming a master at circumlocution and stonewalling. There is one fact which will do much to clarify the situation. Why did she or the Minister of Finance, or the Prime Minister, refuse the offer of a special audit from Canadian chartered banks, which could have avoided this entire disastrous situation? Why was it refused?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I see that the St. James Club has the same kind of misinformation as the Toronto Club.

Ms. Copps: How about the Albany Club?

Mrs. McDougall: At least the Albany Club lets in women.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mrs. McDougall: I believe some senior bankers stated publicly yesterday that there were some bankers looking at the portfolio. I have never indicated otherwise and have denied nothing.

MINISTER'S POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): There was not much substance to that answer, Mr. Speaker. Will the Minister reacquire some credibility and respect by at least confirming in the House a rumour, which is now commonly held on the street and elsewhere, that she and the Minister of Finance refused to bail it out, probably wanted the special audit, but were overruled by the Prime Minister for purely political purposes? Will she confirm that here for our benefit and reacquire some respect?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, once again we are dealing with things which happen on other streets. We have been standing beside each other. This was a collective Government decision which we all reinforced, and it was reinforced by two provinces and the chartered banks. I do not know how many times I have to say that before the Hon. Member listens to what we are saying here instead of to what is happening out on the streets.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

REJECTION OF LONG DISTANCE TELEPHONE SERVICE APPLICATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Communications. After very extensive hearings, the CRTC turned down the application of CNCP Telecommunications to enter into the long distance telephone business in competition with existing systems. In view of that decision, why did the Minister send a document to Cabinet proposing that he be permitted to spend $1 million in a propaganda campaign to educate people on the advantages of deregulation?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, this document was submitted to Cabinet within the framework of a general review of the Canadian telecommunications policy and it was not issued the week following the application by the CNCP, but last winter. Indeed, it is within this framework that a federal-provincial conference will be held in mid-November to discuss the issue of telecommunications. This is not a propaganda document, but a document to promote consultation, and the amount put aside for it is largely to be used for research so that those who will have to make decisions, including the provinces, will be well-informed.

[*English*]

REQUEST THAT COMMISSION NOT BE OVERRULED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, various groups, including provincial Governments, made representations in opposition to the application of CNCP.

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

Mr. Orlikow: Can the Minister give us assurances that he will not recommend overruling the decision of the CRTC?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I have not yet received any notice of appeal from the CNCP in this matter.

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IMMIGRATION

CONDITIONS UNDER WHICH REFUGEES DETAINED—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Minister of Immigration.

For the last few days in Montreal, refugees have been on a hunger strike at the Ville Saint-Laurent Detention Centre.

Yesterday, three refugees were involved in a fight. Two were sent to Parthenais and the third was wounded. These people are protesting against detention conditions which do not meet the minimal standards of the United Nations.

What does the Minister intend to do about this urgent situation which will soon turn into a riot.

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I assure the Hon. Member that I have been monitoring closely, with officials of the Department, the situation in the Montreal detention centre. As the Hon. Member will know, it was part of the study of the standing committee into detention centres. These centres were never intended for longer stays. At the moment I am informed that those who are being detained for longer periods receive regular medical care. The situation is quiet. There will be a meeting of support groups, those who are incarcerated, and officials within the next day or two.

[*Translation*]

Mrs. Pépin: I have a supplementary, Mr. Speaker.

Mr. Speaker: Please make it a very short supplementary.

INQUIRY WHETHER PROBLEM CAN BE SETTLED *IN SITU*

Mrs. Lucie Pépin (Outremont): I am very happy to learn that the meeting will take place, but I would also like to know whether the Immigration officials who will take part in this meeting will be able to solve the problems on the spot.

● (1500)

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, as the Hon. Member will know, a number of the problems were outlined in the Standing Committee's unanimous report which contains 22 recommendations. I will be reporting on those to the House in October. We have acted on some four or five of those recommendations relating to health, safety, and other provisions. We will be acting on the basis of that report immediately, and in fact even before the response is brought in.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one presented by Hon. Members on Wednesday, September 18, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Hamilton East (Ms. Copps) does not meet the requirements of the Standing Order as to form.

The petition presented by the Hon. Member for Restigouche (Mr. Girard) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

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PRIVILEGE

WITHDRAWAL OF REMARK MADE DURING QUESTION PERIOD

Mr. Les Benjamin (Regina West): Mr. Speaker, I seek your indulgence so that I may withdraw unequivocally the unfortunate remark I made in the preamble to my supplementary question today.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader (Mr. Hnatyshyn) if he can outline the business of the House that he intends to call over the coming several days.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the opportunity of informing the House of the agenda. Hon. Members will know that we have now had a long and interesting debate on Bill C-70, an Act to amend the Family Allowances Act. This matter has received the attention of the House and I am anticipating that it can go to committee where it can receive the—

Mr. Speaker: With great respect, I hesitate to interrupt the President of the Privy Council (Mr. Hnatyshyn), but it is almost impossible for Hon. Members who are interested in the answer to the question on the business of the House to hear it. Could I ask those who are having conversations if they might conduct them somewhere else?

Mr. Hnatyshyn: As I was saying, Mr. Speaker, I think that Bill C-70, now having received a very thorough discussion, should make progress and get to a legislative committee where there will be an opportunity for Hon. Members to investigate the details of the legislation as well as to speak in a meaningful way to the principles involved.

We are intending to call Bills C-67 and C-68 which deal with the Parole Act and the Penitentiaries Act. Hon. Members will know that these two Bills are being debated together and will go to one legislative committee. I understand that there will be a very brief debate on those Bills. I am so informed and do really believe that there are not very many more speakers.

As well, I would like to bring forward Bill C-74, an Act to amend the Constitution Act, 1867, and the Electoral Boundaries Readjustment Act, again with a view to having this matter referred to a committee so that we can examine the

various dimensions of the legislation and call witnesses to make sure that Members of Parliament from all sides of the House have a full opportunity to examine the proposal which I put forward. You will recall, Mr. Speaker, that I put that draft Bill before the Standing Committee on Privileges and Elections last June and that that committee had a chance to look at the draft legislation before I brought it forward.

In addition, Bill C-55, an Act to amend the Immigration Act, will be brought forward. I would like to see what progress we make with these Bills. This would be the sequence of Bills as I see it for the foreseeable future unless there are circumstances that lead me to change the order of business. It may be, for example, that in the course of the next few days, we will be able to bring forward the motion with respect to the reference to the Finance Committee of the bank matter and I would hope that we can get that done at an early date so that the work of the committee can be organized and all Members will have an opportunity of examining in detail the circumstances leading up to the statement made by the Minister of State for Finance (Mrs. McDougall) on September 1.

* * *

POINT OF ORDER

WITHDRAWAL OF NOTICE OF MOTION FOR ADJOURNMENT UNDER S.O. 31

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, on a separate point of order, I would like to ask your permission to withdraw a notice that I filed with you earlier this day requesting an emergency debate. The response by the Minister of Fisheries (Mr. Fraser) and the Prime Minister (Mr. Mulroney) today that the defective fish will be withdrawn from the shelves of all stores satisfied the requirements that I had sought to have satisfied.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PRESENTATION OF FOURTH REPORT OF STRIKING COMMITTEE

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have the honour to present the Fourth Report of the Striking Committee under Standing Order 75(A).

[*Editor's Note: For above-mentioned report, see today's Votes and Proceedings.*]

SOCIAL SECURITY

FEDERAL-PROVINCIAL AGREEMENT

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we have all recognized that one of the major problems facing the country today is the number of Canadians on welfare rolls who are ready, willing and able to work. This fact cannot be measured simply in financial terms. It must also take into account the human price that is paid by too large a number of Canadians who are forced into this situation. I am pleased to report that I have concluded an agreement with my colleague, the Minister of Employment and Immigration (Miss MacDonald), and with our colleagues from all the provinces and Territories on action that we shall take together to break this deadly cycle of welfare dependency. Together we are going to provide hope and encouragement to these people, but above all we are creating for them the opportunities they deserve.

Two of the seven points of the agreement refer to programs that are the responsibility of my colleague, the Minister of Employment and Immigration. I will give a brief explanation of each of them. First, we agreed to specify participation levels for social assistance recipients in the Canadian jobs strategy. This is in response to a long-standing concern of the provinces that employable people receiving social assistance have not been getting their fair share of places in the employment programs of Employment and Immigration Canada.

Employable social assistance recipients make up about 30 per cent of the total unemployed population. By contrast, rough estimates suggest that employable social assistance recipients did not make up 30 per cent of the participants in CEIC programs under the previous Government. It is this situation that we have agreed to address.

Of the six components of the Canadian jobs strategy, three can potentially benefit employable social assistance recipients. They are job entry for those entering the labour force, targeted mainly on youth and women; job development, targeted mainly on the disadvantaged, and the innovations program fund for pilot projects. I will deal with this component in more detail in a moment.

Our objective in negotiating the agreement was to ensure that employable social assistance recipients would have access to a share of Canadian jobs strategy funds that reflects their representation among the jobless. At the same time, we recognize the importance of maintaining flexibility in setting participation levels, both by province and by component, of the Canadian jobs strategy.

Under the agreement, my colleague and I will negotiate appropriate participation levels with each province and Territory to take effect April 1, 1986. Second, we agree to use a portion of the innovations program funds for pilot projects aimed at enhancing the employability of social assistance recipients. We did this because we recognized that many social assistance recipients face multiple barriers to securing employment and hence gaining self-sufficiency. Traditional welfare programs have not been designed to address the problem of

enhancing the employability of their clientele. It is important, therefore, that we experiment with ways of doing this and test their efficacy through actual pilot projects in the field. Specific proposals for the use of innovations program funds will be ready by the end of the year, based on discussions among my officials, those of my colleague and those of provincial and territorial Ministries.

Before going on to areas dealing with my Department, I would like to give a special note of thanks to my colleague, the Minister of Employment and Immigration, because of the work that she has done with the provinces and the Territories and the negotiations that she has undertaken almost from the very first day this Government took office. It is work that is starting to show results, and I commend her for that today.

• (1510)

The Minister of Employment and Immigration is not in the House at this point because she is in my home province participating with the provincial Government of Manitoba on a further job-creation program, namely the Limestone Program. That is the reason that rather than being in the House of Commons, she is in an important place like my home province, to work further with the provinces.

Mr. Frith: She should be in Sudbury.

Mr. Epp (Provencher): The rest of the points refer to one of the most important programs of my Department, the Canada Assistance Plan. This is the program that supports Canada's social safety net by sharing with the provinces the cost of Canada's network of social assistance and social services. Since its inception in 1967, the Canada Assistance Plan or CAP has fulfilled its mandate to provide financial assistance and social services to Canadians who are in need. Our review of the program has shown that however well it may be fulfilling its basic task of maintaining persons who are on social assistance it does not give us all the tools necessary to assist those persons in getting off social assistance and into stable, rewarding, long-term employment.

The new approaches outlined in this agreement will go a long way toward making CAP a program that not only assists people but helps them develop the skills and experience to assist themselves. The first of these new approaches involves the question of disincentives. These vary from province to province, but we have discovered that the guidelines of the program have sometimes worked to make work or training less attractive than remaining on social assistance. A primary example of these disincentives was the requirement to deduct 100 per cent of all training allowances from welfare cheques. These allowances, which were designed to help meet the additional expenditures involved in following a training course and to serve as an incentive for people considering taking such courses, meant nothing to social assistance recipients because for each dollar of training allowance they received they lost a dollar of social assistance. Under this agreement, that will not be the case.

Another example is the non-cash benefits that are often so important to persons on social assistance, such as free prescription drugs, medicare premiums, dental care, eyeglasses, just to name some. These usually stopped as soon as a person took a job or entered a training course. This was often a major disincentive. Under this new agreement, provinces will be able to eliminate this disincentive and still maintain cost sharing under CAP.

The second new approach involving the Canada Assistance Plan is one that I consider a major improvement in our ability to use the money now being spent for social assistance in a positive fashion to permit Canadians on social assistance to assist themselves. This is so important that I would like to read point 5 of our agreement, with the indulgence of the House:

In addition to item 1 above—

—that is the one to negotiate the bilateral agreements between the provinces, the Territories, and the federal Government.

—to expand opportunities for social assistance recipients to participate in training and employment by permitting provinces, who wish to do so, to refer social assistance recipients to Canada Jobs Strategy programs or similar provincial programs, and also to transfer to those programs those funds that the provinces would have spent on social assistance payments to those programs. The federal Government will then transfer an equal amount of money, which would have been paid under the Canada Assistance Plan as the federal share of the social assistance payment, to the programs involved.

The design, eligibility criteria, administrative requirements and evaluation methodology relating to these new arrangements will be developed by November 30, 1985, and the impact of this initiative will be reviewed in three years.

The money now allocated for social assistance can only be used for that purpose. This restriction exists for a very good purpose. This money is meant to provide for the basic needs of people who cannot support themselves. If people are in need their needs must be met and no conditions can be attached to that assistance. In particular, they cannot be required to perform work as a condition of receiving that aid. CAP does not permit "workfare". This principle is one of the most important principles of the Canada Assistance Plan, it will be maintained, and I want to stress that point.

What will be changed is the rigidities in our system of funding that prohibit funds now used to maintain a person on social assistance from being used to defray the costs of those programs that will provide that person with job skills and work experience. The Canadian jobs strategy provides precisely the kind of programming required by employable persons now on social assistance.

The first point of our agreement, increased targeting of these programs for social assistance recipients, will help. However, we want to make even more of this programming, or similar provincial programmings, available to our clients. To this end my provincial colleagues, the Minister of Employment and Immigration and I have agreed to use jointly moneys that would have been used to maintain a person on social assistance to pay the costs of the work experience programs that will enable him or her to get off assistance.

The mechanism is straightforward. The results may be profound and the costs will be no more than that of current programming. When an individual social assistance recipient is

eligible for and volunteers for an employability program that promises to be of benefit, the province and the federal Government will direct to that program the money that would have been spent to maintain that individual on social assistance.

The idea is simple. The effect on the client will be vastly increased opportunities for self-sufficiency. There is no coercion, simply increased opportunity. There is no increase in cost, simply a more creative and positive use of existing funds.

The fourth component of this strategy initiates federal-provincial pilot projects to evaluate new approaches that would promote self-sufficiency of social assistance recipients who face multiple employment barriers. This initiative, funded on a cost shared basis, will involve CEIC in the screening, approving and monitoring of projects to eliminate duplication of those already funded under the CJS innovation fund. Vigorous evaluation techniques will of course be established and results of such evaluations will be shared with all Governments concerned.

Finally, my colleague and I and our provincial and territorial counterparts agreed to collaborate on improving the flow of information and on evaluating our programs and, most important of all, on maintaining the "four-cornered" consultative approach. This four-cornered consultative approach, linking my Department, the Department of Employment and Immigration and provincial and territorial social services and employment Departments is the basis for the virtually unprecedented co-operation that produced our agreement. Its continuation is essential if we are to achieve lasting benefits for people on social assistance.

In conclusion, I would say that this agreement proves the value of open federal-provincial and territorial co-operation. All levels of Government are deeply involved with this issue; it does not bear on one single jurisdiction. The agreement we have made will increase the chances for welfare recipients to break their dependency on social assistance and to find self-sufficiency in stable employment. Together, Governments are going to create opportunities and real encouragement for welfare recipients to participate. The Ontario Minister of Community and Social Services, the Hon. John Sweeney, has described this as "An historic and giant step forward". It is indeed, and I want to thank all members of the House for taking the time to listen to me.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, first of all, may I begin where the Minister of National Health and Welfare (Mr. Epp) left off when he indicated that the new Minister of Community and Social Services for the Province of Ontario indeed called this an historic moment, an historic agreement and a giant step forward for all of us who are in the profession of politics and are here to serve our own citizens.

That comes as no surprise to me because I know that in years past when we have attempted as the federal Government, when the Liberal Party was in power, to reach similar types of agreements, we often found that it was the Conservative Party in Toronto that was the stumbling block to a lot of improvements under the Canada Pension Plan and under the Canada Assistance Plan, and therefore it does come as no surprise to me that the new Liberal Government in Ontario has agreed to sign this document and bring forward this kind of imaginative proposal.

[*Translation*]

I also wish to point out that the Quebec Minister for Social Affairs, Mrs. Pauline Marois, stated yesterday that this came as the result of the efforts of her Government and that it is clearly an idea which originated in Quebec. I mentioned that because when Mrs. Monique Bégin was Minister of National Health and Welfare, she began with her Quebec counterpart implementing the programs that we have seen today.

• (1520)

[*English*]

I, too, would like to join in congratulating the Minister of National Health and Welfare (Mr. Epp) for having reached this type of accord with his provincial counterparts. Politics aside, I think all of us recognize that there were great stumbling blocks under the Canada Assistance Plan. Those stumbling blocks were not only costing the provincial Governments and the federal Government large sums of money, but they were also taking away the opportunity from a number of families to engage in a meaningful pursuit of work. As a result of this type of agreement, I hope that we will be able to find meaningful jobs for those who have found themselves in the vicious cycle of welfare in order to have a meaningful role to play in our society.

I hope that the Minister will take my remarks in the context of being a beneficial criticism of the proposals in his program in which I feel he may find some blockages. I hope that the Minister can overcome them.

First and foremost, we have learned over the last several years that Governments often bring in programs designed for certain target client groups. Those programs fail mainly because we cannot reach the client groups which we were attempting to reach. I hope the Minister will inform the Minister of Employment and Immigration (Miss MacDonald) to be aware of the difficulty in reaching those target groups, particularly with respect to the target groups which fall under the Canada Assistance Plan.

Second, I hope that the Minister of National Health and Welfare will inform the Minister of Employment and Immigration that we on this side of the House have a great many concerns with respect to the job-creation strategy that will be brought forward to target the group which is presently on welfare and which comes under the Canada Assistance Plan. I say that because if one takes a look at the number of unemployed in our country and the number of people who are on welfare, it will be seen that all of those people are not found in the urban centres of our country. A great many of them are in the hinterland regions. I am concerned that in the job-creation strategy which the Minister of Employment and Immigration put forward earlier this year with respect to Summer Works many of the regional incentives are being taken out of those

programs. Thus, Atlantic Canada, northern Ontario, northern Quebec and rural Quebec do not have access to some of the manpower programs which people living in urban centres have. As a result, many people who are in the target group will not benefit from this type of program, if the same type of job-creation strategy as used in the past is used now. I hope that the Minister will make sure that concern is brought to the attention of the Minister of Employment and Immigration.

I also hope that in the job-creation strategy a great deal of attention will be paid to the ability of municipal Governments to create jobs for which welfare recipients could well be targeted. That was not found under the previous programs of this year.

I hope that the Minister of National Health and Welfare will recall that there was an incentive program in which the private sector fueled the job-creation projets. I know that the Minister of Employment and Immigration has indicated the success which the program has met in certain parts of the country. I will not dispute the numbers here on the floor of the House of Commons. However, I will tell the Minister that that program was certainly a flop in other areas of the country. I am speaking of an area such as Sudbury, where there is a tremendous depression in the private sector. As a result of that economic depression in the private sector, we simply do not have private sector sponsors ready to go out and create jobs. In those areas of the country in which that economic fact is evident, municipal governments, boards of education—the public sector—were not allowed to get their projects up on the drawing boards to create those jobs for the people we are trying to target here. I hope that point will be brought to the attention of the Minister.

I ask the Minister of National Health and Welfare to take this matter one step further. He knows, as do all of us in this Chamber who have been in politics for any number of years, whether it is at the municipal, provincial or federal levels, that we recognize the problem of lifetime welfare. That is a problem which is not found in just one area of the country. Every one of us as Members of Parliament has these client groups within our constituencies. Therefore, what I am about to say has a great deal to do with what I hope this historic accord can do to aid one other situation which has been pointed out in the House in the last ten days.

As the Minsiter is aware, the Minister of Employment and Immigration was instrumental in the creation of this accord. A great many of the programs will be administered by her Department with money which will come out of the budget of the Department of National Health and Welfare. I would like to use Sudbury as an example to illustrate my point. Ten months ago, the Minister of Employment and Immigration introduced rule changes to the Unemployment Insurance Act which would, as of January 1, 1986, count severance payments and pension payments as part of the entitlement to unemployment insurance benefits. As a result of that, there will be fewer incentives for workers to take early retirement.

The Sudbury example brings home the truth. I can tell Hon. Members that in the City of Sudbury, this year, the municipal welfare budget is the highest it has ever been in its history. Part of the reason for that will be compounded by the changes to the Unemployment Insurance Act. Now that there will be fewer incentives for those who are older to take an early retirement package, the unions and the companies will be left with no choice but to lay off the younger workers. This will affect people with 10 to 12 years of seniority who are around 40 years of age. These people will have to go on the unemployment rolls for the next year. At the end of the 52 weeks, unless some alternative job is created for them, their only alternative for living is to go on welfare.

It seems to me that, with the degree of co-operation exhibited by the provincial Governments and the federal Government which can bring forward this type of accord, surely the same type of co-operation and open-ended thinking can lead the Minister of National Health and Welfare to convince the Minister of Employment and Immigration to change the proposed uses of the UI funds. I say this without any desire to make political debating points on the floor. That type of change would place another 1,200 people on to the welfare rolls. If the intent of the accord is to reduce the number of people on welfare, I welcome it.

I point out to the Minister that there are other measures being taken by the Government which run counter to this type of accord. I hope he can convince his Cabinet colleague to undertake those necessary changes under the unemployment insurance rules so that we in Sudbury do not end up with more people on welfare. I use Sudbury as an example only because I represent that constituency and I know it well. I have colleagues on all sides of the House who have indicated to me that they have people who face the same situation in their ridings.

Last, but not least, I wish to indicate to the Minister that most of us in the political field welcome this type of accord which has been signed. I hope that in the coming days and months the implementation of the strategy will be successful in eliminating a number of people from the welfare rolls in each municipality across the country. I congratulate the Minister of National Health and Welfare for being part of this historic accord.

Some Hon. Members: Hear, hear!

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would also like to commend the Minister of National Health and Welfare (Mr. Epp) on the intent and the changes which have been proposed in co-operation with the provinces to make training and job opportunities more accessible to persons who are on social assistance. Of course, it is essential that programs and policies be integrated in a far more flexible way so that people are not caught between the provincial, federal and territorial jurisdictions with little choice but to remain on welfare. We can think of many examples of how this has happened in the past. I would also mention the local jurisdictions when we speak about day care, which is also part of the needed program.

I would mention to both my colleagues who have just spoken that I think we need to be careful in terms of how we refer to people who are unfortunate enough to be on social assistance. The words we use to describe them are important. I heard them referred to as client groups, et cetera. We must be careful, even though we are sometimes talking in technical terms, that we do not put a label on people who are on welfare and, in that way, perpetuate a stigma which exists and which is often being promoted in the larger society. I know many people feel like second class citizens and they should not. Social assistance is one of our security programs and it is their right when they have no other option.

● (1530)

As a person who practised social work for many years and as someone who has worked with many low-income people in my own community, I have never met a person who really wanted to be on social assistance. Most people would far prefer to have a job at a decent rate of pay and be independent. Unfortunately, jobs are either not available or they are so low paid that a person cannot support a family and so they have no alternative but to seek social assistance. In many cases as well a person may have been unemployed for such a long time, or not have been in the job market at all, that they lack the skills and confidence to compete in the open market. Here again it is easy for people to deliberately speak about people on welfare who do not want to work. That is not the case. It may be that sometimes they need further support and training, but they certainly need jobs. People on welfare have such abominably low incomes that it is hard enough to feed and clothe their families and pay the rent; they certainly have no money left to spend on transportation looking for work. As well, most of them do not have the kinds of clothes needed to seek work or get into the work-force. There are many things which inhibit and discourage people and make them feel depressed.

I think social assistance should be used in a positive way and I commend the Minister for this approach. I also commend him for indicating his opposition to what I think is commonly known as work for welfare schemes where persons are forced into almost any job to in effect pay for their welfare. That is a very negative kind of social policy and I am very glad we are all against that. We welcome moves to remove the disincentives which exist in the system and I hope the opportunity will be provided for people on welfare to move into training programs and federally-subsidized jobs. I hope that is what we are talking about. I am not altogether sure because the Minister did not spell out the job opportunities. It is essential that social assistance allowances be maintained while people are training or looking for work so I commend the Minister on these changes, as well as his colleagues in the various provinces and territories.

My main concern, Mr. Speaker, is that we must be sure there are training opportunities for people generally. We should not differentiate between those on welfare and others in this respect. The training opportunities must be realistic with respect to the education some people have as well as future job markets. I commend the Minister for these moves, but I hope that he makes sure there are the right kinds of training opportunities for people. There is nothing more discouraging for someone who has been on welfare or unemployed for a long time than to take a training program and, at the end, end up back in the welfare cycle again. However, that is what is going to happen if we do not have jobs at the end of a training program. Neither do we want people coming off welfare and competing for jobs by pushing someone else out. That is not going to solve anything. We really need many more jobs in the community.

I appeal to the Minister and his colleague, the Minister of Employment and Immigration (Miss MacDonald), to take a whole new look at an old area of work, that of community jobs. There are many, many examples in my community where literally thousands of people, particularly women who have been on welfare, got their first start through work in this area. They might have worked in one of the local food co-ops or in the local school or library. They might have started in child care services. While I never did really like the short-term nature or low rates of pay of the Manpower programs we used to have, I must say there is an advantage in these kinds of programs if they can be extended for people who have been on welfare. I know many hundreds of them living in public housing projects in my riding who have developed a lot of self-help services and shown they have the talent and potential, but they really need to be able to feed their families while doing this kind of thing. I have worked in situations in the past where these kinds of programs have been developed very aggressively and training has gone along with them. Many of the people involved have subsequently moved up into para-professional kinds of jobs.

I therefore ask the Minister to consider this as one area which is particularly suited to people who have been on social assistance, particularly mothers, many of them in their middle years, who are going to find it hard even with training to get into the competitive job market. People on welfare should be treated the same as other citizens, although I hasten to add that often certain kinds of pre-employment programs are necessary for people who have been unemployed for some time. We have a lot of figures to show that when people have been unemployed they begin to get more and more depressed. They soon begin to lose their confidence and blame themselves. It is not their fault. It is the system we have which really does not have enough jobs for the people who need and want them. We really have to give much greater emphasis to the job end of the problem if this program is going to work.

I would also like the Minister to consider, along with his provincial colleagues, whether there might be a more flexible use of social assistance or family allowance programs. There could be a type of family benefit program which would continue an allowance for children at the same rate, let us say, that they get while on social assistance, when a mother who is able to get a job inevitably finds it to be low paying, barely sufficient for a single person. I think a program like that would more than pay for itself because it would allow women to get off welfare and stay off.

Finally, I want to refer to the whole question of day care, which I noticed the Minister avoided. I thought he would be discussing that with the provinces as well. Many people are very concerned about this issue and they want to know if the Minister is or is not in favour of day care for profit as was reported recently in the Ottawa *Citizen*. Is he willing to take the Canada Assistance Plan money away from existing non-profit day care centres to give to profit-making commercial day care centres without creating any extra facilities? There is no way that we as taxpayers should subsidize commercial day care operators for a profit. Experience has shown that commercial day care centres often violate standards, pay staff indecent wages, have lower adult-child ratios, less enriching programs for the children, and less involvement of parents which is very essential. We cannot afford to use children for profit and I urge the Minister to go on record opposing this type of day care.

I also ask the Minister to speed up, if he can, the report of the task force on child care which, I am sure, will recommend a plan for affordable, accessible day care which is non-profit and which incidentally, is not part of our welfare system. I hope that we will consider that. In closing, I think that the proposed changes to make the Canada Assistance Plan more flexible are based on a sound premise and I commend the Minister and his colleagues. However, the goal of independence will only be achieved if there are jobs at the end of this so that people will not wind up on the welfare rolls again.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, question No. 380 will be answered today.

[*Text*]

FAIR WAGES AND HOURS OF LABOUR ACT

Question No. 380—**Mr. Murphy:**

1. Since September 4, 1984, have any construction agreements been signed with the government under Section 5 of the Fair Wages and Hours of Labour Act and, if so (*a*) how many (*b*) what were the names of the parties (*c*) on what dates and, in each case, did the Government exempt the agreement from the provisions of paragraphs 3(1)(*a*) and (*b*) of the Act?

2. In which of the cases outlined in part 1, was the grant or payment made by statutory authority?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): 1. None. 2. Not applicable.

[*English*]

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

Mr. Deputy Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I wish to inform the House that because of the Ministerial statement consideration of Government Orders will be extended by 35 minutes this day. Therefore, Private Members' Hour will begin at 5:35 o'clock p.m.

* * *

• (1540)

[*Translation*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be now read a second time and referred to a Legislative Committee, and the amendment of Mr. Frith (p. 6625).

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am delighted to have an opportunity to take part in this important and momentous debate on the future of Canada's family allowances program. I am sorry to see that the Minister of National Health and Welfare (Mr. Epp) had to leave, because he was really put to the test in recent months when he attempted to slash old age pensions and had to reverse his decision as a result of pressure from the public and from various quarters. Here he is now searching for a logical explanation to do exactly the same thing at the expense of families.

Mr. Speaker, I would suggest that the logical reasoning which prompted the Government to change its mind about old age security pensions should do similar wonders with respect to family benefits.

Mr. Speaker, estimates show that the net loss brought about by changes advocated in the Budget in the case of a family with an income of $15,000, for instance, will amount to $1,879. A family with a $35,000 annual income stands to lose $3,452, but another one earning $80,000 will lose only $1,125.

If that is what they want to call justice, it is injustice, nothing less. It is totally unacceptable that they should want to deprive low- and middle-income families of such social benefits. I see that my colleagues opposite are wondering just where the Government is leading them.

Mr. Speaker, you know very well that Canada needs a policy which supports the family and a rising birth rate. Young couples cannot feel overly enthusiastic when they think that the Government is abandoning them to face their family responsibilities, especially after hearing the Prime Minister say that those social programs were a sacred trust, that they need not fear since he would not tamper with them.

Mr. Speaker, we have witnessed umpteen attempts aimed at undermining our social programs. They tried that with old age

security pensions, now they are launching an attack against family allowances. Next in line is unemployment insurance. Mr. Speaker, we have lost some of our faith in the promises of those men and women on the other side.

Let us get back to family allowances. I must tell you a little secret, Mr. Speaker. When I was still a young lad—I was raised in the Magdalen Islands, probably the poorest region of Canada—if my mother had not had her family allowance cheque she would have been unable to buy me the shoes and the various supplies I needed to go back to school.

Mr. Jourdenais: Otherwise he could not have become an MP.

Mr. Lapierre: One thing I can tell you, Mr. Speaker, is that the insignificant man from La Prairie (Mr. Jourdenais) should stop laughing and remember that some Canadian families did experience difficulties. Just because he came here with a big salary does not mean he should try to forget his modest background. Mr. Speaker, I am not anxious to ignore my humble background and leave the poor to fend for themselves. Just because we have managed to obtain the public's trust does not mean we should now leave the poor to their own devices. And that is exactly what the Hon. Member for La Prairie would have us do.

Mr. Speaker, I was saying that the family allowance cheque had a special significance. At the end of each month, when the children needed something at home, the family allowance cheque made all the difference. There are other Members who also look down on that sort of thing today, but I say that at this very moment, there are still millions of families in Canada that depend on their family allowance cheques. And I say it is unfair and inhuman to want to make cuts in the system and destroy it.

Mr. Speaker, whether it is a school bag or shoes or clothes to go back to school, I used to work at a corner store and a store where they sold men's and boy's wear, and I can assure you that in September, all those back-to-school items are paid for with family allowance cheques. Sure, all this is supposed to improve with the tax credit and tax exemptions, but let us stop putting our heads in the sand and start facing the facts. For most women in Canada, the only income they can call their own and spend as they wish is the family allowance cheque, even in families where the husband has a substantial income.

Mr. Speaker, that is why I believe family allowance payments are very important to the women and children of this country. For many Canadian families and women, this cheque may be the only cheque they get. It is the only money they have of their own to buy things for their children. You know this as well as I do, Mr. Speaker. So why does the Government want to take that away from them? That is what I find unconscionable! Mr. Speaker, I do not care what kind of advantages they are promising in the way of tax exemptions. You know that in most cases, it is not the wife who benefits.

And what about the tax credit? I can give you any number of examples of what happens when the tax credit cheque arrives. The husband uses it to buy a video and for any number of things, but the children do not get anything out of it. I will tell you why. Because the tax credit is a big cheque. You know, in most family budgets, there is always some pressing need, and whenever there are any really big debts, people say: Well, we will wait until my wife's tax credit comes in.

That is the problem. That is why the monthly cheque is so basically important, and I believe that no one can deprive Canadian women and families of this established right.

Mr. Speaker, we may see hundreds of women who will not dare admit this, but we all know the facts, and I am certain that you are aware of some cases yourself. This is what I would like the Members opposite to understand. As for their story of wanting to balance the budget, Mr. Speaker, we are not taken in. They want to balance the budget on the backs of women when they have lots of money for the Canadian Commercial Bank, which will cost us nearly $1 billion. That is not a problem! They have enough money to buy an icebreaker that will cost $500 million, including $30 million a year simply to operate, and they have the audacity to tell us that they cannot afford to help Canadian families. It is shocking, Mr. Speaker. As parliamentarians, I do not think that we can accept this. Mr. Speaker, we cannot accept to see money being wasted the way the Government does it. They spent $60 million to change the colour of the uniforms of the Armed Forces when some children do not even have any running shoes to go to school, when some children have nothing in their lunch boxes. What kind of morality do these people and this Government have? What sense of value do they have? What priorities do they have? Mr. Speaker, I think that it is time for those people to stop listening to the business sector and to start speaking to ordinary people. They should go and see the children as they enter the schools in the morning, not in the rich neighbourhoods, but where the real people live, and I am certain that they will find out in the schoolyards that the children do not have too many clothes on their backs. That is why, Mr. Speaker, this issue is so important. I am among those who benefited from the family allowances which my mother received. My school friends also benefited. If you take this away from the poor families, what will they have left? This is what we find unacceptable. You have enough money for everyone else, especially for the wealthy. You have enough money for big companies and for the oil companies. There are other Members in this House who will not admit it, but I am certain that family allowances made a difference in their own family. Salaries were not always what they are today, and I am certain that, if they had the honesty to admit it, they would say that it made a lot of difference. They have friends and they have families. Yet, they are taxing suffering, they are taxing medication, they are looking for money for all kinds of fantastic projects as long as they preserve the Prime Minister's

image. But when we are dealing with issues as fundamental as the family, they say that they are very concerned about traditional values, Mr. Speaker. What kind of society do we want to build? Is it now more important to make sure that the Prime Minister looks good than to encourage the Canadian family? God knows, Mr. Speaker, that I am not a traditionalist! Yet, I would say that, when such basic values are involved, the politicians have no right to ignore them and to listen blindly to the Minister of Finance (Mr. Wilson) and the Prime Minister and be party to an injustice. There is no partisanship in my comments, Mr. Speaker. This legislation is simply unacceptable, whether you are blue, red, green or orange, because there are families in every political party.

Mr. Speaker, I invite my colleagues to reflect on this because one day children will blame them for their attitude.

• (1550)

[*English*]

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise to join in this debate on the six-month hoist motion with respect to Bill C-70, An Act to amend the Family Allowance Act. I am very happy to take part in this debate because it is absolutely essential that we use every opportunity we can to have this Bill set back in time and if the Government will not withdraw it, kill it by that means.

In explaining why I believe it is so necessary for this Bill to be killed, I want to say a little about the beginning of this session of Parliament. In November of 1984, I remember being in this building for the Throne Speech and going to the Senate Chamber to listen to the Governor General read the Throne Speech. I found myself just outside the doors with many other Hon. Members, including Cabinet Ministers. We were all listening carefully. At one point I looked over and saw the Minister of Finance (Mr. Wilson) who stood not more than six feet away. As the Governor General read the sentence, "That we must deal urgently with the deficit is beyond dispute", I glanced over at the Minister of Finance and raised my eyebrows because it is most certainly a matter which is open to dispute. He nodded his head portentously and I realized one of the realities about this Government. Whatever promises were given to the Canadian people in the summer of 1984, certain key people in this Government were convinced that the only way in which this country could advance toward prosperity was to take action on the deficit, no matter what.

As we walked back toward this Chamber, I seized the opportunity to meet the Minister of National Health and Welfare (Mr. Epp). As you will appreciate, Mr. Speaker, that had a special significance for me since I had not had the opportunity to shake his hand before and to chat briefly with him. We walked into the Chamber together and as we parted, I said, as one Epp to another, "Beware the cutters". It took a moment for that to register. The Minister laughed, as did the Tories around him. Ten months later, it is obvious, as it was obvious last spring, that that was no joke. In fact, the Minister of National Health and Welfare was going to be forced to yield to the "cutters" whatever his protestations.

It became clear, in fact, on May 23 that Bay Street had triumphed over Main Street, that River Heights and Tuxedo were socking it to Steinbach and Ste Anne. As I travelled early in July through southern Manitoba and areas in which I grew up, I wondered to myself what the people of Provencher must think about their Member of Parliament, the Minister who spoke so bravely in months past about what the Government was going to do, and who was forced into ignominious retreat with respect to the deindexation of family allowances. After all, in January, he published a consultation paper in which he suggested—and I read from page 6 of this booklet, the third principle which would govern any reconsideration of family benefits and old age pensions, and I quote:

> Any savings which may result from program changes will not be applied to a reduction of the deficit.

That was a bold and categorical statement. He had in fact invited Canadians and Members of Parliament to think with him about how we could ensure greater fairness in the distribution of benefits from these programs without disturbing the universality of family allowances and the Old Age Security pension.

It became all too sadly clear in his comments on Monday that he has been forced to yield this point. He went so far in fact as to straightforwardly present the savings which were going to be made in this area as a means of deficit reduction without any particular apology, nor any defence that I could see.

The Minister of National Health and Welfare said in his speech on Bill C-70, and I quote from *Hansard* on September 16, 1985 at page 6619:

> In the Budget of May 23, 1985, the Government, through the Minister of Finance (Mr. Wilson), announced its intention to restructure the federal child benefit system to provide greater assistance to families with lower incomes while at the same time moving to bring our national debt under control. This Bill represents a first step toward meeting those dual objectives.

That seems to me a very candid concession. What had been rejected in January as an option, what had been denied in the statement of the principals who govern the actions of the Government, had been abandoned under the pressure of the Minister of Finance. The Minister of National Health and Welfare went on in his speech to say:

> Many of those concerned about the problem of the debt and the deficit advised a more drastic course of action. Indeed, there are those who advocated that Government spending be reduced through the elimination of some of our social programs, and that includes family allowances.

That paragraph is an astonishing admission of the kinds of battles which appear to have been fought if not in caucus, then in Cabinet. There had been struggles to maintain something or other of the system. I suppose I should recognize that the Minister achieved something in maintaining what he has maintained, but there can be no doubt that the sacred trust of the summer of 1984 lay in tattered ruins when statements of that sort were being made on September 16.

• (1600)

What happens to the hopes of Government that remain? He is, after all, convinced. I am sure his colleagues will support

the fact that the changes being made to the family allowance system are part and parcel of better targeting. He concluded his observations on Monday by saying:

—I believe this Bill merits the support of the House. It is part of a restructuring of the child benefits system which will ensure that the benefits given to families with children are distributed on a fairer and more rational basis.

He goes on to add his thoughts about the fiscal situation and the deficit. Do the changes represent an improvement in the circumstances of poorer Canadians, about which the Conservatives still presume to cry crocodile tears at times?

The Canadian Council on Social Development last spring gave an assessment of the impact of the whole package of Budget changes on Canadian families. I would submit, Mr. Speaker, without being particularly open to question, that surely as a Minister, the Minister of National Health and Welfare would have available to him the kinds of assessments which the Ministry of Finance could make, applying fairly straightforward assumptions to the consideration of the circumstances of families of various levels of income. The astonishing thing about that, as the Canadian Council on Social Development has demonstrated, is if one applies those assessments to families, a couple with two children earning $10,000 a year all the way to $40,000, one finds that they will suffer a loss in income. The loss as far as a percentage of disposable income is concerned, runs as high as 4.5 per cent by the year 1990. If one takes not disposable income, which is income after taxes, but discretionary income—the amount of money people have left after having paid for food, clothing as well as taxes—one finds that a family with $10,000 a year will lose over 11 per cent of discretionary income because of the changes which the Government is bringing in. That is quite scandalous, given the statement that the Government is seeking, at the very least, to orient things to needy Canadians. On the other side, Canadians with resources, those with large incomes, end up quite nicely ahead of the game with gains of 3 per cent to 4 per cent rather than losses.

The point has been made by the Canadian Welfare Council, which has the opportunity of making published reports under the Government of Canada because it is officially appointed, that only the poorest families with incomes below the tax-paying thershold will benefit from these changes, and at that in rather modest amounts for a few years. After the various changes are phased in—and I will not read the list of the various changes—even the poorest parents will receive less than they would from the existing child benefits system. In the meantime, some lower-income and all middle-income families will suffer losses in child benefits, starting in 1986. The Council concludes that in future fewer and fewer families will qualify for the child tax credit, and the value of child benefits will decline for everyone. Universality will be maintained in name, but, in fact, child benefits will lose value and be increasingly concentrated on families on the bottom rungs of the income ladder. This is what we get in the fortieth anniversary year of the family allowances in Canada from a Party, the Government now, many of whose Members probably never thought family allowances were a good idea and were quite preapred to accept all the media talk of baby bonuses. Conservatives never recognized that the point of the family allowance was to take people on minimum, limited wages and to provide them with something toward the cost of maintaining a family. The family allowance was always a vital part of Canadian fiscal economic policies established in the middle 1940s resulting from the experience of depression and war. Conservatives, I suspect, in many cases have never appreciated that.

I am personally very disappointed that the Minister of National Health and Welfare yielded, as he did. I say to my colleagues on both sides of the House that the only decent thing to do to this Bill is to hoist it six months and kill it, as it deserves to be killed, and get back to really building up the benefits that families need.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I begin by saying that it would be politically naive in the extreme to say that Parliament and the Government of the day ought not to be concerned about the size of our federal deficit. Having said that, however, I ask the House how can we ask mothers and their children to lead the way in a program of deficit reduction? How can we do that, Mr. Speaker? The Government has already backed down under pressure from Opposition Parties and from senior citizens organizations from imposing a financial penalty on senior citizens as proposed in the Budget. Now we ask the Government to do exactly the same thing again, to think about it.

The Government should think about this Bill which imposes a penalty on children. This is no temporary measure just brought in for a short while. This is a permanent feature of our social contracts with this nation. It will hurt families more as time goes on. If we need austerity measures, and I do not deny for a moment that we do, then I say that the Government should begin with its own house.

If this Government is committed to a program of austerity to bring fiscal balance back, why do we have the largest Cabinet in our history? Why do we have all those expensive new staff positions in every Minister's office?

Mr. Boudria: And the limousines?

Mr. Penner: Why do we have expensive redecorating and refurnishing of Minister's offices? Why do we have such an increase in the size of the Prime Minister's office when the Conservative Party yelled and screamed in anguish at the previous levels in the size of that office. Now the Conservatives have gone far beyond that. They have bailed out a bank at what may yet amount to $1 billion, a failed endeavour. If we need austerity, let it begin with the Government and the way it operates.

There are many expenditures that can be postponed or reduced. I ask the Government to leave the children of this nation alone. Leave the children and their mothers aside in the deficit fight until every other avenue of saving, every other means of expenditure reduction, has been fully explored and implemented. Once the Government has done all of that and it

has its own house in order then it can say with pride "Look at our austerity measures". If still more are needed, perhaps the Government can make a plea, beginning with middle-income families and up, but not until the Government has done its own work.

This Bill indicates to me that something is very seriously wrong in Canada with our priorities. We limit the flow of money to needy persons but we can find money for almost anything else that comes to mind in Government operations.

I just returned last evening from visiting an Indian community on the coast of James Bay, a community which this past spring was flooded out. I went to see how the repair work was coming along and found that it is not coming along well at all. Houses are still partly demolished. I asked the officials why and they told me that there is not enough money to repair the homes. Winter is coming on and the houses are standing on blocks with no insulation. I saw a child playing in a dirty, muddy pool in front of his partly demolished home. Not far away from him was a huge garbage disposal site. That site ought to be moved away from the community because it is creating problems with the drinking water and causing disease. However, it cannot be moved because there is no money. We are asking that child to help us in our fight against the federal deficit. In the recently leaked Buffalo Jump report, the Government indicated that it wanted to cut more than $300 million from the program to assist the poorest of poor, the Indian people of Canada. Let austerity begin with ourselves; let austerity begin with the Government itself. We cannot fight the deficit on the backs of needy people. We cannot fight the deficit by calling for the co-operation of children and their mothers who need those few extra dollars.

• (1610)

The Government argues that the child tax credit will offset this reduction in the family allowance. We know from a careful analysis of this by the National Council on Welfare that that is not so. In speaking about child benefits, the council indicates that many lower and all middle income families with children will receive less than they do from the current system. After 1990, even the poorest families stand to lose child benefits. In future, fewer and fewer families will be eligible for the child tax credit. That argument which has been offered on the other side does not stand up under analysis. It is a false argument. The buying power of the family allowance cheque must be maintained. It is unfair, unjust and unreasonable to do otherwise.

I remember when the child allowance came into existence. I recall, as a child, being told about it by my mother. I could not imagine that some Government in far off Ottawa was concerned about a person like me, a child, and that it would actually give money to my mother to provide some of the things I would not have otherwise had. I remember the war years, those years of austerity. There was little money for things such as a pair of skates, a baseball mitt, a bicycle or even a movie at the cost of 12 cents. We accepted that as children because we were told that there was an ongoing war and that everyone had to sacrifice. Brothers, uncles and fathers were dying overseas. Later came the child allowance, money for mothers to provide their children with things they ought to have in the process of growing up. Those few extra dollars have become important. It is not extra money that can be thrown around. It is now important money, especially with unacceptably high levels of unemployment, soup kitchens and the increase in poverty. Mothers need that money to provide their youngsters with items to enrich and enlarge their lives. We are not talking about luxuries; we are talking about necessities.

What sense is there in saying that this small sum of money will not be increased fully in accordance with the cost of living? What sense is there in asking for this small cheque to be reduced by the rate of 3 per cent per year? According to the National Council on Welfare, by 1990, as a result of budget changes to child benefits and the income tax system combined, a family with an $80,000 income will lose $1,125 per year. No tears are shed for them. However, a low income family will lose more, $1,879 or $754 more per year, and a middle income family earning $40,000 will lose $3,452. Where is the justice? Where is the rationale?

I should like to conclude my remarks where I began. Most Canadians agree that the mounting federal deficit must be brought under control. However, the Budget proposes to do so by turning away from what has been a long-standing commitment on the part of the federal Government of Canada, that is, to continue the fight against poverty. It is a wrong-headed policy. We are debating a cheap, petty, public policy. I am certain the Minister feels ashamed about it. Therefore, I call upon back-bench members of the Conservative Party to join with us in bringing pressure upon the Government. It should be given the message that this is not the way in which to proceed in a reduction of the deficit. It is an injustice to do it on the backs of children, their mothers and families which need these few extra dollars that we give them each month.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there are a number of points I should like to cover this afternoon on Bill C-70. The first one was just made by the Hon. Member for Cochrane-Superior (Mr. Penner). He left the impression that this was the first time that family allowances had been affected by Government decision. I draw to his attention that when I first rose to speak on Bill C-70, I pointed out that the former Government had made more radical changes in 1976.

Mr. Penner: Not permanent, though, Jake.

Mr. Epp (Provencher): I hear the Hon. Member saying that they were not permanent.

Mr. Penner: They were just temporary measures.

Mr. Epp (Provencher): I point out to him that they were much more permanent than anything we have suggested. Whereas the family allowance payment per child is now approximately $31 per month, if the decision of the Govern-

ment which he supported had not been taken, the payment today would have been $51. That is a permanent change. If he takes a look at the six and five proposal also introduced by his Government, there was a change as well. The Hon. Member used the word "permanent". The first time I rose to speak on the Bill, I said very clearly that as financial circumstances permitted, we would examine the benefits level. That is not permanent. I know him to be an honourable man; he has demonstrated that throughout the years. I clearly point out to him that some of the things he said cannot be substantiated in fact.

I also rise today because I am concerned about the statements which were left on the record by the Hon. Member for Hamilton East (Ms. Copps). At the time of the introduction of Bill C-70, I made proposals relating to more flexibility. I said that there would be more discretionary power for the Minister of National Health and Welfare regarding unfortunate circumstances where children were presumed to be dead, and that we were looking for a means by which to be more caring and more flexible in our dealings with parents in that unfortunate and tragic situation. Unfortunately the Hon. Member absolutely misinterpreted the intent of the proposal. She literally called it an attack on parents in those unfortunate circumstances. In order that the record be very clear in this regard, I point out the effect of that amendment once again. During debate in the House on the family allowance amending Bill, Bill C-70, the Hon. Member for Hamilton East questioned the rationale behind one of the minor amendments included in it. The amendment in question proposes to give the Minister discretionary authority, for the purposes of the family allowance program, to issue a certificate declaring that a child is presumed to be dead in cases where a child has disappeared and there is reasonable evidence to believe that the child is dead. What it will do is enable the Government to settle with the parents in those cases, not to remove any money because at the present time the payment is not for seven years.

● (1620)

In fact, the Act says very clearly it is to be curtailed. That is how the Act now reads. The payment is to be curtailed in that month. Generally we have been paying on a six months basis. That is beyond the date. In fact, what it will now enable us to do is to have the flexibility to meet the exact circumstances of those unfortunate situations.

The third point I make, Mr. Speaker, is this: I wish to inform the House that there have been consultations among the representatives of the Parties of the House and that it is not possible to reach an agreement pursuant to Standing Order 82 or Standing Order 83 with regard to the allocation of time to the second reading stage of Bill C-70, an Act to amend the Family Allowances Act, 1973.

Therefore, at the next sitting of the House it is my intention to propose the following motion pursuant to the provisions of Standing Order 84:

That, in relation to Bill C-70, an Act to amend the Family Allowances Act, 1973, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and that fifteen minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings before the House shall be interrupted if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successfully, without further debate or amendment.

Mr. Howard McCurdy (Windsor-Walkerville): Thank you, Mr. Speaker. Moments ago the Hon. Member for Cochrane-Superior (Mr. Penner) asked the members on the government side to think about what they are doing. When in the Chamber speaking as we have been about this Bill and when one looks around the Chamber, one would have to be one of those who likes to sing in the shower where the echo enhances your voice because, really, all the value that attends these interventions is to have the sound of your voice enhanced because it is clear. Look around us. Except for the rat pack making noises behind the benches nobody is paying any attention to what is going on. There is very little likelihood that the arguments that have been repeated over and over again about the unfairness of the Government's action are going to penetrate, except by a process of osmosis.

Yesterday the Hon. Member for York East (Mr. Redway), in dismissing the rather considerable number of statistics advanced to demonstrate that a great many families were going to be hurt by the actions set out in this Bill, advanced the hypothesis that in spite of the fact that the statistics based on what the Bill purports to do now may indicate some harm done to low-income, middle-income and poor people, that if you think about it there may be some changes in the economy, there may be more people going back to work, the Government may change its mind about something or other and when it all gets shaken out in the wash, it will not be so bad after all and, if it is looked at maybe in 1990 or 1991, in fact things will be a great deal better for the poor and the low-income and middle-income people who are going to be hurt by this legislation.

I had great difficulty in following the argument until I observed that the speaker was projecting a map of his logic. I noticed that that map constituted a circular movement of the finger, as I do now, so we could recognize that the logic of his argument was the same as the logic of the entire argument on that side, circular and inpenetrable.

It is an argument that must be extremely perplexing and confusing to the Canadian people, particularly in the context of the events that have been transpiring in this House over the last few days. We have a Government that assured the voters that it would do nothing that would hurt the quality of life or affect the benefits of the poor or the middle class in our society and certainly would not commit itself to attacking the deficit on the backs of those who could least afford it. In spite of that we have heard speaker after speaker on the other side, with rotating finger, clearly indicating that one of the motivations for the kind of legislation that we have before us was indeed to cut back the deficit. This is at the same time as we are in the process of discussing the contribution of something in the order of $1 billion to make up the losses that resulted from this government's ineptitude.

What is transpiring now is really quite shocking when you think about it. After all, it has only been a few weeks since the

Government attempted to make changes in the Old Age Security and thought that they might do it at the expense of a set of tired and sleepy targets that proved to be neither tired nor sleepy. The senior citizens rose up, with the support of the entire country, and the proposal to partially deindex old age pensions was a decision that had to be changed, and so full indexation was returned.

Now, looking around for easy targets and I suppose with a new dimension of sexism perhaps, certainly looking at children as easy targets, the Government thinks that it is going to attack women, children and families and not get a reaction. The reaction is already taking place. The reaction is manifestly affecting the attitude of the Government because the Minister stood up only moments ago and said "We have had enough of this, too many people may be aroused to what is going on, so we had better have closure." But it is too late. It is unnecessary and ridiculous. One would think we were talking about an extremely expensive program here. The fact of the matter is, by comparison to many of the programs that continue and in terms of some of the measures that this Government has already advocated and in terms of the savings that they hope to achieve, this program is trivial. It has been contracting, not only in terms of cost but benefits that have been going to citizens over the last few years. By the way, when the Member who spoke earlier asked this Chamber to think, I suppose it is worth noting that he ought to contemplate what was said by the Minister earlier and that is as a result of the actions of the past Government the family allowance was indeed cut several times over the last 15 years. The result, I will repeat what the Minister said, is that it amounts to only some $30 instead of the $50 it would have totalled per child if the former Government had not been as deliberate as this one in saving money at the cost of children, families and women.

Let us look at the record. Ten years ago family allowances consumed about 1.2 per cent of Gross National Product and 6.4 per cent of federal expenditures. Presently it consumes .57 per cent of the Gross National Product and 1.2 per cent of Government expenditures. In dollar terms we are talking about something like $2 billion a year, just twice as much as we are going to have to put into the bank fiasco, just twice as much. In the first year of this partial deindexation the Government just may save as much as $20 million. Not until 1990-1991 is it going to save as much as $400 million. That is trivial compared to the $1 billion that it is going to throw the way of the banks. It is certainly trivial compared to the amount of money that is going to go to the oil companies and it becomes a joke in its triviality compared to the tax expenditures benefiting the largest corporations which are not producing jobs in proportion to the amount of money going into those coffers.

• (1630)

Let us recognize that the Government, under the leadership of the Minister, in consultation with the other two Parties, did attempt to look at some changes which were purported to be to the advantage of women, the family and children. However, what was the net result? No attention has been paid to the substantial changes in the tax structure that will affect people, whether or not they have children or are women. There has been partial deindexation all along the line. We should look at the pattern of changes to the child benefits.

What about the claim advanced by the Hon. Member for York East and by others yesterday that the poorest are going to be better off? I would just point out that in the first year, a family with two children making less than $9,000 per year will lose $22 in the first year and will make some gains until 1990 but after that will continue to lose. A family with two children and an income of between $15,000 and $35,000 per year—and the $35,000 per year is about average—is going to lose simply on the basis of those changes in benefits.

Having heard some of the utterances of the Minister of National Health and Welfare (Mr. Epp), I am sure that he did not intend this to happen. He is groping around looking for a means by which he can modify things to some slight degree so that he can get back to a program that will fulfil the intentions that he has broadcast over this land. I would suggest that the first step would in fact be to withdraw or modify the Bill in committee. Better still, I would suggest that the Minister rise like a man who stands for the principles that he preaches to the country to support us in this six-month hoist.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, this afternoon I listened to what I think is the absolute height of hypocrisy supposedly on the part of the poor. I listened to the Hon. Member for Cochrane-Superior (Mr. Penner) talking about—

Mr. McCurdy: Mr. Speaker, I rise on a point of order. It is my understanding that the terms "hypocrisy" and "hypocrite" or any term like that is considered unparliamentary language.

Mr. Epp (Provencher): It just depends how it's used.

Mr. Boudria: Only when referring to another Member.

Mr. Deputy Speaker: The Chair did not understand the meaning of the word "hypocrisy" as applying to a specific speaker. I believe that it was used in a more general way. Therefore, it is parliamentary.

Mr. Thacker: Mr. Speaker, I want to bring to the attention of the Hon. Member for Cochrane-Superior who referred to some renovations in the Prime Minister's Office that he conveniently did not make reference to the renovations to Stornoway, the home of the Leader of the Opposition (Mr. Turner), renovations which were much more substantial. I must say as well, Sir, that the Prime Minister (Mr. Mulroney) took a 15 per cent reduction in his salary increase and Cabinet Ministers took a 10 per cent reduction. That same offer was made to the Leader of the Official Opposition as well as to the Leader of the NDP (Mr. Broadbent) and they both refused. They were not going to take any reduction in salary to show any leadership.

Second, I would like to refer to the little Indian boy to whom the Hon. Member for Cochrane-Superior referred. The

Hon. Member spoke of the immorality of depriving that poor little duffer. I agree that it is immoral but what is surely more immoral is that that Hon. Member and all Hon. Members of the NDP who happen to have two children are taking 79 bucks a month in family allowance payments. We know that the top tax rate in this country is 50 per cent. It is surely more immoral for us to take that money while that little duffer does without, and that is the goal of this Party.

Ms. Mitchell: Let's have fair taxation then.

Mr. McCurdy: Make it more progressive. We agree with you.

Mr. Thacker: We are trying to have the people who make more money give up that family allowance. Members of the NDP are trying to keep that money because of sheer personal greed.

Some Hon. Members: Oh, oh!

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I am delighted to rise in the House to deal with Bill C-70 and try to focus the debate again on the children and not on what is now going on in the office of the Prime Minister (Mr. Mulroney) or in the office of the Leader of the Opposition (Mr. Turner). I should like to say how surprised I am to hear that the Minister of National Health and Welfare (Mr. Epp) would like this debate to come to an end, thereby muzzling the Opposition which is trying to defend Canadian families. I am also somewhat disappointed, because the role of the Minister of National Health and Welfare is to protect Canadian families, women and children. He is clearly trying to muzzle the Opposition.

I feel it is most important to emphasize that family allowances are just about the only social recognition women get for having and raising children. I think it is also very important to emphasize their particular nature.

In 1944, the Government of the day adopted legislation providing for family allowances because of the distress of poor families and the extremely high infant mortality rate at the time. It can be said that poverty today should be one of the major reasons for maintaining family allowances.

I think it is necessary to maintain the universality of family allowances to avoid the group within our society receiving allowances being stigmatized and because selective social programs would cost a lot more to administer and absorb the resulting savings. Today, it is not the universality of family allowances which is being questioned, although the Government is often tempted to establish a beach-head in this direction.

What we are dealing with here today is a possible reduction of the purchasing power of families with children, because family allowances will no longer be indexed on the cost of living increase, but rather on the excess of this increase over 3 per cent.

I listened to the Minister of National Health and Welfare when he introduced his bill. He said among other things that the difference between what he is proposing and a normal increase of the family allowances based on the consumer price index was only $22 per family per year. He emphasized also the steps which the Liberal Government had taken in 1976, 1983 and 1984 to reduce the annual increase of family allowances.

Let us examine closely the arguments put forward by the Minister of National Health and Welfare to see if they will stand the test of a serious and thorough analysis. In 1976, the Government decided not to increase family allowances and, in 1983-84, it decreed an increase of 6 and 5 per cent, in line with the program it had implemented to end the economic recession. What we must understand is that each time a Liberal Government was compelled to limit the yearly increases, it implemented temporary measures and, the following year, everything returned to normal.

We should emphasize that the purpose of its budget restraints was not to reduce the deficit. The Liberal Party has never tried to solve the deficit on the backs of the poorest of the poor. What do we have here? When we consider the historic background, we realize that the purpose of Bill C-70 and the budget tabled on May 23 is to empoverish our middle and low income families gradually.

What is involved is not a mere $22 per family, Mr. Speaker. To cry out that $22 is peanuts is to miss the point. Liberal members are not as near-sighted as Conservative members. We are well able to see what the Budget and Bill C-70 imply for the coming years.

This is why I have no problem stating that what the Liberal Party did in 1983-84 with its 6 and 5 program was small beer compared to what this Conservative Government wants us now to swallow.

• (1640)

If you look at the table of estimates for up to 1991, you will see that for the fiscal year 1985-86, the Conservative Government will be taking $20 million out of the taxpayers' pockets by reducing family allowances. That figure is increased 20 times for the fiscal year 1990-91. This means that the Government is considering family allowances as its future reserve for solving deficit problems.

Old age security benefits also were a very significant source of revenue that would have been used to wipe out the deficit had it not been for the firm step taken by the senior citizens in coming here to remind the Government last June that their duty was to support our elders, those who helped make Canada what it is today.

Mr. Speaker, I would now like to compare the savings that will be gained on family allowances up to 1991, with the expenditures this Conservative Government is prepared to make until 1991 in the case of those who can afford to make capital gains.

As I said earlier, the Government will take $400 million from families with children to reduce its deficit in the next five years. At the same time, it will forgo—

An Hon. Member: Rob the poor and give to the rich!

Mrs. Pépin: —at the same time it will forgo $1.25 billion because of an income tax exemption on capital gains.

An Hon. Member: Shame!

Mrs. Pépin: Unfortunately, the impression I get is that the argument of the deficit holds only when they want to reduce social expenditures. When it comes to helping the rich in our society, there is no mention of the deficit whatsoever.

Indeed, the corporation surtax will have disappeared by 1991. The removal of the oil and gas revenue tax will entail a $2.5 billion loss to the Government, but a gain for multinational corporations. The Government will also lose $1 billion in special Canadian ownership levies.

Mr. Speaker, in this speech opposing Bill C-70, I am going back to the whole budget debate. Ironically, I am doing exactly what the Minister of National Health and Welfare (Mr. Epp) suggested opposition members should do, that is put Bill C-70 back into historical context.

Bill C-70 makes no sense when viewed in the light of election commitments made by the Conservatives. They promised to maintain social programs to help Canadian men and women through the economic recession.

During the debate on the Speech from the Throne in November 1984, the Minister of National Health and Welfare stated: "It is my duty to give signals and take steps to strengthen the role of the family and give it more importance than ever before in our society".

Today, by removing the indexation of family allowances, the Government is attacking social programs designed to support the family. I wonder what kind of signals the Minister of National Health and Welfare is giving them?

Our social programs are not wasteful. The Macdonald Report points out that Canada ranks in the lowest third group of industrialized countries as far as its expenditures for social programs are concerned. This is what the report says: "Considering the moderate funds which, according to OECD criteria, Canada allots to its social sector, there is really nothing to warrant drawing from the social envelope to reduce the deficit."

With Bill C-70, the Tory Government is denying families with children the maintenance of their purchasing power. At the same time, it is increasing taxes on fuel and health products. Family allowances are often the only income going directly to women.

I think that the financial security of women should not be eroded but rather strengthened. By reducing the annual increase in family allowances till 1991, the Tory Government is asking mostly women to make up the deficit.

I would like to recall what the National Action Committee on the Status of Women said before the Standing Committee on National Health and Social Welfare during its hearings on benefits granted to senior citizens and their children. The National Action Committee believes that the assistance now being paid out universally to all parents is too low. Consequently, it has urged the federal Government on several occasions to increase family allowances to a more realistic level. The Committee opposes one of the options in the paper under consideration published in January which would entail a reduction in family allowances. It opposes any actual decrease of the allowance by way of a surtax or a ceiling on cost of living indexation.

On the other hand, the group for the reform of social policies writes in connection with family benefits that the Conservative budget has been said to be increasing the assistance paid to low-income families but actually such assistance will be reduced by 1990, when the combined effects of income tax increases and the reduction of family allowances will offset any gain from the increased child tax credit.

Mr. Speaker, like many pressure groups representing families, children and women, I oppose Bill C-70.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome this opportunity to participate in this debate and make my views known on Bill C-70. I feel this Bill is just another nail in the coffin in which the Conservative Government is trying to bury our whole social security program. I especially welcome this opportunity to speak since the Minister has just given notice of a motion he will move for time allocation. I must admit I was a little surprised by that notice after only nine or ten hours of debate on a very fundamental question facing Canadian people. After a mere nine or ten hours, the Minister has decided that the Canadian people have had enough of this debate and there will be time allocation. This is a significant change for the Conservative Party. One need not have a long memory to remember the times when Conservatives at least maintained that they upheld the principle of full and open debate on measures such as the one before us. Now, just nine or ten hours after debate had begun, they wish to shut the lid on it.

It was also interesting to hear the exchange between some of the Conservative Members, the Minister and some of the Liberals over which one of those two Parties had done the most damage to our social security program. The Minister pointed out very rightly that if it had not been for some of the changes introduced by previous Liberal Governments the

family allowance today would be $52 instead of $31. I remind Hon. Members this is the first time the Conservative Government has been at bat for a while and we are just beginning to see the way in which they are attacking our social security programs. We had several years in which the Liberals slowly but surely eroded those programs. It seems that once again we have to be fighting a rear guard action protect our social security programs and to ensure that all Canadians have a right to participate fully in Canadian society and have, at least, a chance of living a life with some dignity and equity.

Canadians should have known that when they elected a Conservative Government that this was the type of agenda that it had in mind since, in the past, some Conservatives had let slip that they were going to have to do some very mean and nasty things. We now see those mean and nasty things happening. The reason the Canadian people did not really believe that this was going to take place was because they accepted, at face value, the promises made by the present Prime Minister (Mr. Mulroney) when he was campaigning. For example, last August, he very solemnly gave the assurance that no social programs at all affecting anyone in need would be touched by a Progressive Conservative Government. Without hesitation, the Prime Minister gave that assurance and, now, with very little hesitation, we can see this Government moving to remove full indexing from family allowances.

● (1650)

When the Minister of National Health and Welfare (Mr. Epp) introduced this legislation on Monday, he said that we cannot separate social programs and benefits from economic reality. That is a proposition with which we would all agree. Social programs and benefits have to be tied to economic reality. The question I would like to raise is how do we perceive that economic reality? If we look at the actions of the Conservative Government in the past few months, we see that its view of economic reality is basically one of cutting back on social programs in order to grant a tax holiday to people with capital gains of up to $500,000. We see proposals to bail out the Canadian Commercial Bank to the tune of $1 billion. At the same time, we see proposals to cut back on programs like Old Age Security and the family allowance. The seniors of Canada made the Government see the folly of trying to cut back on the OAS. However, as my colleague, the Hon. Member for Vancouver East (Ms. Mitchell) pointed out, they may have persuaded the Government politically that it was folly but they have not yet persuaded this Government morally. It is important for the Government to face up to the fact that what it is doing is not moral.

If we are going to talk about economic reality, let us do so from the perspective of hundreds of families in my constituency. I am sure this would also be true of hundreds of families in most Members' constituencies. In fact, it would be true of millions of Canadian families coast to coast. They face an economic reality which I think is rock bottom and we have to deal with it in this House. It is the economic reality of being poor, not having enough money from month to month to meet basic necessities. It is the economic reality of children having to go back to school in need of new clothes and school supplies and their financial resources are stretched to the breaking point. That is the economic reality we should be looking at first of all.

The Macdonald Commission, when it looked at the question of distribution of income, seemed rather surprised that there has not been any real change in Canada over the last 30 years. The overall distribution of income has changed remarkably little during the past 30 years, according to the report. The poorest fifth of Canadian families and individuals continues to receive about 4 per cent of all income while the most affluent fifth receive about 40 per cent. It seems surprising that the distribution of income appears so stable and existing research has not fully discovered the reasons for this phenomenon. Whatever the full explanation may be, the gap between the affluent and the poor in Canadian society remains as wide as ever. In one table to the report, the effect of some of the transfer programs on the distribution of income is shown. Before programs such as family allowance and OAS are counted, the poorest fifth of Canadian society received only 1.4 per cent of Canadian income. That is, 20 per cent of Canada's people received one-seventieth of Canada's personal income. After those programs are added in, they received the magnificent amount of 4.6 per cent of national income. With aboriginal people the question is even more severe. Government transfer programs constitute the second largest source of income for these people. With that in mind I want to go back to what the Minister said about the fact that previous changes to the family allowance program have meant we are only paying $31 per month today compared to what it should be, $52 a month. We wonder why there has not been any real improvement in the gap in income equality in Canada, yet we continue to have Governments such as the previous Liberal Government and the present Conservative Government cutting back and eroding such basic programs as family allowances.

When the Catholic Bishops spoke on this issue two years ago, Mr. Speaker, they talked about putting an end to these cut-backs. They said the economic realities in Canada revealed a moral disorder in our society and I want to say to the Conservatives opposite that Bill C-70 contributes to those moral disorders and I support fully the motion that this Bill be given a six-month hoist.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Conflict of Interest—(*a*) Request for details concerning formation

of certain private companies. (*b*) Company shareholdings; The Hon. Member for Comox-Powell River (Mr. Skelly)—Fisheries—(*a*) Exercise of ministerial discretion—inspection of fish products; The Hon. Member for York West (Mr. Marchi)—Multiculturalism—(*a*) Federal-Provincial Conference—size of Budget.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be now read a second time and referred to a legislative committee, and on the amendment of Mr. Frith (p. 6625).

Mr. Sergio Marchi (York West): Mr. Speaker, I rise this afternoon to participate in the debate on Bill C-70, which has the effect of deindexing family allowance benefits to the tune of $55 million. It is out of sad necessity that I speak on this Bill. It is an obligation on this Member and certainly on Members of my Party to speak against another piece of regressive Tory legislation. This Bill has its roots in a Budget that one can characterize very accurately as a give and take Budget. It takes from the poor, the working class and middle class and gives to the rich and wealthy Canadians.

Specifically, Mr. Speaker, what does this Bill mean in real terms to the average Canadian? To better answer that question one cannot only look at the ambit of this particular Bill, one has to look at the number of measures introduced last May in the Conservative Budget. When you do that you see that by 1990, including changes to personal income tax and family benefits, a two-child family with both parents working with income in the neighbourhood of $15,000 will lose about $1,879 in purchasing power. Compare that to a family earning $80,000 who will lose $1,125. Even with this very quick arithmetic, we can see very clearly that low-income families will lose $775 more per year than high-income families, and middle-income families will lose three times as much. Then consider the increase in consumer and gasoline taxes, the tax on health care products, and the removal of the RHOSP program which permitted young couples to put money aside to purchase their home. Then you get an idea of where this Tory Government is going.

As if that was not enough, the pre-Christmas debate was one which the Government wanted to use to open up the question of universality. Then prior to the summer recess we had the issue facing senior citizens of this country. This Government wanted to fight the battle of the deficit on the shoulders of our senior citizens. This month we see that senior citizens have been replaced by the mothers and children of this

country. To make matters worse, the Minister of Health and Welfare (Mr. Epp) has moved for closure on this Bill. Is that because the Government is embarrassed to have Members of Parliament debate Bill C-70 further? Is it worried that Canadians will get agitated as they did in May and June to stop the regressive move of deindexing old age pensions? I recall hearing the Prime Minister (Mr. Mulroney) talk about civility, parliamentary procedure, democracy, and the will of the people. Where are those words today? Where is the Prime Minister today with his great oratorical skills?

• (1700)

Those were not the only words uttered by the Prime Minister. In the Speech from the Throne it says, "My Government has a high priority measure to support and strengthen the Canadian family which is the cornerstone of our society". How do those words compare with the Bill before the House? The Minister of National Health and Welfare was not to be outdone by the rhetoric of the Prime Minister. He said, "It is the family and commitment to community which guarantees stability in our social fabric. It is my role to put forward signals and initiatives which will strengthen the role of the family and give it more prominence in society than I feel it has been given before".

Hon. Members on the other side were talking about hypocrisy. I ask them to look at the statements of the Minister of National Health and Welfare and the Prime Minister. It does not take a genius to discover that there is a serious credibility gap between their words and their actions. Canadians no longer trust the Government. They no longer have any confidence in the Government's plan of action. Most importantly, Canadians will not allow the Government, despite its absolute parliamentary majority, to take them down a path they do not wish to travel. There is no better example of that than the actions of our senior citizens. The Government was prepared to deindex old age pensions. It made statements in the House and across the country that it would not back down. How long did it take for the Government to buckle under and listen to Canadians across the country? Canadians are facing another issue on the same principle, only this time senior citizens are being replaced with children and mothers.

The Government has been accused of lacking decisive leadership, and rightfully so. One can look at the banking fiasco, the broken promises, the on-again-off-again waltz with star wars, and the tuna fish issue. On those issues they did lack leadership. The only position that they are clear on is that of social security programs. The Government is comprised of a regressive group of men and women who are taking us backward rather than forward. The Government introduced a Budget which gives the wealthy tax breaks, loopholes, and a $500,000 bonanza and asks senior citizens, mothers, and children of the country to bear the brunt of the financial situation that the Government finds itself in. They are being regressive rather than progressive as their Progressive Conservative label would suggest they should be.

Time after time history has taught us the consequences of allowing misery and neglect to fester unremedied. It is indeed very dangerous to make these matters worse. When speaking to this country some time ago President Kennedy declared: "If we cannot help the many who are poor, we cannot save the few who are rich". Mr. Speaker, while our circumstances are different than those on other parts of the globe, the words still ring very true and they should be heeded. If the Government is honest enough, it will realize that compared to many countries Canada is very wealthy.

Our challenge as a Parliament is to tear down that vertical mosaic which John Porter described 20 years ago in his book. We must tear down that vertical mosaic and redistribute the wealth and power of the country. These policies will not do that. Rather, they will reinforce that vertical mosaic and that is dangerous. The Liberal Government of the last 16 years initiated many of these programs and Canadians realized that this was the social contract they had with the country. Closure or no closure, Mr. Speaker, the children and families of the country do not want to renegotiate a new contract with this or a future government. My Party will remain true to that social contract. Let us see whether the Government has the courage to stand up to something that is very wrong.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I just want to say a few words about this particular motion to hoist Bill C-70 for six months, and the few words I want to say will take exactly 10 minutes. I do not see Machiavelli on the other side of the House, but if I were machiavellian I would tend to think that this plan to cut back on family allowances was a deliberate scheme. The proposed cut-back in old age pensions was the stalking horse put forward to get everyone to jump on it. We all did, and we did a very effective job. The polls following that decision of the Government showed that its popularity had dropped. The Prime Minister (Mr. Mulroney) then struck his breast and said, "*Mea culpa, mea culpa, mea maxima culpa.* We were wrong, we will index it again".

Ms. Mitchell: Shame on him.

Mr. Rodriguez: He said that and the polls went up again. What he really wanted to do was undermine family allowances. There are those who see that the Government was really out to stick it to the children of the country, particularly the poor children.

I was reading a very interesting statistic earlier and I would like to share it with you, Mr. Speaker. According to Statistics Canada, in the past five years the number of children living in poverty in Canada has grown from 723,000 to 1,113,000 which is an increase of 54 per cent. The Government says that it is increasing the child tax credit but even with an increase in the child tax credit, it has lowered the income level at which the child tax credit would be paid. In fact, we look at the proposed cut-backs in the family allowance as part of that whole budgetary proposal which lays on top of the federal sales taxes. We look at that whole package and see in fact that the poor in society will get even poorer as a result of the particular measures being proposed with respect to deindexing family allowance.

• (1710)

I am sure all Members of the House when they are in their constituency offices have people telephone and come to see them. There are fixed times for the receipt of the family allowance, certain times of the month when it arrives in the mail. If that family allowance is one or two days late, the telephone rings. I am sure Members of this House are well aware of that. It triggers a response. I do not believe this Government really understands the extent of poverty in this country, the extent to which the family allowance has become an integral part of the family income. In fact, probably in many families that is the only cheque which a woman receives in her own name.

There are many communities across this country where wives do not have the opportunity to find work outside the home and depend in a real way on the husband's income. The family allowance cheque will probably be the only cheque she ever receives in her own name. What has this Government decided to do? Cut the family allowance. It then turns around and says it is increasing the child tax credit which by the way, comes at the end of the year when the income tax form is filed by the spouse. In fact we are not really addressing the problem of wealth redistribution in this country.

The other provisions in the Budget ensure that the wealthy in Canada will continue to accumulate greater and greater wealth. The Prime Minister during the last election campaign promised there would be a minimum tax on the wealthy in Canada. That remains a campaign promise. Nothing has been done to effectively deal with tax reform. Do the wealthy of this country really need the $.5 million capital gains gift which this Government has given them? Do they really need it?

Mr. Duguay: Do you really need to yell?

Mr. Rodriguez: Well, obviously, the Hon. Member does not hear very well. When those Members were in the opposition, they were great ones for dumping on the Liberal Government. Now they are the Government and in fact what they do is deal with people in just as cruel a way as the Liberals before them. The Members opposite should be ashamed. They have an opportunity to revamp the Income Tax Act. They have a vast majority. Now is the time to seize that opportunity and really ensure that those who need income support in Canada will receive it. Surely the Government should be using the Income Tax Act to ensure that it redistributes wealth to the families who really need it. In fact, this Bill will only exacerbate the poverty which presently exists.

According to the Canadian Council on Social Development all the various taxes which are proposed in the Budget will cost the average family over $1,000 in purchasing power by the year 1990. Surely the Government has to be concerned with that sort of regressive kind of tax, the sales tax. Even the children pay federal sales tax on candies and pet food for their

pets. All the various pharmaceutical products which Canadians may need will be taxed.

Is it the real purpose of this Government to separate the classes in this country? I have accused it of that. I think what was really intended in the Budget was to reinforce class distinction, to really ingrain poverty into Canada and to help the wealthy to accumulate even greater wealth. As a matter of fact, the Minister of Finance (Mr. Wilson) said in a speech in Montreal that the problem in Canada is that there are too few wealthy people. I would like him to consider the fact that there are actually too many poor people in this country and that the Government should really undertake a program of tax reform in order to make sure that as much as possible we eliminate that grave discrepancy.

I once said, Mr. Speaker, that there are three purposes of an Income Tax Act. First, it must be redistributive in nature. Second, it must be just and, third, it must be progressive. It seems to me that there is no redistributive nature in the proposal of Bill C-70. All the witnesses who came before the Standing Committee on Health, Welfare and Social Affairs testified that this was not an appropriate way to go. We should not cut the moneys which go directly to the wife and to the children. Yet the Government proceeds in its arrogance. I do not know if it is trying to prove it is decisive. Government gave notice that it will introduce the guillotine tomorrow. It is going to close off debate. I suppose Government is trying to prove how resolute it is.

I know the Minister of National Health and Welfare (Mr. Epp) has been a fair person in the past. I think he should really consider putting off this measure. I appeal to him to put off Bill C-70. I believe we should take a good long hard look at it, Mr. Speaker, and I make that recommendation to the Minister.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it will not be easy to say something novel in this debate. On the other hand, it is also very difficult not to say anything because this measure is so upsetting and backward in terms of the evolution of the social policy in this country, it makes it impossible to remain silent.

I would like to answer a few questions about some things which have puzzled me. My first question is how is this money spent when it reaches the mothers of this nation? The money, Mr. Speaker, is usually spent very quickly and it is spent on purchases at the corner grocery store and the department store for the necessities of the child. If we multiply this family allowance by the numbers of people who spend it—and I am told that it is spent very quickly—we can see that this as a total sum could be an economic force of considerable impact on our economy. Therefore, it helps the family, the retail stores and it helps trade and commerce.

• (1720)

To look at this only as an expenditure of the state is a very narrow outlook. It is actually a good stimulant of the economy. It puts money where it is needed and it helps the growth of our economy. It puts money where the need is immediate and at the level of our retail system where sales can make the difference, particularly at the small business level.

The second question is how will the deficit be reduced by this proposed deindexation? That is the main hobbyhorse of the Minister of National Health and Welfare (Mr. Epp) in his explanation. If you compare the sum of money, which the present Conservative Government will not distribute once the deindexation takes place next year, it is a fraction of the deficit, at best a fraction of 1 per cent. It is a figure that will not make an indent in the deficit, nor will it have any impact to speak of. To use the deindexation issue as one that is going to help the economy by reducing the deficit is a very serious way of misleading Canadians into believing that it will. It is an illusion, and the Progressive Conservative Party better wake up to this reality.

The third thought that comes to mind in analyzing the consequences of this Bill is what does it do to our social security system. This Bill is being presented by way of smoke and mirrors, which I regret to say, is pseudo-justice. The appearance of the increase in the child tax credit at first sight leads one to conclude that we are making progress. When you look at the cumulative combined effect of the three measures which have been so well elaborated and analyzed by previous speakers, you can see this is a backward social measure. It is not worthy of the fine progress made over the last few decades in developing a solid and strong social security system for our families.

I believe that universality is the more cost effective method. It is the fairer method and it is also the one that administratively can be better carried out. Everybody receives whatever the sum is but you make sure that the income tax system takes back from those who have more for the benefit of those who have less. It has worked and served us well until now. We should make sure that it will continue to serve us.

This Government will have some difficulties when it administers this program when certain families move above or below the threshhold. People will have to apply for consideration and some people will be disqualified. There will have to be a continuous administration of the system, which is costly. A means test will be required. That seems to be the guiding philosophy and criteria of the so-called Progressive Conservative Party. What there is progressive, I fail to see.

I submit that the nation is in trouble when the Minister of National Health and Welfare begins to talk like the Minister of Finance (Mr. Wilson). The Minister of National Health and Welfare is the Minister of the poor and the Minister of the Canadian people who have so far benefited from the measures for their welfare. When he begins, as he has done in recent months, to echo the tune of the Minister of Finance, I submit he is abandoning his mandate. He is somehow representing the interests of the Minister of Finance, the interests of those who want to reduce the deficit, but he is not fighting in the interests of all of us who are concerned about the future of our social security system. More than that, he is not fighting for those

who have benefited from the system as it has been administered so far, namely, in a universal manner.

We all gain by a system, Mr. Speaker, that distributes wealth through universal programs and taxes those who can pay, rather than by the selective application which, by 1990, and this is the bottom line of the Bill before us, will mean that the average Canadian family will in real purchasing power lose over $1,000. That is the sadness of the measure. All of a sudden Canadians are being told that as of next year their family allowances will no longer keep pace, with the cost of living that is, up to 3 per cent. Everybody's capacity to receive and use this income will be affected by 3 per cent beginning next year. There will be an erosion in purchasing power of family allowance recipients.

To us who are the architects of the social security system of Canada, this is a profoundly hurting experience.

Some Hon. Members: Oh, oh!

Mr. Caccia: I hear some Members of the New Democratic Party howling. They have never been in power. They have never put into practice any scheme. We, successive Liberal Governments, have put and built into place a fine social security system. It is very hurtful to see a dismantling operation as a result of the Progressive Conservative Party getting into power and gradually shifting the income to the advantage of those in the higher income brackets and to the disadvantage of those in the lower income brackets because that will be the net effect of this measure in the long run. Let me repeat, that will be the net effect in the long run. You have to see it in its totality and as it will affect people by 1990. At that time, we hope we will have an opportunity to settle the accounts on the hustings. We will certainly have something to say about the Tory candidates in each of our ridings concerning this measure. The present Minister of National Health and Welfare will also have his own riding defending this measure. I suspect, Mr. Speaker, that that will be the case.

Mr. Neil Young (Beaches): Mr. Speaker, I take no great pleasure in talking about this particular Bill. It is extremely regressive and will have a serious effect on Canadian women and their families. Why would the Minister of National Health and Welfare (Mr. Epp), who I know to be a fairly reasonable type person, suddenly rush in to declare closure on debate on this Bill? What is the Government afraid of? The Government must know, as I do, that there are a growing number of Canadians across the land who view this Budget with some dismay. They have examined the Budget—and for very good reason—in a way that Canadians have never examined previous Budgets. Senior citizens across the country indicated their displeasure during the month of June when, despite the arguments of the Government that the seniors supported what it was doing, they clearly showed that they did not support it. In fact, they organized in a political way rarely seen before among the senior population. They organized so effectively that they will never view Governments as they did in the past when they trusted Governments to treat them properly and listened to the promises of politicians. They suddenly found that all the promises made to them were betrayed and that they were being asked to be sacrificial lambs in the Government's fight to reduce the deficit. Seniors saw what the Government was doing to them in the Budget, and I think women are seeing the same thing.

• (1730)

Like most Hon. Members last summer, I spent time talking with people in my own constituency and in other communities to hear what they had to say about the Budget of the Government. It is widely recognized that the Budget, more than any other Budget, certainly in my experience and in the experience of many other people, constitutes probably the largest shift in disposable income away from people at the low and middle income levels to people in high income brackets. There is absolutely no doubt in anyone's mind that the Budget dealt a severe blow to those people who could least afford to pay to reduce, as the Government put it, the national deficit. That Budget is being fully understood and women are beginning to organize against this attack on family allowances and, I would even say, an attack on the family as we in Canada know it.

There is absolutely no question that the deindexing proposal, in addition to the other ones in the Income Tax Act—and we will have plenty of time to talk about them specifically as they affect family allowances—is an outright attack on women. Many women rely on that cheque as their only source of independent income. Contrary to the promises of the Government during the election campaign that it would do many things for women, it brought in these proposals. The Prime Minister (Mr. Mulroney) appeared on national television several times promising to provide more dollars for rape crisis centres. What did he do in the Budget? He did nothing, absolutely nothing. What about the promise with regard to transition houses for battered women? There has been nothing. What about equal pay for work of equal value? There has been nothing. What about more money for child care services? The Prime Minister referred it to a parliamentary committee. I am sure the Hon. Member for Vancouver East (Ms. Mitchell) will ensure that women's rights and the rights of children are advanced on that committee.

What about research and development? The Prime Minister promised oodles of money to step up the efforts of the country in the area of research and development. What did we see in the Budget? We saw nothing but departmental cuts for research and development. What about the Canada Council? All we see is less money for the arts. What about social programs? The Prime Minister declared that social programs, particularly universal ones, were a sacred trust and that if there was to be any change in social programs, the money saved would certainly not go toward reducing the deficit. What have we seen since then? We have seen that the Government was clear in its intention when it decided to deindex old age security benefits and that any money it saved, as if it was its money and not that of taxpayers, would go toward reducing the deficit. The same thing is happening in the area of family allowances and in other areas of the income tax system. If the Government were seriously interested in

reducing the deficit, there are other ways of doing it rather than attacking the poor, those least able to afford it. Regardless of the protestations of the Liberal Party today, it could have reverted to the marginal tax rates of 1980. At that time we argued that the Liberal Government had no business revising marginal tax rates for high income earners. If the Government were to do the proper thing and revert to the marginal tax rates of 1980, in our estimation it could raise something in the order of $1.7 billion. It would ensure that the people who could afford to pay would pay to make the country run economically. I see that my time is up.

Mr. Deputy Speaker: The Hon. Member will have four minutes remaining the next time this matter is before the House.

It being 5.35 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

THE VOLUNTEER SECTOR

AUTHORIZATION FOR THE STANDING COMMITTEE ON HEALTH, WELFARE AND SOCIAL AFFAIRS TO STUDY AND REPORT

Mrs. Lise Bourgault (Argenteuil-Papineau) moved that the Standing Committee on Health, Welfare and Social Affairs be empowered to study and report on the volunteer sector in order to evaluate its social and financial impact and to recommend appropriate ways of offering fiscal or other compensations to volunteers and volunteer organizations.

She said: Mr. Speaker, in my speech I intend to cover three aspects of volunteer work in our society. According to Statistics Canada, this kind of work represents, in Canada, the equivalent of $3 billion per year in salaries alone. Volunteer work continues to be a very important asset which the Government should encourage and support through measures adapted to the needs of volunteer workers.

Mr. Speaker, volunteer work has changed a great deal in the last 25 years, and that is why I would like to define, first of all, the concept of volunteer work, and then describe the typical volunteer worker. In concluding, I intend to elaborate on the role of volunteer work in our society, its limitations and its problems, and I will stress the vital role of government in this area and ways of giving tangible recognition to volunteer work and its practitioners.

Basically, we can distinguish three kinds of social volunteer action: factual action, spontaneous action and volunteer action. Since we are concerned at this point with volunteer action or

volunteer work, I shall briefly describe what is generally understood by the two other types of actions.

Factual action, although the conception may be somewhat vague and ambiguous, and although there are several types of factual action, refers to the kind of action resulting from membership in established groups or institutions that exist for the purpose of achieving certain objectives or in order to perpetuate customs or tradition. Although the individual's participation in such action is not compulsory, the kind of factual action will depend on certain natural criteria such as age or sex and belonging to a given professional or occupational group. Factual action is always the result of a society's natural and institutional structures.

Spontaneous action, which by definition refers to freely chosen and voluntary participation by its members, takes place within the framework of small, unstructured groups that have no clear-cut social function, except at certain specific moments. Although the importance of spontaneous action and its contribution to society cannot be denied, it is primarily aimed at satisfying the individual needs of the participants themselves. Taking part in spontaneous action is a way of accomplishing individual aims which are not seen as being part of a community effort.

• (1740)

As to voluntary action, it is more commonly referred to as the volunteer sector.

Mr. Speaker, I have no intention of making an exhaustive retrospective of the various definitions of the volunteer sector. I would rather try to give a clear and practical definition of voluntary action so as to make the significance of my motion more readily understandable. As early as in 1948, Lord Beveridge defined voluntary action as private action, in the sense that it does not come under the State. While following in the footsteps of Beveridge, let us say that it is necessary to identify the five aspects of voluntary action: voluntary action that implies non mandatory participation; voluntary action through participation in a group project; in voluntary action, consideration of profit is non existent; the voluntary action done within existing institutions in a society at a given moment in its history; voluntary action focused on the achievement of societal objectives.

Indeed the Social Affairs Department has already classified volunteer actions as follows: social or service volunteer action; sports or recreational volunteer action; artistic, moral support, leisure volunteer action, and so on. And so it is that voluntary action is done through constant exchange between an individual and society. Such is the thrust of my motion, Mr. Speaker, because, since then, the impact of the voluntary sector on the evolution of society has been growing and the difficulties inherent in this mass movement keep making headlines.

I propose to use statistics to draw the classical profile of a volunteer and show that the Standing Committee on Health,

Welfare and Social Affairs must be empowered to study and report on the volunteer sector in order to evaluate its social and financial impact.

Notwithstanding the great interest in the volunteer sector, there are practically no independent or empirical statistics on a national scale, except for Novia Carter's 1975 study. Statistics Canada's national survey is the first wide-ranging survey ever done in Canada. It will go a long way towards filling the gap of missing data in that field, but it alone cannot possibly meet the demand for statistics. It was designed only to gather information on volunteer workers generally rather than to make an in-depth study of the characteristics, activities and motivations of a given group of volunteers.

The survey was aimed at one third of all participants in the February 1980 survey on the working population, roughly 18,745 households or 43,000 individuals. Its objective was threefold: Obtain information on the total amount of volunteer activities in Canada as well as descriptive data on individual volunteers; determine the kinds of volunteer organizations which exist and the types of services they are offering; discover why the people who were previously engaged in volunteer work have quit and why those who at one time considered engaging in volunteer activities have abandoned this idea.

In view of the enormous amount of data collected, I will limit myself to a brief analysis covering the widest possible range of general information. I will deal with three major issues: the rate of participation in volunteer work and the characteristics of the people involved in it, the amount of volunteer work done, and the types of volunteer organizations.

Mr. Speaker, the generally accepted notion of the typical volunteer is that of a middle-age married woman who is bored, well-off financially and anxious to help others. But the few empirical studies made so far runs counter to that notion. A 1969 survey carried out in Great Britain indicated that middle-age married women of the middle class no longer make up the vast majority of volunteers. On the other hand, the Novia Carter study indicated a surprisingly high proportion of men and a large participation of young people, low income workers and poorly educated people. A similar survey made in the United States confirmed these findings.

To draw up an adequate profile of the volunteers which this survey has identified, we should consider two factors: the rate of participation in the volunteer sector and the social and demographic traits of the volunteers.

Before looking into the rate of participation in the volunteer sector, it is logical to deal first with volunteer activities as a whole. The survey indicates that there is in Canada a large number of volunteers, 2.7 million in all, or 15.2 per cent of the active population have done volunteer work without pay during the year under review, namely, from February, 1979 to February, 1980.

The analysis of the rate of volunteers per age and sex brought to light a number of interesting findings, the most important of which being the comparable rates between men and women, respectively 14.2 per cent and 16.2 per cent. Age seems to be a determining factor in both sexes, the oldest groups, 25 years and over, demonstrating higher rates of volunteering than younger groups. For instance, the rates for people aged 25 to 44 being 19.8 per cent alone is more than twice that for people aged 15 to 19 at 9.4 per cent, or for those aged 20 to 24 at 9.3 per cent.

Moreover, the highest rates are among those aged 25 to 44, married and with an education up to at least one university degree. It is interesting to note the higher incidence of volunteer service among people having an occupation, namely 16.4 per cent, as compared to the unemployed, 9.8 per cent, or to people outside the work force, 14.2 per cent. It therefore appears that, contrary to a widespread belief, volunteer service is not limited to people without gainful employment. Figures show, however, that part-time workers are more likely to engage in volunteer service than those with a full-time job.

Finally, a breakdown by occupation shows that workers in the "management and professional," "primary sector occupations" and "business" groups have the highest rates, while a breakdown by industry shows the highest rates in "farming" and "public service".

To summarize, let us say that the highest rates of volunteer service have been noted in the following groups: middle-aged persons of either sex, married people, employed people and people with a relatively higher level of education.

Finally, in relation to population and volunteer service rates, employed persons have the highest ratio of volunteers when compared with other groups of activities and more than 80 per cent worked full-time.

Indeed, a few months ago, Mr. Speaker, I had a poll taken of my constituents in Argenteuil-Papineau in order to know and compare the results of the Carter Survey and the volunteer situation in my constituency.

Now, my constituency has some 327 volunteer associations, in which 9,062 persons do volunteer work for a total 993,316 hours. The typical volunteer is married in 79 per cent of cases, his or her income is approximately $20,000 in 46 per cent of cases, and $25,000 and over in 31 per cent of cases. He or she is aged 51 to 64 in 29 per cent of cases, a female in 52 per cent of cases and a male in 48 per cent of cases. The volunteers of Argenteuil-Papineau want to contribute to society in 62 per cent of cases, and to increase old-age security benefits in 24 per cent of cases.

In short, it seems that the profile of our volunteers is essentially as drawn by Mrs. Carter. The stereotype of the unemployed, middle-aged, married woman true to the traditional concept of the typical volunteer does not come out in

this analysis. On the contrary, we have noted relatively equal distributions for most of the demographic variables.

More striking still is the almost identical distribution of men and women, the high percentage of people with high school education or better, and the high rate of employed persons.

At present the highest ratio—31.5 per cent—of persons who did volunteer work during the reference year, that is from February 1979 to February 1980, belong to the "social services and welfare" group. That group includes a relatively wide spectrum of social services, including child care, convassing organizations, service clubs and so forth.

Although we do not have more detailed breakdowns, there is reason to believe that a large part of the respondents in that group work for a canvassing organization.

• (1750)

In order of importance, religious organizations rank second among organizations, representing 25.5 per cent of all volunteers. As far as recreational organizations are concerned they include one quarter of all volunteers. Then there is education with 16.3 per cent and health with 7.9 per cent.

However we can say that there seems to be some relation between paid and voluntary work because according to our findings, the work done by volunteers vary to some extent according to their professional work for which they get paid.

Finally, the Government cannot remain indifferent with regard to the potential of the voluntary sector. Not only can voluntary organizations provide direct and complementary services to institutional resources but, in addition, the voluntary sector can become a place for privileged training for young people and adults. It can also be perceived as the anteroom to the formal sector where young people can prepare themselves to enter the world of paid work.

The voluntary sector, because of the jobs that it still manages to create, may be considered in this period of financial crisis and unemployment as a buffer in terms of jobs created and also in terms of jobs saved. We know that the services rendered by voluntary organizations allow in many cases public institutions to save paid jobs, but we now have the tendency to overlook the fact that at present the voluntary sector is one of the few areas where jobs are created. Of course, those are temporary, and short-term jobs offering very low wages, but in spite of those aspects for many people work is the important thing. Under the circumstances, we understand the interest of the Government which finds in voluntary organizations some openings for young people, women, or marginal workers looking for jobs and this at a relatively low cost.

Remember, Mr. Speaker, that each year, the general public and the Governments hand out millions of dollars in gifts or grants to voluntary organizations. Whether under manpower programs or direct subsidies such as New Horizons, etc., thousands of Canadian volunteers are managing public funds. In my constituency, noteworthy tourist activities such as the crossing of Lake Simon, the Montpellier Summer Festival, the Lachute agricultural fair bring in thousands of dollars and create hundreds of jobs. Mr. Speaker, such activities are entirely organized and managed by volunteers.

In short, the Government is for more than one reason concerned with voluntary action. However, at present, many volunteers are restless either because they are wondering about the results of their action or they are physically or morally tired of always being at the forefront and finally because the costs of their action go beyond their financial resources. Consider the cost of fuel, of child care, etc.

The want of relieving forces and the financial crisis are adding to the already very heavy burden weighing on that fellowship chain both so strong and so vulnerable.

Mr. Speaker, this is the subject of my motion: That the Standing Committee on Health, Welfare and Social Affairs be empowered to study and report on the volunteer sector in order to evaluate its social and financial impact and to recommend appropriate ways of offering fiscal or other compensations to volunteers and voluntary organizations.

The tax system should be thoroughly amended to bring a more significant support to people and organizations involved in the voluntary sector, whether it is in arts, recreation or community action. Without such steps, Mr. Speaker, the crisis now threatening the voluntary sector could cost a lot more to the Governments than the few thousand dollars which would entail a reasonable and stimulative fiscal compensation that would help democratize and extend to all strata of the community the access to volunteer and community work.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, first I would like to congratulate the Hon. Member who raised this issue and who spoke so eloquently in support of greater recognition for volunteers. On behalf of the New Democratic Party, I will certainly strongly support the proposal which she brought forward, a proposal to study the volunteer sector to evaluate its social and financial impact and to recommend appropriate ways of offering fiscal and other compensation to volunteers and to volunteer organizations.

I recall that in 1979, a similar proposal was made. For a short time I sat on the subcommittee which was established to look at volunteerism. We had really just begun to get into the subject when there was no more Government and we had to go to the polls.

My Party recognizes the very many hours of volunteer time and the very valuable contribution that many thousands of volunteers have made to community services, the movements for social reform and many kinds of self-help services across the country. I think we all recognize that these are very important and essential contributions that these people, the majority of whom are women, are making to society.

Most volunteers work many hours with no financial recognition and often without other kinds of recognition. This is one thing about which we should talk in committee. It is important that volunteers who are so dedicated and give so much of themselves also have some form of recognition. If they do not receive some form of honorarium to cover their costs, as the Hon. Member is suggesting, then at least they should have something on paper. One of the things I had proposed before was that homemakers giving of their expertise and developing a great deal of skill in community services should be able to put that on a résumé when they go looking for jobs. Often women have not had paid job experience. It would be very valuable to have some proof of their unpaid experience. I asked the former Liberal Minister of Employment and Immigration if this could not be one of the things that Canada employment offices would do.

It is also important that there be some form of honorarium for certain kinds of volunteers and certainly for low-income people who have just as much skill and perhaps far more motivation for helping out in their communities but simply cannot afford to do so unless there is some way that their costs including bus fare and babysitting are covered.

Before I move on, I would like to mention one thing. If I understood the Hon. Member correctly, she mentioned that the typical volunteer is married and has an income of probably over $20,000 per year. I would like to mention a very interesting volunteer experience with which I was connected for many years. It was a very productive service in British Columbia composed of a group of welfare mothers who started up a program called the Vancouver Opportunities Program, a program which subsequently expanded throughout the province. These welfare mothers decided that if they were ever going to get out of the welfare trap, they needed to get experience and training and there were many services with which they wanted to help out.

These women developed a program which allowed them to put in a certain number of hours per week on a volunteer basis, not taking a paid job away from anyone, in schools, self-help programs, day care centres, libraries and a vast number of different agencies and services. At one time, thousands of them were involved in the program. One of the important incentives was the fact that they received an extra $100 on their welfare payments which helped cover costs and gave them a little extra boost. That money was very much needed as well.

I knew many of the people involved in this program, most of whom were women, although later on, men were included. Many of these women went on into paraprofessional jobs. They took training and some are working in the administration of public housing or as paraprofessionals in welfare agencies. Some have gone on into the regular job market. This is the kind of program at which it would be interesting to look in committee.

We also want to recognize the very important contribution made by the many, many volunteer organizations across this country. In my riding of Vancouver East, I am very proud of the fact that there exists probably more citizens' organizations that in any other community in Canada. Yet this riding is largely composed of low-income communities with many different ethnic groups. We have many ethnic organizations in which people give of their time. There are Chinese, Italian, Indo-Canadian, Portuguese, Korean and Japanese, just to name a few. We have many native people who come from rural areas who help each other in forming their own organizations and reaching, as a network, to help native people so they will not be trapped in some of the problems of the street which are so common.

● (1800)

We have area planning groups which are assisted by municipal groups which have developed community plans in five areas of my riding. They have spent hours and hours of heavy work, with a great deal of technical expertise, in developing plans and actions which would improve their communities. I am also very proud of a group which I helped to organize called the Strathcona Property Owners and Tenants Group, which completely changed the type of urban renewal programs which we have. Some 15 to 20 years ago when it was established it helped to redevelop the Chinese community of downtown Vancouver. There are block representatives and all kinds of meetings in two languages involving a lot of resource people. They put hours into this. The same is true of the Downtown Eastside Residents Association which represents an area of Vancouver which people said was a slum with which nothing could be done. Those people have organized. It is simply remarkable to see the type of things they have done to improve services, to build new housing and to make the area into a real community. Those are just some examples. I know that Hon. Members will have many more.

There are volunteers who work in community centres, neighbourhood houses and sports programs. I want to say that I am concerned that we look very carefully at what volunteers should not be doing. It is important that volunteers not replace essential public services, for example. It is important that they not be seen to be replacing paid workers and professional workers who are essential to carry out legislated services. It is easy, and I know it has happened in British Columbia, for Governments under restraint, and because they think it would be economical, to completely disregard the essential public function of services which are the right of Canadians and which must remain under legislative jurisdictions. This is not to say that voluneers cannot often help as part of a team with professionals, even in these services.

We are also opposed to privatization. I hope it is not being suggested that some of these essential services be turned over to the private sector in the thought that it would cut costs by putting in volunteers, cutting salaries and undermining unions and workers who have worked hard to get their salaries up to a decent rate of pay. Recently, we had a real tragedy in Vancouver, where a transition house which was formerly operated by the Department of Human Resources was turned over to the private sector. The YWCA tried to maintain it for a while and they just could not do it. They were not given enough money. It is now back into no woman's land. It is without staff and, at

the moment, women are occupying that service demanding that it be reinstated with adequate government funding. We do not want to see this happen in other sectors. I know that most volunteers would not want this to happen either.

Thus, we must define in this committee the appropriate role of volunteers. I would like to see some real supports which would help volunteer organizations. I know that many groups are advocacy groups and they are essential. I am speaking of tenant organizations, anti-poverty groups, consumer groups and environmental groups which are working for reforms and, perhaps, taking small "p" political action. It has been very difficult for Governments to give these organizations the type of objective help they need in the way of funding. It has been difficult for many of them to be classified as charitable organizations so that donations they receive can be income tax deductible. We must recognize the many volunteers who are involved in the peace movement which, again, performs an important function. I wish to recognize the number of women who are dedicated to this type of movement. I have mentioned the environmental movement and the involvement of groups of all kinds, including unions. Incidentally, the solidarity protest we had in British Columbia reached out and involved networks of volunteers in every community. They advocated progressive changes. They protested the type of services that were being cut back, which was hurting people and which is still hurting the people of British Columbia.

I am sure we will be discussing all of these measures in committee. I will not take more time tonight to go into the matter further. I just wish to reiterate that volunteers must never replace essential public services. I think we need to define what we mean by private agencies. They are sometimes called voluntary agencies, although they are operated with paid staffs. We need to clarify what we mean by those words. We need to recognize in every positive way we can the outstanding contribution of volunteers across Canada.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): It is a pleasure, as Parliamentary Secretary to the Minister of Finance, to reply to the motion presented by the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) and to emphasize the importance of the volunteer sector in Canadian society, something on which I am sure all Members of this House are in agreement.

Many federal departments have ongoing contacts with volunteer organizations, either as a way to facilitate social action or to promote various policies. The Department of the Secretary of State has programs that are concerned exclusively with volunteer organizations. It has a national budget of $480,000, plus $300,000 for a regional component. The program provides support for 16 national and nearly 100 provincial and territorial organizations.

We feel that the Secretary of State's voluntary action program plays an essential role in supporting social action, community development, economic development and the creation of volunteer organizations.

The Department also has a program for participation by the disabled, which has a national budget of about $430,000 and a regional budget totalling $287,000. This program provides assistance to four national organizations, which include the Coalition of the Provincial Organizations of the Handicapped, the Canadian Mental Health Association, the Association for the Hearing Handicapped and the Canadian Association for Legal Assistance, Information and Research for the Disabled. The program for participation by the disabled supports volunteer organizations for the disabled and provides financial assistance for projects promoting their full and active participation in our society.

We see these programs as examples of the kind of projects our Government is promoting in the volunteer sector. The Department of National Health and Welfare also has support programs for community groups, which are very well known and very useful. In addition to its supportive role, designed so as not to undermine the self-sufficiency of the volunteer sector, the Canadian Government has played a major part in resolving the difficulties arising from our tax structure and the structure of Government services that are particularly problematic for the volunteer sector.

There has been one issue in particular that was of some concern to the volunteer sector, namely the definition of "political activities", because it meant that certain charitable organizations were unable to be recognized as such for tax purposes, while others were concerned they might lose their status.

Members of the House will recall that this question was dealt with and quite clearly explained by the Minister of National Revenue last May 29 in Vancouver. The Income Tax Act provides that all the resources of a charitable organization must be used for the charities of the organization itself. Therefore any charitable organization getting involved in political activities may very well lose its acquired status. Charitable organizations then began to fear that the simple fact of telling Members of their choice their point of view on certain issues might be considered as a political activity likely to warrant the loss of their indispensable status.

In contemporary society it has become obvious that militancy, on the part of non-government organizations or individuals, is now a central element of our democratic organization.

Therefore it was a decisive step for charitable organizations when the Minister of National Revenue announced that he would allow non-partisan political activities and would consult with charitable organizations before going ahead with his current projects. In short, henceforth a charitable organization will be allowed to express its views to elected representatives of its choice inasmuch as the issue in question relates to the charitable activities of the organization. There is no question

of condoning activities favourable to candidates or political parties, even if it were the Progressive Conservative Party.

It is certain that the Income Tax Act has significant effects on charitable organizations and this is why it is important for the future and the health of the voluntary sector in Canada to allay any fear those organizations may have of losing their very crucial status simply because they expressed their opinions to the duly elected representatives of the people. The Government needs the opinion of voluntary organizations. Often, they are the first to inform the Government that such or such a service should be given to meet new social needs. As they work directly with people, and especially with those in need, they can see problems and challenges which escape the Government. Voluntary organizations have to be active and militant, and therefore the changes proposed last May are quite welcome.

However, as concerns the tax system, the status of these organizations is not the only matter at issue. The tax credit for charitable donations is still under considerations. For instance, we have to find out how the implementation of the tax credit would affect the taxation system and what would have to be the cost-sharing agreements between the federal and provincial Governments. Obviously, the advantages of the tax credit have to be balanced against those of the deduction from income. Would abandoning the deduction from income and replacing it with the tax credit add to the tax burden of the average taxpayer, and if so, how can we avoid it?

Mr. Speaker, Canadians are well aware that, unfortunately, all taxation matters are complex, and as much as a proposal seems desirable and complete, its repercussions always have to be examined before it is implemented. The voluntary sector has expressed its views at length to the Government on taxation matters.

Various departments have held consultations, public servants have made analyses and groups of volunteers have come to Ottawa to express their opinions. This exemplary show of sustained efforts will certainly enable us to solve progressively any future problem, and our Government will eventually find an equitable response. However, if we explain in detail all these taxation and income issues which concern the voluntary sector, it is because this is indeed an area where the Government can be helpful.

We are not at all certain that new mechanisms are needed to look at the voluntary sector as, because of its very nature, this sector includes many enthusiastic individuals and groups throughout the country only too eager to impart their ideas and points of view to us. As parliamentarians, we have a responsibility to listen to what they have to say and, from there, to find ways to improve the organization of Government services in this area.

• (1810)

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, it is with much interest that I take part today in this debate on the motion moved by my colleague the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault). I congratulate her for the quality of her speech and I thank her for giving us the opportunity to make the apology of the volunteer sector. I think it is important that we, in the House, take once in a while the time to praise the admirable work of volunteers.

Mr. Speaker, as elected representative of the Témiscamingue riding, I can assure you that distant regions like mine and many others in Quebec have been developed thanks largely to the generous contribution of volunteers.

I wish to take this opportunity today to thank and pay tribute to all volunteer individuals and organizations who are at work in my region and greatly contribute to improving the quality of life of my fellow Canadians.

If I may, Mr. Speaker, I should like to provide an example of the kind of volunteer organizations which we have in our distant regions and which dedicate themselves to the safety of the people.

There are here a number of members from remote areas who suspect that I am referring to this great bunch of guys who are our volunteer firefighters. They are not paid, they give themselves the training of professional firefighters and decide, out of sheer generosity, to save the lives of their neighbours. There are a number of them in my own riding and I know that there are some people here who have a number of them in their own municipalities or small parishes. In order to understand their courage fully, Hon. Members should see it in the context of a region like mine, some cold winter night in December, when they must leave the comfort of a fireplace, rush out in a below 40 degree temperature to try and put out a fire and save lifes. There are people like that back home. And I think it is an excellent occasion to pay tribute to these people who often risk their lifes to save others.

In this sense, I think the Hon. Member for Argenteuil-Papineau is providing us with a great opportunity to pay tribute to all these peoples in our communities who, by the thousands, work very hard for the development of our communities.

If I may, Mr. Speaker, I should like to deal more specifically with the motion before us which asks that the Standing Committee on Health, Welfare and Social Affairs report on the volunteer sector in order to evaluate its social and financial impact and to recommend appropriate ways of offering fiscal or other compensations to volunteers and volunteer organizations. I should like to make the following comments.

The volunteer sector has been there for a long time, Mr. Speaker. Over the years, it has taken up an important place amid the other well-known sectors in our society, the public sector and the private sector.

It is a fact that compared to the other two, the volunteer sector is somewhat mysterious. Its dynamics cannot be seen, by reason of its very nature, because it needs no official framework nor structures. This means there is no question of specific numbers of person-years or hours, of measuring or assessing each task, or looking at payrolls.

Mr. Speaker, in my view, that is exactly what makes the beauty and the greatness of the volunteer service, this concept of gratuitousness and total availability.

As I often say, Mr. Speaker, true volunteer work is an ailment, the altruism ailment, the ailment to want to serve others at any cost. And I know volunteers would want that kind of ailment to be as contagious as possible.

And if the Government, Mr. Speaker, had to pay for those services rendered by volunteers, it would never find the funds or the money needed.

It is precisely because volunteer service precludes any assessment that it has become over these last few years an interesting subject of study. Many attempts have been made to better identify the economic and social force of volunteer service in this country.

A number of studies, analyses and surveys were done on the subject. I am thinking specifically of an important survey of the work force done in 1981 that was one of the first attempts to evaluate the contribution of volunteers. Honourable Members will recall that that survey brought forth very interesting facts indeed. For instance, volunteers in Canada provided an average 137.4 hours during the reference year, and married people, as was said earlier, had the largest total of volunteers and hours worked. Generally speaking, single people, either widowed, divorced or separated, spent the most time individually doing volunteer work. The survey also pointed out that the typical volunteer was employed and had a higher education.

The labour force survey was followed by other interesting studies, the best known of which no doubt is that done by the economist David Ross on the financial and economic dimensions of registered charitable institutions and volunteer activity in Canada. Mr. Ross estimated that the total economic contribution of charitable institutions and volunteer workers included in the two Statistics Canada surveys he analyzed were the equivalent, in comparative terms, of 1.7 per cent of the gross national product. Compared with other industries, that contribution is twice that of the primary wood processing industry. It is close to a tenth of that of the whole sector of social, cultural, business and personal services, and close to a third of the economic contribution of the building industry.

Mr. Speaker, you may ask why I refer to the Statistics Canada surveys and Mr. Ross's study. Well, it is to show that this sector is currently being seriously researched, and the public can at any time consult those studies to get information.

Moreover, the Volunteer Work Program of the Secretary of State Department is now working with Statistic Canada on the holding of a national survey on volunteer work. Apparently, it also accepted to fund a survey on employer attitudes towards their employees' volunteer activities. This is the point I wanted to make: The Government already is funding many research activities, each of which opens new vistas. This is a way to increase knowledge.

I also want to point out the work done by the Coalition of National Volunteer Organizations to define the concept of volunteer work. The Coalition of National Volunteer Organizations, which represents many of the 50,000 charitable institutions in Canada, attended the National Conference on the Economy that was held in Ottawa in March. It outlined the various ways in which the volunteer sector contributes to economic life, especially by offering job training programs, creating new services and promoting discussion on issues of general interest. The participation of the volunteer sector in that Conference and the submissions of voluntary organizations to the MacDonald Commission also made the Government aware of the views of volunteer workers, so that they may be recognized in the future review and development of policies.

Mr. Speaker, polls, like Decima and Gallup also have supplied a lot of useful information on the subject.

The Decima Poll in May 1985 has shown that the great majority of respondents, 87 per cent, feel that groups work is the best for influencing corporate and Government decisions. Further, young people and women are among the most likely to consider group work as a good way of exercising decisive influence. In view of the increasing role of those two groups in decision-making, this shows that the influence of the voluntary sector could be felt increasingly.

The Gallup Poll in turn shows that donations relate to a rather unpredictable behaviour. Nearly 90 per cent of the respondents have stated that they never decide beforehand on the amount of their annual charitable donations. This points to the importance for charitable organizations of using dynamic and innovative techniques for collecting funds.

I mention these surveys, Mr. Speaker, simply to show that they are one of the means through which we can learn more about the social and economic implications of the voluntary sector. Through its voluntary action program, the Department of the Secretary of State is in a good position to assemble all these bits of information and analyse them, and this is certainly being done.

The Hon. Member for Argenteuil-Papineau would like appropriate means to provide these fiscal or other compensations to volunteers and to voluntary organizations to be recommended. Could it not be said that, as soon as a voluntary worker receives some compensation, he can no longer be considered a voluntary worker?

In my opinion, Mr. Speaker, what differentiates the voluntary worker from any other is precisely this element of working for nothing and self-sacrifice. The bona fide volunteer does not seek financial compensation, for his wages or salary consist in realizing that he is participating in the well-being of those around him.

If, on the other hand, we are talking about tax incentives, that is something else again. We know that the give-and-take proposition led to a study on the possibility of offering tax credits in exchange for charitable gifts. The Minister of Finance (Mr. Wilson) has made a note of all recommendations received and I have the impression that the establishment of such credits remains a valid option. However it does require further consideration, for we must at least assess the indirect impact such a step might have. Be that as it may, the first steps have been taken and the matter is under active consideration.

In concluding, Mr. Speaker, I would say that the intent of the motion is commendable but, as I see it, should Parliament seek additional information there are plenty of reports or surveys and other documents. Thanks to all the work done, this sector is now gaining even wider recognition.

• (1820)

[*English*]

Mr. Peter Peterson (Hamilton West): Mr. Speaker, the motion of the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault), that the Standing Committee on Health, Welfare and Social Affairs be empowered to study and report on the volunteer sector, deserves careful consideration. As has been pointed out earlier in this debate, the voluntary sector is a key element of our society. Its strength lies in its freedom of action and its self-sufficiency. It is interesting to compare the voluntary sector in this country with that which exists in some other parts of the world. In some countries, where full democracy is not a way of life, voluntary organizations are very circumscribed in what they may do. Fortunately, Canada is characterized by a sector that adds appreciably to the quality of life of our citizens. However, its social and financial impact is elusive and that explains the desire to examine the sector from a closer vantage point.

The national household survey on volunteer activity, which the Department of the Secretary of State and Statistics Canada are undertaking, should help to clarify many aspects of voluntarism including economic, social, and even philosophical and psychological, if you consider factors such as the motivations which lead people to volunteer.

Parliamentarians have various opportunities at present to question Ministers about the voluntary action aspect of their portfolios. The Standing Committee on Communications and Culture, for instance, allows us to put questions to the Secretary of State (Mr. Bouchard) seeking clarification on that Department's many dealings with the voluntary sector. We do this in the framework of the departmental estimates, and have always received co-operation from the departmental officials in supplying us with whatever additional materials we may require. A mechanism thus exists for us to examine Government links with voluntarism in this way.

The question of offering fiscal or other compensation to volunteers and their organizations is an interesting one. One may note that many volunteers are not interested in receiving compensation for their services, that their motives are completely philanthropic and humanitarian. For many volunteers, the fact of helping someone in need or serving the community is compensation enough. Compensation could raise the spectre of bureaucratic mechanisms for allocating it, which would be anathema to the sector which, after all, is built on the free spirit I have referred to.

Fiscal incentives to organizations are already being looked at, as has been indicated earlier in the debate. The Government has received the benefit of the views of a great many organizations, all offering their viewpoints and suggestions as to how fiscal incentives should work. I understand that discussions took place between the Secretary of State and the Minister of Finance (Mr. Wilson) before the Budget and that discussions are continuing.

It is interesting to note Gallup's findings when they polled on tax incentives. Fifty-four per cent of the respondents were unaware of the existence of tax incentives to encourage charitable giving. Awareness increased with income-education level and white collar occupations. There was also a correlation between performance of volunteer work and the incidence of charitable donations. Fifty-five per cent considered the current tax treatment of donations as fair and 28 per cent thought it unfair. Fifty-one per cent of this latter group named low income people as being disadvantaged by the tax treatment and another 8 per cent said the system favoured big donors in high income brackets. That was in a November, 1984 survey, so it is still reasonably current and probably still reflects attitudes. It provides food for thought for Parliamentarians and voluntary organizations alike.

One might well ask, Mr. Speaker, what the voluntary sector thinks of being studied and surveyed. We have at least one answer to that question. Last year Drs. J. J. Rice, David Ross, and Jean-Bernard Robichaud carried out a national consultation at the request of the Department of the Secretary of State. They conducted 100 three-hour interviews with persons interested in voluntary action across Canada to see what their requirements were and to determine their support for studies which would clarify the social and financial impact of voluntarism. In addition to the interviews, this team sent out and analysed 400 questionnaires to voluntary organizations. The result was a clear call for undertaking national surveys. Knowing that the sector itself is interested in such surveys is encouraging to researchers and Government departments which help fund such research.

I am personally very encouraged by the kinds of studies which are already being done by and on behalf of the voluntary sector. The pace of research is indeed accelerating, and I am of the view that present means and methods are adequate

for evaluating the social and financial impact of the voluntary sector.

• (1830)

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, following the remarks made by my colleague on the motion moved by the Hon. Member for Argenteuil-Papineau, I must emphasize the great benefits which Canadian men and women get from volunteers . . . As recently as last week, I had the opportunity to meet with a group of volunteers, and I should like to indicate to the House that like various other organizations, in this case it was the junior Chamber of Commerce of Saint-Urbain which organized for all volunteers a special evening to emphasize the enormous contribution of volunteer men and women working with various groups and they expressed to these people the gratitude of the community.

The reason my collegue moved this motion clearly stems from the fact that she wants to develop the volunteer sector, to encourage individuals to get involved in the volunteer sector which is one of the outstanding strengths of both Quebec and Canada. I think that no level of Government would be in a position to satisfy all the needs. It is a well-known fact that Canada is a large economic entity with limited resources which must try to satisfy boundless needs. Without volunteers in many areas of activities, including culture, health services and sports, our communities could not provide youths with the necessary training in all areas.

I think therefore that our colleague's proposals stems from the fact that she would like to move volunteers to do again something for their community and to obtain, if possible, a certain compensation. Well, volunteer means "he who does something out of his own free will." The volunteer gets a lot of satisfaction by feeling that he is doing something that will benefit the community and that he is doing it without pay and according to his own way of doing things. I think that today, Canadian wives and mothers who have children out of their own free will—today that is possible, in years gone by it was less so—could perhaps obtain a fair compensation for bringing Canadian men and women into this world. But do we collectively have the financial means to do it and how could we determine how much is worth the contribution of all Canadian women who are bearing children for this country? I think that those who are devoting themselves to the welfare of their community get tremendous benefits. I think that, as my colleague was saying, if we try to bureaucratize or institutionalize this generosity which is so essential to Canadian men and women, we would be taking a very dangerous step. However, I think that the purpose of our colleague's motion is essentially to encourage volunteer work within our community in the best interests of Canadian men and women throughout Canada.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members, Business has now expired.

• (1835)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

CONFLICT OF INTEREST (A) REQUEST FOR DETAILS CONCERNING FORMATION OF CERTAIN PRIVATE COMPANIES (B) COMPANY SHAREHOLDINGS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on Monday I asked a question in the House about the staff in the Prime Minister's Office and a rather extraordinary procedure according to which certain employees, including three senior advisors, received preferential treatment by being allowed to arrange personal service contracts and set up companies acting on their behalf. I wanted to ask the Prime Minister whether he or the Minister responsible for Treasury Board had in fact approved this contract procedure, and at the time, as Hon. Members will recall, the Deputy Prime Minister answered that he saw nothing irregular in it.

Mr. Speaker, it is not up to me to criticize, but all I know is that according to the Estimates, 120 person-years were approved for the Prime Minister's Office, and now we hear that three people, Messrs. Van Dusen, McMilland and MacAdam, would be hired by contract, and thus surplus to the person-years approved in the Estimates.

What I wanted to know was whether these people, who had established private companies in Ontario, so-called numbered companies, whether these people had complied with the conflict of interest guidelines or, to use the official term, the conflict of interest/post-employment code for public office holders, one of the documents tabled last week by the Prime Minister.

No reply was forthcoming, and that is why I asked for an adjournment debate.

There are two or three reasons why such contracts are set up. First, a private company obviously enjoys tax benefits. In Ontario, a private, incorporated company pays far less income tax than the individual taxpayer. It would be an advantage for someone in a situation like the three gentlemen in the Prime Minister's Office to be able to receive his salary, deposit it in the company and thus avoid taxes. It is legal, and I do not think there is much that can be done about it.

What I wanted to know is whether these contracts and companies were examined by Treasury Board and by the Prime Minister and whether they are in order.

Mr. McMillan of the Prime Minister's Office, one of the officials who earns a rather respectable salary, admitted he had personal reasons for establishing that service contract

instead of being paid a regular salary. I should think that the other two, Van Dusen and MacAdam, also had personal reasons to set up private companies to have their salary.

What I want to ask the Parliamentary Secretary this evening is, first, can he assure the House that those three individuals who work in the PMO come under the code of ethics governing the conduct of holders of public offices with respect to conflicts of interest and, second, can he assure the House that the Government as employer, and particularly the President of the Treasury Board, have indeed made sure that there are no conflicts of interest in those companies?

I would ask the Parliamentary Secretary to make the contracts public and tell us whether those companies have clients other than the employees mentioned, the three individuals. Do they have other clients? Can we find out from the Government whether those three public officials who work in a rather important office, the Prime Minister's Office, are beyond the shadow of a doubt and considered as such in terms of conflicts of interest?

Mr. Speaker, my question is simple: Are they pure, in the clean, and not subject to any conflict?

[*English*]

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am rather surprised at the Hon. Member bringing up a new aspect to this question about which I had no idea. He wants something tabled. I will have to look into that. It is not normal to table certain matters in the House without all involved parties being in agreement. I certainly will not do that. However, I thank my hon. colleague for raising this question.

● (1840)

First I should like to assure him that the matter at hand has nothing whatever to do with conflict of interest. It is normal to have contracts of this nature. Many individuals work for the Canadian Government on contract. There are hundreds, if not thousands, of people working on contract for the Canadian Government from time to time. These three individuals have been engaged to work for the Government in a perfectly normal way. It is well known in the private sector. Thousands do it. It is accepted by the Department of National Revenue and has been for many years, in fact for decades. These contracts were approved by Treasury Board in the normal way contracts are approved. I assure the Hon. Member that there is no reason for concern.

All persons, including those employed under contract, working in the Office of the Prime Minister have been directed to comply with the conflict of interest guidelines. Full disclosure is required under this Government by all such people. I should point out that this is the first time a Prime Minister has required all people working in his office to comply with the conflict of interest guidelines. This was not so under previous administrations. This covers and includes people on contract.

There is no way to state the case more clearly. They have complied fully with the guidelines administered by the Assistant Deputy Registrar General.

As to the matter of taxes, taxes have always been a private matter between the Department of National Revenue and the individuals involved. Suffice to say, they have been employed in a manner approved by the Department of National Revenue, and the Department is taxing them in the manner in which it has taxed others over past decades. It is extremely common, there is nothing surprising, and the matter has been approved by Treasury Board.

FISHERIES—EXERCISE OF MINISTERIAL DISCRETION—INSPECTION OF FISH PRODUCTS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question relates to the question I asked in the House today concerning the activities of the Minister of Fisheries and Oceans (Mr. Fraser). On April 29, 1985, the Minister overruled his federal fisheries inspectors and permitted a large quantity of tuna, which had previously been determined by his inspectors to be unfit for human consumption, to be distributed in markets in Canada and the United States. It has been deemed that this product could in fact affect the health of Canadians and definitely would affect the nature of a $2 billion industry in Canada.

Yesterday the Prime Minister (Mr. Mulroney) and the Deputy Prime Minister (Mr. Nielsen) completely supported the actions of the Minister. Today, I guess after examining the thing, the Prime Minister ordered the Minister of Fisheries and Oceans to withdraw this. It appears to us that the Minister's use of his discretionary power was completely unwarranted and presented a very serious threat to a very viable Canadian industry. In fact, it caused a health concern in the minds of Canadians. As a result, the Minister should have been dismissed.

We cannot have ministerial discretion used in such an inappropriate way. Never for one moment did the Minister of Fisheries deny doing this. Never for one moment did he indicate that he would not be prepared to do this again. That must be corrected only by the removal of the Minister.

My second point is that the Minister has made three serious errors. He made one with the native people of New Brunswick by launching and assisting in what could only be called very ill-considered raids against those people. Also he was involved in an ill-conceived licensing arrangement in which he overruled officials in his Department on the basis of what can only be construed as political advice. Of course the third was allowing contaminated food unfit for human consumption to be distributed in the market-place, going against his inspectors.

The Prime Minister must consider today that we have a $2 billion industry, $1.7 billion of what is known as a top quality product being exported into the world market where we are struggling to get more of a share. There are 100,000 jobs and 1,000 registered processors in this country and the Minister of Fisheries and Oceans jeopardized that whole industry.

• (1845)

What very clearly must be done today is that the Prime Minister must organize a national advertising campaign, indeed an international campaign, that will reinstate the confidence of people to whom we market fish, assuring them that we thoroughly inspect it and that we have a competent and expansive inspection process. They must be assured that the Government of Canada will no longer be overruling those people who are doing a good job but that it will in fact be backing them to the hilt to ensure that our product when marketed is top quality product safe for human consumption.

This House and the committee before the House definitely has to take a look at the licensing facilities and the threat that this Government is taking something in the order of $65 million out of the Department of Fisheries and Oceans. We must be sure that that $65 million in the November cuts, in the May Budget and in the kind of slashing and cutting that is going on is not coming out of the inspection service, that this Government does not deregulate inspection, leaving it up to the company, as the Minister says, to draw guidelines together.

This Minister says the benefit of doubt goes to the companies. Those are direct quotes from the Minister of Fisheries and Oceans. It is absolutely unacceptable that that course and direction be established by this Government.

It is not too many years ago that it was the individual Canadian who had to make a decision at his table, or in the supermarket, that he was buying quality food. Because of the tremendously serious hazards of doing that the Government stepped in and for a number of years had effective inspection processes. We are now seeing a process by which it would appear that that is being turned back to the companies, that the benefit of doubt would go to the companies, with the attempts to cut back civil servants and cut back the deficit resulting in a diminishing of this Government's resolve to ensure that Canadians can have confidence at their table in the food they consume, particularly in the fish they consume.

The Government must also ensure that our cutomers overseas can have confidence that our product is thoroughly inspected and is a top quality product safe for human consumption.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the fish inspection regulations made under the Fish Inspections Act prohibit the import or export, or processing for export, of any fish product that is tainted, decomposed or unwholesome. These terms are defined in regulations, and normally through his officials the Minister provides an interpretation of these definitions by developing standards for minium acceptability.

Where an individual or company is not satisfied with a decision of an inspector, the decision may be appealed to the Minister. The Minister must then order a re-inspection, provided the product does not contain harmful or poisonous substances. Following a re-inspection, on the basis of the advice provided to the Minister, the Minister makes the final decision.

There are a number of other powers in regulations provided to the Minister. For example, to process for export a plant must have a Certificate of Registration. If the plant fails to meet requirements of the regulation, Mr. Speaker, the Minister may withdraw the certificate.

MULTICULTURALISM—FEDERAL-PROVINCIAL CONFERENCE—SIZE OF BUDGET

Mr. Sergio Marchi (York West): Mr. Speaker, it is a pleasure to follow up in today's final debate on a question I earlier asked today, only a few hours ago, of the Minister of State for Multiculturalism (Mr. Jelinek). I asked that question, not only because I am the critic for that particular portfolio for my Party, but also because it involves a principle that is very dear and goes to the heart of what this country is all about.

One of the back-benchers on the Government side began the questioning today during Question Period when he said that there was some concern out in the country that the Minister of State for Multiculturalism has a dual portfolio, that is to say he is the Minister of State for Multiculturalism as well Minister of State for Fitness and Amateur Sports. There is concern—there is great concern in the country that we are going backwards with respect to a vibrant multiculturalism policy. If we go back to the era of 1979 under the then Conservative Government we find then too that the Minister of Multiculturalism was also the Minister of Fitness and Amateur Sport and somehow had to divide his responsibilities between fitness and amateur sport and multiculturalism. So there is concern.

Mr. Speaker, when I rose in my place today I asked the Minister why the budget for multiculturalism was reduced by some $2.255 million or 8.5 per cent in the Estimates that the Government presented to this House last February. The response of the Minister was that as far as the reductions were concerned, I would be very happy to know that the Government has already increased the Budget for Multiculturalism and will proceed on that basis. That is a very serious statement, Mr. Speaker. The only information this House of Commons and the communities across Canada have is that this budget, through the Budget Estimates, was reduced by some 8.5 per cent, meaning $2.2 million.

• (1850)

Under consecutive Liberal Governments that budget has always increased. This was the first time that it was decreased. It might have been okay to have the budget stay the same but to absorb a reduction of 8.5 per cent in the budget when Government spending was on average 7.3 per cent certainly flies in the face of the serious priority of Conservative Members who wanted to leave ethnocultural communities with the opinion that this was something very dear to their program. We see that it is not.

The Minister's statement in response to my question is very serious, because it leads me to believe that if in fact the budget was increased, whether by his predecessor or himself, as he has

been in this position only a few months, he would have informed the House and Canadians from coast to coast that the budget had been increased. I will give my hon. friend from the Government side an opportunity this evening to expand on that.

If in fact the budget for Multiculturalism was increased, I would certainly like to know by how much it was increased and for which particular programs. Under the reduction announced by the Government there were cut-backs in projects aimed at helping immigrants, in the support for multi-ethnic organizations, heritage language programs, support for projects and organizations devoted to the preservation and development of cross-cultural understanding, funding for publications and on and on. If in fact the budget was increased, I would like to know when the budget was increased.

One of the serious problem I face when dealing with the leaders of various ethnocultural communities and organizations is that there is never enough money from the directorate to do the types of things they wish to do. I think it is certainly a responsibility on the part of the Government, if in fact it has seen fit to increase this budget, to announce to the Canadian public where, how and when the budget was increased. People still believe that this Government reduced the budget through the Budgetary Estimates that were brought forward in April.

Finally, if the budget for the Multiculturalism Directorate was not increased, then I think the Minister of State for Multiculturalism owes the House and the country an apology for misleading this House. I do not say that he did so intentionally, but certainly if this budget as of today has not been increased there is a problem, because the record speaks for itself. I look forward to hearing the Parliamentary Secretary to the House Leader respond to these very crucial and important questions.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, of course the Hon. Member smuggled in considerably more material than he had in the question he put this afternoon. I do want to point out to him that, unlike the previous Liberal Government, we did not close down the Ministry of Multiculturalism right after the election and then set it up again a year before the next election, as the Liberal Government had a habit of doing. In fact, the Hon. Member could ask the former Hon. Member for Parkdale-High Park, Senator Haidasz, how he got ousted immediately following an election. We have a Ministry of Multiculturalism which will continue to be in existence throughout the term of this Government, rather than only for election purposes.

● (1855)

It is with considerable pleasure that I rise to respond to the Hon. Member's question. I wish to emphasize at the beginning that there has been no slackening of the Government's commitment to multiculturalism. In fact, our commitment is much greater than ever existed under any Government. We have a Ministry; we have a Deputy Minister and an Assistant Deputy Minister for the first time, and we have established a Standing Committee on Multiculturalism to deal with issues of multiculturalism. Previous Liberal administrations never took such action.

The present Government will provide an additional $4.9 million over this fiscal year and next to strengthen the multiculturalism sector's capacity in the areas of race relations, cross-cultural development, assistance to community groups and public education.

The Hon. Member has noted a 9 per cent cut in the 1985-86 Estimates which were tabled in the House in March of this year. That came about as part of the Government's review of expenditures. This reduction is more than compensated for by the $2.5 million additional for 1985-86, as part of the $4.9 million which I previously mentioned.

These actions make it clear that even when programs in several areas are being reviewed for rationalization and expenditure control, this Government has maintained and, in fact, has increased its financial commitment to multiculturalism. These increased funds have been allocated after ongoing consultations with the provinces and with communities. They underline the Government's continuing commitment to follow up on the extremely worth-while recommendations made in *Equality Now*.

Furthermore, the Government is increasing the complement of the multiculturalism sector by 15 person-years and has raised the profile and status of the multiculturalism program within Government by appointing for the first time an official at the Assistant Deputy Minister level.

As has already been noted, a Standing Committee on Multiculturalism has been created for the first time. It will have the opportunity to consider the details of these and other governmental initiatives relating to multiculturalism.

Our support for multiculturalism and equal opportunity for all Canadians is strong and will be a fundamental tenet of all Government initiatives in the future. Our ongoing concern for Canadians of all backgrounds is manifest and our intentions are being translated into action. We intend to make sure that the skills, talent and expertise of all Canadians are used to the fullest extent.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.58 p.m.

HOUSE OF COMMONS

Friday, September 20, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

SOCIAL SECURITY

MEASURES PROPOSED BY GOVERNMENT—IMPACT ON FAMILIES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I was shocked by the action taken yesterday by the Minister of National Health and Welfare, who is supposed to defend families with children.

Mr. Speaker, the Government not only wants to reduce the incomes of families with children, it also wants to prevent the Opposition and the Canadian people from telling the truth in this debate. That is why the Minister of social injustice decided to impose closure in the debate on second reading of the Bill to de-index family allowance payments.

Mr. Speaker, it is becoming increasingly clear to me why the Minister is referred to as the Minister of social injustice, a title he richly deserves. It is shameful to see how anxious the Mulroney Government is to gouge the incomes of poor and average Canadians and the reluctance with which it is trying to impose a minimum tax on incomes of rich Canadians who manage not to pay a cent of income tax.

Mr. Speaker, I have here a letter addressed to the Prime Minister by the *Confédération des organismes familiaux du Québec*, from which I would like to quote the following:

> Prime Minister, where is the consistency in your approach? You say that you have a great deal of consideration for Canadian families, but you are attacking the meager measures that exist for their benefit. Families are starting to wonder.

Mr. Speaker, from October 7 to 13, for the first time—

Mr. Speaker: Order. I am sorry to interrupt the Hon. Member but his time has expired.

[*English*]

DISASTERS

EARTHQUAKE IN MEXICO—NEED FOR AID

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the people of Canada want to extend not only sympathy but also practical help to the people of Mexico following the devastation caused by yesterday's earthquake. The Mexican people and Government face massive problems. Direct victims of the quake need medical treatment. Emergency water and sewage facilities must be provided to prevent epidemic disease. Housing must be provided for people whose homes have been destroyed. There must be emergency distribution of food.

In the name of humanity, the Government of Canada must move quickly to help. Working in co-operation with recognized relief agencies, our Government should announce an immediate program to match, dollar for dollar, all private contributions. Direct Government-to-Government aid should also be given to help repair communication and transportation links, as well as water and sewage lines.

Canada should make the strongest possible representation to the International Monetary Fund to reverse yesterday's badly timed decision that cancelled $450 million worth of loans to Mexico. I urge the Canadian Government to announce immediate plans for a comprehensive and generous program to help the people of Mexico.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT'S ACHIEVEMENTS

Mr. Gilles Bernier (Beauce): Mr. Speaker, the Conservative Government can count on the co-operation of several groups in its efforts to improve the lives of Canadians, Quebecers and the people of Beauce whom I have the honour to represent.

Since we came to power, our Government has been listening to the people, and to confirm the truth of this statement, I can mention that 67 per cent of Quebec business people say they are satisfied with the way the Mulroney Government is running the country. Business people across this country are our main partners in creating jobs.

S.O. 22

The newspaper *Les Affaires* of August 31 published a detailed report on how business people feel about the present Government, and it was a very positive analysis.

Also, now that the Macdonald Report has been tabled, Canadian citizens will be able to consider their national future in its broadest terms, now that the Commission has described with great frankness and energy the choices open to Canadians.

This is a golden opportunity for elected representatives to change the face of this country and to redefine its social, industrial and even national frontiers. The new trade agreements with our neighbour to the South, the restructuring of social programs and Quebec's place in Canada are subjects that deserve serious, frank and thorough reflection.

Canada's future depends on its ability to react quickly to change, and the survival of this country will depend on that ability.

* * *

FISHERIES

FUTURE OF HERRING FISHERY IN GLOUCESTER RIDING

Mr. Roger Clinch (Gloucester): Mr. Speaker, the last two weeks have been highlighted by mementous events within the herring fishing industry in the constituency of Gloucester. The future of the industry is threatened.

During that time I had an opportunity to meet with officials of the Department of Fisheries and Oceans as well as spokesmen for producers, plant workers and fishermen from my riding.

The current crisis in the Gulf of St. Lawrence stems from the disagreement between fishermen and Department of Fisheries and Oceans biologists.

The quotas established last year were expected to cover a three-month fishing season, but it actually took fewer than eight days to fill them.

If coastal fishermen can catch 8,000 metric tons within eight days, should we question the accuracy of the data provided by the biologists?

We learn from fishermen with over 20 years of experience that this year herring stocks are abundant enough to allow for double the established quota.

In the interest of people whose sole source of income is fishing, I would urge the Minister to reconsider his decision not to raise quotas. The full impact of this situation will be felt not only by the fishermen who will be unable to sell their fish next year, but also by the producers who will already have lost their markets.

I would be remiss to conclude without emphasizing that we would be making a mistake by ignoring the representations of my constituents. Therefore I ask the Minister to review the data and give those fishermen a fighting chance to earn their living.

* * *

AGRICULTURE

REQUEST THAT MINISTER DISSOCIATE HIMSELF FROM ENVIRONMENT CANADA REPORT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I urge the Minister of Agriculture (Mr. Wise) to dissociate himself altogether from the Environment Canada Report dealing with the impact on farm lands of the municipal drainage outlet program established under the Canada-Ontario subsidiary agreement for Eastern Ontario and said to be a preliminary evaluation.

[*English*]

This report is a direct attack on the farmers of eastern Ontario who requested funding, and on all the minicipalities which administered these funds. It would seem that the authors of the report had made up their minds on the conclusions before they even started. Eastern Ontario farmers do not agree with these findings and I doubt if any of them were even consulted.

Eastern Ontario has always lagged behind other areas of the province, and programs such as the one I just described have assisted in upgrading the land. More funding is needed to allow the farmers of our part of the country to be more competitive with others.

I call upon my colleagues, the Member for Stormont-Dundas (Mr. Warner), the Member for Leeds-Grenville (Mrs. Cossitt), the Member for Ottawa-Carleton (Mr. Turner), the Member for Nepean-Carleton (Mr. Tupper), the Member for Lanark-Renfrew-Carleton (Mr. Dick) and others to join me in condemning this report.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in his press conference this morning the Prime Minister (Mr. Mulroney) again maintained his closed and secretive approach to freer trade talks with the United States. He refused once more to clarify how agriculture would be treated in these talks. He has also refused to make a public announcement this week on his free trade plans, despite earlier promises of a six-month signal.

Why is this approach being taken? Clearly, it is a deliberate political strategy which is explained by the secret documents that leaked out yesterday. Those documents say: "It is likely that the higher the profile of this issue, the lower the degree of public approval will be". They also state: "Benign neglect from

a majority of Canadians may be the realistic outcome of a well-executed communications program".

The Conservative Government wants to keep Canadians in the dark, despite the deep concern of many communities about this issue and despite the blackmail from the United States, where a leading U.S. Congressman yesterday said that no free trade deal with Canada would be signed unless we cut back our lumber exports. Free trade on that basis would make us no more than an American colony. For that reason we oppose it strongly.

* * *

• (1110)

AGRICULTURE

HIGH CHEMICAL INPUT COSTS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I share excerpts from a letter concerning drought assistance written to me by a farm couple in the Cabri area of southwestern Saskatchewan. They say:

> It angers us to hear about how Government plans to write down debts with farm credit. There are farmers in this area, and I am sure in other areas, that are in financial difficulty because they had to have land at outrageously high prices. They never stop to think there may come a time when there would be no crop or when the price drops or when there is no market for our grain. That's all happened before.

In other words, Mr. Speaker, they ask why should the foolhardy be rewarded with a loan writedown while the prudent get to foot the bill? Why should the guy who outbid everybody else at a land auction now be bailed out by those whom he outbid?

The letter continues:

> If you want to help us in a positive manner and help all farmers, try to reduce our input costs. I think the cost of chemical is a big rip-off and these companies should be investigated. I think most all farmers spend a good portion of their income on grasshopper poison in the drought area, and maybe Governments could pay for that if they want to help.

This letter is fairly representative and contains some good, sound advice. I recommend these useful and practical suggestions to the Hon. Member for Assiniboia (Mr. Gustafson), Chairman of the Task Force on Drought, and to the Hon. Minister of Agriculture (Mr. Wise).

* * *

YOUNG OFFENDERS ACT

TREATMENT OF YOUNG IMPAIRED DRIVERS

Mr. John Oostrom (Willowdale): Mr. Speaker, a recent Gallup Poll conducted for the federal Government has found that young people are increasing their daily intake of alcohol. Alcohol consumption has increased to 39 per cent; up from 37 per cent a year ago. Consumption has increased by 5 per cent among those aged 12 to 14, and by 23 per cent among those aged between 15 to 17.

S.O. 22

With new tough regulations being implemented for drinking drivers, my constituents feel that these regulations will not be equally enforced and that the Young Offenders Act will take preference. If an individual can obtain a driver's licence at the age of sixteen, then such an individual should be subject to the same penalties that adults now face. A mechanism should be implemented in order for the two Acts to complement each other. After all, the destructive force of any accident is the same.

* * *

[*Translation*]

PUBLIC SERVICE

LANGUAGE TRAINING PRIVATIZATION CONSEQUENCES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on May 28, 1985, the President of the Treasury Board stated before the Standing Joint Committee on Official Languages Policy and Programs that his Government was considering privatizing the Federal Public Service Language Training Program. Since then, I have received a very large and significant number of complaints from many public servants who are concerned, indeed worried, about the Conservative Government plans to privatize a program which has earned an enviable international reputation to say the least, both for its efficiency and expertise.

During the election campaign, the Conservatives bragged about developing programs to promote women employment at higher levels. By nurturing such an irresponsible idea as privatizing language training, the Government will jeopardize the jobs of 788 employees, 62.6 per cent being women. Moreover, 536 of the 788 employees are members of the teaching staff of which 59 per cent are professional women who, for the most part, have made a career of teaching.

Mr. Speaker, the Public Service Commission of Canada at present controls standards and teaching methods. But were language training to be privatized, there would no longer be any federal Government control over private firms.

Why then is the Government still bent on so-called savings . . .

Mr. Speaker: Order, please. I am sorry to interrupt the Hon. Member, but his time has expired.

* * *

[*English*]

FINANCE

SALES TAX ON READY-MIX CONCRETE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, as a loyal government supporter, far be it from me to question the wisdom or otherwise of the recently imposed 6 per cent sales tax on ready-mix concrete, or even to query whether or not it is

appropriate to consider such material as a manufactured product.

That which irks concrete mixers, who have now had bestowed upon them the dubious honour of being elevated in status to that of manufacturers, is the extreme complexity of the calculations needed to determine the tax payable.

• (1115)

After having obtained his eight digit licence number and ten digit account number, the new manufacturer must consult at least ten memoranda to compute the tax and fill out a multitude of forms connected with the remission thereof. At least 14 different items, including various delivery charges, have to be factored in when computing the tax, with the result that the tax per cubic yard for each truckload will be quite different.

Could the Minister of National Revenue (Mr. MacKay) simplify the system so that it is not necessary to have a chartered accountant riding shotgun on every cement truck?

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA—NEW BRUNSWICK RESEARCH COUNCIL REPORT

Mr. George Henderson (Egmont): Mr. Speaker, we were to have started today with a question on the tragic earthquake in Mexico. However, we have been informed that the Minister for External Relations will be making a statement on motions on this matter at a later time, and we will certainly be replying to it.

Therefore, I direct my question to the Minister of Fisheries and Oceans. It concerns a revelation today in the report of the Research and Productivity Council of New Brunswick, the Crown corporation upon which the Minister based his information in order to release the product, indicating that the Minister released that product before the results of the test came to him. Will he now stand in his place and admit publicly that he made a very, very grave mistake in judgment?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I am very concerned about what the Hon. Member has just said. If I heard him correctly, he is saying that the product was released before we had the results of the report of the New Brunswick Research Council. That is clearly not the case. In fact the product was not released until we had the results of a further independent report which I commissioned.

TESTING DONE BY COUNCIL

Mr. George Henderson (Egmont): Mr. Speaker, the press release issued by the Research and Productivity Council of New Brunswick clearly indicates that the Minister of Fisheries released about a million cans of tuna before its testing was completed. There is nothing any clearer than that. Is the Minister denying that allegation by the corporation upon which he relied for advice?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I am sure the Hon. Member will bring to me the document which he has. What he is saying is completely contrary to what happened. I am sure the Hon. Member will do the civil and appropriate thing and speak to me about it in a few minutes.

REQUEST FOR MINISTER'S RESIGNATION

Mr. George Henderson (Egmont): Mr. Speaker, enough is enough. This time I will direct my question to the Prime Minister. The Minister of Fisheries and Oceans commmitted a grave mistake in judgment. He allowed a product to go on the market-place without any testing results whatsoever.

It is with some reluctance that I have to ask this question. Will the Prime Minister do the honourable thing and demand the resignation of his Minister of Fisheries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is about the fifth or sixth time this question has been raised. I think I have explained the circumstances and the celerity with which the Government acted. There having been no threat to health and safety, we wanted the cans removed in any case. We are now assured that new procedures will preclude this occurring in the future.

• (1120)

The Deputy Prime Minister has reported to the House that we hope to make sure that—

An Hon. Member: He broke the law.

Mr. Mulroney: —testing is done by the Ministry of Health and Welfare in the future. I think all of this represents a reasonable and appropriate response by the Minister and by the Government to a serious situation which we dealt with as quickly and as effectively as I think any Government could.

PRIME MINISTER'S PRESS CONFERENCE STATEMENT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, this morning during the Prime Minister's press conference the question was asked: "You are saying the cans of tuna should not have been on the shelves". The Prime Minister responded by saying "That's pretty damn obvious".

I would like to ask the Prime Minister is it not also obvious that in order to remedy the loss of confidence in the quality of fish sold in Canada and internationally it is not enough just to get rid of the cans of tuna but that he must get rid of the Minister of Fisheries.

Right Hon. Brian Mulroney (Prime Minister): My hon. friend expresses an opinion to which he is entitled, one which I regret, because I think he is aware of the fact that no one in this House would question the commitment of the Hon. Minister of Fisheries—

An Hon. Member: It is his judgment.

Mr. Mulroney: —to questions of health and safety and environment, well established over many years. Everything was laid out in good faith before the House. I think the responses have been appropriate and adequate.

I was asked this morning whether, in retrospect, we would have acted differently. I think that was the thrust of the context. The answer was, of course, yes. No Canadian wants this, which is why we acted as quickly as we did—

Mr. Deans: After two days of questioning here.

Mr. Mulroney: —to make sure that they were removed and that appropriate procedures were in place for the future.

MINISTER'S RETENTION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, does the Prime Minister really and honestly believe that he can retain a Cabinet Minister who asks Canadians to eat rancid fish? Does he really and truly believe that?

Some Hon. Members: Oh, oh!

An Hon. Member: Silence, silence.

* * *

BANKS AND BANKING

NORTHLAND BANK—PRESIDENT'S PRESS CONFERENCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question on another matter. Late yesterday afternoon the president of the Northland Bank held an extraordinary press conference in which he accused the Government of doing just the opposite to what it was publicly and privately committed. He said that instead of helping to facilitate a restructuring of Northland Bank the Government of Canada, through its officials, was taking steps that would really involve the bank in a rapid liquidation of its assets at firesale prices. These are extremely serious allegations coming from the president of a bank. I would like to ask the Minister of State for Finance simply this. What is going on?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I was both surprised and I guess a little bit frustrated by the statements that were made by the president of the Northland Bank yesterday. In our discussions I had indicated to him that I would facilitate in any way some proposals which he said were under negotiation as we had our discussions leading up to September 1.

I gave him every room to pursue those discussions. Not only that, but I appointed a full-time liaison person to work from my office with him very early the following week in order to assess the proposals that he was to bring forward to us. That person is one of the top corporate finance people in Canada. I have been in touch with him every day. He has examined every proposal that has come forward, and those negotiations are continuing.

REQUEST FOR WEEKEND MEETING OF PARLIAMENTARY COMMITTEE

Hon. Edward Broadbent (Oshawa): My question is directed to the Prime Minister. What the Minister has just said to the House was effectively denied or contradicted by both the president of the bank and the vice-president of the bank, the two of them together at a press conference yesterday, when they said that the Government was not helping to facilitate the restructuring, and that a couple of offers, among others, were not being seriously considered.

• (1125)

The point at dispute here is the serious allegation involving a bank president going public, something which is extraordinary. He is saying that the Government is not doing what it has committed itself to do but that it is doing the opposite. Given the contradiction that exists between what the Minister has said today and what the bank president has said, without presupposing the accuracy of either but noting their seriousness, will the Prime Minister take immediate steps to hold a meeting of the Finance Committee of the House this weekend, a meeting at which the Minister and the president of the bank in question could appear to give their views?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been trying to get the Finance Committee going for about two weeks now and have not met with the kinds of endorsements which I am delighted to hear today. As soon as the House Leaders grant their approval, the Finance Committee can begin sitting so that these matters can be fully examined.

Mr. Fulton: It's sitting every day, Brian.

Mr. Mulroney: I mean in regard to the problems about which we are speaking, obviously. I cannot account for a statement made by a bank president in difficult circumstances and under pressure. The Minister has provided appropriate explanations. Surely the Leader of the New Democratic Party would not quarrel with the proposition that this Government has already gone very far to establish that we were willing to take risks to protect fledgling financial institutions in western Canada.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Members of the NDP laugh at what we have done for western Canada but western Canadians will remember that, as will all Canadians. I guarantee that. They laugh

because this Government tried to help a fledgling institution in western Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have done so honourably and, we think, well, and we are ready to have that subjected to objective interrogation by the Finance Committee as quickly as it can sit.

Mr. Speaker: Order, please.

TERMS OF PROPOSED LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, western Canadians as well as all other Canadians will remember that it was the Prime Minister's Government that created the billion-dollar fiasco for which they will now have to pay.

Since the Prime Minister refuses to have this very serious situation referred to the committee for immediate action—and I am not referring to the continuing problem of the banks but to this immediate crisis—will he or his House Leader confirm that the Government has already prepared legislation that contains clauses referring the the bail-out not simply of the Canadian Commercial Bank but also the Northland Bank? Will the Government confirm that such legislation has already been drafted, and if it has, does this not simply, on its surface, lend credence to what the president of the Northland Bank has been saying?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker. At an appropriate time any legislative initiatives that should be taken will, of course, be taken and my hon. friend will be advised.

My hon. friend says that western Canadians will remember that Progressive Conservative Members are responsible for the bank fiasco. We inherited this situation.

Mr. Broadbent: The bail-out.

Mr. Mulroney: What western Canadians will never forget is that the NDP got engaged and married to the Liberals and they passed the NEP which devastated western Canada. That is what they will never forget.

Some Hon. Members: Hear, hear!

Mr. Mulroney: They will never forget that.

Mr. Broadbent: Prime Minister, that's another lie.

Mr. Mulroney: Oh, it hurts. That is unworthy.

Mr. Stevens: Withdraw.

Mr. Speaker: I have to advise the Hon. Member for Oshawa that I heard that and I must ask him to withdraw it.

Mr. Broadbent: I will tell the Prime Minister—

Mr. Speaker: With respect—

Mr. Broadbent: —that we voted against most parts of the energy program.

Mr. Speaker: Would the Hon. Member please resume his seat?

Mr. Broadbent: He knows it. He should come clean.

Mr. Speaker: Would the Hon. Member please resume his seat?

Mr. Broadbent: I am happy to abide by the traditions of the House and withdraw the comment.

Mr. Speaker: Since I have yet to give him the floor for this purpose, would the Hon. Member simply rise and withdraw what he said? Would he simply withdraw it, please?

Mr. Broadbent: This is very touching, Mr. Speaker. I will withdraw my comments. I would like the Prime Minister to tell the truth once in a while.

Some Hon. Members: Oh, oh!

• (1130)

Mr. Speaker: The Hon. Member for Trinity (Miss Nicholson).

Miss Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State—

Mr. Deans: You cannot say it over and over again. He is wrong and you know it.

Mr. Lewis: You are cheap-shot artists.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I have not checked the lunar schedule, but I think there must be a full moon.

The Hon. Member for Trinity.

CANADIAN COMMERCIAL BANK—LIQUIDITY STATEMENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. The Minister has said that she and her officials were watching activities in the Canadian Commercial Bank during the spring and summer. Will the Minister tell the House when she became aware that, as of the end of June, the bank had stopped submitting the weekly and monthly liquidity statements which are required of all chartered banks, and why this was allowed to happen?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, once again we have had some serious allegations made which are based on misinformation. The records referred to in the newspaper were internal to the bank. Every single filing statement which was required to be made with the Inspector General and with the Bank of Canada continued to be made, and are continuing to be made now.

REQUEST THAT AFFIDAVITS BE TABLED

Miss Aideen Nicholson (Trinity): Mr. Speaker, just to clear up the situation, would the Minister table in the House all affidavits and papers filed with the Alberta court when the liquidator was appointed?

In view of the fact that the Minister said she was monitoring the bank over the summer to protect the Canadian taxpayer, will she tell us why, on August 29, even as the bank was being wound down, large advertisements appeared in Canada's papers offering a $50 bonus to new customers who placed minimum term deposits with the bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the Hon. Member asked two questions. As far as the affidavits and papers are concerned, I understand those are public documents and they would have been filed with the court.

As to the second part of the Hon. Member's question, the bank was in operation until September 1. Our role was to watch the bank to ensure that as long as it was viable it was functioning and that when it ceased to be viable we appointed a curator.

* * *

FISHERIES

SALE OF CANNED TUNA—REQUEST FOR MINISTER'S RESIGNATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Minister will know that in an interview today the Prime Minister was asked whether the tuna—the decomposed, unfit-for-human-consumption tuna—which went on the shelves should have been placed on the shelves. The Minister will also know that the Prime Minister said: "Not damned likely," that that stuff should have gone on the shelves. Now that the Minister has lost the confidence of the Prime Minister, should he not do the right thing and resign forthwith?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I explained the context in which that comment—

Some Hon. Members: Oh, oh!

Mr. Mulroney: Is there something wrong with the Liberals today? I know how depressed they must be and I can understand why. Yesterday's polls were not too good.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I explained the context in which that statement was made. I also explained the high regard and support I have for the Minister of Fisheries.

BASIS FOR MINISTER'S RULING

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my supplementary question is for the Prime Minister. The Prime Minister will also know that the RPC of New Brunswick, on whose report the Minister says he released that product, today denies that and states that the Minister released the thing without a final report. I have the report in my hand from them dated May 3.

Mr. Speaker: Order, please. Is there a question?

Mr. Skelly: Will the Prime Minister indicate to the House on what basis the Minister of Fisheries released this material? How can the Prime Minister have any confidence in a Minister who would place rotten tuna on the shelves of Canadian supermarkets without having received a final recommendation?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the allegation which the Hon. Member makes was made earlier and I invited—

Mr. Skelly: Here is the report dated May 3.

Mr. Fraser: —the Hon. Member to bring me the documents upon which it is based. I have to say that I received a confidential report from the RPC on February 11. I received a further report from the independent committee which I struck as Minister on April 24. It was not until I received both reports and considered them carefully that the stock in question was released. If the Hon. Member has some information I do not have then I would be prepared to discuss the matter with him after Question Period.

* * *

[*Translation*]

BANKS AND BANKING

POSITION OF GOVERNMENT AND MINISTER ON VIABILITY OF NORTHLAND BANK

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of State for Finance. I should like to get back to the problem raised a moment ago by the Leader of the New Democratic Party concerning the Northland Bank.

During yesterday's press conference Mr. Neapole said, among other things, referring to his bank and the Government's attitude . . . Here is what he said when accusing the Government:

[*English*]

"scuppering Northland's fight to survival". He also said: "The will does not seem to be there to restructure or amalgamate."

[*Translation*]

This is a quote from the press release made public after the conference. It is an extremely serious accusation which undermines the Minister's credibility.

Now then, I would like to ask the Minister of State for Finance — surely she has all the reports and data — whether she can tell us if, in her opinion and in the opinion of her Government, the Northland Bank is viable.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have made it clear from the beginning that these negotiations were important to the future of the Northland Bank. I hope these negotiations have not been jeopardized by the discussions which have taken place by the president of the bank and those which have taken place in the House today. There are arrangements being discussed, and those discussions continue.

I have also made it clear on behalf of the depositors and the taxpayers that whatever negotiations are under way will have to be completed as quickly as possible.

[*Translation*]

MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): A supplementary question, Mr. Speaker.

The accusations the Minister has just made against the Opposition are unacceptable, especially coming from a Government which, on September 1, tabled in the House notices indicating that Northland Bank liquidation applications would be filed.

Again I direct my question to the Minister since this matter falls under her jurisdiction. Can you tell us today, without jeopardizing the negotiations, whether the Northland Bank is viable, yes or no?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I might also add that Mr. Neapole, following his press conference, and on *The Journal* last night, said that he was not attacking the Government. I would like to make that very clear.

The negotiations which are under way are being conducted in a business-like manner. They are dealing with an institution which is under the control of a curator. Those are facts. They are part of the negotiations. The viability of the bank will depend on the outcome of those negotiations.

[*Translation*]

APPARENT CONTRADICTION BETWEEN STATEMENTS BY MINISTER AND BY NORTHLAND BANK PRESIDENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question to the Prime Minister also deals with the Northland Bank. Is the Prime Minister aware of the contradictions which exist between the statement Mr. Neapole, President of the bank, made yesterday in Edmonton, and those which his Minister of State for Finance has made on the question of whether the Government is trying to save the bank instead of merely liquidate it?

Why does the Prime Minister refuse to allow the Finance Committee of the House to listen to both Mr. Neapole and the Minister of State for Finance over the coming week-end in order to find out what the situation is, in view of such major and serious contradictions?

Right Hon. Brian Mulroney (Prime Minister): What we have just heard is utter nonsense, Mr. Speaker. For the past two weeks, we have been asking the House to refer this type of question to a committee and we have been refused by NDP Members who wanted to look into the matter. Make up your minds! We are prepared to refer this issue to a committee. Nobody can question this Government's ability or desire to try and help these financial institutions, and we are prepared to have a Parliamentary committee look into this. But make up your mind, we are running out of time!

• (1140)

[*English*]

REQUEST FOR COMMITTEE MEETING

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker we have had trouble getting answers from the Government and I am afraid we fear the same thing may happen in the committee as well.

The last time a bank closure occurred it was over a weekend. That could occur. It could be planned by the Government right now. Surely tomorrow we should have the Finance Committee of the House hear Mr. Neapole, hear his allegations against the Government, in order to find out what is going on, rather than see the Canadian taxpayers landed with the cost of another bank bail-out without Parliament even being informed of what the situation is?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have been trying for two weeks to get a discussion in committee of everything related to these banks. Let me assure the Hon. Member that I think it is in Mr. Neapole's interest to spend the weekend negotiating a deal and not appearing in Ottawa before this committee.

* * *

ENERGY

CANADA-PRINCE EDWARD ISLAND ENERGY AGREEMENT

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. It concerns the Canada—Prince Edward Island Energy Agreement. Will the Minister confirm that the

$18.8 million which was earmarked for the elimination of the outstanding debt on the underwater cable, as expressed in the agreement, will be used for the exclusive purpose of writing off that debt and for no other purpose?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the agreement, or the aspect of the package which I signed with Premier Lee last week, does touch on the cable funding and on the repayment with respect to that funding and I would suggest that the Hon. Member, if he wishes further detail on the actual terms of the agreement pertaining to the cable, should consult with my colleague, the Minister of Energy, Mines and Resources.

STATEMENT ATTRIBUTED TO PROVINCIAL MINISTER

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. I inform the Minister that the Minister of Energy for the Province of Prince Edward Island has taken the cheque which was presented to him last week of $9.4 million, which was to be used expressly for writing off that particular debt, and has said publicly that it will be used now for the purposes of subsidizing residential users.

Will the Minister stand in his place and say whether or not he is going to have the Government of Prince Edward Island live up to the agreement, or is he going to be a part of an election slush fund?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, surely that type of suggestion and reflection on a very honourable Minister in another province should not be made in this House.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

SALE OF CANNED TUNA—NEW BRUNSWICK COUNCIL REPORT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. Three very serious charges have been levelled against the Minister of Fisheries and Oceans this week. The first one has been resolved. The tuna has been taken off the shelves. I would like to deal with the allegation made today by the New Brunswick Research and Productivity Council that the tests were not complete before the Minister released that tuna. The Minister has contradicted that. He has made that statement in the House. If the statement made by the New Brunswick Research and Productivity Council is proven to be true, will the Prime Minister ask for the Minister's resignation?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, this statement has been referred to earlier. I have told the House I am looking into it. I have here the RPC report of February 11 and the independent report commissioned by myself of April 24—

Mr. Skelly: Release it, John.

Mr. Fraser: It was not until I had both those reports that any of this stock was released.

Mr. Skelly: Release the final report.

Mr. Fraser: I will examine the allegation which has been made and I will discuss it with Hon. Members, but I have to tell the Hon. Member that, on the record I have here, perhaps the statement is incorrect.

TESTING OF TUNA

Mr. Jim Fulton (Skeena): Mr. Speaker, the final outstanding charge with which I would like the Prime Minister to deal is the allegation made by the Minister of Fisheries and Oceans earlier this week that all tuna tests since June have been under new guidelines. That was contradicted last night by Fred Allen.

Mr. Speaker: Order, please. The Hon. Member knows that this is now becoming a preamble. Is there a question, please?

Mr. Fulton: If that allegation is proven to be untrue, will the Prime Minister ask for the Minister's resignation?

Mr. Speaker: Order, please. I allowed the Hon. Minister to ask the first part of the question because of the preamble, but I think the Hon. Member knows that a such hypothetical question, such a purely hypothetical question, is normally not asked in this House.

* * *

ADMINISTRATION OF JUSTICE

DEPORTATION OF ALLEGED AMERICAN CRIMINALS REQUESTED

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of Justice and, in his absence, to the Deputy Prime Minister. It concerns Joseph Kindler and Charles Ng, two fugitives from justice who are being kept in Canada at the taxpayers' expense. Could the Minister tell this House whether he is going to invoke the Immigration Act and have those people deported as soon as possible?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Minister of Justice, may I respond to the Hon. Member for Calgary East that in the case of Charles Ng no request has been made as yet for extradition. In the case of Kindler, the case is presently before the courts and it would be inappropriate to prejudge the outcome of that judicial proceeding.

In any event, Mr. Speaker, I think I can assure the House that the Minister of Justice will take his responsibility at the appropriate time in regard to both of these cases.

Oral Questions

MEMBERS OF PARLIAMENT

ALLEGATION AGAINST PRIME MINISTER'S PRESS SECRETARY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. I have here a copy of a document reportedly prepared by Mr. William Fox of the Prime Minister's Office, outlining a communication strategy on the free trade proposal. In this document the recommendation is made that the Government undertake special studies and surveys into opposition Members' ridings in order to gain information which would discredit those Hon. Members.

Does the Prime Minister not consider that these recommendations made by members of his staff, if carried through, would constitute a serious infringement on the privileges and rights of Members of this House? And would he give us the assurance that the Government would not undertake these kinds of dirty tricks in order to sell its free trade proposal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no knowledge at all of the document which is being brandished by my hon. friend. If he is serious, he will want to file this immediately in the House of Commons so that we can all examine it. But the suggestion that he makes is fundamentally odious in the extreme vis-à-vis the privileges of every Hon Member of this House.

I can tell him without even seeing that document that Bill Fox, my press secretary, would not be associated with any such document directly or indirectly, because he is a most honourable person.

Some Hon. Members: Hear, hear!

ORIGIN OF DOCUMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would be glad to submit the documents and table them. I am also pleased to hear the Prime Minister's assurances about the infringements. But someone in the Government prepared this document—

Some Hon. Members: Oh, oh!

Mr. Axworthy: —and we would like to know who prepared it. And is the Prime Minister—

Some Hon. Members: Oh, oh!

Mr. Axworthy: May I be allowed a question, Mr. Speaker? Is the Prime Minister prepared to have an examination as to where and who is making these recommendations, and will he give us his assurance that the recommendations in fact will not be carried out?

Right Hon. Brian Mulroney (Prime Minister): I give that assurance. And I ask Hon. Members of the House if this is not exactly symptomatic of the disease which has taken over the Liberal Party, where you accuse people and then you say: "Oh, I may have made a mistake"—

Mr. Axworthy: I did not. I said let's examine it, let's find out who prepared it.

Mr. Mulroney: Yes, indeed, the record will show—

Mr. Axworthy: Let's find out.

Mr. Mulroney: The record will show that you are now backtracking. If you have a serious charge to make about a person, make the charge but do not backtrack—

Mr. Axworthy: Here it is. We'll table it.

Mr. Mulroney: —because we stand for individual rights and liberties—

Mr. Axworthy: Oh, yes?

Mr. Mulroney: —and we will protect everyone's reputation in this House—

Mr. Axworthy: Sure you will.

Mr. Mulroney: —against attacks by the Liberal Party.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—REQUEST FOR LIST OF DEPOSITORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister who this morning in his press conference spoke of reasonableness and responsibility on behalf of Hon. Members. He will know that we are bringing forward shortly for discussion a $1 billion bank bail-out Bill. He has been anxious to refer the matter to committee on a number of occasions.

Mr. Hnatyshyn: That's a different matter altogether.

Mr. Riis: Would he not admit that since taxpayers' money will now be going to rather phantom-like depositors who are uninsured, that it would be the honourable thing for the Government to provide us with a list of all of those individual depositors who will be receiving the taxpayers' money?

Mr. Hnatyshyn: It has nothing to do with the investigation.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have had a number of discussions on this topic. I have been indicating all the way along that I am prepared to provide categories of depositors by any number of divisions, by any number of categories, but that the spirit and the legal intent of Section 251 of the Bank Act indicates that the names of depositors in Canadian financial institutions should not be released to the public.

It is not in the interests of any member of the public that the list of depositors of any financial institution go public in this way.

• (1150)

REQUEST FOR AMENDMENT TO BANK ACT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, this is a very extraordinary situation in which we are asking the taxpayers of Canada to come forward with in excess of $1 billion in cash to bail out a list of uninsured depositors. Recognizing the point that the Minister of State has just made, will the Prime Minister bring in legislation in order to deal with this very unique and extraordinary situation?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the answer is no.

Mr. Riis: Why?

Mr. Hnatyshyn: Because we don't believe in retroactive law, that's why.

Mr. Riis: Who are you trying to cover up for?

Mr. Young: More brothers-in-law.

Mr. Speaker: Order, please. The Hon. Member for Swift Current-Maple Creek.

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AGRICULTURE

GOVERNMENT'S STABILIZATION POLICY

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board and is with regard to agricultural commodities stabilization. A number of us have been following the long path toward that national plan and we were concerned to see an article in *The Globe and Mail* yesterday under the headline "Farm Income Plan a Step Closer". Can the Minister confirm the validity of that article?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the general intent of the article is correct, but the body of it is totally incorrect in that the Minister of Agriculture has not made any agreement public. It is unfortunate that the article is so false, having appeared in a national newspaper.

I can confirm that the Minister has sent the provinces a proposed draft agreement which incorporates accommodations of all the provinces which presently have red meat stabilization plans without, I believe, violating the general principles behind stabilization. I can also confirm that the Minister was able to do this within the first year of our Government taking office. That fulfils a campaign commitment, something that the previous Government could not do for the previous ten years. For that the Minister deserves our congratulations and thanks.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

FAMILY ALLOWANCES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is for the Right Hon. Prime Minister.

Yesterday, the Minister of National Health and Welfare tabled a closure motion to prevent the Opposition and the public from telling the truth about the Bill to deindex family allowances.

Can the Prime Minister explain to the Canadian people why he is in such a hurry to take away money from the Canadian families and why he is so slow to impose a minimum tax on wealthy Canadians who now pay no taxes? Can the Prime Minister reply to this question?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member has asked this question. Yesterday the Member for Davenport got up and said: "I have nothing new to say", and then proceeded to say again what had already been said. That is the kind of debate that has been ongoing.

More important, articles in *The Toronto Star* and *The Montreal Gazette* today indicate that our approach is correct. We are taking money from those who can afford it and giving it to those who need it more. I suggest that the Hon. Member should get his head out of the sand and look at the amount of money that people earning lower incomes will get under this program. He should work to improve this program rather than to maintain a status quo which has been seen to be ineffective.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT PRIME MINISTER MEET MOTHERS OF QUEBEC FAMILIES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Minister of social injustice in Canada has just told us a good one.

My supplementary is for the Prime Minister and concerns his answer to the effect that he does not want to meet Quebec families. Next Wednesday, there will be a meeting of Quebec mothers in Montreal. Will the Prime Minister have the courage to meet them as they want to express their views on deindexation, which will mean a loss for them of $55 million?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that Member is against families that earn $10,000 getting an increase.

Mr. Ouellet: Answer the question.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): He is against reducing the tax exemption which is of greater benefit to those who have higher incomes, in order to provide benefits for those who have lower incomes.

Mr. Ouellet: Be in Montreal on Wednesday.

Mr. Malépart: Mulroney, you are too afraid!

Mr. Epp (Provencher): I would like the Member to note the headlines, "Benefits Make More Sense", and "Opposition Guns are off Target".

Some Hon. Members: Hear, hear!

Mr. Malépart: Come to Montreal. The public will speak to you.

Mr. Wilson (Etobicoke Centre): What a buffoon.

Mr. Axworthy: It takes one to know one, Michael.

Mr. Gauthier: There's the specialist buffoon over there.

Mr. Speaker: Order. Just another five or six minutes. The Hon. Member for Essex-Windsor.

* * *

TRADE

CANADA-UNITED STATES DISCUSSIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister who continues to practise secrecy and vagueness with respect to free trade moves with the United States. For instance, this morning at his press conference he refused to make it clear whether agriculture would be on the table for negotiation.

Why is it that, despite the assurances he gave to the House last week, there have been no public signals given of the Government's intentions on free trade with the United States, even though the six-month deadline since the Shamrock Summit has passed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we will be responding in due course in an appropriate manner which has already been determined. There has been no variation or change in the position. I might suggest to my hon. friend that he get onside with the Premier of Manitoba on this issue.

Mr. Langdon: Mr. Speaker, I suspect that the Prime Minister will discover, to his chagrin, that the reservations that have been expressed by the Premier of Manitoba about free trade are precisely those reservations important to us.

COMMITTEE RECOMMENDATIONS

Mr. Steven W. Langdon (Essex-Windsor): My supplementary question is directed to the Prime Minister. Why is he not prepared to clear up, clearly and unambiguously, the uncertainties that are developing across the country, by accepting the unanimous recommendations of the Special Joint Committee on this subject that the Auto Pact, the agricultural sector, and our cultural industries not be put on the table in any freer trade discussions that do take place?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have indicated to the satisfaction, I hope, of all Members of the House that, prior to engaging in any commercial discussions of this nature, there will be adequate consultation with the Premiers. On Saturday I had a lengthy telephone conversation with Premier Peterson during which we reviewed some of his concerns which we were able to accommodate in structuring our response. We have been talking to trade unions and the private sector and discussing this openly in the House of Commons. There has been no hesitation or variation. We believe the answer to unemployment is through more trade and we are looking for fair and equal opportunities in a tremendous market I think that is in the interests of the unemployed and of all Canadians.

Some Hon. Members: Hear, hear!

* * *

HEALTH

AVAILABILITY OF HEROIN FOR MEDICAL TREATMENT OF PAIN

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. On September 9, 1985, the Minister detailed the plans for the reintroduction of heroin to alleviate intractable pain associated with malignant illnesses. Can the Minister clarify for the many Canadians who suffer grave and excruciating pain daily when this drug will be made available to these patients who eagerly await its use?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the Member for the question. The matter of reintroduction of heroin for medical purposes, and specifically for the treatment of intractable pain, has been dealt with very carefully. We have made heroin available under extremely tight conditions in hospitals, with the decision for its use to be made by medical officers. We hope that the drug will be available from a U.K. supplier by the middle to the end of October. The only issue now is the matter of supply from the distributor and security once in Canada.

• (1200)

ENERGY

PETROLEUM INCENTIVE PROGRAM—REQUEST FOR REPLACEMENT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Prime Minister. There has been a serious down turn in frontier and offshore exploration. The Province of Nova Scotia, and the Canadian Petroleum Association among others have called for a replacement of the Petroleum Incentive Program by November 1. Will the Petroleum Incentive Program be replaced by November 1?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I would like to advise the Hon. Member that she and I have had a number of discussions on this matter. She is also carrying on discussions with the provinces to try to arrive at a satisfactory resolution to this matter.

* * *

POINTS OF ORDER

REQUEST FOR TABLING OF DOCUMENTS BY MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order to seek your intervention and require that the Minister of Fisheries and Oceans (Mr. Fraser) be asked to table the documents that he used this morning in answer to my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly).

Citation 327 at page 115 of Beauchesne states:

A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

I would contend that today not only did the Minister in fact make reference but he used that reference to attempt to leave the impression with the House of Commons and the public of Canada that the suggestions being made by my colleague were wrong, and that he used both documents—which he referred to specifically—to influence the course of events in the House of Commons.

I clearly recognize the problem that exists with this citation. I have dealt with the matter a number of times in the past and I appreciate that subsection 5 of Citation 327 states:

To be cited, a document must be quoted or specifically used to influence debate.

I also appreciate that there have times in the past when the very narrow definition of "debate" has been used to defeat a request such as the one I am making. However, I suggest that there is an ongoing concern in the land and there is no actual debate within the definition as set out in the orders under which we operate. However, in order to shore up his position, the Minister indicated to the House that he based his decision on those two documents.

Notwithstanding the fact that the debate, as quite narrowly defined, is not currently under way and perhaps never will take place, if the Minister believes that the documents he has cited or quoted from are important for the purpose of making his case, I would ask that, as the Standing Order is frequently used, he volunteer to table them.

Mr. Gray (Windsor West): Mr. Speaker, I would like to make a brief comment on the point of order just raised. I am sure that it will be argued that debate in the sense contemplated by Speakers' rulings in the past does not include the Question Period. I would urge your honour to consider two points. First, there is wide ongoing debate about this matter throughout the country and surely the House of Commons represents the country at large. Second, and more important, surely there was debate in the House during this Question Period on the matter of these two documents because representatives of the Official Opposition and the New Democratic Party both stated, in their questions a few minutes ago, that the Minister decided to release the rancid tuna in question before the Productivity Council of New Brunswick completed its tests, based on a report or statements of the Productivity Council. In his reply, the Minister of Fisheries and Oceans (Mr. Fraser) has denied or contradicted the assertions in the questions by spokesmen on behalf of the Liberals and the New Democrats. Surely, if that is not debate in a very definite sense of the term, then I do not know what it is. I respectfully submit that we have had a debate on this matter in the Question Period, at least today, and therefore the point of order should be sustained.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) raises a point of order on the basis that a citation has been made. Potentially, there is a second issue concerning whether a debate is occurring. However, there have been many precedents concerning the necessity to table a document that has been quoted during Question Period. Let us resolve that issue. I believe the Hon. Member for Windsor West (Mr. Gray) was referring to a ruling by Speaker Jerome in which he indicated that a Member could not simply ask a Minister if he quoted a document and, receiving an affirmative answer, therefore force him to table it. That would be unfair.

I listened to the Minister of Fisheries and Oceans (Mr. Fraser). I heard him quote dates. I did not hear him quote from a document. However, as is my custom on such matters, I shall reserve, read the blues and come back later.

I remind Hon. Members—particularly the Member for Hamilton Mountain—that it has been our custom to require Ministers to table the document only where clearly there have been quotations read from that document.

Mr. Hnatyshyn: Mr. Speaker, I think you may want to consider an additional procedural question here. I believe that your initial observations are right on. They are in accordance with the traditional rulings of the Speaker. I would say the same if I were sitting on the other side of the House.

When you are considering this matter, you may also consider the fact that the documents in question, certainly in one case, are not state documents or Government dispatches. These are documents that were drawn up by way of reports and if we are going to refer back to what transpired in Question Period, as the Opposition has, I think it is quite clear that the Minister of Fisheries and Oceans has pointed out on an number of occasions that he is now the respondent in legal proceedings taken out by Star-Kist, under the provisions of the Freedom of Information Act. The purpose of those legal proceedings is to prevent him from making public, under access to information legislation and laws, the very documents that are being asked to be tabled.

The Minister is quite clear in his stance on this issue. He is in a position of being under a legal obligation to have this matter dealt with by the courts prior to making any decision with respect to releasing them or making them public.

In any event, apart from everything else, there was no quotation or citation from that document at all, and I think you are quite right that when members of the Opposition ask Ministers if they have documents and they acknowledge having documents, that in itself is certainly not a basis upon which they must lay those documents on the Table.

Mr. Speaker: Order. I recognized the Hon. President of the Privy Council subsequent to my remarks because I did not realize he wanted to make a procedural comment. However, if this continues much longer, I will not reserve my decision.

Mr. Deans: I have one brief point.

Mr. Speaker: Is the Hon. Member for Hamilton Mountain rising on a new point of order?

Mr. Deans: Yes. I am in fact rising on a new point of order, which Hon. Members will understand when they hear it. The information that has come forward forces me to rise on a new point of order. If, by virtue of my asking for the tabling of the documents the Minister is placed in a position that makes it impossible for him to abide by the law, I would simply ask that we not require him to table those documents.

• (1210)

Mr. Speaker: No, I am sorry. These are strictly procedural matters. I have heard the points of order. I am not at all sure what the point of order is of the Hon. Member for Hamilton Mountain (Mr. Deans), but I will be glad to reserve on it.

Mr. Fraser: Mr. Speaker—

Mr. Speaker: I think the point has been well-aired.

[*Translation*]

ERROR IN IDENTIFICATION OF MEMBER BY COLLEAGUE

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I rise on a point of order different from the one we have been discussing for the last 15 minutes.

Yesterday, as reported the fourth paragraph on page 6772 of *Hansard*, the Hon. Member for Montreal-Sainte Marie (Mr. Malépart) said that I had asked a question to the Prime Minister. He referred to the Hon. Member for La Prairie. I rose on a point of order, but I was not recognized. I would like to point out that a correction should be made. The question referred to was not asked by the Hon. Member for La Prairie. I cannot tell you what Member asked it, but I was not the one. I would like the appropriate correction to be made.

Mr. Speaker: The Hon. Member referred to another Member who, in his opinion, caused an error in *Hansard*.

Mr. Lapierre: On the same point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Shefford (Mr. Lapierre) on the same point of order.

Mr. Lapierre: There was indeed a mistake made yesterday, Mr. Speaker, as my colleague wanted to quote a comment by the Hon. Member for Laval-des-Rapides (Mr. Garneau). This matter can probably be settled without anyone getting all upset.

Mr. Speaker: Am I to understand that the Hon. Member for La Prairie (Mr. Jourdenais) and the Hon. Member for Shefford (Mr. Lapierre) are now saying that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) wishes to make a correction to *Hansard*?

Mr. Jourdenais: Mr. Speaker, he is not the one who is asking. I request that this be corrected because the question referred to was not asked by myself.

Mr. Speaker: It is impossible for an Hon. Member to request a correction except for something that he has said himself. Otherwise, if a mistake is made, it is a debating error, an error of fact. However, in this case, I shall recommend to the Liberal party whip that he suggest to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) a correction to *Hansard*.

ROUTINE PROCEEDINGS

[*Translation*]

DISASTERS

EARTHQUAKE IN MEXICO—STATEMENT BY MINISTER

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, first of all, I think we should extend to the people and the Government of Mexico our sincere sympathy after this terrible disaster.

The Secretary of State for External Affairs (Mr. Clark) met with the Mexican Ambassador last night to offer him our condolences and to inform him of the measures the Government of Canada has now taken to provide assistance.

At this time, Mr. Speaker, the Government of Canada has two concerns.

First, regarding the victims in Mexico: we want to help them, and that is why last night I announced that the Canadian International Development Agency was making $1 million available to organizations experienced in relief work. We expect to receive specific requests from these organizations within the next few hours, as soon as requirements have been specified. A CIDA expert on emergency relief has left for Mexico and she will be reporting to us on the situation.

Second, regarding thousands of Canadians who are worried about close relatives or friends in Mexico and whom we want to reassure as soon as possible.

Emergency procedures provided for this type of disaster are now in effect. As of yesterday afternoon, the Operations Centre at the Department of External Affairs is on a 24-hour schedule. The Centre's telephone number has been announced by the media, and I will repeat it here: area code 613-996-8885.

People who are worried about Canadians in Mexico can call the Centre and leave the names of the persons about whom they want to obtain information.

A team of six consular officers from the Department of External Affairs left Canada at 10:30 this morning to go and assist our embassy staff. They will be responsible for helping all Canadians who need assistance. The officers are fluent in Spanish and know Mexico very well. As information becomes available, it will be transmitted to the relatives and friends in Canada who contacted us.

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition, I rise to express shock and concern at the news of the tragic earthquake disaster in Mexico. I also want to express sympathy to the people of Mexico and, in particular, to all those who lost loved ones because of this disaster.

At least since 1981, when the President of Mexico paid an official visit to our country, we have had a special relationship with Mexico, a relationship involving growing closeness in many ways. Therefore, news of a disaster, like the earthquake that struck Mexico yesterday, comes as a matter of special concern to Canadians both in human terms and because of that deep and wide special relationship.

We are pleased to hear of the emergency measures announced by the Minister for External Relations (Mrs. Vézina). I would like to ask the Minister whether the Government could give serious consideration to increasing the special aid fund which she announced yesterday. The news of the extent of the damage created by the earthquake indicates that it is of catastrophic proportions. Certainly the Government should be looking at the matter of urgency, as to what more we could do, not only by providing funds but by providing such things as mobile homes, medical supplies, communications equipment, and technical experts in a whole host of areas not just medical doctors but also engineering and construction people.

Second, it is necessary for the Government to confirm that it is doing everything possible to assist Canadians who may be stranded in Mexico because of the earthquake. It may well be necessary for special evacuation measures to be taken, possibly involving planes of the Canadian Armed Forces, as well as special communications networks in addition to what the Minister has announced.

To conclude, on behalf of the Official Opposition, I want to express our shock and concern at the extent of the tragedy connected with the catastrophic earthquake that struck Mexico yesterday, as well as to express our deepest sympathy to the people of Mexico, in particular to those who lost members of their family, friends and relatives in this earthquake.

[*Translation*]

We wish to extend our heartfelt condolences to the people of Mexico and assure them that the Canadian Government will make a sizeable financial contribution to help them through this emergency.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the Minister's statement must be regarded as nothing more than a preliminary expression of sympathy for the disaster that has overtaken the people of Mexico. As I said in my statement under the provisions of Standing Order 22 this morning, the people of Canada want to extend practical help and not just sympathy.

One million dollars from CIDA to help NGOs with their relief activities cannot, in any way, be regarded as a considered response from Canada to Mexico in this time of tragedy. The earthquake has done billions of dollars of damage to Mexico. Buildings have been destroyed. Transportation and communication links have been disrupted. As the Minister knows, following any earthquake there are problems with sanitation and disease. These problems will be much greater in Mexico City with a population of 18 million people. Considering this devastation, unless today's announcement is followed quickly, and I stress the word "quickly", by the annoucement of a much more comprehensive program, the $1 million will be an insult to the people of Mexico in this time of tragedy.

● (1220)

A more comprehensive program would include at least two components. The first would be a matching dollar for dollar program with recognized relief agencies. Many Canadians will want to make direct contributions to an aid program, and our Government should encourage it by matching dollar for dollar.

The second would be a program of direct Government to Government aid to help Mexico rebuild infrastructure which has been destroyed by the earthquake. This kind of aid would include equipment, expertise and financial help.

In addition, our aid proposals should not be considered in isolation from other events affecting Mexico. It is offensive in the extreme that on the very day when Mexico was hit by the devastation of an earthquake, the Internaitonal Monetary Fund suspended $450 million of loans to that country. This action symbolizes the insensitivity of the IMF to the suffering of people in many countries where it has cracked the whip and withdrawn loans from Governments desperately trying to meet the needs of their people. If the Canadian Government is truly concerned about the tragedy facing the Mexican people, it will use all the power and prestige it has with the IMF to reverse that decision and to restore the loan.

The close ties between Canada and Mexico are shown by the fact that there may be as many as 35,000 Canadians in that country now. The Government has taken steps to establish contact. I commend it for that, but I urge it to bring in a much more comprehensive program to begin to address the needs of the people of Mexico.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PETITIONS

REGULATION OF GAS PRICES

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have the honour to present a petition signed by 66,771 Quebec consumers asking for the establishment of a gasoline price board.

I was given this petition by Quebec's *Association des services de l'automobile Inc.* because the price of a litre of gasoline in Quebec jumped from 15.7 cents in 1975 to 57.5 cents in 1985—an increase of 400 per cent—while the retailer's gross profit has not changed in ten years and his operating costs have kept going up.

The recent purchase of Gulf by Petro-Canada does not seem to bring—

Mr. Speaker: Order, please. Order, please. The Hon. Member is only allowed to present a brief summary, but does he have another petition?

Mr. Della Noce: No, Mr. Speaker, I simply wanted to present this petition to the House.

Mr. Speaker: Are there other petitions?

The Hon. Member for Kamloops-Shuswap (Mr. Riis).

[*English*]

CHANGES TO UNEMPLOYMENT INSURANCE REGULATIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to present a petition on behalf of a few hundred residents of British Columbia who are concerned by the announcement of the Minister of Employment and Immigration (Miss MacDonald) indicating that workers laid off after December 31, 1985, will have their pension benefits deducted from their unemployment insurance benefits, thus effectively eliminating the benefits to workers of the pension package they might receive.

Mr. Speaker: Before turning to the introduction of Bills, I wish to inform the House that because of the Ministerial statement, consideration of Government Orders will be extended by nine minutes this day. Therefore, Private Members' Hour will begin at 4.09 p.m.

* * *

MOTION TO ADJOURN UNDER S.O. 31

NORTHLAND BANK SITUATION

Mr. Speaker: I am in receipt of a notice under Standing Order 31 from the Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I was informed that the order was somewhat different from what it has turned out to be. If Your Honour makes a favourable ruling, I would be pleased to move the following motion at the appropriate time:

That the House do now adjourn to debate the federal Government's role in the crisis facing the Northland Bank.

Mr. Hnatyshyn: What do you think has been on the Order Paper for the last two weeks?

Mr. Broadbent: It is not the crisis.

Mr. Speaker: I am sorry if there was some confusion. As I understand the Standing Orders, they contemplate motions under Standing Order 31 at this time and on two days a week after Questions on the Order Paper. I can assure the Hon. Member that I would know it if I did not have a crib sheet.

The Hon. Member for Oshawa (Mr. Broadbent) sent me notice of his intent to seek leave to move a motion under Standing Order 31. As he knows, in considering an application for an emergency debate under that Standing Order, the Chair must judge whether it meets the strict criteria required. In the letter which I received from the Hon. Member, certain matters were raised. I must say to him that the holding of a press conference and the allegations made by the President of the Northland Bank are not of themselves sufficient to constitute a genuine emergency as contemplated by the Standing Order. Neither, I should remind Hon. Members, has the action or inaction of a Minister ever been accepted as a justification for granting an emergency debate. It is only the emergency itself,

if its existence is accepted, which can constitute grounds for debate.

Our precedents clearly indicate that the imminent, potential collapse or failure of a bank—and in this case it would be the second—and its repercussions for the banking industry as a whole has and does constitute, in my view, a genuine emergency as envisioned by the Standing Order. The Chair must then consider whether an early opportunity of debating the matter is likely to be available. As Hon. Members well know, there is a Government notice of motion on the Notice Paper but, as yet, the Chair has no clear indication of when that motion is likely to come up for debate. However, I am advised that conversations continue as to whether there will be a debate.

While I find that the emergency questions have been met, today I am not satisfied, as yet, that there is a sufficiently urgent need to change today's Order Paper to have that matter debated today.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, if starred question No. 331 could be made an order for return, that return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that question No. 331 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

ESCAPES FROM MINIMUM SECURITY INSTITUTIONS

Question No. 331—**Mr. Nunziata:**

What are the names of the inmates who have escaped from minimum security institutions including all those who failed to return on passes during the last 12 months and, in each case (*a*) from which institution and on what date did the inmate escape (*b*) how long had the inmate been in the institution (*c*) where applicable, from which medium security institution was the inmate transferred?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed from Thursday, September 19, consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read a second time and referred to a legislative committee; and the amendment of Mr. Frith (p. 6625).

Mr. Speaker: I see the Hon. Member for Egmont (Mr. Henderson) seeking the floor. I had understood that the Hon. Member for Beaches (Mr. Young) had the floor the last time the matter was before the House.

Some Hon. Members: He is not here.

Mr. Speaker: In those circumstances, I recognize the Hon. Member for Egmont on debate.

Mr. George Henderson (Egmont): Mr. Speaker, it is rather ironic that we are speaking to Bill C-70 today. In effect its only motive is to cut the payments to mothers on behalf of their children.

In the last day or so we have seen a Government and a Minister who have seen fit to allow a product to go on the market, in this case tuna, which could be injurious to the health of small children. Instead of talking today about cutting family allowances, we in this Chamber should be talking about the whole issue of tainted tuna. Therefore I move:

That this House do now adjourn.

• (1230)

Mr. Deputy Speaker: The House has heard the terms of the motion.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

And the division bells having rung:

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

Mr. Prud'homme: Let me offer you a nice weekend, Mr. Speaker.

The Acting Speaker (Mr. Towers): I thank the Hon. Member for Saint-Denis (Mr. Prud'homme). I appreciate it very much. And the same to you, Sir.

Pursuant to the provisions of Standing Order 19(4), it being 5.09 o'clock p.m., the motion before the House has lapsed and under the terms of Standing Order 9(1) this House stands adjourned until Monday next at 11 o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 5.09 p.m.

HOUSE OF COMMONS

Monday, September 23, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

PAROLE ACT, PENITENTIARY ACT, PRISONS AND REFORMATORIES ACT, AND CRIMINAL CODE

MEASURES TO AMEND

The House resumed from Friday, September 13, consideration of the motions of Mr. Beatty that Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, and Bill C-68, an Act to amend the Parole Act, the Prisons and Reformatories Act, and the Criminal Code, be read the second time and referred to a legislative committee.

Mr. Alan Redway (York East): Mr. Speaker, I am pleased to have this opportunity this morning to say a few words in connection with Bill C-67 and Bill C-68. Bill C-67 is an Act to amend the Parole Act and the Penitentiary Act, and Bill C-68 is an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code. These Bills contain a number of technical amendments, but their main thrust as far as Canadians are concerned has to do with what could be called the legalization of a procedure which has come to be known as gating. When inmates receive mandatory release after serving only two-thirds of their sentence, in the past there has been a requirement that they be automatically released. Because of difficulties with people who have been automatically released, there has been an attempt in recent years to try to prevent this release by the system of gating or rearresting them as soon as they walk out of prison. Of course the courts have found that this is not a legal practice. Bill C-67 has been introduced to ensure that we do not have to release prisoners automatically when it is inappropriate.

Of course, the explanation for that can be found in Bill C-67. These amendments would clarify the nature of the remission of a sentence and its impact on the sentence. It would allow the National Parole Board to order continued detention in a community based residential facility of certain inmates following a review by the board of those identified under stated criteria and referred to the National Parole Board by the Canadian penitentiaries service. The long and the short of it is that there would no longer be mandatory release in such a situation. The National Parole Board would have the discretion not to release people automatically.

The same applies in Bill C-68. Its amendments would provide for the termination of full parole and release on mandatory supervision. Both these Bills are extremely important in the area of sentencing and parole, two matters which Canadians view as very serious.

During the past election campaign we found that the whole issue of law and order was a major one on the minds of Canadians right across the country. To a large extent it was manifest in the call by many people for the return of the death penalty. What really became the characteristic of the issue was the whole question of whether we should have a return of the death penalty, whether we should have a free vote, whether we should have some form of referendum or what we should have concerning the death penalty. However, I believe that there is a wider issue than just the death penalty. It is the whole question of law and order itself or the whole question of tightening up the legal system—sentencing, parole and mandatory release provisions—in order to ensure that we protect ordinary Canadian citizens to the fullest extent. The Opposition and many organizations in Canada have pointed out that they feel this will have a negative effect on what Canadians should expect from their criminal system or from their prison system. Previous speakers have indicated that they feel there will be a rise in crime if these Bills go through, but that is definitely at odds with what we have seen happening in the last few years.

The concern demonstrated during the election campaign was just an example of the concern of all Canadians resulting from a series of situations which seem to have occurred, if not daily, almost weekly and have been reported in the press with a great deal of publicity. Of course it raises concern in the hearts and minds of all of us. I should like to refer to a recent concern which may not relate specifically to this issue but relates to the whole area of parole and releasing people from prison before the sentence which has been handed out by the judge has been completed. This case resulted from an occurrence in Metropolitan Toronto last month which was reported widely. That was the case of a man who picked up three teenage girls, forced them at gunpoint to strip, tied them up with their own clothing, raped them repeatedly, forced them into other sexual acts and then left them tied up in a field. This man had met them at a hamburger shop and had asked them for a ride to the railway station. Naively, they agreed to his request and took him there. The result of that were the acts that I have just read from one of the local Toronto newspapers of last month.

• (1110)

The case did not stop there, however. It was discovered that this individual had been released on a day pass from prison but

had in fact been out for quite a few days. There had been a series of rapes in different parts of Metropolitan Toronto, followed by these particular incidents, and after the police emergency task force had surrounded him and apprehended this individual in a cemetery, I believe, it was determined that he was, in all likelihood, the one who had committed this series of crimes.

It seems to me that this sort of thing illustrates only too well the concern that the people of my riding have and the concern that Canadians have relating in general to the whole subject of criminal law, sentencing, parole, and mandatory release.

These two Bills, Bill C-67 and Bill C-68, are a small first step toward tightening up our whole legal system to ensure that all of us can feel safe in our homes and safe on our streets. We have a great and wonderful Charter of Rights in this country and it guarantees a good many freedoms: freedom of speech, freedom of assembly, freedom from discrimination and freedom to be treated equally. One thing that is not mentioned in the Charter of Rights is the freedom to walk down the street at night without fear. Hopefully this Bill will be the first step to bringing about that feeling of freedom on the part of all Canadians, that freedom to walk down the street at night without fear. In that respect I hope it will receive the unanimous support of all Members of this House.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am glad to have an opportunity to participate briefly in this debate. As a former Solicitor General I can be forgiven for reminding the House that the legislation before us now, which is legislation to constrain mandatory supervision, was in almost every particular the same as legislation which I had introduced and which I had hoped would go through the House before the last election.

We find ourselves in somewhat the same position today as we were at that time, that is that the Conservative Party and my own Party, the Liberal Party, are in agreement that mandatory supervision ought to be constrained further, while the NDP is raising objections to that.

Before the last election the objections of the NDP were fatal because we needed unanimous consent to get the legislation through before the end of the parliamentary session. This time the objections of the NDP are not going to defeat the Bill because it can still be referred to committee and we have lots of time to look at it. I do not want to indicate today to government Members that we will not have amendments to this legislation. It is not exactly the same as our previously proposed legislation but its objective is the same. I want members of the Government Party to know that we approach this issue with the same concern that they have, namely, to find out how we can constrain mandatory supervision further to make sure that inmates who we know are dangerous can be prevented from being released from prison any sooner than the court sentence imposed upon them specifies.

• (1115)

While I indicate a need to review mandatory supervision and tighten it up, I am also glad that the Government Party has not gone so far as to cancel mandatory supervision completely. I know that there are occasional public outcries for mandatory supervision to be completely cancelled and for inmates to stay in prison as long as the warrants which impose their sentences lasts since the public interest would be served best by keeping them behind bars as long as possible. I wanted to speak in today's debate because I do not agree with that position. I feel that mandatory supervision is useful for most inmates and I thought, in support of this initiative of the Government, that I ought to indicate why I think so.

A great many people believe that when a court imposes a sentence, somehow or other the machinery of parole and mandatory supervision work against the sentence of the court. That of course is not true. When a judge imposes a sentence, he is fully aware that there is a parole period and a period of mandatory supervision provided in the law and that if he wants the inmate to spend a certain amount of time behind bars before he gets out on parole, the court imposes an appropriate sentence. In no sense of the word do parole and mandatory supervision undermine what a court has in mind for the inmate.

That is quite different from the situation in the United States. Many Canadians, when reading of the American situation, assume that it is the same in Canada and that somehow the Parole Board has the function of equalizing sentences or working against the sentence imposed by the court. That is not the case. The Parole Board is very limited in what it can do and the judge knows, when the sentence is imposed, what kind of an impact the Parole Board and the law of mandatory supervision will have on the sentence that he imposes. He takes that into account when the sentence is imposed.

The Parole Board can take a look at the inmate during the middle third of his sentence to decide if the inmate has benefited to the maximum from being behind bars, if his rehabilitation will be benefited by putting him out on the street under supervision and if there is a satisfactory assurance that the public at large will not be at risk if he is put out of parole at that point. However, the Parole Board's jurisdiction under our law has not applied in the final third of an inmate's sentence.

Let us say that the Parole Board does not trust an inmate and feels that he should stay behind bars and not be put on parole. Our law presently provides that at the end of the second third of his sentence, provided he has behaved in prison, he can be released, to spend the last third of his sentence on the street, and the Parole Board has no authority to stop this. During the Trudeau years, the former Government introduced some constraint on the law that had existed before. Before we did that, an inmate who served two-thirds of his time behind bars and behaved well would get out at that time. Although he was still under warrant, there was no supervision or accounting of him at all. It was a system that

had existed for over 100 years and it was known by the cons and the public as time off for good behaviour.

In 1970, the present concept of mandatory supervision was introduced. That meant that if the inmate behaved well, he could be released but he would have to report to a parole officer and terms and conditions could be imposed upon him. In 1970, the Government was responding to the idea that it is in the public interest in almost every case to allow the inmate to spend some time on the street under supervision before the end of his warrant. That is a very difficult policy to defend when someone emerges who has been victimized by an inmate who is out on the street during the last third of his sentence. Members of Parliament raise this issue in the House every day. What business to we have to allow someone to be out on the street when their sentence is not over, even under supervision, when they can create more harm? Why do we not keep them behind bars until the last minute?

• (1120)

The answer to that question, of course, is that at the last minute the offender will have to be released. Mandatory supervision only applies to inmates who will be released eventually; it does not apply to lifers or people who are serving indefinite sentences. So the criminal justice system has a difficult choice to make. Should we keep an offender behind bars for as long as possible and then release him to be completely free like anyone else in society? Or, should we control his re-entry into society, imposing a period of time in which he, and society, can help in his readjustment to life on the street again? The fact that we have conditional release, mandatory supervision and parole is an indication that in our criminal justice system we tend to believe that an inmate has a better chance of going straight, and society has a better chance of being protected, if there is that period before the warrant expires when the inmate is on the street but under supervision.

I had the opportunity, and I hope the present Solicitor General will take the opportunity, to look into the way in which mandatory supervision operates. What happens is that the offender is called in to a parole officer's office, sometimes as often as once a week, and it can even be more often than that. In some cases, he is asked to empty his pockets onto the table. He is asked questions such as: "What lock does this key fit? Where does this money come from? Whose phone number is this? Where are you living now? Where are you working? Are you staying away from alcohol? Are you staying away from your old friends who got you into trouble before you were convicted?" To me, this is a very valuable process. I am glad the Government did not succumb to the temptation of completely cancelling mandatory supervision because, as regrettable as it sometimes is, there are inmates, even with that type of supervision, who commit crimes. In the overwhelming majority of cases I believe, as does the Liberal caucus, that it is better to supervise the inmate's re-entry into society than to leave him behind bars, cold turkey, until the last day when he has to be released, when he cannot be told where to live and to stay away from alcohol, and so on. He cannot be told to find a job, nor can he be forced to report. He is completely free, like anyone else. The valuable opportunity to control him has been lost during the period of time in which he is most vulnerable. The most vulnerable period is when an inmate is released after a period of long confinement and has to adjust to making a living and having the same free choices that all other Canadians have.

While I say that, I still think there are some offenders who are exceptional. Because there are some who will, predictably, commit crimes again as soon as they can, there needed to be some machinery in place for taking mandatory supervision away. The legislation before us provides that machinery, which is why I am in favour of it.

There are some classes of offenders who are very good inmates, for example, pyromaniacs, inmates who are convicted for lighting fires, or sex offenders. These are classes of inmates who tend to be well behaved while they are in prison. In the case of sex offenders, they are often segregated from other inmates who would, possibly, injure them or kill them if they could get their hands on them. So they tend to be model prisoners. However, when the time comes for their release, it is possible that they can re-offend. This legislation provides the machinery to permit the Parole Board to review cases as they come up for mandatory supervision. I hope that it will use the machinery exceptionally. I also hope that it will recognize that it is beneficial for offenders, and society in pursuit of his reform, to put him on the street under control. But for those where it is predictable and almost certain that they will reoffend, this machinery is welcome. This machinery will be there.

• (1125)

I hope in looking at it together in committee that perhaps we will find ways to improve the legislation. Basically, mandatory supervision will be constrained but it will be preserved.

I would like to speak to another matter which is touched on in this legislation.

[*Translation*]

I am referring to the matter of increasing the number of members on the National Parole Board. According to the proposed legislation, the Government intends to increase the number of members from 26 to 36, which means an increase of 10. I, for one, am in favour of increasing the number of members, because the present workload constitutes a heavy burden on the shoulders of the Board, and since we are giving them more work through this legislation, it is only fair that we should increase the number of members on the Board.

The National Parole Board's workload has also increased as a result of cases under the Canadian Charter of Rights and Freedoms. The present procedure is more time-consuming and involves far more work because of the various stages in the procedure and the opportunities afforded inmates to present their point of view. I realize that, and I am happy to see that the number of members on the Board has been increased to deal with these needs.

[*English*]

I have learned in recent days that the Government is far behind in filling the existing vacancies on the National Parole Board. I was in western Canada last week and learned that there are some spots on the National Parole Board which have been vacant for over a year. I want to urge the Government to take steps to fill these vacancies or to renew the terms of office of the present serving members. The Government is indicating in this legislation that it needs more members on the National Parole Board. In that case, why has it not acted to fill the vacancies which have existed on the National Parole Board for over a year? One reason may be the new patronage provisions in the conflict of interest guidelines which were introduced by the Prime Minister (Mr. Mulroney). The National Parole Board was one of the commissions to which a relative of a serving Minister, that is, the Secretary of State for External Affairs (Mr. Clark)—the sister or sister-in-law—was appointed as a member of the National Parole Board during the course of the past year. If the Government had in mind to appoint other relatives, it has been prevented from doing so by the new conflict of interest guidelines.

The Government has brought in new conflict of interest guidelines. It is now impossible for the Government to make an appointment like the appointment of the sister or sister-in-law of the Secretary of State for External Affairs. What I would like to know is why that person is allowed to keep her job after the conflict of guidelines are changed to prevent that type of appointment. The Government is saying it is wrong for us to appoint our close relatives to jobs like this. Why is it allowed to continue to keep someone on the National Parole Board who it would not be allowed to appoint under the current conflict of interest guidelines? To me it is a question of whether the Government is really committed to having tough conflict of interest guidelines and to seeing them enforced.

I very much favour the increase in the size of the National Parole Board. It has a lot more work to do these days not only because of the Bill which is presently before the House but because of the impact of the Charter of Rights and Freedoms on the hearings of inmates' parole cases and on the appeals from the hearings of inmates' parole cases. Without agreeing, therefore, in advance—and I am looking forward to the committee hearings—to the whole machinery which has been introduced, which is a little different from the machinery I introduced when I was Solicitor General, I am in favour of this type of constraint on mandatory supervision. We look forward to seeing how it is going to work and to an improved system of criminal justice.

• (1130)

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, Bill C-67 and Bill C-68 have been grouped together for debate. They will be referred to a legislative committee at the same time.

Bill C-67 is An Act to amend the Parole Act and the Penitentiary Act. These amendments will give the National Parole Board the authority to deny potentially dangerous and violent inmates release on parole or on mandatory supervision. The Bill will make changes to the correctional program and conditional release, known as mandatory supervision. It will tighten this program for penitentiary inmates who are believed dangerous and could potentially commit another crime.

Let me give some examples of what is happening as a result of individuals being released when they should have remained in prison. In Brandon last year, a man twice convicted for rape was released from a psychiatric centre because it was illegal to gate or rearrest prisoners on mandatory supervision. Within five months this man stabbed one woman and shot another woman and her two children during a bloody rampage in Brandon, Manitoba. One can see that it is extremely important to tighten the parole procedures. As a result of the crime on the streets today we have now reached a point in Canada where women and children cannot go out on the streets.

I will give further examples of what has happened in Manitoba because that is primarily where some of the most bizarre cases have taken place. Parents will not be able to let their children out of their sight for a moment, even to allow them to take apartment elevators by themselves. There is too much risk in allowing their children to play on the streets alone. For example, a 12-year old girl was forced into a car on a Winnipeg street. She was found later, bound hand and foot, and left in a railway boxcar. Fortunately, this time the girl was unharmed when she was found by a passer-by walking her dog. She was not gagged by the person who abducted her and her screams alerted that passer-by. However, in another case in Winnipeg last year, a girl was bound hand and foot and, after bieng sexually assaulted, was left in a shed were she froze to death.

Winnipeg's tenth murder victim of 1985 was an 83-year old man who was assaulted and stabbed 16 times in his home. His body was found a week later. Two people are under arrest for that crime. Recently, a man out on a day pass picked up three teenage girls and forced them at gun point to remove their clothes. He tied them up and raped them repeatedly and left them bound in a field. Fortunately, due to good police work, this individual was picked up later.

It is reported in a Toronto newspaper today that a man is charged with beating a 15-year old girl. This man, who fell 18 feet while trying to jump from a downtown roof top to a tree, has been charged in the beating early yesterday of a 15-year old girl. The girl is in satisfactory condition in the Hospital for Sick Children. If 15 and 16 year olds cannot go out on the street, certainly we cannot allow our younger boys and girls on the street unattended.

The latest and most bizarre case in Winnipeg, which has extremely disturbed the people of Manitoba as I am sure it did all Canadians, concerns a three year old girl who was lured from her home with a stuffed toy. She died of massive head injuries after being sexually assaulted in Winnipeg. A 17-year old has been charged with the crime. The girl was found in a garage a few hours after the murder, clutching a toy that did not even belong to her. It is believed that her head had been bashed in with a brick.

The people of the neighbourhood where this most terrible crime occurred are now organizing neighbourhood patrols in the hope of preventing future tragedies. Some will be walking while others will drive throughout the area on the look out for trouble. They want their streets to be safe for women and children, as do all Members of the House.

Today I will suggest that the Solicitor General (Mr. Beatty) arrange an immediate meeting with the chiefs of police associations and other police organizations. I believe that we can learn more from the police about how to deal with these brutal crimes of child abduction, rape and murder. I do not know what the answer is, but I do not believe that more legislation will necessarily stop such crimes. I am sure that we can learn much from our police across the country about how to prevent these atrocities from continuing.

I will also suggest to the Solicitor General that he conduct a meeting with the provincial Solicitors General to deal with these heinous crimes that are reaching serious proportions.

Let me give another example of how these fiends work. On the previous evening to this three year old girl being sexually assaulted and murdered, the youth accused of this brutal crime is said to have been causing a disturbance in the halls of the apartment building where this victim lived. Neighbours said that a young girl was manhandled in the halls by the accused. We simply cannot let our children play in apartment blocks, especially high rises.

Another recent case in Toronto involves an eight year old girl who was abducted. She was going down the elevator to meet a friend to go swimming. We have never seen or heard of her since. We hope and pray that Nicole will be found safe and sound. It is just further evidence to show that we cannot let our children go out alone. In the case of the three year old girl who was sexually assaulted and murdered in Winnipeg, the Winnipeg police stated that it is one of the worst crimes they have ever seen. It has absolutely stunned the Winnipeg police force. They are to be congratulated for their excellent police work because they found the culprit within nine hours.

In Winnipeg, a steady stream of people dropped by the apartment building today before the funeral of the three year old girl. To date, over $2,000 has been collected, including the donation of a $400 headstone from a Transcona firm. People have been driving from as far as Kenora and Portage La Prairie to express their condolences.

I would like the Solicitor General (Mr. Beatty) to make a commitment that he will take positive action in dealing with safety on the streets, especially as it concerns children. All of us have children or grandchildren and are deeply concerned because any one of them could be the next victim.

This crime was particularly tragic because the father of this three year old was in Alberta and heard of the murder over the radio. One can only imagine his shock.

I want to emphasize that these crimes are a national issue and something which we can no longer condone. We must take action at the federal level. We must introduce legislation, whether it is provincial or federal legislation, that will help the police in any way. I hope my friend and colleague, the Parliamentary Secretary to the Solicitor General, the Hon. Member for Red Deer (Mr. Towers), will relay my plea and concerns to the Solicitor General. I am sure that Members want positive action to stop these heinous crimes and make the streets safe once again for women, children and all Canadians.

• (1140)

Mr. Cassidy: Mr. Speaker, I would like the Hon. Member to say whether he believes that keeping an inmate convicted of a violent crime in prison for the entirety of his term, with no chance of release for good behaviour or for mandatory supervision because a judgment is made that the prisoner might commit an offence again, will mean that, at the end of his or her term, he will be more or less likely to commit further crimes than a prisoner who has passed through a period of parole or mandatory supervision, thus having had a chance to integrate with society?

Mr. McKenzie: Mr. Speaker, the purpose of this Bill is to expand on the powers of the Parole Board. Decisions will have to be made in discussions with prison officials as to who should be transferred or released. That decision is not for a Member of Parliament to make. We will be picking people with experience and good judgment. I suggest that the Solicitor General meet with the different police organizations for discussion because the police are more familiar with criminals than we are. The police can certainly advise us whether somebody should be released or transferred. They know more about these things than anybody else.

Mr. Cassidy: Mr. Speaker, as the Hon. Member knows, prisoners whose eligibility for mandatory supervision is put into question by the proposals in Bill C-67 will have served substantial lengths of time, perhaps 5, 10 or 15 years. People change over time. The judgment as to whether a prisoner can benefit from mandatory supervision or should be denied it would presumably be based on a prisoner's behaviour while a prisoner.

A prisoner is not accepted for mandatory supervision if that prisoner has not exhibited good behaviour. The Member knows that.

The Bill presupposes that it is possible to judge whether or not a prisoner who has demonstrated good behaviour is likely or not to commit a violent crime if permitted to exit prison on mandatory supervision. My colleague, the Hon. Member for Burnaby (Mr. Robinson), has indicated quite strongly that, based on his knowledge of the corrections field, there is no scientific or established means by which that kind of prediction can take place.

The Hon. Member opposite says he believes that that is the case because he is supporting the Bill. What is the evidence? On what basis does the Hon. Member believe the prediction about the propensity to commit violent crime again based on good behaviour?

Mr. McKenzie: Mr. Speaker, if everybody behaved themselves, no one would be in prison in the first place. This is a very difficult problem, and we cannot continue with the same procedure. That is the reason for this Bill. The final authority will be with the people on the Parole Board.

I am concerned about people on the outside, not about people on the inside. Individuals are being released from prison, the Brandon case was an example. There was a prisoner who should never have been released at all. He murdered three people in a shoot-out with police. We have to do something to protect society. There is probably no foolproof legislation that will solve all the problems, but this Bill is certainly a step in the right direction. I am more interested in making the streets safe. That is my top priority. It is not just considering people in jail.

Mr. Deputy Speaker: Debate. The Hon. Member for Ottawa Centre.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I rise to speak on this Bill and, as Hon. Members may know, I speak in part with great sadness because a death occurred this summer in the Kirkpatrick House in my riding of Ottawa Centre. Kirkpatrick House is a community residential centre operated by the John Howard Society of Ottawa. It was housing a number of prisoners on parole or on mandatory supervision. An inexperienced 21 year-old girl named Celia Ruygrok who had worked for the society on a part-time basis for only a few weeks was murdered. She was left alone after midnight not knowing that the prisoners, the parolees, in the building were for the most part those with violent criminal records.

Along with my provincial colleague, Evelyn Gigantes and Miss Ruygrok's family, I will be meeting with the Solicitor General (Mr. Beatty) this afternoon. We will be making some positive suggestions which, at the very least both the family and I hope might ensure that this situation does not occur again. We hope we can improve the way in which we deliver services, halfway houses or residential services, for convicted prisoners returning into the community.

I would say that the kinds of comments made by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) and other Hon. Members of this House do concern me. They seem to be trying to convey to the public that we are in the midst of a massive crime wave as a result of being too soft on prisoners.

There are areas of the criminal justice system about which I have some real concern. I am afraid that Bill C-67 and Bill C-68 indicate that the ministry has bought this thinking hook, line and sinker. It is the kind of line taken by the chiefs of police in particular, a group of people who, in my opinion, improperly inject themselves into politics by the way in which they comment on matters that should rightfully be political. They are there to administer the law not to whip up public storms of public protest. In doing so it seems to me that Hon. Members, such as the Hon. Member for Winnipeg-Assiniboine, mislead the public because the public is led to believe that if you simply increase sentences and have more maximum security prisons it will remove dangers on the street, or that the crime rate is such that people cannot afford to go out on the street at all.

Recent statistics issued by Statistics Canada indicate that the crime rate in 1984 is down from 1983. The crime rate has rested. It has been static for several years but is now declining. The same thing is happening in the United States. One reason is very simple. People between the ages of 16 and 23 form a smaller proportion of our population than they did a few years ago. This is the age group with the highest proportion of criminal activity. As people grow older, to some extent there is a diminishing of criminal activity. I find it remarkable, given the current economic conditions, that the crime rate has decreased rather than increased.

We are talking about serious problems with Bill C-67 and C-68. We are not talking about a rampant and sudden sharp increase in the crime rate. While public sentiment and the comments of the police have been directed to the question of punishment, we have had very little discussion of rehabilitation. I would say to Hon. Member opposite that it will be at our peril that we concentrate on the question of punishment and nothing else. My questions to the Hon. Member who just spoke were directed to the kinds of things that are raised, in my mind, by this Bill. If we keep violent offenders in prison for the entirety of their sentences in maximum security institutions, like the one to be built in the riding of the Hon. Prime Minister (Mr. Mulroney), then let them out on the street having had no contact with society for periods of up to 20 years, the minimum sentence now provided in cases of manslaughter and murder, how can we realistically believe that individuals after 10 or 20 years in jail can successfully and quickly adapt to society? Or will they be as violent as before and likely simply to go on?

• (1150)

There is a crime problem within our prisons, Mr. Speaker, as you know. Prisoners learn about halfway through their sentence whether they are to be denied the chance of mandatory supervision. What incentive will there be for them to offer any kind of good behaviour over the course of the remainder of their sentence, which could be another five or ten years? What if a prisoner is released on mandatory supervision and then reincarcerated because violated some condition? The condition could be as simple as having a drink. Perhaps, instead of moving to Mississauga as required, he moved to Hamilton because a girlfriend, who had been true to him while he had been in jail, moved to Hamilton, or something like that. Minor violations like that could lead to the prisoner being reincarcerated with no further chance of getting out until the end of his sentence. Prisoners with no hope of getting out before the end of their sentence, it seems to me, are prisoners without any commitment to good behaviour. There is no rational reason at all why they should indulge in good behaviour over the course of their sentence. That is why my colleague, the Hon. Member for Burnaby (Mr. Robinson), told the House earlier of his fears that this Bill, rather than improving the situation, could lead to greater violence within prisons. You would then have a larger number of prisoners emerging at the end of their

sentences bitter, alienated from society, not knowing what is happening, and under no obligation to maintain touch with a residential centre, a parole officer, or anyone else when they get out. We all know that if you give someone a cheap suit and a few hundred dollars at the most when they come out, having had very little contact with the community or their family, probably having lost contact with anyone with whom they had an affectionate relationship because of the time they had been locked up, as well as having been surrounded by prisoners and talking about things you learn in prison for maybe up to 10 or 20 years, the chances of that inmate going back to a life of crime are extraordinarily and tragically high. That is one reason we have said that we intend to oppose this Bill.

I now want to talk about some of the specific problems we became aware of in Ottawa-Carleton as a result of the death of Celia Ruygrok. The facts surrounding that tragic death tell us that there are very serious weaknesses in the current system of mandatory supervision and parole, much less rehabilitation. Much to my amazement I have yet to discover whether the house in question, run by the John Howard Society, was intended to be an unstructured or a structured program. I think it is clear it was not meant to be a specialized program. Even if it was to be a structured program, under the standards laid down by Corrections Canada little or nothing was really required in the way of interaction between staff and parolees apart from the fact that there would be a staff person on duty at all times of the day and night. The staff was instructed to lend a sympathetic ear and direct prisoners to resources available in the community. The standards put down by Corrections Canada indicate that if there is to be a monthly meeting or regular meetings with the residents, they should be told about it. But it is not a requirement in a structured program that there be intense work with each prisoner in order to work out a plan of action for re-establishing themselves in the community. In the case of Kirkpatrick House, something as simple as whether or not the house would deal with prisoners who went out and got drunk had not been worked out. The people in Corrections Canada had an understanding of the policy in that particular home different from that of the staff who were there.

Although Corrections Canada was responsible for administering the contract, although parole officers were there—seldom, I think, but at least once every couple of weeks—it appears that no one raised any alarm bells over the fact that the full-time professionally qualified staff, who were adequately paid, I presume, were only there during the week. They worked around the clock from Monday to Friday but on the weekends, part-time staff, and in the case of Celia Ruygrok and perhaps others, inexperienced and underqualified part-time staff, were on their own. Even those residents who were working were likely to be free on the weekends. Those who were taking training programs at community college or manpower training were likely to be free on the weekends. Everyone has the habit of relaxing a bit on the weekends and if it is your habit to go and have a drink or two on a Saturday night and you finally get out of prison where you could not do that, I would think it is a natural tendency for prisoners to want to do it even if the conditions of their parole do not permit it. So here you have inexperienced staff left on their own, part-timers, a duty officer available at the end of the phone but basically saying: "Listen, don't call me unless you have to", and a tragedy occurs.

This particular house did not have any training for its part-time staff. They worked one shift under supervision and then they were on their own. Communications with the part-time staff were negligible. The director of the house was not aware that most of the residents had violent criminal records. In theory the staff should have had access to the dossier on each prisoner but the dossier was in the office of Corrections Canada somewhere in downtown Ottawa. Therefore, in practical terms, they were not accessible to the full-time staff, and even less accessible to the part-time staff. Had this home been located in Quebec City, Moose Jaw or Vancouver, I would assume access to the records of the prisoners would even be less than it was in theory at this home. Part-timers were not involved in staff meetings, from what I could establish. Records of meetings with the prisoners were not kept. It was all very informal.

Those things, Mr. Speaker, speak to weaknesses in the program of the house. Communications were obviously inadequate and there are certainly statements in the audit, which was done after the death, which indicate that the director and the John Howard Society seemed to lack interest in the operation of this home even though it was a $260,000 contract with Corrections Canada, a very major contract. In addition, the audit of the home in November, 1984, indicated:

> Since the evaluation completed in June 1984, CSC has continued to express concerns about the level and quality of service delivery provided by the CRC under the structured program agreement. No additional staff have been hired as anticipated, and the CRC program content continued to be seen as limited. Most recently at a JHS Board of Directors meeting 84-11-21, the concerns of CSC and NPB in this regard were expressed. The Agency indicated a commitment to respond to the problem by hiring an additional staff person ... A structured program will be developed and implemented with the assistance of additional staff resources, and by consultation with the CSC Ottawa area office.

That evaluation came out 7 to 8 months before the murder took place. What happened in the intervening time? It is hard to see what happened. Yet Corrections Canada was within a mile of this particular halfway house. Now I ask myself, if Corrections Canada, given the proximity of this particular house, was unable to get them to clean up their act and this death occurred, and if, as the report stated, common sense alone would have said you should not have left this young woman there on her own, inexperienced as she was, in the middle of the night, quite apart from any other factors about what should or should not have been done, then what about the halfway houses and community residential centres which are located at much greater distance and which, therefore, do not have the benefit of easy and quick communication with Corrections Canada staff?

In addition to that, this report was prepared on behalf of the Parole Board and Corrections Canada. It went quite thoroughly into a number of matters. I have only had an expurgated version because of the Freedom of Information Act. Much of

it is blacked out, and much of that pertains to the particular circumstances surrounding this death.

• (1200)

It is the systemic problems which particularly concern me. I think this is relevant to Bill C-67 because community residential centres are the kinds of places to which prisoners are sent under mandatory supervision. Of the seven full-time and the one part-time officers in the Ottawa area, the most experienced had all of 13 months of experience. It appears from the report that she was expected to stand in for the area manager when the area manager was absent on holiday or for some other reason. In other words, inexperienced staff was being used to investigate the possible suspension of supervision or suspension of parole of prisoners. Also the report indicated that they tended to be too soft and rather forgiving to prisoners who went out on benders or formed liaisons with young women and so on. I cannot judge all this partly because a lot of the material has been expurgated. Nonetheless, since parole officers are an essential part of the justice system for prisoners who are placed in the halfway position of being out of prison and on their way to re-establishing themselves into society, or so we hope, we would have thought that Corrections Canada and the National Parole Board would have been more mindful of that weakness. If that weakness can occur in the nation's capital, it can occur systemically in any other part of the country. That raises real questions in my mind. We have parole officers who are underqualified and inexperienced. We have Corrections Canada which is incapable, even in Ottawa, it seems, of enforcing action when it had really deep and longstanding concerns, not just temporary ones, about a particular halfway house.

These are the kinds of things which lead me to say that we should be looking at the nature of the rehabilitation services which we offer to see if there is some way to improve them, rather than adopt the approach in this particular Bill which is be more vindictive.

The average cost of having a prisoner in penitentiary is estimated to be $40,000 per annum. Presumably the cost for prisoners who have committed violent offences and are in maximum security institutions is a good deal higher. If we include the capital cost of facilities which are now being built over some period of amortization or depreciation, the cost would be higher still. We are talking about $60,000 to $80,000 per year for prisoners in high security institutions. The effect of the Bill could well be that we will increase substantially the demand for maximum institutions because those prisoners will be kept in such institutions for longer periods of time. Let us compare that with the cost of keeping a prisoner in the community. A prisoner on parole who is not in a halfway house can cost as little as $3,000 or $4,000 per annum at current levels of parole supervision. A prisoner in a halfway house such as Kirkpatrick House can cost $40 per day or about $13,000 or $14,000 per year. In other words, the disparity is such that surely we should be looking at better means of rehabilitation. Surely we should be putting more resources into what those prisoners are doing when they are out in the community.

I see that my time is up. I hope one of my colleagues will ask me a question or two about this particular case. However, perhaps one thing can be drawn from the case of Celia Ruygrok. Charges have been laid. We do not know who was responsible in terms of the courts and so on, but let us seek to ensure that the security of staff is adequately protected and that we do not have single staffing at night in places where there are many violent offenders. We should try, in a positive way, to put into force the guidelines which have now been drafted by the Canadian Criminal Justice Association, guidelines which would seek to ensure that halfway house programs are working in a positive way in an attempt to try to help offenders establish themselves in the community rather than being dumping grounds for prisoners for a few months or a year or two between the time they are let out of prison on a conditional basis and the time that their term is actually up. Unfortunately, the dumping ground philosophy has been too prevalent. Whether it is a dumping ground in the community or a dumping ground back in prison, which it seems to me is the intent of Bill C-67 and Bill C-68, it is wrong. We have to be positive and treat the whole matter as an integrated criminal justice system, as criminal lawyers said in their testimony on the previous Bill a year or so ago. We cannot fiddle with just one part of the entire system, as is being proposed here, and hope to have positive results.

Mr. Kaplan: Mr. Speaker, I am glad to hear that the Hon. Member for Ottawa Centre (Mr. Cassidy) is looking further into and meeting with the Solicitor General (Mr. Beatty) on the Kirkpatrick House murder. Frankly I was surprised to hear him and his NDP provincial colleague criticize the John Howard Society so quickly, before getting completely to the bottom of the facts. My own feeling is that there is a lot more to find out about the case. The Hon. Member should not have rushed capturing headlines with his criticism of the way the house was run. Let us get to the bottom of it. I wish he had done that before making a condemnation of the John Howard Society.

The tenor of his remarks was to urge for a more controlled criminal justice system. His colleague, the Hon. Member for Burnaby (Mr. Robinson), when he spoke on these Bills the last time they were called as House business, said that the type of additional constraints on mandatory supervision that we wanted to see would lead to more crime. I ask him and his colleague to reflect on that proposition. Does it not really depend on the competence of the National Parole Board? Of course I am urging that we have a competent parole board, but I think these additional constraints which are being imposed upon mandatory supervision will reduce the amount of crime, not increase it. It is exactly the same argument as the one made before the last election when the NDP prevented us from getting this type of legislation at that time. For goodness' sake, we know that we are dealing with tough, hardened offenders, the most difficult risks in the whole system. Let us give the National Parole Board the teeth to keep the ones who are

dangerous behind bars longer. That is what we are asking for in this legislation. I urge the NDP to look at the reality of the situation and agree that if the parole board does its job properly, this type of legislation will result in a lower crime rate, not a higher one.

Mr. Cassidy: Mr. Speaker, I have several points in response to the Hon. Member's intervention. With respect to Kirkpatrick House, my provincial colleague, Evelyn Gigantes, spent a great deal of time in July meeting with residents, staff and the bereaved family learning what had happened. Her comments were extremely responsible ones and were fully borne out in the findings of the report, which only became public or accessible to us a week or so ago. What she has said, as I have said, is that there were profound weaknesses in the operation of the particular house. There were profound weaknesses in a systemic fashion. This means that this could have happened anywhere in Canada in terms of the way the Parole Board, parole officers and Corrections Canada worked.

In response to my hon. friend, the former Solicitor General, he conveniently ignored the fact that his Government, with one brief interruption, had 20 years in which to bring in these improvements. It chose to do so only at the last minute. If that Bill were not passed, surely it relates to a large degree to the fact it took so long for the former Government to choose to bring forward these particular reforms.

The present Government, as was the case with the former one, seems to feel that it would be possible for the Parole Board to reach a conclusion about the propensity to violence of prisoners and to distinguish between two prisoners who committed the same offence and whose records, while in penitentiary, have in fact been the same, since one is not considered for mandatory release unless one has a record of good behaviour. For the life of me, I do not know how that can be done. However, I know that if a prisoner is released under the mandatory release program and someone only sees the prisoner once every couple of weeks and there are no alarm systems if there are problems—and problems have been alleged in the case of some people who were in this particular house—there is a real imbalance. Rather than allowing the Parole Board to lock up people and throw away the key until the term is over, it seems to me that we should be looking at what has happened in the community.

Perhaps the Hon. Member is suggesting that the way to prevent future violent crime is to lock such people up for life. Regrettably that has somewhat been the policy of the Canadian criminal justice system. I am sure that would work, but the expense and the effect in terms of human rights and that kind of thing would be intolerable. We already have a higher rate of incarceration than almost any country in the western world and I would not like to see that go on.

• (1210)

Mr. Deputy Speaker: A supplementary question?

Mr. Kaplan: The Hon. Member is relying on a real chestnut in argument. I will not defend or contradict what he said about my beliefs as I expressed them in my own speech. The New Democrats have a very contradictory position. They are saying, don't give the Parole Board the authority to hold inmates back on mandatory supervision because how can the Parole Board predict whether they are going to commit additional crimes or not? If that argument is true, how can they agree with the idea of parole at all because the whole idea of parole at the end of the first third of an inmate's sentence is to try to predict what an inmate will do during the parole period?

If the arguments of the Members of the NDP are right, that the Parole Board cannot predict who is going to be violent in the last third of their sentence, then how can they support parole, as I know they do, in the middle third of their sentence when the issue is very much the same: What is this inmate likely to do if we give him the chance to rehabilitate himself on the street?

I would urge that Members be more sensible and to recognize that prediction is not perfect. One cannot predict with perfect accuracy how an inmate is going to behave when he is let out on the street. But in a lot of cases it can be predicted, so let us give the Parole Board at least the tools to make that prediction in cases where it is possible. Let us hope that the Government will be more sensible when appointing people to the Parole Board, and not include just relatives of Ministers and Party hacks but people who will be able to do a competent clinical job of assessing how an inmate is likely to behave. In that way the best will be done for the rehabilitation of inmates and for the protection of our society from repeat offenders.

Mr. Cassidy: Mr. Speaker, I would be tempted to respond on the question of patronage and the record of the former Government. However, I would like to respond seriously to the serious points made by the former Solicitor General.

If, in fact, prisoners learn that the Parole Board which has denied them parole has basically an unmitigated right to decide whether or not mandatory release should be denied at the end of two-thirds of their sentence, then what incentive is there for good behaviour on the part of those prisoners, once they decide they have been fingered by the board and therefore will not get any remission of sentence at all? That is my first question.

My second question is this. We are told here, in the case in Ottawa, that the Liberal parole officers were too soft, and that may well be the case. If, on the other hand, a parole officer is told that if the mandatory remission is revoked and the prisoner is sent back that prisoner is then locked up for another four or five years until his sentence is completely over, what is that going to do in terms of the parole officer's decision in making the judgment call about whether or not to revoke?

There again it may in fact be that what is needed is that the prisoner needs to be locked up for another six months but then given another chance. But there is no second chance in Bill C-67. Once revoked, you are back for five years in the case of a relatively long sentence, and I find that to be a sledgehammer approach which, it seems to me, gives very few options in terms of what one needs to try to do in rehabilitation.

Mr. Keeper: I have a question, Mr. Speaker, for my colleague. He was saying in his address that prisoners are often just dumped in the community without any adequate supports and, by way of contrast, that we spend a great deal of money and resources on prisoners when they are incarcerated. I wonder if he could elaborate a bit on what he sees as the needs in the community if we are to have prisoners in the community?

Mr. Cassidy: Mr. Speaker, that is a matter which the new Minister, who does not come with any of the baggage of the previous Government or of being a Minister previously, has to seek to resolve.

It is clear from what I am learning, and I confess I am learning in this area, that the parole service needs to be adequately staffed, that we need to do more than is being done now in terms of finding employment opportunities for former inmates, that we need to ensure that community resources are available so that a prisoner who is determined to try to go straight does not get sucked back into the kind of environment or the kind of life that he or she had before.

I mentioned as well, and the Hon. Member for Burnaby-Coquitlam mentioned it also, that men or women who are imprisoned in the prime of their life, in their twenties most often, and are imprisoned for ten or 15 years under circumstances where they are not working, find it very hard to come out and take a job in a factory at $4 or $5 or $6 an hour, and to be at an enormous disadvantage because of the fact that society continues to exact a cost from such people, even if they have paid their debt to society.

The Hon. Member for Burnaby-Coquitlam suggested quite strongly that prisoners should be required, wherever possible, to work while they are in penitentiary and, for that matter, while they are in provincial institutions as well. They should be required to work because that is a way of cutting some of the costs and because in performing work they can qualify themselves to be more capable of surviving in society when they come out and maybe be able to do better. They can also demonstrate to the Parole Board or other authorities their capacity for rehabilitation and betterment other than the fact that they did not knife a fellow prisoner or mouth the prison guards in the time that they were sitting idle over years of enforced imprisonment and unemployment.

Mr. Deputy Speaker: Resuming debate.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to make a few comments in this very important debate which affects the entire future of corrections in Canada. We know that this debate is not only taking place in the House of Commons but also in the streets of our communities, and often in a very emotional manner. People have good reason to be emotional about this issue. As an example from my riding which I am sure many Members will remember, four years ago a 15-year-old girl was brutally murdered by Paul Kocurek who was a known sex offender who was out on mandatory supervision. He had been released barely six weeks earlier.

Quite rightly, the people of my community got very angry and very upset. They demanded changes. They formed an organization called "Citizens United for Safety and Justice" which was organized by parents and neighbours of the murdered girl. They have been persistent advocates of change in the law regarding mandatory supervision.

The details which came out in the trial of Paul Kocurek raised some very disturbing questions about the whole way in which mandatory supervision has been handled in the past. I think they have to be looked at in this debate.

Generally speaking, I agree with my colleagues who have pointed out that there are no adequate methods of predicting future violence on the part of a criminal who is being released but it is important to note that in the case of Paul Kocurek psychiatric reports indicated that if he did not receive proper treatment he was likely to kill someone. He was subject to fantasies of a sado-masochistic nature; he liked to choke women during sexual intercourse; he had a very disturbed personality and background. He had a history of molesting young children and in 1979, following the unlawful confinement of three young girls at which time he impersonated a police officer and attempted to handcuff them, he was given a two-year suspended sentence.

While on suspended sentence, one month later he was arrested for indecent assault on a four-year-old. As a result of that he was given a two-year sentence.

• (1220)

Under mandatory supervision, Kocurek was legally entitled to be released after serving two-thirds of his two-year sentence. It is interesting to note that two days before he was eligible for mandatory supervision release on June 20, 1981, he informed his parole officer that he was seriously considering waiving his right to mandatory supervision release in order to get further treatment at the regional psychiatric centre. In other words, he himself knew that he was a disturbed and unhealthy human being. His parole officer and the centre staff urged him to do this, but at the last moment he changed his mind and went through with the mandatory release program.

The conditions for his release included, among others, regular visits to the local mental health unit. However, he did not show up for his very first appointment. When he failed to show up for that appointment, nothing was done about it. No contacts were made with him. The parole supervisor was not notified and there was no real concern that this very disturbed human being who was at large in the community and had been told as a condition of his release that he should report to the mental health unit had not done so.

During the time that Kocurek was at large, he had in his possession a starter pistol and a pair of handcuffs. As I mentioned earlier, the handcuffs were part of the equipment that he had used earlier in the unlawful confinement of three young girls. He used these handcuffs and the starter pistol at the time of the assault which occurred on August 2. Six weeks

after his release on mandatory supervision, he was involved in this brutal sexual assault and murder.

This entire situation raised a series of questions which I put before the Solicitor General (Mr. Beatty) at the time. I still do not think that we received adequate answers of these questions. Why was an adequate treatment program not provided for Kocurek when he was in prison and there had been psychiatric warnings that he would kill if he were not treated? Why, given his history of sexual offences against young women and the psychiatric prognosis that he was liable to continue, was his initial sentence so short? The answer to that, of course, lies with the provincial court system. Why, when he was released, was he not placed under a stricter form of supervision? If we are to have mandatory supervision, let us make sure that it deals adequately with the situation of the people who are being released. Why, when he failed to comply with the terms of his supervision, was he not reported and apprehended?

The fact is that while the program under which Paul Kocurek was released is called "mandatory supervisions", there was no really effective supervision at all. How do we deal with this? Perhaps the easiest answer is to make a scapegoat of the parole service. However, I do not think that is an adequate approach.

In March 1981, an in-house study of the conditional release program indicated that parole supervision staff morale was low. Among others, two reasons given for that was first, quantity control, and, second, minimum standards. Quantity control is bureaucratese for the fact that parole officers have caseloads which are too large. There are not enough staff members to do a decent job.

In introducing this Bill, the Minister has pointed out that it costs some $40,000 per year to keep an inmate in prison and only $4,000 per year to supervise that inmate on the street. I would like to suggest that we beef up our parole services so that we spend a little more than $4,000 per year. It could be money well spent if it resulted in a more effective parole system and one that was not demoralized because it was not able to do its important job.

The in-house study also noted the need for more intensive supervision, particularly for criminals who had a history of violence. That, of course, is precisely what was lacking in the case of Paul Kocurek. In his case, the tragic failure of supervision led to the brutal murder of a young girl. Kocurek is now serving 25 years in prison with no possibility of release.

Quite rightly, Canadians want some protection from this kind of action. The Solicitor General in introducing Bill C-67, claims that this Bill which introduces changes to mandatory supervision will provide that security. I would like to raise a question with all Members of the House and with the Canadian public. Suppose Bill C-67 had been in effect in 1981. What difference would it have made in this particular case to which I referred this morning?

If Bill C-67 had been in place, Paul Kocurek would not have been released in June 1981 but he would have been released in the early spring of 1982. Unless the regional psychiatric centre was able to work an eight-month miracle with him, Paul Kocurek would have been just as disturbed, just as dangerous and just as much a potential killer in the spring of 1982 as he was when he was released in June 1981. The Corrections Department would not even have had the option of imposing on him some kind of supervision. The tragedy is that when there was that option in June 1981, it was not exercised in an effective way. Bill C-67 would simply have delayed that release by a few months and then removed the possibility for any kind of effective supervision. I do not think that that answers the very real concerns of people in the Cowichan Valley and across Canada about violent offenders and the possibility of repeat offences.

At the time of the case to which I referred, the Attorney General of British Columbia pointed out an anomaly in our law. He indicated that a person found not guilty by reason of insanity could be kept locked up until considered cured, but sexual perverts who are also potential killers must be released when their time is up. Bill C-67 does not address that issue. It is obviously an issue that must be addressed and it will require a good deal of attention from the Government at some point. I would suggest that when the Government deals with it, it does so in an open manner that will involve a wide cross section of the Canadian public including organizations like Citizens United for Safety and Justice as well as prisoners' rights groups and civil liberties associations.

This is a debate which deals with the meeting place between the public's right to security and the entire question of civil liberties. I would like to see the Government bring this debate before the House. However, I do not think that Bill C-67 addresses the basic question of protecting the public from violent offenders. It merely does a con job on the issue.

Not only does Bill C-67 not provide the kind of security we need but it will have serious negative effects. First, it has been pointed out that it can lead to even more serious overcrowding in our prisons. The prisons are already full to the bursting point. There is double-bunking in some prisons and there are inadequate facilities for vocational training. There is a crowding of all the facilities. We should recognize that overcrowding leads to increased tension and increased violence among prisoners and that it also leads to increased tension and violence between prisoners and custodial staff. At best, our prisons are dehumanizing institutions and overcrowding will make it worse. It will cut back on every possibility of rehabilitation. It is interesting to note that the present Minister of State for Immigration (Mr. McLean), when he sat on this side of the House, raised several questions about the rehabilitative function of our prisons. He suggested that that function was being dropped and urged that it be put back into the centre of the philosophy of the correctional system. He urged the correctional system to give more priority to the educational system within our prisons. The previous administration in the last Parliament cut back on higher education programs for inmates. When those programs were restored it required that the inmates should have to pay. In this way it meant cut-backs in terms of enrolment. It is important to note that for many

inmates taking part in these educational programs it was really something of an habilitating—not a rehabilitating—program. Most inmates had not had that type of opportunity before. If we are to lock people up in institutions it is desirable, if at all possible, that on their release they be better human beings as opposed to worse. Overcrowding eliminates that possibility, which will be one side effect of Bill C-67.

• (1230)

Bill C-67 proposes the removal of the leverage which prison authorities have over prisoners in terms of good behaviour. There will be no more good behaviour incentive. It is for that reason that Canadian prison wardens have opposed this proposal.

One detail of concern in Bill C-67 suggests that prisoners who have been convicted of certain crimes will have only one shot at the mandatory release program. The point of view is that a person with a history of violence who is released and gets into trouble with the law should not be back out on the street again. I agree, if we are talking about a violation in terms of another violent crime. However, if the released prisoner is involved in some type of technical violation of his release conditions of a fairly minor nature, I am not sure it makes good sense to say that he will never have another opportunity to become involved in the mandatory release program. Tehnical violations should not mean complete forfeiture of all future rights to mandatory release.

In conclusion, I wish to stress that Bill C-67 is not the answer to the concern Canadians have with respect to security. It does not involve the type of security against violent repeat offences by people who have been imprisoned for committing violent crimes. What it means is that at the end of their sentence prisoners who have been convicted of violent crimes, and those who continue to have a tendency to violence, will be released without any possibility of supervision or follow up. I urge the Government to take a second look at the Bill and to bring in a program which will deal with the needs of Canadians with respect to security. I hope the Government will recognize that by simply tightening up mandatory supervision it has not provided the answer.

Mr. Deputy Speaker: Questions or comments? The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, I would like the Hon. Member to elaborate on one area of concern to me. I am speaking of technical or minor breaches of mandatory supervision conditions which can, in fact, lead to a situation in which a convict is forced to go back to prison under the proposed terms of Bill C-67 and then lose all remission and have no means of getting out again for a lengthy period of time. As I understand it, if one-third of an inmate's sentence has been remitted, that could involve three or four years of additional imprisonment for something as simple as having a drink when the inmate finally meets up with his lady whom he has not seen for seven or eight years. When a released inmate sees an old friend whom he has not seen in a long time or, possibly, misses a bus and arrives after the curfew at the place in which he is supposed to be staying, he can be sent back to prison. Is it correct that the penalty as a result of these misdemeanors, as modest as they are, could be several years of re-imprisonment because of a violation of the conditions of mandatory supervision? How can the Government, or anyone, justify that type of sledgehammer approach? What will parole officers do when faced with minor, technical breaches of conditions when they know that the revocation of mandatory supervision will have the effect of re-imprisonment for three or four years?

Mr. Manly: Mr. Speaker, the question obviously points to the great difficulties which anyone who has done time in a penitentiary will have to face in readjusting to public life. It is not an easy transition to make. We have heard of some Members of Parliament who face a difficult time of readjustment when they have to get back into ordinary life. How much more difficult is it for someone coming out of prison where they have been denied their freedom and any possibility of developing their lives and when their contact with other human beings has been circumscribed? How much more difficult is it for inmates who have had limited contact with their families under nerve-racking conditions? The mandatory supervision period is supposed to make the transition time possible with some type of of supervision. Inevitably, there will be some minor infractions. It is important, when those infractions are committed, that the person involved should be called to account. However, I do not think the way to call him to account is to revoke all future possibility of mandatory release. That seems to me to be completely counter-productive. If someone knows that as a result of having one beer, when his program says he should not drink, that he will face an extra four or five years in prison, he will really become much more desperate about the situation than otherwise. As the Hon. Member for Ottawa Centre (Mr. Cassidy) pointed out, this will mean that parole officers will have to be that much more hesitant about reporting these minor, technical violations.

It is important to remember that inmates already feel a great deal of frustration with respect to the question of mandatory supervision and the type of requirements that are often placed upon them. They sometimes feel they are being hassled for very minor sorts of matters. In addition to be being hassled, they will face an extra four months, two years or even four years of additional time in prison. That will not be conducive to a more rehabilitative atmosphere within our prisons.

• (1240)

Mr. Cassidy: I have another question. I must confess that I have learned something about this area over the summer because of the incident in Ottawa to which I referred and as a consequence of looking at this Bill. As I understand it, this Bill is in fact going to create two classes of prisoners. One class will be those who are convicted of a violent crime, which is in the Schedule—there is a long list of about 15 or 16 crimes deemed to be violent—and the other class will be prisoners who have committed some other offence.

Let us take two prisoners who are under mandatory supervision and who have three or four years of potential time still outstanding if they are sent back. One prisoner commits a technical offence, just as in the example cited by my friend, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), and settles in London rather than in Brampton, or vice versa. He did that without any desire to absent himself but it was just a place where he was more comfortable. The system would not respond to that. The prisoner with the violent record commits a technical offence. The prisoner with the non-violent record commits a violent offence. He takes a gun and holds up a service station. As I understand it, they both lose mandatory supervision. They both go back. The prisoner who commits the technical offence, who has a violent record, loses any chance of coming out of prison again until his time has been served. The prisoner who committed the violent offence, who, I would have thought, was more of a danger to society, can automatically be given a chance to earn remission all over again.

I wonder if my hon. friend can tell me under what circumstances that disparity is justifiable? I suppose neither he nor I know why the Government has left that provision in. But how on earth, if at all, can that kind of thing be justifiable, and if it is not, why don't we get rid of it?

Mr. Manly: Mr. Speaker, not only is that kind of anomaly not justifiable, but it is going to add to the sense of bitterness and frustration on the part of those people who might have their right to mandatory supervision release revoked for some minor technicality. If that sort of thing happened to me, I feel I would become a very bitter kind of human being. I do not believe that thinking Canadians really want our penitentiaries to create more bitterness in these prisoners than they already have, but that is going to be the effect of this kind of regulation.

It means that when the prisoner's release does come, when he has served his full time, he is going to be released as someone who has just one more chip on his shoulder and who has less of a possibility of effective integration into wider society.

Mr. Deputy Speaker: Resuming debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on Bill C-67 and Bill C-68, which are Acts to amend the Parole Act, the Penitentiary Act and other Acts consequential to those amendments.

This seems to be an occasion, Mr. Speaker, when we collectively, as the representatives of the people, react to something from the community which needs some discussion and insight. What is happening is that the Government is making amendments which are not necessarily well thought out and are not necessarily to the benefit of the correctional system in Canada and, I suppose, in the long term, are not necessarily to the benefit of the Canadian people.

It seems to me, as well as to many of my constituents, that these amendments are reactions to publicity and to the media coverage of situations which have happened across Canada. Bad as those situations are, they may not be the effective result of the legislation presently in place or even the result of legislation which was in place before 1970. In fact, many of my constituents look back at 1970 and suggest that perhaps we should have looked at some of the good things in that legislation and kept them rather than abandoned them.

As you know, Mr. Speaker, I come from the community of Prince Albert. We have a maximum security penitentiary as well as a minimum penitentiary. Therefore, many of my constituents are very closely involved with the penitentiary system. They are involved not only because of their proximity but because many members of their family are closely involved with the penitentiary service. Consequently, over the years, communities like Prince Albert have developed an attitude towards the pentitentiary service and towards the inmates of those penitentiaries which gives them, I feel, a better insight into the needs of the service than those of us have who live a little further away. I think it is worth-while, therefore, to take a look at the effects of this Bill and what might be possible under legislation which was more comprehensive and dealt more closely with the problems of the correctional services. When I say the "problems of the correctional services", I do not mean only the problems of the inmates, I refer to the problems of the penitentiary itself, the guards and so on.

There are also the problems of the Parole Board and of the parole services, those thousands of people who work daily with the prisoners after they are released from the institution. I am also talking about the problems of the community. So that when we examine a Bill such as the one which is before us today, we should not look at just one part of it, saying, "We will solve the problem of mandatory supervision and once that is solved, everything will be okay". It just does not work that way.

With respect to Bill S-32, a Senate Bill, Cole and Manson pointed out the danger of tinkering with one element of an integrated system of corrections. In their view, this simply creates new tensions and unforeseen problems elsewhere in the system. Cole and Manson suggest that any response to violent offenders and repeat offenders must be comprehensive and not piecemeal. A full and open inquiry into the various aspects of corrections law is the approach they favour.

The arguments presented by Cole and Manson on Bill S-32 can be used on Bill C-67 because these amendments do not deal comprehensively with all the problems. Basically what these Bills do is amend the Penitentiary Act to close the revolving doors. I believe every one here recognizes that there are some inmates who should not be let out. The penitentiary service itself recognizes that fact. They should not be let out if they are not well behaved within. The problem seems to have been that if they are well behaved and there is no reason to keep them in, it is required that they be let out after two-thirds of their sentence has been completed. Our position is not that we should stop this procedure entirely, but that we alter the process somewhat and make sure it works better than it has in the past. Instead of stopping a fellow at the gate and sending

him back because we think there is a danger that he will commit a violent crime, we should establish a correctional service which predicts this a little more correctly and does something about it.

● (1250)

If you look at the history of the Prime Albert institution, Mr. Speaker, you will find it has done very well in involving the parole service, the John Howard Society and surrounding communities in helping inmates prepare themselves for release. That should be included as part of the solution. Any Bills which aim at restricting the use of mandatory supervision, if you are not going to do anything else, are probably acceptable. But there is no reason to restrict the use of mandatory supervision, and you could increase its effectiveness by putting into place services which are aimed at rehabilitation rather than incarceration.

What would be the effect of these Bills if they are passed exactly the way they are? Again I refer to the Prince Albert institution. Right now it has close to 500 inmates, but it is considered to be full when it has 375 inmates. If they fill every cell in the institution they can push it up to about 425. That is stretching it but they can do it. However, at the moment, with approximately 500 inmates, over 120 of them are double-bunked. Those of you who have been interested or paid attention to the effect of double-bunking over the last few years will recognize that that adds to the potential for problems in an institution. If we pass Bills such as these two, we are going to increase the number of inmates in those institutions. That adds to the frustration and volatility in the institution. It increases the possibility of violence. That, of course, affects every person in the place, and not only inmates. It affects every individual who works in the prison. If you speak to people who work with the inmates on a daily basis, you will find that tension can increase greatly over very small incidents. Therefore, double-bunking has a direct effect on the tensions within an institution, tensions which might eventually lead to riots and violence.

What effect do these two Bills have on the Parole Board? The Bills do not give to the Attorney General or the courts the right to gate prisoners. That is given to the Parole Board. The prison service can refer to the Parole Board those cases which they think need to be reviewed, cases of mandatory supervision which are coming up.

That will have the effect of considerably increasing the workload for the Parole Board. If you speak to members of the board, you will find they sometimes feel they are not spending enough time on individual cases and they are forced to make decisions before they are ready to do so. They often require psychiatric or pshychological reports on inmates before making a decision, and then the correctional people in the institutions quite often come to the conclusion that the reason for requesting psychological reports on inmates is to give them a little more time to talk to the inmate to make sure he is ready for parole. If they have to start doing this on mandatory supervision cases as well, their workload is going to be increased tremendously. That means we have to increase the number of people on the board and increase the amount of services. In some ways that makes sense because if the money we spend on keeping a man in prison was instead spent in areas such as mandatory supervision, then the return would probably be much greater than it is now.

We have been told many times, I am sure, that mandatory supervision is not as effective as parole. But we have to recognize that under those circumstances the cream, if you want to put it that way, has already been skimmed off and given parole and the mandatory supervision inmates are the ones who have been rejected for parole. So you have already started with, and I hesitate to use the term, a lower quality of inmate than you had before. So the amount of time the Parole Board must spend or should spend on mandatory supervision should be a great deal more than is presently spent on parole, and the members of the board think they are not spending enough time even now. So the effect on the Parole Board will be much more work, a requirement for much more staff, and possibly much greater insight into the effective use of mandatory supervision. This has a good side and a bad side. The good side is that if the services are provided, they will do better work. The bad side is that if they are not provided, they will not be able to spend enough time on each case.

Mr. Deputy Speaker: It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

FITNESS AND AMATEUR SPORT

RESIGNATION OF COUNCIL CHAIRMAN

Mr. Sergio Marchi (York West): Mr. Speaker, I was dismayed to learn that Mr. Fernand Faucher, Chairman of the National Advisory Council on Fitness and Amateur Sport, has tendered his resignation.

In a letter to fellow board members, Mr. Faucher declared:

> The lack of interest on the part of the Minister and of the Branch people regarding the activities of the Council prompted this reaction.

I view Mr. Faucher's resignation as an extremely serious and most unfortunate setback in the area of fitness and amateur sport. It is abundantly clear that the Minister has been and continues to treat this Council solely as window dressing and has been guided only by his political and bureaucratic masters.

The Council was formed as a private sector group to advise the Minister on a variety of issues affecting fitness and amateur sport. However, it should be noted that the Council has met only once with the Minister since the new administration took office just over a year ago.

I urge the Minister to show that he truly cares about and values the role of the Council, by attempting to convince Mr. Faucher to remain as Chairman, and to re-establish a genuine two-way working relationship with the National Advisory Council. Anything short of this would be an abdication of his ministerial responsibilities.

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SOCIAL SECURITY

FAMILY ALLOWANCES—GOVERNMENT POLICY

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the 3 per cent deindexation of the family allowance is the first step in the Conservative Government's budget strategy to slash $600 million from support to Canadian families by 1990. The Minister responsible for the well-being of Canadian families, the Minister of National Health and Welfare (Mr. Epp), informed the House last week that this money was required for a more important purpose, namely, that of deficit reduction.

Last year, however, the Leader of the Government was telling us that family allowances were of a sacred nature. Today, with one in six Canadian families living in poverty, affecting one in five Canadian children, and 42 per cent of Canadian families headed by single parents living below the poverty line, one must ask how the Government can take this action. How can it be said that child allowances must be cut back when amounts such as a billion dollars are still being handed out to a bank?

The Government is sending a clear message by the reductions in family allowance to the people of Canada that, as far as it is concerned, child rearing, parenting, and the development and growth of families are of less concern this year than they were last year, and will be of even less importance by 1990.

The priorities of the Tory Government desperately need to be re-examined.

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NORTHWEST TERRITORIES

CALL FOR INUIT SELF GOVERNMENT

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, two days from now representatives of all Inuit communities will be meeting in Coppermine to discuss the issue of division as it affects the Northwest Territories. Last spring it was reported by pro-western news reports that the Inuit had scuttled the agreement on an east-west boundary, where the Inuvialuit of the western Arctic would end up in the western territory without their consent. The fact of the matter is that the proposed western territory contains the present capital of the territories, Yellowknife, which understandably does not relish losing its status. In effect they said: "If you Inuit in the east wish to have a Government which understands and respects your needs, your languages and your culture, you must give us your oil rich western portion of Nunatsiaq in order for us to agree to division".

Since that time, the Inuvialuit of the western Arctic indicated in no uncertain terms their desire to be part of an Arctic territory.

All of us can be self-righteous in denouncing the minority Government of South Africa. Yet, when it comes to our own northern Canadian backyard, we are reluctant to give our own native people—the Inuit who are struggling to retain their own identity against the overwhelming odds of southern cultural inundation—their own territory.

We do not wish to impose upon Canadians and the Government of Canada another Indian problem to plague them over the coming decades. We demand the right to make our own mistakes and to be responsible for our own future within accepted Canadian political systems.

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

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CAPITAL PUNISHMENT

CALL FOR DECISION ON REINSTATEMENT

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, there is a strong desire by Canadians that this Parliament deal with the issue of capital punishment immediately. Be it a free vote in the House of Commons or even a national referendum, I believe it is important that effective action be taken on this most important issue.

Our Government needs to strengthen the deterrent for murder and other such abhorrent crimes. Over the last year we have witnessed many senseless killings of police officers across Canada. This should underline the need to reappraise our efforts to protect police officers, prison guards, and the Canadian public.

Since the abolition of the death penalty in 1976, more than 50 Private Members Bills have been introduced recommending the reinstatement of capital punishment. In polls taken since 1978, Canadians overwhelmingly have opted for the reinstatement of capital punishment.

One of the arguments that has been presented opposing such legislation focuses on the fact that normal House business would be suspended for an unacceptable period during the debate on this issue. I believe the House should unanimously move to debate this issue during extended hours so as not to disrupt normal House hours. Mr. Speaker, this important issue needs to be dealt with now.

S.O. 22

CANADIAN BROADCASTING CORPORATION

CANCELLATION OF "OUR NATIVE LAND" PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, this week Canada will lose a truly excellent CBC radio program. It is a program of particular interest to those of us who are concerned about Indian and native affairs and of significance to all Canadians who care about their country and its people. The final edition of "Our Native Land" will be aired this coming Saturday.

When I first learned last January of CBC's intention to cut the program, I rose in the House to oppose it. Colleagues from all three political Parties responded positively to this representation. My office was later flooded with letters of support for "Our Native Land", and this support came from right across the country. However, CBC remained unmoved and unresponsive.

Afer 21 years of informative and entertaining reporting, this Saturday marks the final show of "Our Native Land". CBC has failed to carry out its mandate to reflect the culture of the people of Canada. It has ignored the wishes of Canadians who want to have this program continued.

I salute the program and its staff. They have served us well. They will be sorely missed.

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HOUSING

AVAILABILITY AND AFFORDABILITY—DEMAND FOR ACTION

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, all Canadians have the right to live in decent, affordable housing, and society, and Government especially, has a responsibility to make that possible. That is not happening in Canada. In many areas of our country there is a crisis situation in housing in terms of availability and affordability.

Just today a coalition of social agencies in the Halifax-Dartmouth area declared a state of emergency in housing in their region. In their statement they point out that the vacancy rate has been below 1 per cent consistently since 1981. Ordinary three-bedroom apartments in Halifax are so expensive that it would require a family income of over $26,000 just to be able to afford the rent.

At the same time the federal Government's funding programs for co-operative and non-profit housing programs are being systematically reduced. This is a completely unacceptable situation.

The coalition demands that the leaders of Halifax-Dartmouth municipalities declare that a housing emergency exists for many people within their area of responsibility and that this declaration be acted upon by a commitment to start planning immediately for the construction of 1,000 social housing units within the shortest possible time.

My Party and I want to add our voices to these demands by demanding further that the federal Government take immediate action to address this crisis situation, not just in Halifax but right across the country, with the resources and the seriousness which a crisis warrants. Justice and social responsibility demand it.

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[*Translation*]

THE ARTS

ESTABLISHMENT OF FRENCH CULTURAL CENTRE IN ORLEANS, ONT.

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, on September 8 of this year, Franco-Ontarians from the Orleans area, which is in my riding, saw their dream come true: the opening of the Orleans Cultural Centre, a project of the Franco-Ontarian "participaction" project.

This is another victory for Francophone volunteers in the area and also for all Franco-Ontarians to whom this outstanding example will be an inspiration. I also would like to point out that the federal Government contributed $800,000, or more than 70 per cent of the total construction costs.

In the fall of 1984, I had the honour of turning the first sod, and I have watched the project progress until the official opening. It is a source of great pride to me that the Centre was built in my riding, and I trust it will be used to capacity by all the people of Orleans.

Congratulations to everyone and three cheers for the Orleans Cultural Centre!

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• (1410)

[*English*]

YOUNG OFFENDERS ACT

CALL FOR AMENDING LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, last month an Ottawa judge, following hard on the heels of a similar decision in Sudbury, ruled that because the word "imprisonment" is not mentioned in the Young Offenders Act, juveniles, who run away from a group home or residence to which they have been committed, cannot be charged with escaping lawful custody.

Last week, noting a growing public dissatisfaction, the provincial Attorneys General meeting in Regina urged the Government to amend the Young Offenders Act.

These are but the most recent in a long list of specific problems and general concerns that have been raised by the Attorneys General, the Deputy Attorneys General, the Chiefs of Police of Canada, the public, and Members of Parliament.

I urge the Solicitor General (Mr. Beatty), who is in the Chamber at the moment, to speed up his review and introduce a Bill to amend the Young Offenders Act and to correct these problems without delay.

MEMBERS OF PARLIAMENT

CONTENT OF ALLEGED GOVERNMENT DOCUMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Conservatives are in trouble. In typical fashion the Tories, whose popularity is waning, have taken a page from the Richard Nixon survival book and are attempting to intimidate and even discredit opposition Members of Parliament who disagree, or may disagree, with the Prime Minister's (Mr. Mulroney) view on free trade. Not only does the document in question attack opposition Members, but it makes a complete mockery of any of the consultation process which the Government says it practises.

The document is contemptuous of the very people that the Government purports to represent. The first sign of Tories in trouble, Mr. Speaker, is when they attempt to axe the Opposition. I cannot wait for their next difficulty; then we will see the Tories bury the hatchet in each other, the way they usually do. By the way, I suggest the Conservatives hire communications people who can spell.

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NUCLEAR ARMAMENTS

NON-PROLIFERATION TREATY CONFERENCE STATEMENT—CANADIAN CONTRIBUTION

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I believe this House should be fully conscious of the notable contribution that Canada has made to stabilizing the world through the success of the Non-Proliferation Treaty Conference. Five years ago it was not possible for that conference to issue a common statement.

Through the consensus achieved under the influence of Canadian diplomacy allied with other like-minded states, such a statement was published last week. It is the first common word to come out of this conference supporting a treaty with 129 signatory nations. Much of the credit goes to Ambassador Roche, the team of dedicated professional diplomats who worked with him, and the Secretary of State for External Affairs (Mr. Clark) who gave his support. Believe me, Mr. Speaker, as a person attached to the delegation who spent a week attending the conference, I was very proud to see the way in which the noble traditions of Canadian diplomacy are being carried on and making a significant contribution to world peace.

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FINANCE

INVESTMENT OF PENSION FUNDS IN FOREIGN MARKETS

Mr. Neil Young (Beaches): Mr. Speaker, in his Budget of last May the Minister of Finance (Mr. Wilson) proposed that the rules for investng pension funds in foreign markets be dramatically changed. At the present time only 10 per cent of a pension fund's holding can be invested outside Canada. The Minister of Finance has proposed that this be increased to about 30 per cent, which represents an outflow of some $30 billion in Canadian funds for investment abroad.

The Minister has stated that this is intended to create jobs in Canada by enticing pension funds to invest money in Canadian small business. The logic of this argument escapes me, and it raises a number of additional concerns with respect to the security of those pension funds once they leave Canada.

The Minister has not indicated how those funds will be insured in the case of bad investments. Neither has he indicated how those investments will be supervised and regulated.

There is growing concern among Canadians that the Government is allowing the boys on Bay Street to play fast and loose with Canadians' hard-earned money. The Minister should go back to the drawing board before he proceeds with this budget measure, which has clearly not been well thought out. If $30 billion leaves the country for foreign investment, Mr. Speaker, while the Canadian economy requires that money for development here to provide Canadian jobs, the Minister of Finance should be ashamed of himself for his proposal.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA—MINISTER'S RESIGNATION

Mr. George Henderson (Egmont): Mr. Speaker, it has just been brought to my attention that the Minister of Fisheries and Oceans has submitted his resignation to the Prime Minister. While we may all agree that the Minister of Fisheries and Oceans did the honourable thing by resigning from Cabinet—

Some Hon. Members: Hear, hear!

Mr. Henderson: —I have a question for the Prime Minister. Is he now admitting that there was political interference in this issue? If so, why did he adamantly deny it all last week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the honourable conduct of the former Minister of Fisheries is appropriate and adequate explanation. There has been an exchange of correspondence between the former Minister and myself, which has been distributed to Hon. Members. I hope it will be received shortly by my hon. friend and I hope that provides the necessary explanation.

PRIME MINISTER'S POSITION

Mr. George Henderson (Egmont): All last week, Mr. Prime Minister, we heard contradictory statements from you, Sir, and your Minister of Fisheries—

Some Hon. Members: Order.

Mr. Henderson: —concerning who actually ordered the tuna off the shelves and when the Prime Minister first learned of this tuna story.

Is this resignation an attempt by you, Sir, Mr. Prime Minister, to use the Minister of Fisheries—

Some Hon. Members: Order.

Mr. Speaker: I will invite the Member to rephrase his question, perhaps through the Chair. We are developing a habit that I need to stop. I think the Member understands.

Mr. Henderson: I will direct my question through you, Sir.

An Hon. Member: Be a gentleman.

Mr. Henderson: In the Prime Minister's attempt to use the Minister of Fisheries as a scapegoat, is the Prime Minister attempting to use the Minister of Fisheries as his scapegoat for his own negligence?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Deans: How can he answer instead of the person asked?

Mr. Nielsen: —on behalf of the Government, and as Deputy Prime Minister, I can tell the Hon. Member and the House that the Government was seized of this matter last Wednesday and acted at once to address it.

Mr. Deans: This is offensive.

Mr. Riis: What is wrong with the Prime Minister?

Mr. Nielsen: The Minister of Fisheries has acted in accordance with the most honourable traditions of this House.

Some Hon. Members: Oh, oh!

Mr. Riis: The Prime Minister is a big boy.

Mr. Deans: This is offensive.

Mr. Speaker: Order, please.

Mr. Gauthier: Is the Prime Minister resigning too?

Mr. Speaker: Order.

Mr. Nielsen: I was going to say, Mr. Speaker, if opposition Members have the slightest appreciation of the function of Government, they would realize that the Deputy Prime Minister, acting on his responsibilities from time to time on instructions of the Prime Minister, acts in matters—

Some Hon. Members: Oh, oh!

Mr. Deans: He answers the questions while the Prime Minister is sitting there.

Mr. Nielsen: I have told Hon. Members that I acted on those instructions on behalf of the Government, and the Government acted immediately as a result of the inquiries that I conducted on his instructions.

Mr. Deans: That is unbelievable.

* * *

FINANCE

VALUE OF UNITED STATES DOLLAR

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Prime Minister. As brave and serious the resignation of the former Minister, I think all Canadians are also deeply concerned about decisions taken this weekend by the Finance officials and Ministers of five other countries which go to the very fundamental ability of our country to be competitive internationally and to run a proper economy.

In light of the so-called relationship and the tremendous importance of our trading relationship with the United States, can the Prime Minister tell us were we, in any way, informed by the United States Government about its intentions to hold these meetings and to make these decisions that go to the very heart of our trading relationship?

Will the Minister of Finance or some other official of the Government be in immediate touch with the Government in Washington to find out what impact it will have upon Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the Hon. Member—

Mr. Riis: Here goes another billion.

An Hon. Member: Billion dollar Barbara.

Mrs. McDougall: —should know that the meetings which took place this weekend of the Group of Five are part of a regular series of meetings which normally take place before the International Monetary Fund meets as it is doing early next month in Seoul. The fact that this meeting has achieved a somewhat higher profile does not in any way indicate that our relationship with the United States has deteriorated; in fact it has been enhanced.

● (1420)

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in the last few weeks we have seen that this Minister is capable of turning logic on its head. How can she explain the fact that a major decision to devalue the American dollar, which affects every one of our industries and regions, was taken without any consultation with this country, without information being given to us and without any invitation to participate? She says that that is an enhanced relationship. Would she please explain that to the Canadian people?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there is absolutely nothing new in this process. The Minister of Finance was in Washington very recently. He spoke with the Chief of Staff of the President; he spoke with Mr. Baker, and he spoke with Mr. Volcker. The concerns which were raised in the G-5 meeting yesterday have been part of our ongoing discussions with the United States for some time. The fact that Mr. Baker indicated that protectionism is a problem is one of the reasons that this Government has been very actively securing our access to the United States.

CANADA-UNITED STATES TRADE—REQUEST FOR PARLIAMENTARY DEBATE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, obviously we cannot get much sense out of the Minister. Perhaps I could direct my supplementary question to the Prime Minister. When we consider the importance of the devaluation of the American dollar to our trading position, would the Prime Minister now agree that he should hold off on taking any major trade initiative with the United States until we have an opportunity to assess the impact of this action upon our trading position? Does he not also agree that it is time for a major parliamentary debate on what that trading initiative should be?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think we have invited parliamentary debate and parliamentary opinion. We have taken the initiative of striking a parliamentary committee, of which I believe the Hon. Member is a member. It toured the country. We invited criticism, expressions of concern and constructive advice with regard to how we secure better access to our major markets. I think everything we have done is consistent with this degree of openness and searching for advice, counsel and criticism, because all of the country must be involved in this process.

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FISHERIES

SALE OF CANNED TUNA—MINISTER'S RESIGNATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Prime Minister. Last Friday the Prime Minister indicated that as soon as he heard of the tuna scandal he acted immediately and removed the product from the shelves. The Minister of Fisheries and Oceans absolutely contradicted the Prime Minister within two hours on Friday. Would the Prime Minister indicate or admit to the House that he fired the Minister of Fisheries because he challenged his veracity and his integrity, not because of the serious, major error which the Minister of Fisheries made?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in response to the last part of my hon. friend's observation, in conversation with me this weekend the Minister of Fisheries, given the reasons which he explains in his correspondence, offered his resignation as Minister, and I accepted it today.

With regard to the first part of the qustion, what I believe the Deputy Prime Minister was attempting to answer, I think quite fairly, to my hon. friend was that when it came to my attention last Wednesday morning—and I was chairing caucus—I asked the Deputy Prime Minister to begin immediately a series of meetings with the Minister of Fisheries and his officials to ensure that the matter was properly and effectively handled. The Minister of Fisheries met with the Deputy Prime Minister beginning in caucus itself. I think that should satisfy any concerns my hon. friend has.

PRIME MINISTER'S KNOWLEDGE OF MATTER

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Prime Minister's office was warned on July 28. It was warned again on August 13, DND was involved in removing tuna, at the Minister's awareness. The labs of the Minister of National Health and Welfare were involved in checking the product weeks ago. Can the Prime Minister say, truthfully, that he knew nothing about this before the date upon which he acted on it? If that is the case, what is going on inside the Government when a serious error such as this can escape the attention of the Prime Minister, when his office has been warned twice and at least two of his Ministers have been involved in the same problem?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can tell my hon. friend that I was first alerted to this on the Tuesday night with a call with regard to a news item which appeared that evening. I read it for the first time on Wednesday morning in the press. I immediately instructed the Deputy Prime Minister, given the schedule I had, to begin a series of meetings with the Minister and appropriate officials so that the matter would be resolved. It is a fact, I am now informed, that an official from the Fisheries Department consulted with an official from my office in July with regard to an item which might appear on a television network. It apparently did not appear, and it was never brought to my attention.

* * *

FINANCE

EXCHANGE VALUE OF UNITED STATES DOLLAR—GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. The Minister of State for Finance has just said that prior to the meeting on Sunday, which involved the United States and four other countries but not Canada, the major trading partner of the United States, the Minister of Finance met with the Chief of Staff of the President and the Governor of the U.S. Federal Reserve Board to be briefed on the situation. Obviously the Prime Minister and his Government knew about the decision to devalue the American dollar before it happened. Why are the Prime Minister and his Government so supinely accepting a decision which can cause untoled damage to Canadian producers,

manufacturers and workers? Why is he treating this in such an offhand manner?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am very tired of having my remarks in the House misinterpreted by the other side.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mrs. McDougall: What I indicated was that the issues of concern were issues which had been raised in conversations between the Minister of Finance and U.S. officials with whom he met. The situation with the United States, which has been allowed to deteriorate so long by the Party on the other side, is one that we have made an extraordinary effort to rebuild. It is time that Hon. Members recognize that.

POLICY INQUIRY

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of State for Finance has just admitted that Canada's interest had been ignored in this situation. Why are the Minister of State for Finance, the Prime Minister and their Government allowing Canada's monetary and trade policy to be made in Washington and not here in Ottawa, and in this Parliament?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is precisely because our Party is taking the initiative around enhancing trade and enhancing our position that the Finance Minister has regular access to people in the United States, something which the Hon. Member's Government never sought.

I can also say that the Minister of Finance has been in touch with Mr. Baker and that the issues raised at the G-5 meeting were totally consistent with the conversations which he had had with him previously.

* * *

FISHERIES

SALE OF CANNED TUNA—PRIME MINISTER'S INFORMATION

Mr. Jim Fulton (Skeena): Mr. Speaker, I am sorry to see the Minister of Fisheries and Oceans going because he is an honest and honourable Canadian.

Some Hon. Members: Hear, hear!

Mr. Fulton: In saying that, I think the wrong man is being asked to walk the plank. My question is directed to the Prime Minister. Outside the House on Friday, the Minister of Fisheries and Oceans said that full details of the Star-Kist tuna scandal were transmitted several weeks ago to the Prime Minister's office. Are you prepared to stand up in the House today and say that that is not true?

Some Hon. Members: Order!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have answered that question completely and fully. The only information that I have or I had was the information which I have just imparted to the House.

Mr. Speaker: The Hon. Member for Skeena on a supplementary question through the Chair, please.

MEETING BETWEEN MINISTERS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. Outside the House on Friday as well, the Minister of Fisheries and Oceans stated unequivocally that he met with you on the decision to seize that tuna—

Some Hon. Members: Order!

Mr. Speaker: I just specifically invited the Hon. Member to put a supplementary question through the Chair in parliamentary terms, please.

Mr. Fulton: The meeting took place between the Minister of National Health and Welfare and the Minister of Fisheries and Oceans. The decision was made at that meeting by the Minister of Fisheries and Oceans to seize that product. Is that correct? Is that how those events unfolded?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on Thursday morning I communicated via my principal secretary with the Deputy Prime Minister, asked him to convene immediately a meeting of the Minister of National Health and Welfare, the Minister of Fisheries and Oceans, himself, and other appropriate officials in regard to ridding the shelves of that particular product. This was conveyed to the meeting chaired by the Deputy Prime Minister and it was determined that that view would be an appropriate one. It prevailed, on the recommendation of the Minister of Fisheries.

[*Translation*]

REQUEST FOR ESTABLISHMENT OF PARLIAMENTARY COMMITTEE ON MARKETING OF TAINTED TUNA

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It is quite obvious that the Minister of Fisheries and Oceans, because of purely political considerations allowed a certain quantity of tainted tuna to be put on the market, which has now led to a crisis in the industry. My question to the Prime Minister is as follows: In order to restore the credibility of this Government and that of the industry, is the Prime Minister prepared to refer the tainted tuna question to a parliamentary committee, so that an inquiry into this whole issue can be made?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the Minister . . . and all the explanations I have

given to date, including notes contained in the exchange of correspondence, could also be a subject of any kind of analysis this Parliament would judge appropriate. We have nothing to hide. The matter is open to all Parliamentarians.

FISH INSPECTION SYSTEM—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have a supplementary for the Right Hon. Prime Minister.

Could the Prime Minister give the House the assurance that in future, there will be no recurrence of this kind of political interference with our inspection system?

Right Hon. Brian Mulroney (Prime Minister): In my opinion, the action taken by the Minister was undoubtedly taken in good faith, in the interests, as he saw them, of the fishermen and jobs as well as of health and security. It was a value judgment he made with respect to a given situation.

He reflected another perception in his decision on Sunday which was transmitted to us today, and he is an honourable man for having done so.

[*English*]

INFORMATION GIVEN TO PRIME MINISTER'S OFFICE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. There is a clear discrepancy between what the Prime Minister has said and what the former Minister of Fisheries said on Friday as to the extent of the information that was given to the Prime Minister's Office on this tuna fish affair.

The former Minister of Fisheries has indicated that the Prime Minister's Office was fully informed, with full details. The Prime Minister now tells the House that his office was given a phone call some time in July about a television program that might take place. That is very different.

My question to the Prime Minister is this. Will he confirm that officials from the Department of Fisheries informed his office on August 13 about an impending court case on this matter?

Right Hon. Brian Mulroney (Prime Minister): I cannot confirm that specific date. I can confirm what I have already said that sometime this summer, I believe it was during the month of July, or I am so informed, an officer or officers from the staff of the Minister of Fisheries and Oceans visited with an official from the Prime Minister's Office and conveyed to him a number of facts which I understand dealt with the imminent release of a television program dealing with the issue at hand.

The officer from the Prime Minister's Office apparently waited for this matter to be televised, it did not appear, and apparently concluded that that was that, and no information of any kind was transmitted to me. That is all of the information that I am able to convey to my hon. friend.

NOTIFICATION OF IMPENDING LEGAL ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there seems to be a confusion of a number of different events here coming together in the Prime Minister's answer. My understanding is that the Minister of Fisheries took the correct action at that time, July 28, I understand, of informing the Prime Minister what was going on, according to the Minister of Fisheries, in considerable detail.

The question I just asked the Prime Minister was not about the July 28 meeting. It pertains to information that I am told was conveyed on August 13 about impending legal action involving the company producing the tuna fish that the country has heard so much about in recent days.

Can the Prime Minister confirm that officials from the Department of Fisheries informed his office in the middle of August about this situation?

Right Hon. Brian Mulroney (Prime Minister): No, I cannot confirm, nor can I deny. I thought it was somewhat earlier, in the month of July, that this matter was raised in the manner in which I have described it.

The incident as it is reported to me, was that an event that took place in the winter or the spring that had already transpired was to become the object of a television report during the course of the summer. This was why the officials from the Department of Fisheries attended upon an official of any Department to apprise him of that. They explained apparently in some detail what the television program apparently was going to be about, and that was that. It did not appear and it was not brought to my attention.

Given this other date mentioned by my hon. friend which is subsequent to a date which is already acknowledged by me, I will be happy to look into it and provide him with all the details.

REQUEST FOR DISMISSAL OF OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering the very serious implications of the fact that the Minister made an earlier decision and sent all this terrible fish out onto the supermarket shelves, given the result that that has led to which is, namely, the resignation of the Prime Minister—

An Hon. Member: That is who should have resigned.

Mr. Broadbent: —of the Minister of Fisheries, will the Prime Minister not agree that if his office were functioning properly, if he had been informed in the summer by the Minister of Fisheries, if he was informed by the Department of Fisheries some weeks later about legal action, and that if his office, the Prime Minister's Office, did nothing about that in the summer, they were negligent; the Prime Minister was negligent; and he should take corrective action and fire somebody in his office?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there are about three hypothetical dimensions—

Some Hon. Members: Oh, oh!

Mr. Mulroney: Yes, there are, to this question. I repeat for my hon. friend that a decision which was raised in this House by the Minister of Fisheries and Oceans in the winter or early spring of the year was brought to the attention of some official of the PMO in July, and you suggest now, perhaps August. It was left that way. It was not brought to my attention. I have told my hon. friend that that is all I know about it. It was not conveyed to me. I will, however, be happy to look into the second part of that allegation and report to my hon. friend and the House, but there clearly was nothing improper of any kind at all.

An Hon. Member: Is Barbara next?

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK—NON ATTENDANCE OF MINISTERS AT MARCH MEETING

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. Will the Minister confirm that neither she nor the Minister of Finance was present at the meetings of March 22 to March 25 when the fate of the Canadian Commercial Bank was being decided?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that is a matter of public record, that the discussions were carried on by persons other than myself.

MINISTERIAL RESPONSIBILITY

Miss Aideen Nicholson (Trinity): Canada was facing its first bank failure in 60 years but two Ministers left the negotiations to officials and did not insist on full information about the bank's financial situation. How can the Minister justify the abdication of responsibility?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I can confirm for the Hon. Member that I have never in my life walked away from my responsibilities, not once.

● (1440)

Some Hon. Members: Hear, hear!

Mrs. McDougall: It is perfectly normal—

Mr. Nystrom: You're next, Barbara.

Mrs. McDougall: It is perfectly normal practice for negotiations to be carried on by people who are constantly in touch. The Governor of the Bank of Canada, the Inspector General of Banks and the Deputy Minister of Finance acted perfectly appropriately. My colleague, the Minister of Finance, and I were fully informed and established the policy on which the negotiations were made.

ABSENCE OF CANADIAN REPRESENTATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who will be well aware that the recent decision made over the weekend in the United States will result in enormous job losses for Canadians in all regions of the country. Since the Minister of Finance was in Washington prior to the meeting, knew of the meeting, and certainly would have known of the main item for discussion at the meeting, why did the Prime Minister not intervene and ensure that Canada was represented at that meeting?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is very clear that the G-Five meeting is a normal, routine meeting that takes place before the IMF meetings in the fall. Surely the Hon. Member is that well informed.

Some Hon. Members: Oh, oh!

Mrs. McDougall: The Minister of Finance has been in touch with Washington and has raised Canadian concerns with American officials. Many of those concerns were addressed by the action that was taken over the weekend.

REQUEST THAT PRIME MINISTER INTERVENE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is again addressed to the Prime Minister. It seems to me that Canada has taken the long-distance feeling on a number of issues, including the 300 American protectionist Bills and most recently this weekend's decision. Why do we not move away from the long-distance feeling with the United States and ask the Prime Minsiter to pick up the telephone, call the President of the United States and start representing the interests of Canadian workers and producers on an issue as important as this one?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would hope that within the next couple of days the Hon. Member will have occasion to rise to his feet to applaud the Government for continuing to do prescisely that.

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YOUNG OFFENDERS ACT

REQUEST FOR AMENDING LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Solicitor General. He will know that recently an Ottawa judge dismissed a charge of escaping lawful custody against a juvenile who had walked away from detention in a group home. Will the Minister advise the House if he will be introducing, without delay, amendments to the Young Offenders Act to correct this situation and to correct all of the other problems that have been brought to his attention by the Chiefs of Police and the Attorneys General across the country?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the Hon. Member will know, there is still the possibility that that particular decision may be appealed in the courts in which case we should wait until the outcome of the appeal. I have indicated to previous questioners in the House that I remain with an open mind. I am anxious to receive the various points of view of various people including Chiefs of Police, Attorneys General and others.

I have read in the press that the Attorneys General would like to meet with me to have a discussion about the Young Offenders Act. I would be delighted to do so. Additionally, I have indicated that I will be soliciting points of view on this matter in a very broad way and I will be apprising the House of the results.

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BANKS AND BANKING

NORTHLAND BANK—MINISTER'S MARCH STATEMENT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of State for Finance who tells us that we are not well informed. As reported at page 3513 of *Hansard* for March 29, the Minister of State for Finance said:

> Mr. Chairman, this situation was caused by an isolated incident. There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way.

How could the Minister make such a statement with another bank so close to disaster?

Hon. Barbara McDougall (Minister of State (Finance)): Because it was true, Mr. Speaker.

Some Hon. Members: Hear, hear!

REQUEST FOR MINISTER'S RESIGNATION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister knows that the Minister of Fisheries and Oceans did the honourable thing. We cannot put a dollar sign on his mistake but we know that the dollar sign on her mistake is over $1 billion. Will the Minister of State for Finance do the honourable thing and resign?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Party across the way was in Government for 16 years. It never did one thing to enhance the regulatory climate of our financial institutions. It walked away from its responsibilities.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Never had a bank failure.

Mrs. McDougall: It did absolutely nothing and my responsibility is to clean up the mess that it left us.

Some Hon. Members: Hear, hear!

CULTURAL AFFAIRS

CANADA-UNITED STATES TALKS—GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is for the Prime Minister and concerns cultural integrity. Last week the Prime Minister said in the House that our cultural industries would not be negotiable in any discussions on free trade that might take place. However, in Halifax on Sunday the Minister of Communications said that they might be negotiable and certainly that they would not be exempt. Would the Prime Minister clarify the Government's policy? Are our cultural industries up for grabs or will there be a full exemption from free trade for cultural industries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not seen the statement alleged by my hon. friend but I think I can be reasonably certain that the Minister of Communications made no such statement because the position of the Government and the position of his Department are the protection of the integrity of our cultural institutions. It might come as some surprise that it was a Progressive Conservative Government which, of all things, founded the CBC. We believe in the protection of the integrity—

Mr. Gray (Windsor West): You're now wrecking it.

Mr. Mulroney: The Liberal House Leader says that the CBC is wrecking the Government. On the contrary; we work hand in hand with the CBC at all times. We believe in its integrity and independence.

TIME MAGAZINE—POSSIBLE RE-EMERGENCE OF CANADIAN EDITION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my supplementary question is also directed to the Prime Minister and concerns the cultural integrity of magazine publishing which is of course threatened by the possible re-emergence of the Canadian edition of *Time* magazine. Will the Prime Minister confirm for Canadians that there will not be a reappearance of the so-called Canadian edition of *Time* magazine?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, the Hon. Member surely must know that, under the circumstances, the provisions of the Income Tax Act preclude any discussion of this particular matter.

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SHIPBUILDING

IMPLEMENTATION OF GOVERNMENT POLICIES

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion and is of vital importance to Atlantic Canadians. When does the Minister anticipate recommending and putting in place the ship-

building policies that the Government promised shipyard workers last year?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the Hon. Member, as he knows, the Government now has under review a shipbuilding program that we hope will be helpful. We are having ongoing discussions with certain representatives of the shipbuilding industry both on the labour side and on the management side and I think that the Hon. Member will be most pleased with what we are hoping to be able to work out in the coming weeks.

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ABORIGINAL RIGHTS

REVIEW OF CLAIMS POLICY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. As the Minister knows, the Macdonald Commission Report called for an accelerated pace in the settlement of aboriginal claims. Last July the Minister asked for a full review of the claims policy. Can the Minister now tell the House if he expects that review of the claims policy to be completed on time by the end of November? When he receives the policy will he refer the matter to the Standing Committee on Indian Affairs and Northern Development so that the committee can have its analysis and provide some input to the Minister on this important subject?

• (1450)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can confirm to the Hon. Member that the task force report should be ready by the end of November. I met with the chairman of the task force last week. He indicated that he is on schedule. Thus, I expect it will be available by November 30.

With respect to its disposition, first, it will be a public report. Personally, I have no difficulty with the matter being discussed by the standing committee. I think the appropriate approach would be for me to invite discussion from the Hon. Member, the New democratic Party and other associated groups who have a concern with it, after it has been made public.

ARCTIC SOVEREIGNTY—OFFSHORE RESOURCES INQUIRY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, since the review of this claims policy is not yet complete, and in view of the re-awakened concern in Canada with respect to Arctic sovereignty, will the Minister recommend to the group conducting the review that it give serious consideration to including in that review the possibility of the Inuit people of Canada negotiating a right to offshore resources, as well as to land resources?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think that is an excellent idea. At the Inuit Circumpolar Conference in Montreal at the end of last week, I indicated that idea as a part of the terms of reference of the original task force. Thus, there was no difficulty with respect to the task force taking that matter into consideration. I have urged the task force in that respect. I expect its recommendations will contain a consideration of that point.

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EXTERNAL AID

MEXICAN EARTHQUAKE—CANADIAN ASSISTANCE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I would like to direct my question to the Prime Minister.

Last year 500,000 Canadians gave an average of $65 per person for African relief projects. They were encouraged in this respect by the Government matching them dollar for dollar. Considering the desire of Canadians from coast to coast to help in a practical way with the devastation which has taken place in Mexico following two earthquakes, will the Government announce a similar program of aid which would match dollar for dollar the contributions made by individual Canadians?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, last week I announced the Government's intentions. This morning, I had a meeting with the Mexican Ambassador, who conveyed us his country's heartfelt thanks because Canada was the first country to take action following the earthquake.

We certainly urge all Canadians to show their generosity, but we think, and I personally think that the proposed matching, dollar for dollar, would not be the right approach, since it is a very special situation and we should preferably think in terms of twinning projects and consider new formulas for assistance.

[*English*]

CANCELLATION OF LOAN BY INTERNATIONAL MONETARY FUND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I regret the Government's decision. I think it important to encourage this type of contribution by matching aid.

My supplementary question is also to the Prime Minister. Has Canada made any representations to the International Monetary Fund to bring about a degree of sanity and compassion to that organization as a result of it cancelling a $450 million loan to Mexico on the very day of the earthquake? If Canada has not made representations, when will it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have not made any specific recommendations in regard to the point raised by my hon. friend. However, he may recall that it has been an aim of this Government to obtain better financing for Third World countries. It is a cause which we promoted, with at least some modest success, at Bonn, and one which we will be promoting at the Commonwealth Conference as well. The Minister of Finance will also be discussing the matter in Seoul. We believe that it introduces a new element of fairness into financing for less favoured nations. I appreciate the view expressed by my hon. friend.

* * *

[*Translation*]

MINORITY RIGHTS

AID TO ASSIST COURT CHALLENGES—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): My question is directed to the Right Hon. Prime Minister and concerns a program that is very important to official language minorities. I am referring to the program to assist court challenges, which, as the House will recall, was set up by the Liberal Government to help certain groups or individuals to defend before the courts their Constitutional rights under sections 133(93) and 23 of the Charter.

The Prime Minister, the Minister of Justice and the Secretary of State have all been asked about this matter during the session, and I personally have asked the following question six times: When is the program going to be extended? The program expired on March 31, 1985. There are groups that are interested in the program. Could the Prime Minister inform the House when some news on the subject will be forthcoming?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, there will be an announcement this week on what steps we will be taking with reference to Charter challenges. I believe the Secretary of State has set that up for Wednesday.

GOVERNMENT PROGRAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, will the Minister also tell the House if, on top of constitutional Articles Nos. 93, 133 and 23 of the Charter, Section 15 of the Charter will be covered by the new program?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the answer to that question, of course, is yes.

NORTHWEST TERRITORIES

INQUIRY CONCERNING CONSTITUTIONAL DEVELOPMENT

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the fact that the former Government of the Right Hon. John Diefenbaker, in 1957 or thereabouts, brought a Bill before the House to divide the Northwest Territories, will the Minister inform the House whether or not he has any intention of bringing before Cabinet within the next two years a new Bill to divide the present Northwest Territories into two territories?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I think my hon. friend knows, the pace in change and timing of constitutional development in the Northwest Territories is very much in the hands of northerners. Indeed, the process by which we will achieve those goals is through the Constitutional Alliance. It is currently holding both public and community-based discussions. When it has concluded those discussions, I expect it will be able to offer a more specific answer to the Hon. Member's question.

* * *

AGRICULTURE

SOUTHERN SASKATCHEWAN FARMERS—REQUEST FOR ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. Prairie farmers, particularly those in southern Saskatchewan, have had a disastrous summer. Drought and grasshoppers have ravaged a large area and, lately, heavy rainfall and cool weather have exacerbated the problem by delaying the harvest and by spoiling hay. The farmers are asking the federal Government for assistance in dealing with this catastrophe.

Will the Minister show the same compassion to these farmers as his Government has shown to the bankers in the billion dollar bail-out? Will the Minister make a commitment today so that these hard pressed farmers will receive the $500 million or more in federal Government assistance which they need to bail themselves out of these problem?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as the Hon. Member will know, we were on the scene very rapidly with reference to the crop problems in western Canada. We have made an announcement with respect to providing a commitment of $48 million. That is phase one, which deals with the losses of livestock. Hopefully, within the next week or ten days we will be in a position to come forward with phase two of the program, which will deal with crop losses. I can assure the Hon. Member that the issue he raises will be given every consideration as well.

Petitions

AID TO CATTLEMEN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, will the Minister of Agriculture explain how it is that a week after the Saskatchewan Government announced a $60 per head disaster payment with respect to cattle the federal Government made an announcement with respect to $30 per head? Will the Minister explain why cattlemen will receive only $60 per head instead of the $90 per head which the two Governments promised?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, since the Hon. Member is a resident of the Province of Saskatchewan I think he must recognize the fact that it was a decision—one which I respect—taken by a democratically-elected legislature to announce a program. Of course our difficulty was the fact that we were dealing not only with Saskatchewan but with Alberta, parts of Manitoba, and two different areas of British Columbia. We wanted the time in order that the committee which we have established can go about its work and carry out the consultations which are always required if sensible and effective representations are to be brought about.

* * *

FARM CREDIT CORPORATION

MORATORIUM ON FORECLOSURES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Last week he announced he was placing a moratorium on the foreclosures of farms by the Farm Credit Corporation which are running at approximately 14 per week. We have learned today that the American dollar will be devalued which will further depress commodity prices. Would the Minister tell the House when he is going to bring in assistance to farmers in order to arrest the situation of foreclosures on farms? Introducing a moratorium does not really help the farmers. I wonder if the Minister could make that clear.

● (1500)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member has posed that question before. It is almost becoming his weekly question. I would again invite the Hon. Member to reflect and to read the record. He will see that we have made a greater contribution to the agri-food industry in the last eight months than his Government did in all of eight years.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, September 20, 1985, meet the requirements of the Standing Orders as to form.

POINTS OF ORDER

REQUEST FOR TABLING OF DOCUMENTS BY MINISTER—RULING OF MR. SPEAKER

Mr. Speaker: On Friday, September 20, 1985, the Hon. Member for Hamilton Mountain (Mr. Deans) on a point of order requested that the Minister of Fisheries and Oceans (Mr. Fraser) be asked to table documents he used in answer to a question from the Hon. Member for Comox-Powell River (Mr. Skelly). I undertook to reserve my ruling until after I had read the "blues". I am now ready to rule.

I fully appreciate the validity of the quotation put forward by the Hon. Member for Hamilton Mountain (Mr. Deans) in making his point, namely, that:

> A Minister of the Crown is not at liberty to read or quote from a dispatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

This is, of course, taken from Citation 327(1) of Beauchesne. I do not believe I need to dwell on reminding the Hon. Member of Citation 327(3) of Beauchesne's which states:

> A public document referred to but not cited or quoted by a Minister need not be tabled.

Upon a close reading of *Hansard* I could find no evidence that the Minister had in fact either read from or quoted any document. Therefore, I do not find that he is obligated to table anything at this time.

REQUEST TO TABLE A DOCUMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wonder if I might have leave of the House to table a document as requested by the Prime Minister (Mr. Mulroney) last Friday entitled Canada-U.S. New Bilateral Trade Initiative Communication Strategy? It was a request by the Prime Minister. I am quite happy to comply.

Mr. Speaker: I believe the Hon. Member knows full well the rule of the House in Beauchesne which prevents him from tabling a document under any circumstances.

Some Hon. Members: Agreed.

Mr. Benjamin: Append it to *Hansard*.

Mr. Speaker: Order. I phrased what I just said very carefully because I think the Whip of Her Majesty's Loyal Opposition knows that unanimous consent does not apply in this case.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CONSIDERATION OF SOVIET EVIDENCE BY DESCHENES COMMISSION

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I am pleased to present to the House today a petition on behalf of many individuals from my constituency regarding their concern over the possibility of Soviet evidence being obtained and used by the Deschenes Commission of Inquiry. Their concern focuses on the strong possibility that Soviet evidence is likely to be fabricated in order to damage the credibility of many individuals who have been long-time anti-Communists.

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my privilege to present a petition on behalf of a number of western Canadians who are registering their protest to the plans of the Minister of Employment and Immigration (Miss MacDonald) that workers laid off after March 31, 1985, will have their severance pay deducted from their unemployment insurance benefits and thus effectively eliminate the benefit to the workers of the severance package they receive.

[*Translation*]

DRUG USE IN SCHOOLS

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, I have the honour of presenting two petitions.

To the House of Commons of Canada, in Parliament assembled.

The undersigned of the first petition request that steps be taken to wipe out drug abuse in the schools in order to protect the future, the health and the well-being of their children.

Wherefor they humbly pray that your Honourable House take the appropriate steps to wipe out drug abuse in the schools.

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): The undersigned of the second petition are in favour of capital punishment in order to reduce violence in Canada.

The petitioners feel that leaving crimes unpunished is a violation of their rights and freedoms.

They therefore request that your Honourable House reinstate capital punishment, and as in duty bound, your petitioners ever pray.

[*English*]

SOCIAL SECURITY CUT-BACKS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very honoured to present a petition signed by the Leaders of the New Democratic Party from all provinces in Canada, and the federal executive, which opposes deindexation of family allowance and the massive cut-backs to child benefits as an unfair attack on women and families with children, especially single parent mothers. It states that this deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off. They are concerned that these cut-backs in child benefits on top of sales tax increases, income tax increases and excise tax increases, are very unfair and, furthermore, that they are entitled to full indexation of family allowances.

* * *

FAMILY ALLOWANCES ACT, 1973

NOTICE OF ALLOCATION OF TIME ON SECOND READING STAGE OF BILL C-70

On the Order: Government Notices of Motions:

September 19, 1985—The Minister of National Health and Welfare:

That, in relation to Bill C-70, An Act to amend the Family Allowances Act, 1973, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

That fifteen minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I just want to indicate to the House that with respect to the transfer order of reference to the Government Orders, discussions have been held and that the motion which the Minister of National Health and Welfare (Mr. Epp) indicated will be transferred will be discussed at eleven o'clock tomorrow morning.

Mr. Speaker: We seem to have some confusion. Could I ask the Hon. Parliamentary Secretary to repeat what he just said?

Mr. Dick: Mr. Speaker, I understand that the Minister of National Health and Welfare has transferred this motion for debate and I was indicating to the House that this matter will be brought up for debate at eleven o'clock tomorrow morning, the matter dealing with Bill C-70.

Mr. Speaker: There was some confusion I wanted cleared up.

Mr. Gauthier: Mr. Speaker, did I understand the Parliamentary Secretary to tell us that the Government's motion is transferred to Government Orders as of now, and that it will be taken up at the next sitting of the House? Is that what he just told us?

Mr. Speaker: There were two Government Notices of Motions standing on the Order Paper which were to be transferred today. I believe the Parliamentary Secretary is in effect introducing a business question by indicating the intention to call that matter tomorrow. I believe that is what happened.

Mr. Dick: On a point of order, I had risen to let Hon. Members know in the House that this matter of Bill C-70 will be dealt with at eleven o'clock tomorrow morning.

Hon. Members might also like to know that it is the intention of the Government to call the reference dealing with the Canadian Commercial Bank and the Northland Bank for tomorrow afternoon at three o'clock p.m. or when we get to Orders of the Day.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

On the Order: Government Notices of Motions:

September 11, 1985—the President of the Privy Council:

That the Standing Committee on Finance, Trade and Economic Affairs be empowered to consider and report on the events leading up to the decisions announced by the Minister of State (Finance) on September 1, 1985, with respect to the Canadian Commercial Bank and the Northland Bank, and in particular,

1) the decision to appoint curators to the Northland Bank and to the Canadian Commercial Bank;

2) the decision to seek parliamentary authority to compensate uninsured depositors for amounts outstanding on September 1, 1985; and

3) the decision to undertake regulatory reform to strengthen the regulatory powers of federal supervisory authorities; and

That the Committee present its final report no later than November 30, 1985.

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Mr. Deans: Mr. Speaker, I want to begin my point of order by saying that I find this procedure to be most offensive. If it is the Government's intention to bypass the normal channels and to negotiate satisfactory terms and conditions in advance of the introduction of the motion to concur in the resolution, then we will stop co-operating with this Government on all matters. I want to make it quite clear that if it is the intention of the Government to disrupt the normally orderly practices of the House, then that disruption will continue indefinitely.

It is most unusual, Mr. Speaker, for the Parliamentary Secretary to rise and to indicate Government business. In fact, that is normally the prerogative of the Minister, not the prerogative of a Parliamentary Secretary.

• (1510)

Mr. Speaker: Order. First, I am not sure what the point of the last comment is. It is certainly the privilege of a Minister, in this case the Government House Leader (Mr. Hnatyshyn), to ask his Parliamentary Secretary to rise in his place. I take it that is what the Parliamentary Secretary was doing. It was precisely because we were confused about which matter the Parliamentary Secretary was referring to that I asked for clarity earlier. We got clarity on the National Health and Welfare Bill, but I take it the Hon. Parliamentary Secretary has now indicated something as well with regard to the other order of reference. That is what I was concerned about earlier.

Mr. Dick: Mr. Speaker, I thought I had been quite clear that one matter was being dealt with at eleven o'clock and one after three. I should point out that I understood some discussions had been taking place.

Mr. Deans: None.

Mr. Dick: But I will tell the Hon. Member that we intend to co-operate. We are giving notice almost 24 hours in advance which is more than members of the NDP did last week when they wasted a whole day by bringing in something for reference without telling anyone else. They did not co-operate one bit.

Some Hon. Members: Hear, hear!

Mr. Deans: You can applaud, Jake, but you will get nothing through from now until Christmas.

Mr. Dick: Mr. Speaker—

Mr. Speaker: Order.

Mr. Dick: —I think that the NDP—

Mr. Speaker: Order!

Mr. Deans: I will stand up and say it again.

Mr. Dick: —has wrecked this House—

Mr. Speaker: I invite the Hon. Parliamentary Secretary to resume his seat.

Mr. Deans: I am telling you right now you will get nothing through until Christmas.

Mr. Dick: I want that on the record.

Mr. Speaker: Order!

Mr. Dick: You are irresponsible, Deans.

Mr. Speaker: Order, please. I did check the lunar calendar.

Mr. Gauthier: And?

Mr. Speaker: I was wrong. The full moon was not last week, it is this coming Saturday and I can see what is happening.

Some Hon. Members: Oh, oh!

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

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

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

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S.O. 31

NORTHLAND BANK SITUATION

Mr. Speaker: I am in receipt of a notice under Standing Order 31 from the Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, you will recall that last Friday I brought to the attention of the House my intention to move a motion under the provisions of Standing Order 31. During the proceedings on Friday you indicated your view that the subject matter, namely the crisis faced by the Northland Bank and the implications should it go belly-up, to put it bluntly, for the banking sector in general was, to use your words, a genuine emergency. You indicated at that time that you were not prepared to accept the motion, but clearly the logic of your argument was that if we did not soon have that subject before the House for debate, you would be prepared to recognize that emergency in the form of a debate. Therefore, I gave notice earlier today of my intention to move the same motion and if you make the appropriate ruling in that context, I would be very happy indeed to do so.

Mr. Speaker: I thank the Hon. Member for Oshawa. He did indeed give me the appropriate notice and I did indeed make such a comment on Friday, and I intended it deliberately. I think the Hon. Member will know that it was precisely for the reasons for my reservations regarding the question of urgency that I was particularly interested in hearing the comments, and clarifying what they were, that were made by the Parliamentary Secretary. Given the Government's intention to call that matter for debate tomorrow at three o'clock, apparently, I take it all Hon. Members will have an opportunity to put on the record—

Mr. Deans: There will be no debate.

Mr. Speaker: —their views, I suggest to the Hon. Member that, yes, I continue to hold the same views which I held on Friday with regard to the emergency provision of Standing Order 31. However, it is my view today, given what I heard three minutes ago—

Mr. Deans: Which we heard for the first time.

Mr. Speaker: —that there is not now sufficient need to vary the proceedings for today in order to allow a debate under Standing Order 31.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT, PENITENTIARY ACT, PRISONS AND REFORMATORIES ACT, AND CRIMINAL CODE

MEASURES TO AMEND

The House resumed consideration of the motions of Mr. Beatty that Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, and Bill C-68, and Act to amend the Parole Act, the Prisons and Reformatories Act, and the Criminal Code, be read the second time and referred to a legislative committee.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in the few minutes I have left I would like to indicate part of the reason we are not supporting these two Bills. Just before lunch I was making the point that the Parole Board is going to have a difficult time handling the increased load resulting from passage of these two Bills. Having spoken to inmates in the penitentiary in my home constituency, I can say that they feel very strongly that the things being put forward in these Bills will increase the frustration and the reaction to that frustration in the institution. As well, it will affect the surrounding community, in this case Prince Albert. Consequently, we should take into account the fact that if these Bills are passed we may be causing an increase in tension and possible violence in the institution.

Officials have told me that inmates who would probably be able to use mandatory supervision have refused to do so because they do not feel that the kind of services they get when they are out on mandatory supervision are adequate. They would rather put in the extra three or four years than go out under circumstances which do not contribute to their return to the community and to society. Many communities are quite willing to work with inmates if the services were available to help integrate them into the community. Therefore, our main point is to question whether it is better to spend $40,000 to keep one inmate in an institution or to spend it on services in the surrounding communities in order to help integrate these people back into society. We should increase the scope of these Bills so that we can provide the services needed to make mandatory supervision work.

Mr. Deputy Speaker: Questions or comments? Debate?

Some Hon. Members: Question.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Althouse: On division.

Motions agreed to, Bills C-67 and C-68 read the second time and referred to a legislative committee.

* * *

• (1520)

[*Translation*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Jake Epp (for the Minister of Finance) moved that Bill C-71, an Act to amend the Customs Tariff, be now read the second time and referred to a legislative committee.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have the honour today of presenting before the House Bill C-71, whose purpose is to implement the amendments to the Customs Tariff as they appear in the Ways and Means Motion to amend the Customs Tariff tabled on May 23 of this year as part of the Budget Papers.

We believe that before outlining the main points of this legislation, it would be useful to review some aspects of the present state of international exchanges that guided some of the Government's decisions when preparing the tariff measures included in last May's Budget.

The marked protectionist trend typical of international exchanges today demands our serious attention, since protectionism is a direct threat to the trading system and to the general prospects for Canada's economic growth.

Canada is tremendously dependent on international markets because of the limited size of our domestic market. In fact, exports represent about 30 per cent of our gross national product. It is therefore vital that Canada see to it that the invasive protectionism practised by our neighbours is countered both by our country and other countries.

The Canadian Government has made a commitment towards maintaining a very open system of multilateral exchanges. Thus, we are supporting the official launching of a new series of multilateral trade negotiations in the near future, and we have defended this initiative, both at the meeting of Ministers of the Organization of Economic Co-operation and Development and at the Bonn summit. According to Canada, it is the best way to defeat the present protectionist trend and to ensure that international exchanges, which are so important to the growth of our Canadian economy, will continue to make a positive contribution to the daily well-being of Canadians.

Furthermore, we are also involved in seeking more secure trading relations with our principal trading partner, the United States of America. At the Quebec summit, our valiant Prime Minister of Canada (Mr. Mulroney) and the President of the United States (Mr. Reagan) decided, among other trading initiatives, to put an end to protectionism in the exchange of goods and services between our two countries. The Budget Papers explain how Canada followed up on this commitment. The Government has refrained from making a number of increases in most favoured nation tariff rates which it had been asked to implement.

Granted, these decisions may have disappointed some sectors of our economy which find it difficult to compete abroad if they cannot benefit from the umbrella of additional tariff protection, but our Government is convinced that it must be prepared to act according to its deepest convictions, in other words, that a more open system of multilateral exchanges and more secure trading relations with the United States are indispensable in the long term to sustained economic growth in Canada. It is of course unjustifiable to take protectionist measures, especially the kind that might have harmed other Canadian manufacturers.

We also want to deal with the provisions of Bill C-71 concerning the amendments we want to make to the Customs Tariff, for those amendments are in response to a wide variety of situations. As a result we will implement a series of measures designed to benefit specific sectors of the Canadian economy; they will also enable Canada to meet certain international commitments and, in some cases, rationalize the administration of the Customs Tariff.

To implement some of the recommendations made by the federal task force on Canada's car and car parts industries, and within the context of recent developments in the car industry and of representations made to our Government, Bill C-71 provides that, as of May 24 last, car parts from developing countries are allowed into this country at two-thirds the most-favoured-nation tariff. Cars and other vehicles from those underprivileged countries will continue to come in duty free until January 1, 1987, when they will be subject to 6 per cent of the general preferential tariff.

In that respect, we should remember that the manufacturer of the famous Pony, Hyundai of Korea which has been quite successful on the Canadian market in general, and particularly in Quebec, is about to adopt an investment and purchase policy likely to boost the Canadian car industry. In our opinion, it is important to encourage Koreans in that sector. We hope that foreign manufacturers and governments will keep such decisions in mind, as well as those which will eventually be made by Canada.

In addition, the proposed Bill contains three provisions to implement the recommendations of Tariff Board reference item 162 related to specific points concerning spun yarns and worsted and carded wool fabrics. Specific measures will be

taken to avoid a future weakening of the tariff protection applicable to some light wool fabrics, and reductions in customs duties on unprocessed wool and worsted wool fabrics for dyeing and finishing. Measures have already been taken to maintain five tempory tariff items concerning wool fabrics used for men's clothing.

With Bill C-71, the Government will complete the implementation of recommendations made by the Tariff Board in phase I of its report entitled "Tariff items applicable to goods made or not made in Canada". The impact of those amendments is wide ranging. Three Tariff Board examples derive from the agreement between Canada and the United States with respect to the Tokyo Round multilateral trade negotiations. Last December Parliament authorized the repeal of the requirement whereby imported goods must be of a category or type made or not made in Canada so they may be admitted at specified rates, in the case of 19 tariff items. Bill C-71 contains similar provisions concerning other items referred to in phase I of the report.

Several amendments result from representations made by the private sector. Most of them reduce customs duties on various items not made in Canada. Others reinstate the tariff protection which had been removed after decisions related to the classification of goods had been appealed. The effect of these changes is quite varied. Three examples should give Hon. Members and idea of the benefits which would result from the proposed changes.

First, aluminium construction drop-centre livestock trailers will be imported duty free, thereby reducing the road transportation costs for cattle raisers and trucking companies.

Second, all workers who have to use safety helmets, goggles and face shields for welders will know that the costs of these important pieces of safety equipment will remain the lowest possible, thanks to the duty free import of all these safety items.

Third, all those who wish to see their kids play football with the proper equipment will be delighted to learn that football helmets, face masks and shoulder pads will be imported duty free.

In order to rationalize the administration of the tariff by the Department of National Revenue, especially in the case of travellers, Canadian tourists—and this is very important—may from now on import duty free up to $100 in foreign goods as often as they wish during the year, providing they have been out of Canada for at least 48 hours. At present, they may do so just once every quarter. This is a step toward a kind of rational and reasonable form of free trade.

In another area, the Deputy Minister of National Revenue may now prescribe or eliminate seasonal tariffs on some horticultural implements the production of which is only occasional in Canada. Thus, Canadian farmers will not only have the required protection at the appropriate time, but consumers will also be able to purchase imported products at the lowest possible cost when they are no longer available from Canadian producers, which is once again quite reasonable.

Mr. Speaker, it is obvious that Bill C-71 contains a number of tariff measures of major importance to certain sectors of the Canadian economy as a whole, and in some cases, to certain individuals in particular.

Bill C-71 is also part of the international agreements made by Canada and it follows up a number of specific commitments we have contracted internationally.

This brief summary of the provisions of this Bill should provide enough information on the reasons why Bill C-71 must be considered and approved rapidly by all Members of the House of Commons who are concerned about the well-being of our fellow citizens and all Canadian consumers. We are willing to answer any relevant questions.

• (1530)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, initially we did not anticipate a prolonged debate on Bill C-71 and we felt that most questions could be raised in the legislative committee. However, after seeing the information which was revealed this weekend in an article in *The Citizen*, indicating that 1,152 jobs were to be cut from the Customs Department, we want to scrutinize this Bill and similar pieces of legislation proposed by the Government. The proposed cut-backs to the Customs jobs are unwarranted. We support the allegations made by the union that the cut-backs would result in a growth of illicit drugs and pornography entering into the country. We seriously question whether Customs will be able to do its job in an adequate manner if such a severe cut is made to the number of employees in that Department. The person-years for Excise, Customs and corporate administration amount to some 10,148. If it is slashed by 1,152 jobs, it is a dramatic cut. I wonder whether that reduced number of employees within the Department will be able to carry out its important mandate. I also wonder about the economics of the Government.

With the new system which is being proposed by the Department, packages would be sent to importers and an honours system would be introduced wherein it would depend upon importers to pay whatever duties are owing. It does not take much logic to recognize that a fair number of people will just forget to pay the customs duties which are owing. Will the Government introduce a new tax collection system or customs collection system? The economics just does not make sense. I would suggest that a Customs officer collects more than his salary in duties and therefore revenues to the federal Government. To cut the number of Customs officers would mean that we would have less service and that we would have more illicit drugs and pornographic material entering the country without being detected. Also it will mean a reduction in services to the public, whether it be in Customs offices along the border or within cities. Definitely it will mean hardship to many employees within the Department. The announcement talked

about phasing out these positions and transferring people, meaning that a fair amount of hardship will be incurred by these employees.

Bill C-71 deals with tariffs. I think we will deal with many individual points when the Bill is before the legislative committee. However, over all, one wonders why the Government is proceeding with changes in tariffs when it is about to embark upon large scale discussions with the United States about some type of free trade agreement with that country. It is really patchwork legislation. We wonder how timely it is if there are to be major changes down the road. As a Government, it has not totally thought through what course of action it will follow in terms of the development of Canadian industry or how tariffs and excises influence the growth and maintenance of industries within Canada.

There is no doubt that the tariff regime is a way in which Governments affect economic growth and development. We all recognize the fine line which has to be walked. We want to protect Canadian industry and see it flourish. We want it at least to have a good crack at the domestic market. We also want to make certain that large foreign multinational corporations cannot move in and capture the Canadian market, thereby destroying our domestic producers. We also recognize that tariffs can have a negative effect upon the economic development of a country. Behind tariffs, inefficient industries can maintain their protective position and refuse to be innovative and to carry on scientific research. They can essentially become inefficient producers protected from foreign competition by a tariff wall. In the long run, such tariffs do a disservice to Canadian industry and of course to Canadian consumers.

Also we must recognize that tariffs do not have an equal effect across the country. Many of us in western Canada have historically complained that that part of the confederation bargain which worked against the West was that normally we paid higher prices for goods and services manufactured in eastern Canada and protected by tariffs. However, the goods and services which we produce, that is raw material and agricultural products, do not receive such protection. On the one hand we pay for increased costs. On the other hand, we do not receive any protection for economic activity in western Canada. When the Government enters the road of free trade surely one of the aspects it has to keep in mind is how well all regions of this country will benefit from whatever deal the Government makes.

• (1540)

We have seen even in very recent times that where there was an assumption that some understanding of free trade existed, in the lumber industry, in agricultural products, in the fishing industry, that in fact what we assumed to be the case has been threatened or, in some instances, our agreement has not held up at all. I think of the prok producers of my district who have experienced great difficulties because of the obstacles placed in the United States with respect to their products. We are all concerned in this House about what will happen to the lumber industry. We are aware that there are various protectionist measures being introduced in the United States Congress that would severely limit access to Canadian lumber. We know that given the parliamentary system in the United States, regardless of what agreements might have existed between Canada and the U.S. as far as lumber is concerned, that all of that can be upset like an applecart if some of these Bills presently before the U.S. Congress pass.

We wonder, Mr. Speaker, what type of negotiations the Government is ready to enter into in the United States and what we are doing. Are we making the Canadian industry and our jobs at home vulnerable to international competition, mainly from the United States? We recognize that no country can exist in isolation and that international trade is essential for Canada, and, I would say, for all of the industrial countries. As I mentioned before, it is a fine line. There must be some sensitivity to each sector of the economy. We must know what we want before we get into negotiations. We have to know what our strengths and our weaknesses are so that in the end we come up with a package that is balanced, that does not put an onerous charge on the consumers and yet protects the basic structure of the economy.

It requires knowledge, wisdom and foresight. It requires some competence as well. I am afraid, Mr. Speaker, that the present Government so far has not exhibited any of those essential traits. If one looks at how it handled the CCB one realizes that it mismanaged and in the end lost $1 billion. If one looks at the tuna affair and various other major blunders one becomes concerned whether this Government knows what it will be doing when it is prepared to negotiate a treaty with the United States. I am greatly concerned that the people opposite will be very easily hoodwinked into a deal which will be good for our neighbours but not good for the family at home. I have some genuine doubts as to their competence in handling this matter.

One of the specifics that we are somewhat concerned with in this Bill is the Government's decision not to apply a 25 per cent tariff to large fishing vessels. I recognize that the Government is concerned about the fishing industry and it does not want to see Canadian fishermen pay extra charges for foreign fishing vessels. Surely, recognizing as well the fact that our fishing fleet needs some drastic improvements, and it has been estimated that approximately $3.7 billion in fishing vessel construction is going to be needed, are we prepared to see that $3.7 billion of construction flow out of this country? Is it not possible to capture that $3.7 billion of construction to give jobs to Canadians with perhaps Government assistance and involvement as well so that the fishermen do not have to pay so much extra for their fishing vessels and yet at the same time that money stay in Canada where it will help to pay wages, help to support the small contractors, and generate income which in turn the Government collects taxes on and thereby increases its revenue?

A certain amount of economic planning is required to do that. The unfortunate part is that we have a Government that does not believe that Governments should be involved in

economic planning, nor that Governments should participate in joint ventures. It feels that the market should take care of all that and it is quite willing to throw the boat building industry in Canada to the winds, to write it off. I find that unacceptable.

We note as well that the Government is not prepared to provide extra protection to the clothing industry, particularly that part dealing with woollen garments. Again, I question the wisdom of the Government. The garment industry has been an important industry in this country and has created and maintained incomes for many, many men and women over the years. The ability of a country to clothe itself is surely as important as the ability of a country to house itself and to feed itself. Therefore it is important that we maintain a viable garment industry in this country.

It would seem to be essential that if you asked the garment industry in this country to compete on the world markets, so to speak, to compete for the Canadian market on the same terms as foreign garment industries, that some extra assistance be provided to the Canadian garment industry. Are we expecting the Canadian garment industry to be able to compete on the same level as the garment industry from Taiwan, Hong Kong, Singapore, et cetera? Are we asking those companies to compete with other companies that pay starvation wages? Are we then saying to our garment industry that if it wants to survive it had better start paying starvation wages to its workers, too? That surely does not make sense to anybody in this House. We have better wages in Canada than, let us say, Korea, Taiwan, Hong Kong or Singapore. That means that our wage earners are in a better situation to pay the price, to buy those goods and services that they need. To withdraw the protection from our garment industry resulting in increased unemployment in this country at this particular time does not make much sense.

• (1550)

Over all, what is required is a thought-out policy and direction. It is required that the Government accept its responsibility. We need to have a Government that is willing to accept its responsibility as an economic leader and not to allow a laissez-faire attitude to prevail. We need to have a Government that is committed to an economic strategy. We need to have a Government that is willing to take some economic leadership by putting together a package that allows for the best conditions for our workers and our consumers.

We require a balanced approach and above all we require leadership on the part of the Government. Unfortunately, our Conservative friends do not believe in Government leadership. Therefore, they are not very good at putting together an economic strategy that will protect Canadian workers and consumers. I am afraid that with these folks across the way in Government, we are going to end up with Canadian consumers and workers being the losers and the multinational corporations the winners. The prize is the Canadian economy, our resources and our markets.

We will look at Bill C-71 more closely in committee. We hope that the Government at that time will be willing to answer our questions and our concerns.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have just a few words to say on the introduction of this Bill. As the Parliamentary Secretary said when it was introduced, it covers items that were non-Budgetary and is more or less a clearing up of certain regulations and tariffs within the Department. When reading the items contained within the Bill, one wonders whether or not the Government is actually concerned about some of the items that are to be changed.

Two things come to mind when discussing with an ordinary person the customs tariffs and any changes that are made to that Department or its regulations. The first thing that comes to mind, as the Hon. Member pointed out a few moments ago, is the pending layoffs in the Department.

It is the policy of the Government of Canada not to fill jobs that become vacant and to cut down as much as possible in every single Government Department. I wonder how the regulations in the Customs Act will be enforced when the numbers of employees in that Department will be cut down to such an exaggerately small number.

The second thing that comes to mind is this: it is all well and good to amend the customs tariff and to bring in a Bill that reorganizes all of the regulations relating to the Customs Department by consolidating and amending it to meet present Government policy. This is done to facilitate the movement of goods and services between countries. When looking at some of the items listed in this Bill, one begins to realize that the Government has one attitude toward the movement of goods and services and other countries like the United States have a completely different attitude.

Supposing that there is not to be any tariff put on the importation of diesel boat engines or, as the Hon. Member pointed out, there is not to be a tariff on boats coming into this country, something which seriously affects the boatbuilding industry in Canada. The fact is that while the Government is doing these things, no reciprocal action is being taken by the Government of the United States or by any other Government.

What has the American Government done? It has slapped a tariff on saltfish, a tariff that affects the Prime Minister's riding, my riding and the ridings of all Atlantic Members. Then, through the Department of Commerce, the United States Government changed tariffs on raspberries, hogs, lumber and now fresh fish. In reply, the Government of Canada has indicated that there should be no tariffs on certain items coming into Canada that relate to the fishing industry. Clearly that does not make any sense at all.

Granted, the fishing industry is without a Minister of Fisheries and Oceans, but even if the Minister was still there, the fishing industry in Canada would still have some of the most serious problems of any industry in Canada, and certainly the problems facing it are greater than ever before. Provincial Governments and this Government always rationalized this by saying that a finished product cannot be produced by the

fishing industry because of countervailing tariffs from another country. That was always the rationale that has been given and is still being given. We can see how stupid that particular claim is.

In dealing with this particular Bill, the Government of Canada must realize two things. First, it must realize that it cannot lay off its employees and hope to have a good job done in the Customs Department. The President of the Trasury Board (Mr. de Cotret), in passing down his orders to the individual Ministers, should realize that there are certain Government Departments that cannot function under such drastic reductions in staff. This particular Department is one of them.

The second thing the Government ought to realize is that in the area of tariffs, it takes two to tango. We cannot have one country, the United States, imposing such drastic tariffs while the Government of Canada is facilitating matters, clearing up the backlog and giving preferential treatment to this, that and the other thing through legislation.

With those two observations, I would say that we are looking forward to dissecting this Bill in committee so that we may try to figure out just what is included in it. We have to be very careful with this Government. We do not know what is in the Bill. We have to examine this Bill with a fine-tooth comb because the Government has the reputation of pushing things through under our noses without us really knowing what we are doing. We have to take the Minister's word for things. It took us one day to bail out the CCB through a Bill presented to the House. The Minister made statements with respect to what was in the Bill. She said such things as: "Everything is okay. This bank is not bankrupt. This is the only financial institution in Canada in trouble." The Minister also made statements such as: "We really do not want to do away with the regional bank. We do not want other banks to take over the regional bank. We have made that decision. We want a regional bank to remain in existence. We do not want other banks to take it over."

• (1600)

We listened to all of this language from the Minister of State for Finance (Mrs. McDougall). We listened to all the facts and figures which she gave. However, Hon. Members will notice that she could not tell us how many creditors there were. She could not tell us how many depositors there were. Yet, we went with the judgment of the Government. We did not want to be seen to be holding up a legitimate measure for the people of western Canada, as the Prime Minister (Mr. Mulroney) put it. We took the Minister at her word, as we do with the Minister who has presented the Bill before us. However, we will be giving a second thought before taking any cabinet Minister in this Government at his word with respect to what is in a Bill. In other words, it is as the critic for the New Democratic Party pointed out. We are anxious to get the matter into committee in order to examine it just to see what is exactly there. It is only now, after we have seen the record of the Government, that all the people of Canada know that they have to be very careful with respect to what the Government is doing because it is not what it says it is doing. The people of Canada know what was in the disastrous Budget. One budget night the provisions looked great; but they certainly do not look all that great now.

Those are my words of caution to the Minister who is responsible for the customs tariff. I wish to remind him that he cannot run a department without any employees. I also wish to remind him that we will be watching the situation very closely. We will not allow the Government of Canada to make that number of lay-offs in such a vital service as this one is.

I also wish to point out to the Government that the people of Canada will not take what is happening with tariffs as it relates to our products in this country. They are not going to take it much longer. There is a crisis in the lumber industry, the fishing industry and in several other industries in the country which directly relate to tariffs. However, it relates to tariffs imposed by another country on our primary producers.

With those words, Mr. Speaker, I will yield the floor to someone else who wishes to comment on the Bill.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is indeed a pleasure to have an opportunity to rise and speak on Bill C-71, which is a most important piece of legislation in a variety of ways. I think the importance of the legislation we are debating is not necessarily with the Bill before us since the Minister has said: "Listen. There are some technical materials here with which we have to deal". Indeed, he is correct. He wants us to spend a fair bit of time discussing whether or not hand-rolled cigars with bands and ribbons on them should receive a $1.45 preferential tariff or a $3 one under a general tariff item. We have pages and pages of important material here before us. We are being asked to consider whether or not mine roof supports should fall under a free tariff item. There is much concern expressed with respect to hearing aids and the fact that we need to place tariffs on them. This is also true with respect to batteries, appliances, and so on for hearing aids. I suppose the Government feels we should not have a 12 per cent tariff, or a general tariff of at least 30 per cent but, perhaps, that those preferential areas should be only 8 per cent. The documentation goes on and on. Perhaps the items should be tariff-free.

It is interesting to note what this Government considers to be important. Here we are today, as the Hon. Member who spoke before me pointed out, with the forest industry literally on the edge of crisis. The United States, the major importer of our goods, is about to impose a quota, which will be passed by at least a two-thirds majority in Congress. This will mean that possibly a third of the sawmills in the country will have to close down. I see the Minister of State for Forestry (Mr. Merrithew) is in the House. We appreciate that fact. I know how concerned he must be with respect to this issue and the implications it will have on the industry. The process is beginning to move through Congress now. We are talking about one-half or one-third of Canada's major industry. Are we debating that subject in the House of Commons? Is that matter being referred to committee for ongoing discussions?

No. We are spending a great deal of time debating whether or not we should have a 12 per cent or an 8 per cent tariff on hearing aids.

This debate is taking place while we face a crisis in the fishing industry, one looming in agriculture, some serious concerns with respect to mining and while a major emergency meeting was held over the weekend in Washington of Finance Ministers from the major western countries, including Japan. That meeting was called in order to reach agreement with the United States concerning devaluation of the American currency. However, Canada was not invited to the meeting, even though we are the country which will be most adversely affected by the decisions made there. It is really a slap in the face to this Government. It is like saying: "We are going to carry on these discussions over the weekend and there is no need to invite our little country cousin up in Canada to attend." What that says is that our Prime Minister (Mr. Mulroney) is considered to be the equivalent of a State Governor. State Governors are not invited to meetings of Ministers of Finance. Thus, Canada is not invited to participate in such an event. After all, it will only profoundly influence every region of the country. It will result in significant job reduction and place a number of jobs at risk, or at least have that potential.

What does the Government say in response? The Minister of State for Finance (Mrs. McDougall) stood in her place and said that it is of no consequence. She said that we are down there having discussions and, presumably, we have faith in Mr. Reagan. The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), and I recognize him as an honourable parliamentarian, has said that this is a technical Bill with which we have to deal. Indeed, he is correct, it is a technical Bill. We wish to go through it clause by clause to determine whether or not the changes contained therein reflect the new trade policy of the Government. After all, Canada is a major trading partner in the world. Our livelihood depends upon the openness of our markets for others to accept our goods and services. We are a country taking massive steps day by day to expand our trading possibilities and opportunities. Now, the Government has come in and said: "Listen, we have a great idea. Let us cut back on all our customs officers. Let us cut back by more than 10 per cent all those people who deal with trade." I ask Hon. Members to think of that for just one second. There is some logic which begins to escape one.

We are a major trading partner and we want to expand and facilitate further trade. Yet, we are cutting back significantly with respect to the number of customs officers. Those are the people who are in the front lines. They are in the trenches with respect to the interface of trade with other countries. As representatives of the Customs offices of this country have indicated, what this means is that there will be an increase in contraband and smuggled materials coming into the country. There will be an increase in drugs and pornographic material coming into the country. However, the Government says: "Oh shucks, we have got a way to deal with that. We are going to have an honour system. We will just send the packages to people and then they will pay the duty which is due on them." If you were a criminal, Mr. Speaker, and you were importing contraband, illegal bullion or pornographic materials and someone said: "We are now going to ask you folks to act on the honour system.", boy, that would be the best news that you would have heard for a long time. Yet, that is what the Government says we will do. We will act just as book clubs act. The book clubs send out their books and if the person who receives them likes them then he sends the price of the books back to the book club. This is a book club approach to smuggling and the importation of questionable materials.

As a Member of Parliament from western Canada, specifically from the Province of British Columbia, we in that province are looking forward to a national event next year which will bring in literally hundreds of thousands—no, millions—of visitors to western Canada. It is called Expo 86.

• (1610)

Expo 86 is a transportation exhibition. It is a world fair. Its intention is to introduce Canada to the world with one spin-off being enhanced trade. We know that so many more people will be visiting, yet we are going to deal with this by cutting back on customs positions at our borders and in our Customs offices across the country. I have met with a number of Customs officers in western Canada over the last few days. They were concerned when they learned they were going to receive major job position cut-backs. Their reaction was one of alarm. These people are proud of the jobs they do and the services they offer, for example, at the interior Customs ports where tourists and goods arrive for distribution to central British Columbia and other parts of western Canada. These people want to do a good job, Mr. Speaker, but they simply do not have adequate manpower to do what should be done in an attempt to increase the number of visitors to Canada and the number of imports and exports. They do not have enough person power to do the job. When they learned that they were now going to have further cut-backs it really frustrated these public servants because now, more than ever, they will be unable to do the kind of job they wish.

As my colleague, the Hon. Member for Regina East (Mr. de Jong) indicated, Mr. Speaker, when we talk about tariffs in this House, we are really talking about the regional development of Canada and how the tariff system either aids or abets that development. There is a perception, particularly in the western regions of Canada that customs and tariffs and so on are by and large designed to protect central Canadian industry and that as a result of those protective walls around the central Canadian industry, goods are priced more expensively than they ought to be. Those areas of the far east, west and north of Canada which are resource exporters have as the very basis of their economic development the fact of free trade. When one considers that one of the areas in which we have free trade today is the softwoods industry, and when we see what is happening in terms of the non-tariff barriers which are being erected in the United States, and now the threat of a quota being placed on our wood exports to the United States, we realize just how serious this whole matter can be. I really have

to ask the question whether or not today's discussion ought to be taking place at this time. Even though it is a technical Bill, changing the tariffs as they are applied to a variety of commodities, is this a time for discussion when we consider that we lack an over-all comprehensive trade policy? When we lack an over-all trade policy, one asks what the context is in which we are making these changes.

When we get into committee, we will ask why we want to place a tariff on hand-rolled cigars. The question itself might sound trite but there are hundreds of questions like this. Presumably, in a comprehensive trade package, we are trying to protect something in Canada. Perhaps there is a hand-rolled cigar industry in Canada we are trying to protect, but I am not aware of one. If there is such a fledgling industry which needs some protection in its early days, let us find out about it.

When we look through the list, Mr. Speaker, we find pages and pages of items such as mining equipment and agricultural equipment tariff free. The recommendation is that we should import all of the mining processing equipment Canada needs. On a global scale, Canada is a major mining country. Is it in our interests to continue to import all of the machinery and equipment used in mining? Should we not be an exporter of much of this equipment and machinery?

Mr. de Jong: Hear, hear!

Mr. Riis: Of course, we should, Mr. Speaker. Perhaps, then, if there is a case to be made in terms of an over-all comprehensive industrial strategy, with a complementary customs and trade strategy, it might make sense to have a tariff on some mining equipment sectors. However, these things are difficult to evaluate, Mr. Speaker; rolled cigars, hearing aids, knives, filters, and so on, without any context on which to base this evaluation.

We are less than enthusiastic about simply accepting this Bill as a technical Bill and falling all over ourselves to pass it. We want to get it into committee. We want to take it item by item. I have no hesitation in believing that the Hon. Member means what he says when he says this is a technical Bill, but we hear this from Minister after Minister. The then Minister of Fisheries and Oceans said a few days ago, "Don't worry, I've checked it. I've eaten the tuna. There is nothing to worry about. I've overruled all of the scientists who evaluated it. Have faith in me". Then the Minister of State for Finance says, "Don't worry about the meetings which took place in Washington on the weekend. They are just going to devalue the American currency relative to ours which will result in a possible loss of hundreds of thousands of jobs. But don't worry. Have faith. We know what we are doing". We were told to have faith when the *Polar Sea* invaded our territorial waters and the Americans forgot to ask our permission. We were told that would be sorted out. There is too much "loosey goosey" going on.

We are able to find $1 billion—which, described in another way, is a thousand million dollars—to bail out a couple of banks, without debating the merits of that decision. Over a weekend the Government committed itself and the taxpayers of Canada to a thousand million dollars. If we look at this Bill in that context, we feel strongly that we want to debate these minor areas, even though when we consider the kinds of topics and issues before this country today, when we consider the kinds of issues which Parliament should be discussing, we really wonder about the wisdom of spending hours and hours deciding whether hearing aids should be duty free or receive an 8 per cent tariff.

I say, Mr. Speaker, that we should get this into committee as soon as we can and deal with it very carefully in order to ensure that the Government is not pulling a fast one on us, as we have seen too many times before. We should get on, Mr. Speaker, with addressing some of the real important issues facing the people of this country.

Mr. de Jong: Mr. Speaker, I am wondering if my colleague is aware that one of the items which will now be duty free are manure spreaders, not the ones which are hand-pushed but ones, I would suppose, more mechanized. I wonder if the Hon. Member has any idea why the Government wants cheaper manure spreaders in this country? Does the Hon. Member believe that some of the political mistakes of this Government have to be spread around so, therefore, cheaper manure spreaders are now being called for?

Mr. Riis: Mr. Speaker, I must admit I have not had an opportunity to delve into the manure spreader category of the Bill but the point he makes is an important one. There are sectors of our economy where we should be giving every bit of encouragement for their development. In a country where agriculture plays such an important role in providing foodstuffs for the hungry people, to develop a sound agriculture machine industry is something we could be proud of over the years. Some of the greatest technological innovations in agriculture machinery have been developed right here in Canada. For obvious reasons, Mr. Speaker, it is an area where we should excel. It is an area where we should be on the cutting edge of technological change, whether manure spreaders, combines or whatever. Perhaps some assistance in developing new parts of that industry for a few years in terms of a tariff imposed by the Government makes good sense. Again, it would only make good sense in the context of an over-all export policy. We are, of course, lacking that at the moment. In fact, we have always lacked that. This sort of simplistic mind set of free trade with the U.S. which some people have been voicing is certainly not the way to develop a comprehensive trade policy which would benefit Canadians.

• (1620)

My colleague from Regina raises a good point and points out even more the need for a logical, comprehensive and thoughtful approach to the development of a sound tariff and customs policy.

Mr. Taylor: Mr. Speaker, the last question and answer are what brought me to my feet. For many years the chassis of fertilizing machines and other equipment which aided the production of food came into the country tariff-free. In the last

year of the Liberal regime, a tax was placed on the chassis of a fertilizing machine. Someone in that Department came to the conclusion that the chassis of a fertilizer was the same as a chassis of a truck. The chassis for the fertilizer I am thinking about is made specifically for fertilizing fields. In no way can it be used for a truck. Yet that tax was added and thereby increased the cost of production of food. I firmly believe that we should make sure that machinery coming into this country, including manure spreaders, which assists in the production of foods should come in duty-free. We should not be adding costs to the production of food. That is a very sound principle and I hope it permeates this legislation.

Mr. Riis: Mr. Speaker, the point my hon. friend raises is an interesting one. I know he is only too well aware of the technological advances Canada has provided to the world agricultural community over the years. This is a very important aspect of the economy of the riding he represents and he is well aware of the development of agricultural equipment over the years.

My concern, and I am sure that he shares it, is that too many of the discussions we have in this House regarding agriculture or our general tariff policy, by definition implies a comprehensive understanding of what we are trying to achieve over the long term. That requires an understanding between the major players of Government, industry, labour and others. We have to understand what we are trying to accomplish together. Our customs and excise programs should reflect that over-all strategy or game plan. However, over the years there has not been a long-term view taken. For years and years I blamed the then Liberal Government for not taking the time to develop a consensus so we could understand the direction we were moving in, in whatever area. Therefore I must reflect with some sorrow on a similar feeling today. So much faith in the "market-place" implies by definition a short-term view of economic development as well as societal development. The concern I want to share with the Hon. Member is that of this rather blind acceptance of the "market system" as the motivating and most important force. One of the reasons not only social democratic countries but countries like Japan are successful while we seem to flounder around rather like a rudderless ship in a sea without any long-term comprehensive program to help guide us is because they have long-term economic development planning.

Mr. Deans: Mr. Speaker, my colleague has made a study of this matter. He reported to caucus on this matter two years ago, if I recall correctly. I am particularly concerned about one matter which has an immediate effect in British Columbia and which will have certain repercussions if it is passed without adequate consideration. I am referring to Schedule 1, and in particular Tariff Item 41014-1. He knows, as do I, that this particular item is of grave concern in much of his riding, and certainly to the north in Revelstoke and areas—

Mr. Riis: East and north.

Mr. Deans: —to the east and north. I would very much appreciate if he could perhaps give us some insight regarding whether or not any negotiations or discussions took place prior to the introduction of this legislation with those people in that area of British Columbia who will be most affected.

Mr. Riis: Mr. Speaker, indeed, as my colleague indicated, we took some time over this issue in caucus about 18 months or two years ago. This item was the focus of our attention. To my knowledge no comprehensive discussion has taken place regarding the implications of this decision. In more common parlance, my hon. friend was referring equipment used in coalmining. We have developed some sophisticated technology over the years and we are presently world leaders in some of the more critical cutting devices used at the coal face. Here again we are suggesting that tariffs not be applied to not only coal-cutting machines but loading machines, draglines, power shovels, hydraulic excavating backhoes, front end loaders, front wheel graders and the like. This goes back to the original point that both my colleague from Regina and I were making, that if Canada is going to develop a manufacturing sector which relfects its strengths and resource advantage areas, coal-mining is certainly one of those. This is particularly true when you consider the high grade coal which so much of western Canada is blessed with and what that means in combating acid rain. The sulphur content of that coal is relatively low compared to most global coal deposits. We were concerned about Schedule 1, Tariff Item 41014-1 as being another example of the lack of thought the Government has given to providing duty-free importation of this equipment which has become so valuable in the development of a Canadian resource.

An equal concern arises when we come to deal with popguns and .22 rifles and so on, and the differentiation—

The Acting Speaker (Mr. Charest): Order. I regret that the period for questions and comments is now over. Resuming debate.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I was a little worried that I might not get an opportunity to speak this afternoon, and I am certainly pleased to do so. If I may, I want to go back to the comment I made and the question I asked of my colleague because I think it exemplifies or highlights, if you will, the problem in dealing with legislation of this type. It is of course very complex. Its implications are frequently not felt until long after it has been put in place. The other night, just before I dropped off to sleep, I was looking through the Bill to determine just exactly where the Government was moving to reduce tariffs. If you had the opportunity to read the Bill, Mr. Speaker, I know you will want to express some concerns and I will therefore take this opportunity to express them on your behalf.

• (1630)

For example, for those of my colleagues who have not yet read the Bill, look at tariff Item 41002-1. I cannot think of a nation that should have more interest and concern in protect-

ing its own base in this area than Canada. Let me put it in another context. For years there has been an ongoing argument, a debate might be a better way to put it, about the necessity for Canada to build up its manufacturing sector as it relates to raw materials.

I think you will recall, Mr. Speaker, certainly in the 18 years I have been in politics and probably extending far beyond that, there has hardly been a year when the whole question of the inadequacy of that sector has not been raised in the House of Commons. It is mind-boggling to think that a country with such vast mineral resources would not yet have been able to develop a substantial, not only domestic oriented but internationally oriented, manufacturing sector directly related to that valuable asset. There are very few Members in the House, the Hon. Member for Brampton-Georgetown (Mr. McDermid) being one who would remember the Legislative Assembly of Ontario and the numbers of times the question was raised concerning the need to enhance the manufacturing sector relative to the natural resource potential of Ontario, and I think it fair to say of Canada.

It has been a disappointment that there has not been the kind of emphasis placed on the development of that sector that many of us felt there ought to have been. Even at this late date, I think we had anticipated, as a result of this Government's statements of the election just recently passed, that its intention was to develop an industrial strategy in Canada. This would allow for those smaller operations that currently exist to expand to become world class, and in those areas we did not now have a presence, we would encourage development. We had anticipated that moves to eliminate tariffs in those areas, in particular, might have been delayed. We might have awaited the outcome of whatever Government policy was forthcoming before the Government moved to eliminate the tariff protection. I do not think anyone will disagree that in some fledgling western operations, and the Hon. Member for Bow River (Mr. Taylor) will know this, there is indeed the necessity to provide a certain amount of limited protection for a short period to allow for the growth that is so necessary to take place. My colleague from Bow River, if he has been following this, would certainly applaud that thought.

The interesting thing about this Bill, and I know when the Member studied it he probably came to the same conclusions I did, is that it is most unusual to find ourselves in a situation where the tariff in many areas, not all, is to be eliminated entirely—and I am the first to admis the tariff in place was small—it happens to fall within areas directly related to the resource sector. Whether that resource sector be, as my friend and colleague from Bow River indicated, the agricultural sector, whether in discussions with my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis) it be in the coal mining sector or in tariff item 41002, 41026 or 42762 which affects mineral resources, and to some extent perhaps even the oil industry, the moves being taken by the Government can do nothing but reduce the possibilities for the development of that industry base within our own country.

I defy anyone in the House of Commons, or for that matter anyone outside, to suggest that the analysis I have put on those tariff reductions is other than factual.

Having said that, it therefore makes it awfully difficult to deal properly with what we are faced. How do we answer the questions from so many of our constituents who ask us how they are supposed to begin the process of developing a small but viable industry or maintaining a small but viable industry if they are to be put in a position of where what little bit of protection they had in the formative stages has been removed? That gets to the nub of the question. My friend from Brampton-Georgetown shakes his head and waves his hand. Unfortunately, the television cameras do not pick it up. The facts are there. Whether my colleague agrees or not, the question of whether we should be dealing with 44100-1 is a separate and identifiably different question. What worries me is that we have lumped into this one Bill to change the customs tariff a whole series of questions that relate not only to the appropriateness of having or not having tariffs for their own sake, but relate to questions of how one develops an industrial base when you are open to the opportunities for a much larger and sophisticated base to overtake you in the process. That is a very serious question I think the Government has failed to answer. It is the kind of question that is being addressed at this very point in time in the United States Congress on other somewhat related though identical issues.

Let me illustrate with an example. Over the course of last weekend I spent probably 14 hours travelling with Congressmen from various parts of the United States discussing problems in the steel industry. Certain truths came home to me as I listened to them describe their dilemma. Without exception, Democrats, Republicans, new Congress people and old, not particularly of one group, not homogeneous in every sense of the word, had one thing in common, the problems confronting them within the steel industry.

Mr. McDermid: In their constituencies.

Mr. Deans: In their constituencies but they represent, and I say to my colleague from Brampton who smiles, 204 Congressmen, if I recall, a substantial block of votes within that Congress. They were talking about the need within their own areas to protect their industry base. While on the one hand, let me say it, they admitted their President was speaking about free trade, on the other hand they were arguing forcibly that that was not in their best interests. I raised this matter to make the point that we are moving to eliminate tariffs or reduce them dramatically in certain vulnerable areas which have not yet reached a scale sufficient to allow them to be competitive in a very tough world market. At the same time the United States, which happens to be the country with which we do most of our trade, is moving to put in place tariff or non-tariff barriers on the sale of our products within its jurisdiction. What is the point in us eliminating the small tariff barriers now in place in those particular areas when the United States is moving with some haste to do the exact opposite in an attempt to protect the modernization of its steel mills? Perhaps

the Hon. Member should read the Bill. Much of what is in it deals with the component parts necessary for the modernization of industry. At this moment the United States, as I said, is moving with a great deal of haste to try to put barriers in place which will enable it to improve the efficiency of its industry base. It will not be buying from us the products which we are currently in the process of manufacturing.

• (1640)

Mr. McDermid: Do you support it?

Mr. Deans: Do I support what?

Mr. McDermid: That with which we are dealing.

Mr. Deans: Of course not. The Government seems to be rushing headlong into an embrace with the administration of the United States to establish something called "free trade" which will inevitably destroy the industrial base in Canada. At the same time that administration is moving to protect its industrial base. It is about time that some members of the Tory caucus started to face reality. We cannot afford to alter the basic structure until we see what kind of retaliatory action the Government of the United States intends to implement with regard to protecting its industrial base. If any Members of the House doubt for one moment that in the major industrial areas of the United States there is some question about the imposition of quotas or other non-tariff barriers which will take the place of tariffs already in place, I urge them to go to Washington and sit down with their counterparts in the Congress to hear what they are saying.

Mr. McDermid: We know what they are saying.

Mr. Deans: I hear my colleague. If that is so, I anticipate that he will be on his feet momentarily to make a somewhat similar statement to the one I have made. This is not the time to eliminate tariffs. We should not have been sucked in in the negotiations. We should not have moved without careful consideration of the impact. Unfortunately that has been the case. That is what I am trying to get through to this motley crew of Conservative back-benchers, most of whom are not listening.

Mr. McDermid: One of them has more quality than the whole NDP.

Mr. Deans: I suppose the Hon. Member is speaking about himself.

Mr. McDermid: No, I am not. I am speaking about a colleague to my left.

Mr. Deans: I would certainly hope so. We are opposing it as it now stands because of the tremendous uncertainty in terms of what will happen within the next 10 months to a year and a half. In less than a year, or perhaps in less than six months, we will see a move on the part of the United States Congress which will detrimentally impact upon our lumber industry. We will see a move which detrimentally impacts upon our steel industry. We will see moves by the U.S. Congress which will have a detrimental effect on our farming industry in a variety of ways. While this is happening, we are moving to make it easier for them to infiltrate our markets even further. If that is not naive, I ask the Hon. Member for Bow River what is naive? If that is not backward policy, what is? Perhaps someone in the House could explain to me why we ought to be taking these steps right now. I am not only referring to these steps, as they are only a drop in the bucket compared with what is about to be begun at the negotiating table by the Prime Minister (Mr. Mulroney), his Minister for International Trade (Mr. Kelleher) and the administration of the United States. A sell-out is taking place, and the Government, in an almost obscene way, seems to think that if we sell everything out somehow we will be better off. I fail to understand the rationale. I fail to understand what caused the Government to come to the decisions it has reached. I do not understand why we would be moving to reduce tariffs in advance of any discussions about fair trading arrangements. I do not understand why we would not have held off on making any further compromise efforts until we saw clearly from the United States what its over-all negotiating posture was to be.

As I have said, over the last weekend and going back over many years, as we sit down to discuss the impact of the actions they are about to undertake, we cannot help but draw the conclusion that a nation of this size, entering into a negotiating process of that type, must have available to it every method and means to protect itself in advance. We must have everything to use in the protection process to ensure that we are not steamrolled along the way as a result of its negotiating posture and overwhelming economic strength.

I am not making a definite statement about whether or not it might be possible to work something out in certain sectors. I frankly do not know the answer to that, and I am willing to admit it. I do not know if there is a way to work out some sectoral agreements, but I do not think we can go to the bargaining table with all the strength we need if, in advance of the process beginning, we have already moved to eliminate much of the somewhat small but nevertheless important tariff protection which currently exists. That is what the argument is in a nutshell. If we are to negotiate over the next two years, and if in the process of that negotiation we are to attempt to work out some agreements with the United States, there has to be some give and take. If we have already given everything before we sit down, then all that will be left will be the "take". From the meetings I have had over last weekend and stretching back as far as three years ago, I want to tell the House that the U.S. is bound and determined that whatever taking is to be done will be done by that country and not by us.

I say to my colleagues, those who care to listen, that we ought not to pass this piece of legislation at the moment. We need to have in our hands at least some means of putting before them possible retaliation—and I do not like that use of the word; it is not even the correct word—or some means of easing the pain, if in the event they do that which I understand they are about to do, that is, protect their own at the expense of ours. It is not being anti-American to suggest that what

they do, they do in their best interest. They do not consider us for one solitary second in the process they go through. There is no one in the Congress of the United States who stands up and argues on behalf of Canada in the negotiation process. Therefore, before we give away that little protection we have left, I suggest that we wait until after the negotiation process has begun. We should wait until after we see what it is they are after. Then we should start to talk about how to bring down tariffs, if need be and if it is mutually advantageous, to a level which will cause them to be no longer a barrier.

• (1650)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview-Greenwood (Ms. McDonald)—Publishing Industry (a) Prentice-Hall Company takeover (b) Government policy; the Hon. Member for Regina East (Mr. de Jong)—Trust Companies—Pioneer Trust (a) Plight of uninsured depositors (b) Uninsured income averaging certificates; the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil)—Regional Industrial Expansion—Employment opportunities in Cape Breton.

GOVERNMENT ORDERS

[*Translation*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) (for the Minister of Finance) that Bill C-71, an Act to amend the Customs Tariff, be read the second time and referred to a legislative committee.

Mr. Lanthier: Mr. Speaker, I do not know whether it was my introductory speech or the vindictive spirit we were threatened with this afternoon by the Leader of the "small" opposition, but I believe he neither read the Bill nor listened to our comments.

I would like to say first of all, that all the changes in this legislation were made in direct consultation with industry. Second, many of these changes were the result of a decision of the Tariff Board, a Government agency set up in co-operation with the private sector, and whose operations are entirely independent. I therefore fail to understand the Hon. Member's remarks. Third, I would like to draw the attention of the House to the fact that, to my great surprise, there were many references taking the U.S. Government as an example. It was truly a revelation, coming from the New Democratic Party, to be told today that we should take the U.S. Government's protectionism as an example. Since when has the U.S. Government been an example for the New Democratic Party?

So this afternoon, I had two revelations. First of all, they completely ignored the intent of the Act, which was to enshrine changes already in effect and which had already been approved in consultation with the private sector, and second, we have the New Democratic Party taking the Americans as an example of how to run a country. Let me tell you, Sir, that this is a surprise to me.

Mr. Deans: Mr. Speaker, I do not understand the reply. The Minister's Parliamentary Secretary cannot possibly use that as an argument.

[*English*]

It is not accurate, first of all, to say that that is what I said. I did not. I said we ought not to move until after we know quite clearly what the new U.S. posture is going to be. That is quite different from saying that we should emulate or imitate them. I said we had to know what they were going to do. It was a difficulty perhaps in the way I expressed it and I want to make clear to the Parliamentary Secretary that that is what it was.

Beyond that, I think the Hon. Member knows full well that I did read the Bill. That is what caused me to rise. If I had not read the Bill I would not rise. I never speak about things that I do not know anything about.

Some Hon. Members: Oh, oh!

Mr. Deans: To infer that such is the case is to do a disservice to the House of Commons. I never questioned his method or motive. I do not doubt but that he is a lackey for the Government and I acknowledge that. I, on the other hand, am an independent spirit in this regard and I want to express the concerns that I personally feel, concerns I am sure that if he were not so closely tied to the Minister's coattails he would want to express, too.

[*Translation*]

Mr. Lanthier: Mr. Speaker, this afternoon nobody is watching me. Both my Ministers are absent, so I am quite free to speak and that is indeed the spirit in which I have spoken.

[*English*]

But I must add though, if I want to make myself clear—

Mr. Deans: Once in a while.

Mr. Lanthier: I do not think that we ought to realy on our translators, but should tell them the misunderstanding that exists between the Leader of the small Opposition and myself

is not a matter of translation. It is a matter of basis. I understood by the way he referred to the United States a lot of time that he admired them. Of course as a responsible Government we are not going to enter a fight of protectionism against a big country. We are interested in their big market and maybe the United States is interested in showing the whole world a good example, how it can be a good neighbour, in order to exercise free trade that it wants to establish with other countries. I do not think it is a matter of protectionism, as referred to by the Leader of the small Opposition, I think that these people use it as an example and I think I understand them well.

Mr. Deans: As the House Leader for the real Opposition as opposed to the small Opposition—

Some Hon. Members: Oh, oh!

Mr. Deans: I am not exactly sure whether that reference was a put down or a misunderstanding. However, I accept it in the good humour that always exists in the House of Commons. It was intended to be humorous. Let me suggest, however, to the Hon. Member in all fairness, and I respect him, he knows that—we have been together outside of this place—I think he misunderstands what I am saying. It is not a matter of admiration for the U.S., neither is it support for its policy. It is an understanding of it and to understand what it is doing is to understand that what this Bill does is take away what limited protection we have in certain areas.

It does not interest me whether on an individual basis each of those companies that are presently involved in business in Canada can see certain minor advantages to the steps that are being recommended. That is not important because there is a much larger question looming on the horizon. In fact, it is not even on the horizon any more, it is much closer than that. That much larger question touches on the negotiations that will be started within the next short while with the U.S. over the question of free trade sectoral or otherwise. I am saying quite clearly my understanding of what the U.S. is now doing, and I think that my understanding is accurate. I believe that as a result of long and difficult meetings held over an extended period of time, I have some sense of where Congress is going and I might say to the Hon. Member that he is not going in the same direction as is the President and the administration. Don't ever get the wrong impression in that regard. Congress is moving in an almost diametrically opposite direction to the administration and the President of the United States at the moment in a variety of different trade areas. The interesting thing about it is that their only concern for Canada is to try to keep us from selling into their markets the things that we make more cheaply than them.

We have to keep that in mind when we are discussing this. It will detrimentally impact in every industrial part of this country, and I do not want the Hon. Member to misunderstand for one moment what I am saying. There is absolutely no doubt that whatever small protection we now have we should maintain until we see what their posture is going to be at the negotiating table. That is the argument. That is why we do not proceed until after we get a clear picture of where they are going. That is what I said at the beginning, that is what I said halfway through, that is what I said at the end, that is what I answered in the first question, that is what I answer now. This is not the time to do this.

If there is a time, and I am not sure there is but I am prepared to concede that there may be further debate necessary to determine that, but if there is a time it must surely come after we can see clearly whether the administration in the United States led by the President or whether the Congress of the United States led by the Congress will be the victors.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being 5 o'clock, the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

PUBLIC SERVICE EMPLOYMENT ACT

SUGGESTED AMENDMENT RESPECTING GREATER PARTICIPATION IN POLITICAL PROCESS

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved that, in the opinion of this House, the Government should consider the advisability of amending the Public Service Employment Act and other related statutes in consequence thereof, in order to permit greater participation in the political process by federal public servants than is now allowed under the aforementioned statutes.

He said: Mr. Speaker, the House is of course well acquainted with the subject of this motion, because we have discussed this topic a number of times. If I am not mistaken, we have had three similar motions before the House during the current session. I remember taking part in a debate on the subject not long ago, while my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), the Hon. Member for Ottawa Centre (Mr. Cassidy) and the Hon. Member for Regina West (Mr. Benjamin) have also proposed motions similar to the one before the House today.

I must admit that considering the repeated consideration of this topic in previous Parliaments, I am somewhat reluctant to rise again in the House to raise this very important issue, namely that of letting federal public servants know what their rights are in terms of participation in the political process.

Mr. Speaker, in drafting this motion I was mindful of a number of promises made by the Government during the last election campaign, promises which were also made by my own

party during the campaign, namely, that the issue being an important one public servants ought to know what their rights are in the political process. To make this possible, we suggested that a parliamentary committee be asked to consider the issue of participation in the political process by public servants.

It seems to me that nothing has changed much in Parliament over the years. I remember that in 1972, when I was elected as a Member, the matter was already being discussed and continued to be in the years that followed. We talked about it when the late Walter Baker was the Member for Nepean-Carleton. He too presented bills, as I did, but the matter kept being postponed, because people said it was an issue of interest only to Members for Ottawa and the area, including of course Hull and Gatineau, Glengarry-Prescott, Lanark and the general area.

Mr. Speaker, we are talking about a fundamental principle. The Charter of Rights and Freedoms gives every Canadian the right of association, and freedom of speech, opinion and expression.

Section 2 of the Canadian Charter of Rights and Freedoms of the Canadian Constitution is clear, where it says:

2. Everyone has the following fundamental freedoms:

(a) freedom of conscience and religion;

(b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication;

(c) freedom of peaceful assembly; and

(d) freedom of association.

Public employees ask themselves these questions: What are we allowed to do, as federal civil servants? What are we allowed to do during an election campaign? What can we do without jeopardizing our career and our role as public employees? Those questions have been asked many times, but Government authorities have yet to respond.

In 1979, as a result of certain initiatives taken by the previous Government and the work done by a parliamentary committee which had made an in-depth study of the whole question, it was recommended that a committee of experts in this field be appointed to consider the whole issue of the merit principle and related matters. We all recall the famous "Report of the Special Committee on the Review of Personnel Management and the Merit Principle". The report contains a rather direct recommendation concerning participation in the political process. Mr. Speaker, here is a quotation from page 171:

Simply because political participation is a right of citizens, we believe—

We, the commissioners—

—that this should be the principle that applies to public servants, only limited in the exceptional cases where an indication of partisan political interests would compromise the reputation of the public service for impartiality or would damage the individual's effectiveness as a public servant.

That is clear.

The commissioners went on to say that public employees ought to be divided into three groups.

The first group is the professional group whose duties in every job are of a rather delicate nature since it acts as adviser to the Government; therefore any partisan or political participation is excluded.

The second group is the professional group whose duties may be of a professional nature such as medicine, veterinary medicine. What difference does it make whether the gentleman or the lady happens to be a veterinarian or a physician if he or she does not give political advice to the Government? I simply cannot see how they can be told: Well, because you are a physician, a veterinarian or an engineer, you are excluded from participation in the democratic political process.

And the third group is the professional group whose duties are of an administrative nature, administrative support or maintenance, for example. All those people, most of them in support jobs, all those people—some 80,000-odd, Mr. Speaker—ought to be free of any restriction and free to act on the political scene if they so desire.

Mr. Speaker, the problem stems from the interpretation of Public Service Employment Act Section 32 which is rather restrictive for all federal employees, whatever their classification, and prevents them from enjoying political rights as do all other Canadians.

We all know about the regular announcements and statements made by the Public Service Commission of Canada when there is an election. A few months before an election is called, the commissioners deliver what is called their message, the message from the commissioners of the Public Service Commission of Canada to all federal employees. The message goes like this: Beware, friends, you must not participate in the political process; given your duties, you might be caught flagrante delicto and be called upon to answer for your actions and your words to the commission, thereby jeopardizing your career as public employees.

Mr. Speaker, the interpretation given by the Commission—since it is an interpretation—is served up every time an election comes around and causes a number of problems as well as a lot of anxiety and concern among the electorate and in ridings where there a lot of public servants. It causes problems because, quite frankly, and I do not think any Members of this House will deny this, public servants—of course I may be generalizing a bit—with the exception of those who act as political advisers to the Government, public servants in general, like all good citizens want to get involved and be allowed to get involved in the political process. We are talking about democracy in action, and they feel it is important to be able to express their views as citizens, and I think they are perfectly right to want to do so.

Occasionally, statements by the Commission create a certain degree of anxiety, reflected, for instance, in issues as

ordinary as a lawn sign. The public servant says: Can I put up a sign saying that I support Member X Y Z? The Commission says: I am not sure. But if you do put up a sign and there is a complaint, you are going to get into hot water! I remember the Miller case, where Mr. Miller, a Winnipeg public servant, wrote to his supervisor asking him to explain the Liberal Party's position on political participation, and it was about one of those grey areas. The document he sent us is quite interesting, and I would like to read to the House some extracts from this file, because it shows that public servants are in fact in an almost untenable situation.

● (1710)

[*English*]

This gentleman from Winnipeg wrote to his supervisor asking permission to attend a political meeting and, possibly, actively participate in the choice of delegates to a convention. The answer given was: "No. You cannot go to that political meeting because you are a public servant and, therefore, you would compromise your status." The public servant complied with the ruling but wrote to Mr. John Brown, Director, Personnel Services, Department of Indian Affairs and Northern Development, Manitoba Region, in Winnipeg, Manitoba. He put forward a very good case which reflects the essence of the difficulties most public servants face. The letter reads:

My reading of the act allows me to:

1. attend political meetings (partisan or otherwise).

I think the law states that that is correct. We all agree that it is correct. The letter continues:

2. express my own view at political meetings.

I think, again, he can do that and there would be no complaint.

3. write letters to members of parliament expressing personal views.

We all receive letters of that type all the time.

4. write letters to editors of public communications media expressing personal views.

That is also correct.

5. maintain a membership in a political party.

Again, that is accepted, even by the Commission.

6. contribute funds to a political party.

Again, that is accepted by the Public Service Commission as a right allowed under Section 32. He goes on to state:

My reading of the act prohibits me from:

1. raising money for a political party.

I do not know why that would be and I do not see it in the Act. However, that is the way he reads it.

2. acting as a spokesperson for a political party in public forum while on the public payroll.

3. publicly supporting or working for a partisan candidate—

That would be forbidden by his own interpretation.

4. running for political office . . . without securing a leave from my employer to do so—

The following section of the letter is one which I find interesting and enlightening. He says in his letter that when he asks permission to do certain things he is told that he cannot do them because he will compromise his role as a public servant. He goes on in the letter to use an analogy which I think is interesting and one which I wish to share with Members. He states:

In the obviation of your responsibility, you state in your last letter that I may be subject to some form of disciplinary action. Well, I may be hit by a truck crossing the street, but with the observation of certain traffic rules and conditions, and the application of good judgment, I will be able to avoid that possibility with reasonable certitude. On the other hand, I would not want to cross the street blindfolded, and that is what you are asking me to do.

Public servants who work for the public good are being told that if they do this they may be exposed to that so be careful and do not do anything. They are being told not to cross the street because they may get hit by a car. That is the gist of the difficulties faced by public servants. They do not have a clear understanding—neither do I as a matter of fact—of how to interpret Section 32 of the Public Service Employment Act.

To clear the matter up and to make sure the issue is well aired and well understood, we have suggested the question of political participation be sent to a committee of the House so that all parties interested—union, individuals, groups—may be heard, advance their arguments and then proceed from there to modify, change or improve the legislation. Up to now, we have not been able to do that, and we have had great difficulties in trying to cope with this matter.

I must remind the House of one important factor with respect to the question of political participation. The law states that the Commission may act on a complaint laid by a candidate to an election. In other words, the whole question of triggering Section 32 and the consequences which flow therefrom may occur to someone who, in the opinion of the Public Service Commission, may have broken the guidelines or the law. The whole question is triggered by a candidate. According to my research, there has never been a candidate who has complained to the Public Service Commission. Therefore, the provisions of the Section have never been triggered. Thus, we have no way of knowing what exactly is in Section 32 of the Act.

I plead with the House to get this matter cleared up. Let us get the question aired. Let us get the whole problem out of the way by sending the matter to a committee of the House which will sit down and take decisions as it should. The committee does not expect the Commission to take those political decisions at election time. It is up to parliamentarians to look at the question of political participation by public servants and air the matter completely. It is up to us to take a decision with respect to what the legislation means. In that way, public servants will be better off.

There is all sorts of documentation on the matter, Mr. Speaker. I know Members have in their offices a great deal of research that we could use in discussion of the matter. I encourage the House to adopt the motion before us and get on with the work.

Public Service Employment Act

Mr. David Daubney (Ottawa West): Mr. Speaker, I am happy to have this opportunity to rise and speak on the motion before us. I commend the Hon. Member for Ottawa-Vanier (Mr. Gauthier) on introducing it today. As he mentioned in his opening remarks, he has been a Member of the House for a long time and has spoken on similar Bills or motions over the years. The political rights—indeed, the basic civil rights—of public servants have been a question of importance to me and to other Hon. Members on this side of the House for some period of time. I first rose to speak on the issue in November of last year in my maiden speech when I called for the restoration of political rights for public servants. Hon. Members may know that I was the only public servant elected to this House in last year's election.

● (1720)

This motion raises basic questions about the essential liberties of the Canadian people; whether a group of Canadians has the right to free speech, free assembly, and the right to work peacefully and lawfully for democratic change. On the surface, it would seem that there would be no question about this, but serious objections have been raised and have dominated this discussion for more than half a century.

Those who believe it is justifiable to deprive public servants of political rights make three basic arguments, Mr. Speaker: First, the case is made that public servants must not be permitted to participate in the political process, or to speak freely about public issues because there might be a conflict between the loyalties to Party and the loyalty to the Minister. This argument suggests that any perception of such a conflict of interest would undermine public confidence in the Public Service.

The second argument suggests that if public servants have the right to participate as other citizens do in the political process, or have the right to make public comment on public issues, that this might influence the decisions they have to make as they implement Government policies. They might give preference, for example, to their political friends when letting contracts or hiring new staff.

The third argument is that public servants would use their positions as advisers to Ministers to promote their own political philosophies. How, it is argued, could Ministers be assured that the advice they receive is not motivated by partisan or other types of considerations.

These are, indeed, serious questions, Mr. Speaker, and they are not questions which those who favour restoration of political rights should casually dismiss. If public servants are to have their basic rights restored, those of us who seek this restoration must answer these objections. If they could not be answered, there would indeed be some reason to consider abrogating the basis rights of freedom of speech and affiliation. However, if reasonable arguments can be marshalled against these objections, then we must not take the dire step of depriving adult Canadians of their basic liberties.

If we look at other jurisdictions, Mr. Speaker, we see that Canada's restrictions on these civil liberties exceeds those of most other advanced western democracies. In the United States, Great Britain, Australia, France and Sweden, public servants have the right of free public expression. Where there are restrictions on political activity, these restrictions are clearly spelled out as they are in the United States, for instance. Where there are not clearly spelled out restrictions, as in Australia, for example, public servants are given the benefit of the doubt in their permitted action. While American law does not permit public servants to run for public office, it does clearly permit them the right to express an opinion on public issues, either privately or publicly, to display political badges and stickers, to be a member of a political party and to attend political conventions, although not, interestingly enough, to be a delegate to a convention. The limitations on their actions, in other words, are also clearly spelled out.

In the United Kingdom, there is a clear delineation of political rights for different categories of public servants, running from complete freedom for some public servants in jobs of low political sensitivity, to restrictions similar to those we have in Canada for a small group of senior public servants.

The basic criteria guiding the British rule, as the Fulton Committee in the U.K., a committee dealing with the civil service, stated, was that, and I quote:

> Officials should not be drawn into expressing personal views on policy matters which could be represented as in conflict with those of their Ministers.

Only Japan and the Federal Republic of Germany, among the industrialized democracies, have restrictions greater than those we have in Canada.

With the passage of legislation governing the Civil Service in 1908 and 1918, political rights of civil servants in this country were strictly limited, initially with the laudable intention of reducing the debilitating effects which unbridled patronage had created in the Public Service and throughout Canada. For 50 years thereafter these restrictions continued until the Public Service Employment Act of 1967 gave public servants the limited rights to attend political meetings, to contribute money to a political party and to request, although not to be automatically granted, a leave of absence without pay if they wished to run for public office.

The report of the Task Force on Conflict of Interest in the Public Sector which reported last year said, and I quote:

> The practical effect of Section 32 of the Public Service Employment Act has been to extend virtually full political rights to roughly 90 per cent of public servants.

The remaining 10 per cent who were deprived were presumably deputy heads and senior public servants.

I must say, Mr. Speaker, that I disagree strongly with the view of the task force as expressed in that quotation. If, in fact, Canadian public servants were treated as are those in other jurisdictions and, if, where legislation describing their political rights was vague and the benefit of the doubt was given to the public servant, then what the task force suggested might be true. This Act does not spell out all the restrictions on public servants. It spells them out in really nothing more than a cursory manner. It leaves interpretation of the Act up to the Public Service Commission.

Unfortunately, for public servants, the interpretation of Section 32 of this Act has been notoriously fickle. Until last year many public servants in the National Capital Region did in fact participate in elections, working for candidates and all three political Parties represented in this House. The Public Service Commission in most cases overlooked this activity. However, outside of Ottawa, it often tended to act more severely, limiting the rights of public servants.

Federal departments governed by this Act interpreted this Act in different ways, and other federal agencies, not subject to the Act, have varied from permitting almost complete political freedom to public servants in some agencies, to putting severe limits on others. What this means, Mr. Speaker, is that some public servants have been denied rights which other public servants of equal status have been granted, and that in all cases, public servants have had their rights defined not by Parliament, the guardian of our civil liberties. Rather, these rights have been deprived by the whim of unelected officials or regulatory agencies.

Had the Task Force on the Conflict of Interest had the opportunity to consider the Public Service Commission's interpretation of Section 32—referred to by the Hon. Member for Ottawa-Vanier in his remarks—I am convinced its members would not have said that the practical effect of Section 32 was to extend virtually full political rights to public servants. In fact, this interpretation had the practical effect of prohibiting public servants from working for political parties in any capacity. It prevented them from attending political conventions or from making public comments on public issues.

It prevented those Canadians who happen to be public servants from taking part in the simplest of tasks in connection with the last general election. The result was to force those who did decide to work for a candidate stuffing envelopes, typing letters or answering phone calls, to look over their shoulders for fear that big brother, watching from the safety of the Public Service Commission, would catch them.

The campaigns of all three of the political Parties in this House, particularly in the National Capital Region, were assisted by workers who defy this ruling. These same campaigns were harmed by the loss of many capable individuals who were forced out of the political process by fear of the Public Service Commission. I think we should be clear about this, Mr. Speaker. These were the results, not of the acts of this Parliament taking a clearly thought out and detailed decision on a fundamental issue of civil liberties, but rather the results of administrative fiat, which arose from the vagueness of an ill-defined law, a law which allows unelected officials to deprive a group of Canadians of their democratic rights.

The fickle interpretation of the Public Service Employment Act extended also to decisions as to who should be allowed to take a leave of absence to run for political office. I was a public servant who was fortunate enough to receive the permission of the Commission to run. However, other equally competent individuals who could have served all three Parties, and all Canadians in this House, have been deprived of the right even to seek the nomination of a political Party.

• (1730)

Section 32 of the Public Service Employment Act does not deal with the rights of public servants to comment on public issues in public. Limitations on freedom of expression for public servants have evolved largely through regulation by government agencies—not by legislation. The Public Service Staff Relations Board has set stringent limits on freedom of expression by public servants, banning criticisms of public policy.

It has done this even if it cannot be shown that such comments affect a public servant's effectiveness in the performance of his or her duties. The question has not become one of depriving people of their rights because it interferes with their public duties, but just depriving them of their rights.

However, we have a Charter of Rights today, enshrined in our Constitution, and this Charter guarantees everyone in Canada the freedoms of conscience, of thought, of belief, of opinion and expression. The Charter clearly says that these rights are subject only to "such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society." In my view, the current restrictions of Section 32 go too far to be reasonable. The law turns the basic rights of a large number of Canadians over to the whims of unelected officials. The interpretation and implementation of this law has resulted in unreasonable limitations on even the smallest and most innocuous of political activities by public servants.

If we believe that the Charter of Rights is more than just easy rhetoric, then it is clear that we cannot permit unelected administrators or regulatory agencies to define who has rights and who does not. If there are to be restrictions, the burden of denying a group of Canadians their basic rights must be borne by the elected representatives of the people, who can spell out these restrictions in detail, and after sober reflection. We must act on the principle that fundamental rights cannot be casually abrogated, least of all by officials who do not represent the public will. We must proceed on the basis that unless fundamental rights are specifically denied in law, they are retained. If we are to deny these fundamental rights, then we must specify in law what this means in practice, as other countries have done.

This is an issue which affects a large number of Canadians. Two hundred and twenty-two thousand Canadians are governed by the Public Service Employment Act, and there are more than three hundred and sixty thousand more who work in Crown agencies and the Canadian Forces, but are not governed by this Act. Of this additional number, many thousands are deprived of political rights by decisions of the agencies for which they work. The situation is getting worse, Mr. Speaker. The number of Canadians directly governed by the Public Service Commission, or its predecessor, the Civil Service Commission, and thus automatically denied their political rights, has grown by almost one hundred thousand in the last 25 years. Among the people denied these rights by the Public Service Employment Act are 90,000 women; this in a society which is just beginning to deal with the fact that women have been grossly under-represented in Canadian public life.

The effects on the political life of this country are huge. Two thirds of all public servants live outside of the National Capital Region, so almost every community in every constituency, in every province of this country has people who are now, or could easily be deprived of their basic rights. The effects on the political life of this city, and region and our neighbours across the Ottawa River, are profound. What we have here, Mr. Speaker, is an attempt to isolate, to render politically steril a very large number of Canadians. They have been isolated in the attempt to make them politically neutral. Some people think that doing this will ensure that Ministers receive impartial advice, notwithstanding the personal opinions of the public servants working for them. These, then are the basic arguments which have been used to justify the denial of free expression to so many Canadians.

We have seen, Mr. Speaker, that the scope of these limitations is profound. What we must ask ourselves now is, first, will these limitations have the effect we want them to have, that is rendering the Public Service completely neutral and impartial; and, second, are there no alternatives to the severe and capricious limitations now imposed? What about the argument that public servants must not participate in the political process, because this would allow them to use their official positions to promote their personal political philosophies? Are we to assume that the only people who have a political philosophy are those who are active members of a political party? Preventing party membership will not sterilize the minds of public servants. Just as there are active members of political parties, although I am sure none in this House, who have no discernible political philosophy aside from self-interest, we are all aware from recent example of just how profoundly the political philosophies of supposedly neutral public servants have affected the development of public policy.

The fact is that whether public servants belong to a political party or not, their political philosophies will remain intact. Preventing them from speaking, or from participating in the political process will not stop them from thinking. It is naive, to the point of gullibility, to assume that all political views, or even the most important political allegiances, are revealed by party membership or by outspoken public comment. It is true that the public and Ministers have rights here. They have the right not to the illusion that public servants have no political opinions. Instead, they have the right to know what those opinions are, so that they may know if those views are biasing their judgment. There is no protection for the public in a muzzled Public Service, only an increased chance for the unobstrusive influence of their personal, hidden political views. The open admission of political affiliation is the clearest guarantee that Ministers will be able to judge the motives of their public servants when they give their advice. With the restoration of political rights to public servants, and openly declared political affiliation, any public servant with active party affiliation will be constrained to behave in an objective manner when dealing with the public, to demonstrate that political bias does not exist.

Nothing in the restoration of political rights to public servants removes the burden on the Public Service of behaving in a non-partisan manner in the execution of public duties. The rules requiring non-partisan, unbiased behaviour in their dealings with the public would still apply, and might be easier to enforce, because political affiliation, and thus possible bias, would be clearer. There is nothing unethical in expressing a political opinion. The only threat to our ethical standards occurs if those opinions, whether privately held or publicly expressed, result in bias in the performance of official duties. Certainly, if there is bias in the actions of a public servant, it must be dealt with. The essential question is whether public servants will act to implement government policy in a non-partisan manner, not whether they have personal views on politics or political philosophy.

Of course, it is essential that Canadians be assured their treatment by public servants will not be coloured by their political affiliation. They should also be assured that their treatment is not affected by their sex, their race, their language, or their ethnic origin. We make every effort to restrict discrimination on these grounds. We have laws and regulations prohibiting discrimination on these grounds, not prohibiting people from having bigoted views because that is impossible, but regulations which prohibit public servants from manifesting any such views in the execution of their public functions. Those who feel they have been poorly treated by public servants have means for appeal. Political descrimination by public servants can and should be handled in the same way. If we implement some of the changes suggested by the Starr-Sharp report, then there will be additional mechanisms in place which can review the behaviour of public servants to ensure that political bias is no more prevalent than linguistic, racial or sexual bias. We expect the Public Service to treat members of the public with the dignity they deserve, regardless of sex, race, age, language or ethnic origin—or political affiliation. We must treat public servants with the same dignity, the same recognition of their rights, as long as they do their job.

In conclusion, Mr. Speaker, may I say that I support the suggestions of the Hon. Member for Ottawa-Vanier and, as I said before in this House, the recommendation of the D'Avignon Committee which he referred to and which would divide the Public Service basically on the British model into three categories, giving full political rights to most public servants, particularly those unionized, limited political rights to those in the centre, and basically status quo for those at senior levels.

• (1740)

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am pleased to participate in this debate. It is now the third time the matter has been debated in the last six months in the House of Commons. I hope that early action will be taken by the Government to ensure that Private Members' Hour can be devoted to other subjects besides the subject of political rights. Because the Hon. Member for Ottawa West (Mr. Baubney) has spoken eloquently on this subject, this time the subject has been proposed by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), supported by myself as the Hon. Member for

Ottawa Centre, it indicates there is all Party support for the concept of implementing the promises made by all three Parties on political rights. The message should surely now be conveyed and thus I hope the Parliamentary Secretary will convey to the Minister that all sides are getting a bit impatient about delays when action could and should have been taken previously.

I commend the Hon. Member for Ottawa-Vanier for introducing this subject. It is in my recollection the first time the matter has been raised in this House by a Liberal Member since the Liberals promised in the election campaign of 1980 to support the concept of political rights for people in the Public Service. The Liberals forgot that promise when they were in office from 1980 to 1984. It is my great regret that when the Hon. Member for Regina East (Mr. de Jong) put forward specific legislation to provide political rights for people in the Public Service, it was my predecessor, the Member for Ottawa Centre, a Liberal, who was instrumental on more than one occasion in talking out that legislation and indicating that far from supporting the position taken by the Member for Ottawa-Vanier and apart from the right to put up lawn signs, he did not think that people in the Public Service should have increased political rights.

The Liberals have been equivocal on this. I hope and trust that the Member for Ottawa-Vanier is expressing the views of all in his Party. I certainly welcome the commitment that he has made on a number of occasions now that he is sitting in Opposition.

I would comment on one thing he mentioned in his presentation. He stated that he favours the D'Avignon Report approach in terms of providing for political rights for members of the Public Service, but doing so on a qualified basis. I would say that a qualified basis, which puts the rights of any Public Service employee at question, that they must have proof or possibly risk being challenged, is a situation which could still leave many people in the Public Service feeling insecure and unsure of their rights. That is why I have come to the view that as far as members of bargaining units are concerned, they should unequivocally enjoy full political rights. We can rely on them to be responsible in exercising those rights should they happen to be in a position which has any sensitivity, but they should unequivocally enjoy the same political rights as any other person in Canadian society.

A qualified approach, similar to the D'Avignon Report might conceivably then apply to the 10 or 15 per cent of members of the Public Service of Canada who are in managerial, supervisory or exempt positions. I would like to avoid a situation where that qualified business of "do you have rights or not" would apply to everybody, including a truckdriver, a carpenter, a secretary or a statistical clerk in Stats-Canada. I would like to see that avoided.

There is real urgency in this debate. I think the mandate of any Government begins to unwind after its first year, and we have had that now.

A firm promise was made on this subject by the Prime Minister (Mr. Mulroney) who was then Leader of the Opposition during the course of the election campaign. He was quite unequivocal in terms of making his promises. It seems to me that if this matter is allowed to wait for too long, Mr. Speaker, we could face the situation where the promise will be forgotten. The now Prime Minister said during the summer of 1984:

> We believe that this matter should be addressed by an all-Party parliamentary committee in consultation with Public Service organizations and we believe the situation can be quickly resolved.

Further he stated that the restrictions on Public Service political activity, and I quote:

> —are unnecessary and likely not justifiable under the terms of the Canadian Charter of Rights and Freedoms.

I do not agree with the Prime Minister on every point but I agreed with his judgment at that time. I welcomed the promise he made. When I stood for Parliament in my riding of Ottawa Centre this was a key issue among my constituents. I made a personal pledge to continue to work for legislation to ensure that Section 32 of the Public Service Employment Act is changed and that members of the Public Service of Canada do enjoy full political rights. I made this commitment not just to my constituents but also to people in the Public Service across Canada.

We are not just talking about 220,000 people who are governed by the Public Service Employment Act. The PSCA has influence far beyond that. The Member for Ottawa West mentioned that employees of Crown corporations and people in National Defence bring the total number to something around 600,000 who are tinged or affected by the Public Service Employment Act. He might have mentioned that close to one worker in every four in Canada works in some level of Government, for a Crown corporation or for some other quasi-governmental body. Federal legislation in this, as in other matters affecting labour standards for public employees, has an effect on legislation affecting provincial and other Government employees as well. We are talking about a potential impact that could touch 2.5 million workers across the country, depending on what kind of leadership is being offered by the federal Government.

As far as my own concern about this, in the first place I strongly support providing full political rights for public employees. I have done this for a long time. I first began raising this issue when I was an Ontario MPP 12 or 13 years ago. My first private Members' Bill on the subject was introduced in the Ontario legislature around 1974 and debated around that time, Mr. Speaker. I have been raising this issue in whatever forum I could because I think it is important that people in the Public Service not be treated as second class citizens.

More recently, this matter was raised on April 15 in a resolution I put forward to have the matter of political rights referred to the Standing Committee on Miscellaneous Estimates and debated in this House. I regret to say that while it was debated, it was subsequently talked out by Members of the Progressive Conservative Party. The resolution at that time read:

Public Service Employment Act

That the Standing Committee on Miscellaneous Estimates be empowered to study the question of granting to federal public employees the full political participation enjoyed by other Canadians and, that the Committee report its finding to the House no later than June 28, 1985.

On September 13, I took the opportunity to raise the matter anew although I could not debate it. My colleague from Regina East debated it on my behalf representing the New Democratic Party. Again the matter was bogged down when Government Members suggested that the date we suggested be shifted to was perhaps inappropriate.

I raised this matter in early April in connection with the Ontario election. A number of people who are federal public employees were finding that the lack of political rights was causing them problems. One, a Transport Canada employee, has subsequently had to resign his position on the executive of a local riding association at the risk of otherwise losing his job. When the Parliamentary Secretary suggested, as I understand it, on September 13 that this was not really a matter of grave urgency because we had four years to sort it out, or three years to the next election, I wished I could have risen then to remind him that many provincial elections will take place in a very short time. All three prairie provinces are expecting to have elections within the next year or so. Quebec may be calling an election within a month of the election of its new Premier and leader of the Parti Quebecois. Ontario could have an election at any time. Certainly after two years from last May one would imagine that open season on an election in Ontario is going to be present. Federal employees working in provinces representing two-thirds of our population could find themselves still circumscribed in elections that are due to come very shortly.

This matter is urgent and cannot wait to the very end of the mandate. Let me say to the Parliamentary Secretary, and through him to his Minister, that if the Government is prepared to bring forward legislation, which can be debated here and referred to a legislative committee, by all means let it be done. Let it be done now. I am prepared to work on it. I am sure my colleagues from Ottawa-Vanier and Ottawa West are. Others have expressed support. Do not put us off by promises of early action, such as I had from the Minister when I raised this matter in Question Period in early April, by saying he hoped to have a report to the House very soon and then use it as a means of obfuscation or delay. This matter cannot and should not wait. I say to the Government be aware as well, and I recognize that I have some potential conflict in this, that this matter is going to come up in the Federal Court of Canada in a few weeks. Over the course of the summer, Justice Department lawyers and lawyers representing four members of the Public Service Alliance and myself have been resolving the nitty-gritties of the case so that the principles about whether restrictions on political rights violate the Charter of Rights and Freedoms can be discussed and rules upon by the Federal Court of Canada. Frankly, I would prefer to see a situation wherein the Government, having made a solemn pledge in its election campaign, fulfilled that pledge by bringing forth legislation, therefore possibly making the need for a court case nugatory. I would prefer to see that. I and other people as well have gone forward because of the fact, among other things, that the action which we had been led to expect from the Government had not yet come forward.

• (1750)

Recently I sat on the subcommittee of the Justice Committee looking at the question of equality rights. I made submissions with respect to that question and the implications of the particular section of the Charger which indicates that every individual is equal before and under the law and has the right to equal protection and equal benefit under the law without discrimination. As Hon. Members know, this is qualified only by such reasonable limits as can be demonstrably justified in a free and democratic society. If we legislate restrictions on senior policy analysts and Deputy Ministers, I think the courts will uphold those as being reasonable limits in a free and democratic society, but not for truck drivers, secretaries, mining inspectors in the Yukon or the vast range of people who work in the myriad employment of the Public Service of Canada.

In its brief before the equality committee, the Public Service Alliance made essentially the same points. This matter keeps coming up in one way or another because, to give them their credit, Public Service unions are not prepared this time to stand back and accept the promises made by Parties in the election campaign or to wait for something to happen. They are pressing hard. I am pressing hard. The Hon. Member for Ottawa-Vanier the Hon. Member for Ottawa West and other Hon. Members, particularly the Hon. Member for Gatineau (Mrs. Mailly), are concerned about the issue and are speaking positively about the need to take action to ensure that people in the Public Service are not treated in a second-class way. Of course, we now have a situation where all three Parties are in fact committed to the issue, even though the Liberal commitment is perhaps somewhat more ambiguous.

The President of the Treasury Board (Mr. de Cotret) initiated discussions with the Public Service unions on this subject back in March or April. It is offered, as an excuse for the delay, that there were some problems in terms of misunderstandings, if I can be gentle about it, over the question of the deindexing of Public Service pensions and over the fact that the Public Service Alliance was also a political body which had some internal decisions to make about who should become the President at its convention in June. Recently I spoke with its new President, Mr. Daryl Bean, who had been involved because he was a member of the executive of the Alliance before the change of presidency as well as afterward. I learned essentially that no specific proposals had been put forward by the Government to the Public Service unions saying what it would like to do. There has been some canvassing of opinion, but it is not necessary to do canvassing because through the joint council and other means the Public Service unions have made their positions very clear. If they want it spelled out again, it can be done in 24 hours. They can give us a memo and we will get it for them; we will simply give all the briefs which they presented before.

What is needed now is a response from the Government that within a month's time or within a short period of time it will come up with specific guidelines from which legislation can in fact be drafted. The unions are ready. They are frustrated because of the inaction on the part of the Government. They are also frustrated, as I am, by the thought that this is part of a series of measures which could be traded off against action on pensions, on the master contract or something like that. I have been assured in private by the President of the Treasury Board that that is not the case and that the Government's commitment in the election campaign stands. However, the actions of the Government argue otherwise and suggest that it is in fact holding back until it gets action on these other areas. Since this is a matter of fundamental right, I say quite strongly that that is unacceptable and should not be tolerated, particularly in view of the fact that the discussions and negotiations in those other areas have taken perhaps longer than the Government initially expected.

In conclusion I would say that we need to maintain momentum on this subject. My colleagues and I are prepared to continue to give it Private Members' time and to raise it by other means in the House of Commons and in committee. If the Government indicates that it is acting now, so be it; let it go ahead. If not, we will have to find a way to maintain the momentum. My proposal in the spring that the Standing Committee on Miscellaneous Estimates look at the matter is a way of maintaining momentum. The Government rejected it at the time by talking it out.

The resolution of the Hon. Member for Ottawa-Vanier today simply asks us in the House to reaffirm the position which all of us took through our political Parties and through our Leaders during the course of the election campaign a year ago. If we were prepared to make that affirmation a year ago, then the Government should decide at this point in time, at five to six, that no further speaker will rise. I appeal to all Hon. Members not to rise to speak to this matter but to allow it to come to a vote. At least that would give an indication of our support to the Government and reinforce its determination to act in line with the promises it made.

The resolution of the Hon. Member reads as follows:

That, in the opinion of this House, the Government should consider the advisability of amending the Public Service Employment Act and other related statutes in consequence thereof, in order to permit greater participation in the political process by federal public servants than is now allowed under the aforementioned statutes.

It is a weak resolution, but I think the intent would be clear if it were adopted. I call upon all Hon. Members to adopt this motion now.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I listened with great interest to the speeches of the preceding Hon. Members, especially that of the Hon. Member for Ottawa West (Mr. Daubney) who put forward a good and well-reasoned argument as to the position which should be taken on the question of political rights for public servants. I think it is fair to comment upon the remarks of the Hon. Member for Ottawa-Vanier (Mr. Gauthier). I compliment him on proceeding once again with this issue. I appreciate that that is somewhat easier now that he is in the Opposition and able to bring these matters forward as a Private Member. He is not as stymied as he was as a member of a Party in Government which never really got around to doing anything with respect to political rights for public servants.

As far as the remarks of the Hon. Member for Ottawa Centre (Mr. Cassidy) are concerned, I note with interest that he is following our election promises diligently. I am sure he sees the definite progress which is being made on all fronts. I assure him that some progress has been made on this front. However, it does not suit our purpose to bring forward discussions which were held with the President of the Treasury Board (Mr. de Cotret) in private and to lay them on the floor of the House of Commons as part of the daily debate. I will not comment upon those negotiations. I do not think it is fair or appropriate to do so. I appreciate his comments with respect to impending elections. I would like to set the record straight, however, with respect to the Province of Ontario. There is no possibiity of an election in this province because the provincial Liberal Party has sold out to the devil. Under the agreement reached and etched in stone, the Liberal Party, propped up by the NDP, will govern without any fear of having to go to the people. I appreciate that its Members are quite concerned about that, financially and politically. I think the record should be set straight on that score.

With respect to the question of Private Members' Hour, it is fair to say that we treat it as an opportunity for Hon. Members to participate in debate and get on the record. I would not say that I resent the allegation that we are talking it out, but I would rather make it positive by saying that the Hon. Member will know that I asked one of his colleagues if someone on that side wished to speak. We made sure that the Hon. Member for Ottawa Centre had an opportunity. I have talked with my colleagues, and the Hon. Member for Ottawa West will confirm that we wanted to ensure that Hon. Members representing Public Service constituencies had an opportunity to put their views on the record. That is the process of Private Members' hour.

The Acting Speaker (Mr. Charest): The hour provided for the consideration of Private Members' Business has now expired.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been made.

Adjournment Debate

PUBLISHING INDUSTRY—PRENTICE-HALL COMPANY TAKEOVER. (B) GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, last week in the House I raised a very important question about the proposed takeover of Prentice-Hall Publishing by an American non-publishing company called Gulf and Western.

This is a rather complicated issue because it is an indirect acquisition of some of the concerns which have been raised by the publishing community having to do with the fact of a publishing company being taken over by a firm not in publishing which will not have the interests of publishing at heart, quite apart from the issue of American or Canadian control. Nevertheless, the Government has made a commitment to deal with indirect acquisitions. It has made a very firm commitment to increase Canadian control in the publishing sector. This was made by the Minister of Communications (Mr. Masse) on July 6 and I very much welcomed that statement. It is a concern that in fact there really will be implementation of the principles that were declared at that time.

Let me quote from the Minister's statement and it is here. I will read it quickly:

> This policy confirms the government's commitment, as enunciated in the Investment Canada Act, to maintaining Canada's cultural sovereignty and supporting the economic viability of the nation's crucially important cultural industries.

Let me continue:

> In particular, the Government recognizes that the Canadian publishing industry must have opportunities to grow within its own domestic market and that foreign investment should not be allowed to jeopardize such development.

That is a very important matter in an industry which is largely under foreign control; largely under American control.

Concerning direct investment, the Minister stated, and here I am quoting again:

> The Government will look with favour on proposals to establish new businesses or to acquire directly existing businesses, whether Canadian or foreign controlled, provided the investment is through a joint venture with Canadian control. For direct ecquisitions of foreign-controlled businesses, allowances will be possible if the divestiture of control to Canadians occurs within a reasonable period of (two years) at a fair market price.

Indirect acquisitions will be considered case by case, and again that is a question of divestiture.

The Government's policy is very clear. What we are concerned about is why it is not acting. This question of Prentice-Hall has been before the Government for nearly a year and there have been extensive delays in dealing with it.

I note that there are three other cases of a similar nature before Investment Canada: Ginn and Company; Copp Clark Pitman and New American Library.

The pressure from the arts community in the meantime is mounting. Let me quote from concerns which have been raised I think very cogently by the Association of Canadian Publishers. The Association of Canadian Publishers now looks forward to a directive by the Government which calls for the divestiture of these companies to Canadian owners. They are saying "act", and I think that is pretty clear.

The Writers' Union of Canada also has noted in terms of the subject matter why we need this control. Canadians have their own history. We have our own culture and we have our own view of others. Let me quote from their submission: "Only Canadian originated books (rather than Canadianized versions of American or British or French texts) can express those points of view and make them part of the consciousness of every Canadian".

It is a really important matter, Mr. Speaker. What we look forward to is a publishing industry in which textbooks which are the most lucrative part would also be Canadian originated, and that is not what is happening. We have companies like Prentice-Hall and others which we would like to have controlled by Canada so that the textbook publishing industries which does make money can then support other Canadian ventures.

Who is subsidizing, who is publishing the Canadian books right now? I am afraid it is not these big corporations, not like Prentice-Hall and certainly not under the control of Gulf and Western. That act of publishing comes from the small Canadian companies, and let me be specific. Up to 90 per cent of Canadian books are actually being published by smaller Canadian-owned companies. Specifically, in fiction it is 88 per cent, in biography it is 92 per cent, and in art books it is 87 per cent. The small companies are subsidizing this much more difficult field of publishing by paying small salaries and wages to their workers and by providing small royalties. In a healthy situation, we would have the textbook companies Canadian owned and the infrastructure being used to subsidize the production of important books for our Canadian culture, books that will not be bestsellers. That is how publishing works in other countries.

• (1805)

In other countries, the moneymakers support the production of scarcer, rarer kinds of books, books which are nevertheless extremely important for cultural purposes. That is what we must have in Canada. I call on the Government to act on this policy and not to hold back on all of these other cases as well.

I might add that the book distribution situation will run into the same problem. The merger of Classic Books with W. H. Smith will reduce opportunities for Canadian authors to have their books put on the market. We do not want a policy that is mere rhetoric. What we want is action. It is important that every case reflect this policy, and that the Government be true to the policy that it has enunciated on a case-by-case basis. Mere words are not enough.

[*Translation*]

Mrs. Monique Bernatchez-Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, may I say, first of all, that when the Investment Canada Act was still in the draft stage earlier this year, the Government clearly stated the importance it attached to the cultural sector. In fact, it demonstrated its awareness of sensitive areas in this sector in two sections of the Act.

First, Section 15. As the Hon. Member is aware, investments made by non-Canadians with a view to acquiring directly, in Canada, a business with assets of less than $5 million, or with a view to taking control, indirectly, of a business with assets of less than $50 million or with the intention of establishing a new business in this country, are not generally subject to review. The only exception to this rule has to do with investors who are associated with Canada's cultural heritage or national identity. The Government reserves the right to review such cases.

There are four sectors where the investment must be compatible with Canada's cultural heritage or national identity. Here they are: the publication, distribution or sale of books, magazines, periodicals or newspapers, either in printed form or readily assimilated by a processing machine; the production, distribution, sale or presentation of films or video materials; the production, distribution, sale or presentation of audio or video musical recordings; the edition, distribution of sale or musical compositions, either in printed form or readily assimilated by a processing machine.

Mr. Speaker, the second part of the Act which attests to our very special conviction in this field can be found under Section 20.

Section 20 lists the factors to be considered to decide whether or not an investment will likely be of significant benefit to Canada.

Subsection (*e*) of Section 20 requires the Government to take into account the compatibility of the investment with national industrial, economic and cultural policies, taking into consideration industrial, economic and cultural policy objectives enunciated by the Government or Legislature of any province likely to be significantly affected by the investment.

During oral question period last September 17, when the Hon. Member for Broadview-Greenwood (Ms. McDonald) asked the Minister of Regional Industrial Expansion whether the takeover of the Canadian publishing firm Prentice-Hall would be permitted, the Minister explained that the administrators had informed him that they would like some time to weigh the communications policy that his colleague, the Minister of Communications (Mr. Masse), made public some time ago. The Minister added: "Of course, we have facilitated their deliberations by giving them more time."

Mr. Speaker, I would now like to review the policy of the Canadian Government as concerns the Canadian book publishing industry.

● (1810)

Last July 6, the Minister of Communications announced this policy which states that: The Government feels that the existence of a vigourous book publishing and distribution industry controlled by Canadians is essential if this sector is to play its full role in the social and cultural life of Canada. The book publishing and distribution industry must benefit from policies aimed at protecting our cultural sovereignty, just as the newspapers, periodicals and broadcasting industries must do.

As concerns direct investments, according to the Minister, the Government will consider favourably any proposal to establish a new business or to acquire an existing business, whether it is controlled by Canadian or foreign interests, if this investment is projected for a joint venture under Canadian control.

In the case of the takeovers involving companies under foreign control, such transactions could be allowed if it is expected that Canadians will take control within a reasonable time, namely within two years, and at a fair market price. The Minister concluded that this policy is reflected in practice by the commitment made by this Government in the Act to establish Investment Canada to safeguard cultural sovereignty and support the financial position of cultural industries which play a vital role in our collective life. More particularly, the Government recognizes that the Canadian publishing industry must have the means to ensure its growth on the Canadian domestic market and that foreign investment must not prejudice this development.

[*English*]

TRUST COMPANIES—PIONEER TRUST—PLIGHT OF UNINSURED DEPOSITORS. (B) UNINSURED INCOME AVERAGING CERTIFICATES

Mr. Simon de Jong (Regina East): Mr. Speaker, on April 2, I asked the Minister of State for Finance (Mrs. McDougall) two questions. I asked her whether she was still negotiating with the Minister of Finance of the Province of Saskatchewan for federal government assistance to help bail out the uninsured depositors of Pioneer Trust of Regina which went into liquidation. She did not really have too much to say in the way of an answer. I then suggested to her in a supplementary question that financial institutions were falling down like ten pins. I pointed out that the CDIC stamp was placed on income averaging certificates, suggesting that they were covered by CDIC insurance when, in fact, they were not covered. I indicated that there should be some federal Government responsibility for those accounts.

At the time of my asking the question the Minister was quite incensed at my remark with respect to financial institutions falling down like ten pins. She claimed it was an irresponsible statement and added:

> I can tell you right now that financial institutions in this country are not falling like then pins, and I am producing results.

Since April 2, we have seen the Canadian Commercial Bank go under, the CCB mortgage investment go under, Northland is on the verge of going under and Western Capital Trust has gone under. Some estimates are that this will cost some $4 billion, either to CDIC or to the Government directly. Admittedly, from hindsight, I claim that financial institutions have been crashing around the Minister's ears since that time.

The point is that I am not happy with the Minister's answer. How much responsibility does the federal Government accept for the uninsured depositors of Pioneer Trust? Hon. Members will remember that the Government did bring in legislation and that some federal money has gone to uninsured depositors of Pioneer Trust. I assume, and I hope the Parliamentary Secretary will make this clear today, that the federal Government considered it had some responsibility because there were these averaging certificates of over five years which had the CDIC stamp of approval.

• (1815)

It is important, Mr. Speaker, that the Government quite explicitly explains to the House and to the public when it accepts responsibility and when it does not. It should be clear when it is going to bail out uninsured depositors and when it is not. I have asked the Minister this question in committees and on various occasions and I will continue to do that in the days and weeks ahead.

There seems to be, Mr. Speaker, no clear policy. One day the Government decides to bail out the uninsured depositors, as it has done with the Canadian Commercial Bank and as it is apparently committed to do if Northland should go under. The Government had a partial commitment to Pioneer and there are other financial institutions which have gone under like Western Capital Trust in which the uninsured depositors have not been bailed out at all. I have received phone calls and representations from people who have lost money. They were uninsured depositors in these various trust companies and financial institutions and they are hopping mad. They ask me why the Government is bailing out foreign depositors in the CCB and not them.

I believe it is important, Mr. Speaker, that the Government, as soon as possible, lay before the public of Canada what its policies are, when it will bail out uninsured depositors and when it will not. I think it is important for depositors and for financial institutions in this country to know the answer to that question. In particular, Mr. Speaker, for my own personal interest as well, and for the record, I reiterate my question: Did the Government bail out in part uninsured depositors in Pioneer Trust because it felt it had some responsibility because of the lack of regulation and enforcement of CDIC with respect to Pioneer Trust during its years in operation and, particularly, concerning the CDIC stamp on forwarding averaging annuity certificates which were really not covered by the Deposit Insurance Corporation?

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Pioneer Trust was plagued with serious financial problems because of the high percentage of outstanding mortgages in its loan portfolio. The company voluntarily wound up and a liquidation order was issued on February 15, 1985.

Shortly after the Pioneer Trust liquidation order, the Hon. Barbara McDougall, our capable Minister of State for Finance became interested in the situation of the 650 or so guaranteed income-averaging certificates issued for a period of more than five years, and therefore uninsured by the Canada Deposit Insurance Corporation.

Our able Minister was mainly concerned with the many representations received from holders of such certificates, who submitted that they were not aware their investments were not covered by deposit insurance.

The Minister's concerns with the circumstances relating to those guaranteed income averaging certificate holders led her to conclude with the Saskatachewan Governemnt a special arrangement compensating the uninsured depositors, and to introduce the legislation needed to enact such an arrangement.

The purpose of the legislation was to grant the Minister authority to take the necessary steps to have payments made to the holders of income averaging certificates for up to the $60,000 limit that would have been applicable had those certificates been insured. In other words, the purpose was for the Canadian Government to contribute to the package for compensating the uninsured depositors of Pioneer Trust up to an amount shifting them to the position they believed in good faith they were in, namely up to the well-known $60,000 limit.

The Province of Saskatchewan assumed responsibility for all payments amounting to $60,000 and over, owed under the guaranteed income average certificates. Moreover, the Saskatchewan Government also undertook to pay back principal and interests accrued at the time of liquidation order to all holders of US dollar deposits, and all holders of deposits in excess of $60,000 in savings or chequing accounts, guaranteed income certificates or registered retirement savings plans.

In view of the above circumstances, I believe it was reasonable for the Government of Canada to act in this way to make sure all holders of guaranteed income averaging certificates remain in the position they had every reason to believe they were in, namely that they were protected up to the well-known $60,000 limit. As I said, the action taken by the Canadian Government was part of a plan involving the Province of Saskatchewan as guarantor for all other uninsured deposits, including those with deposits exceeding $60,000.

Regardless of any reference to false representations, Mr. Speaker, it was a matter of being reasonable with people who acted in total good faith.

• (1820)

[*English*]

REGIONAL INDUSTRIAL EXPANSION—EMPLOYMENT OPPORTUNITIES IN CAPE BRETON

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, I rise at this time to expand on a question I directed to the Minister of Regional Industrial Expansion (Mr. Stevens) last week. I have the honour of representing a constituency in Nova Scotia, Cape Breton Highlands-Canso, an area which includes some of our most impressive geography and

certainly Canadians of outstanding good judgment, having chosen to elect me to Parliament in September, 1984.

Regrettably, Mr. Speaker, it is also a region of high unemployment. This is a problem which has been faced by successive generations of my constituents. The previous Government did nothing to address the problem in a meaningful way. Our Government has taken important measures to effect full-time employment for my constituents. The Minister, in his response to my question, underscored these incentives, which include the Cape Breton tax credit and the topped-up IRDP assistance. These are generous measures. However, it appears that more must be done.

The urgency of the situation is highlighted by the fact that employees laid off from the heavy water plants really have no place to apply for new jobs at this time. I was most pleased to hear from the Minister his optimistic projections for new employment opportunities. The Minister is trying very hard and that is not disputed. Nor is the difficulty of finding a solution disputed.

This problem has been faced by successive federal and provincial Governments. However, I believe there are some other meaningful initiatives which can be taken at this time to create long-term employment. It is easy to complain that results have not been achieved. The real test of leadership for any Member of Parliament is not solely his ability to identify problems, it is also reflected in his ability to present solutions. That is the challenge which was not met by the previous Government. Today I will present a partial package which outlines some opportunities for new employment in my constituency. Exploitation of these opportunities will require the targeted expenditure of money by all levels of Government. I do not believe these initiatives will result in a net financial loss to the Government of Canada. Many of the people who will benefit from these expenditures presently receive incomes from one level of Government or another. In short, I am speaking about an investment by the Government of Canada, a good investment which will yield benefits for my constituents and, therefore, Canada.

In accordance with a general principle of common sense, we should first look for new economic opportunities by further utilizing our natural resources. In keeping with that bias, the following is suggested. We have an excellent environment for forest regeneration and therefore I am proposing that a greatly enhanced forest management program must be put in place. In addition to putting hundreds to work planting trees and harvesting old and decaying stock, we will be securing the raw material for the region's major industrial employer, Stora Forest Industries. We will therefore be securing existing jobs and facilitating corporate planning. Who knows, maybe a more sensible approach to our forests will mean expansion of those companies who use our forests. Perhaps another newsprint machine is possible.

We must consider the further utilization of waste wood as a fuel, perhaps to heat our institutions. Such a program would require wood chips and would put people now out of work back to work in the woods, for example. We must also view opportunities for further expanding the Strathlorne Nursery, a source of tree seedlings which we require for an enhanced forest management program.

In the fishery we have opportunities to improve our fish quality, thereby adding to the value of our exports and permitting a greater reinvestment in our communities. We must further enhance the small crafts and harbours' programs so our fishermen will have the best possible facilities for harvesting the sea's wealth. We must be sure that our fish are further processed here and get away from exporting semi-processed product. We must examine the potential for utilizing even more species.

In the tourism industry there are greater opportunities for lengthening the season. Presently it is not uncommon for an operator to exist on a 90-day season. Surely we can improve upon this. I advocate increased spending on promotion and the enhancement of our tourism facilities and services.

● (1825)

The agricultural sector is growing in importance and its contribution to the economy of Antigonish County alone is $8 million. That is an impressive achievement over the last 10 or 15 years.

There are other specific measures that can be taken to achieve permanent employment. For example, I advocate the construction of a coal fired electrical generating station at the Strait of Canso. We, in Nova Scotia, have a desperate need for new electrical capacity and we must move away from the utilization of oil. In addition to putting in industry at the Strait of Canso, we will be putting miners in industrial Cape Breton to work.

I advocate the construction of an underwater institute at the Strait of Canso to complement the Nova Scotia Nautical Institute presently under construction.

I advocate the further expansion of the Strathlorne nursery, which has already been mentioned. I advocate the construction of the Grassy Island Museum in Canso, a remote part of my riding. I advocate the upgrading of the highway so that the tourism potential of this region may be further utilized.

The Cheticamp harbour must be upgraded. Millions of pounds of fish are landed there each year, much of which is trucked out. There is an opportunity for making Cheticamp the boat service centre for the Gulf region. It is a natural initiative and one that must be strongly supported. We must put capital in our shipbuilding industry.

We must further develop the potential of the Mulgrave harbour as an offshore service centre, and for international trade. We must consider the relocation of public service employment to this high unemployment region, something that we call decentralization.

These initiatives, Mr. Speaker, will require the expenditure of money, but this money will be a wise investment of our region. In promoting these we must, at all times, keep in mind the importance of being cautious and realistic.

For decades my constituents have had false hopes held in front of them, called carrots. It is time for that to end, for results to be delivered and for us to be totally realistic.

[*Translation*]

Mrs. Monique Bernatchez-Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, Cape Breton has a workforce of some 69,000 which represents 18 percent of that of Nova Scotia as a whole. Out of that figure, 14,000 are now jobless, and this accounts for a 20-percent unemployment rate. It is therefore essential that Cape Breton be the target of all industrial efforts.

The Canadian Government strategy for Cape Breton encompasses the following:

A grant package, intended to provide Cape Breton native investors and others with the incentive to apply the human and financial resources to the creation of long-term jobs;

An advisory committee to ensure the monitoring of tax incentives and recommendations on long-term job creation; and, finally,

Co-operation with the Provinces to ensure co-ordination and efficiency.

The Federal Development Bank has a program offering seminars for informing laid-off AECL employees on how to set up a business. Some of these employees have shown an interest in Cape Breton.

The RIE, the Cape Breton Development Corporation and Skita are now working together to ensure coordination in the promotion of efforts to help Cape Breton.

[*English*]

The Minister is looking forward to receiving the report of the Cape Breton advisory committee expected to be delivered to the federal and provincial Governments later this month. While the advisory committee is looking at long term economic development issues, the federal Government has done much to address the immediate needs of Cape Breton's unemployed. Through the ongoing and special programs of a large number of federal Departments and agencies, thousands of jobs have been created in Cape Breton to help ease the immediate crisis of unemployment.

Canada Employment and Immigration programs have created 2,500 short-term jobs in Cape Breton in 1985. Devco's coal division has put roughly 1,200 people to work on projects this year.

The Department of National Defence programs have resulted in short-term jobs for 140 Cape Breton youths. Construction at the Coast Guard college is creating about 1,200 person weeks of employment. Another Coast Guard project, particularly the wharf expansion and transit shed construction in North Sydney will create 1,500 person weeks of employment. Taken together, this will amount to about six months work for roughly 108 people.

Federal support this fiscal year for projects under two federal provincial forestry agreements will produce over 6,240 weeks of work for Cape Bretoners to improve the Island's forest resource, the equivalent of six months work for 250 people.

Much of the work being done under the major program of CDIC and Devco will improve the infrastructure base and quality of life in Cape Breton and make the Island more attractive to industries capable of creating long-term jobs. This Government will help Cape Breton.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Tuesday, September 24, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-70

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I move, seconded by the Minister of State for Canadian Wheat Board (Mr. Mayer):

That, in relation to Bill C-70, an Act to amend the Family Allowances Act, 1973, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

That 15 minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

He said: Mr. Speaker, the time has come to have a vote on Bill C-70, and that is why this motion is before the House. For many years Members of Parliament have argued that when a Budget is introduced in the House of Commons and is passed after six days of full debate, the Bills which flow from it should also be passed after a reasonable period of time.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): That position has been taken by the very people who are now exercising their lungs and not their heads. The point is that this budget provision has been approved by the House, and it is time to get on with its examination in committee.

One might even say that with a majority of 211 seats, even more consideration should be given to the Opposition. That would be a valid observation, if the Opposition were responsible. However, opposition Members have shown very clearly on the record that they have no intention of being either responsible or co-operative or that they do not want to make the House work. For example, the Liberal spokesman for social policy is quoted in an article which appeared in *la presse* on September 11 as saying that he intended to hold up the House to the end of this calendar year on this Bill. That is not responsible opposition. In his very first statement in the debate on this Bill, the Hon. Member for Davenport (Mr. Caccia) said: "Mr. Speaker, it will not be easy to say something novel in this debate". I am not quite sure whether that statement referred to the quality of his speech or to whether he had anything to say. However, I will accept either argument from him.

I think the most significant statement was made yesterday by the NDP House Leader. If we look at yesterday's *Hansard*, we find that that comment is missing. I was here when he said it, as was the Parliamentary Secretary to the President of the Privy Council (Mr. Dick). However, it is quite clear in the "blues" and it is quite clear in my recollection and in the recollection of the Parliamentary Secretary to the President of the Privy Council and other Members who were here at the time. Although it does not appear in *Hansard*, I will quote it from the "blues":

You can applaud, Jake, but you will get nothing through from now until Christmas.

Mr. Speaker: Order, please. I interrupt the Minister, with respect, to remind him of the citations which indicate that quotations from *Hansard* are appropriate but that quotations from the "blues" are not.

Mr. Epp (Provencher): Mr. Speaker, I thank you for that observation. I thought I might be corrected, but I notice that while NDP Members might not like the method, they have not denied the words.

Mr. Blaikie: We have more respect for Parliament than to debate the "blues".

Mr. Epp (Provencher): When we look at editorial comment on the issue, it is also very clear that the time has come to vote on this Bill. For example, I quote in part an editorial which appeared in *The Globe and Mail* on September 18:

And the Liberals, who fathered so many of the imperfections and irrationalities of the present system, remain creatures of their past. The Tories have cause . . . to lead—

In addition, I should like to refer to an editorial which appeared in *The Toronto Star*, a newspaper which is known to support our policies from time to time. In part the September 20, 1985 editorial reads:

The intent of the reforms is to get more bang for the taxpayer's buck by giving more to those who need it most and less to the rest. That's a good idea at any time; it's a particularly good idea now when the economy is sluggish and government revenues aren't growing very fast and when there's a $34 billion federal deficit.

Their argument is that we have not gone far enough and that we should go further; that is their criticism of the Government, rather than what we are doing. Also I refer to an article which appeared in *The Chronicle Herald* of Halifax, which reads:

Family allowance has been deindexed before, fully in 1976 and partly, in accordance with six and five, in 1982. This tinkering was mostly done by the Liberals, who would now deny anyone else the chance to make the system work better.

The evidence is in. The evidence is in, on the floor of the House of Commons. The evidence is in, in that the Budget has been passed. The evidence is in, in that the Budget had a six-day debate. The evidence is in from editorial comment. More than anything else, the evidence is in from their own mouths.

The people of Canada voted for change on September 4, 1984.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): They voted for a Government that would act, and we are acting. Mr. Speaker, I say to them, they can shout, they can dance, they can be concerned, they can do what they will but the Liberals know that they were the ones who fully deindexed at one point, in 1982, on the basis of the six and five. They also know that from their record they stand condemned and should say very little about this.

• (1110)

I have a little more patience with the NDP, although only a little more. That is because they have the ability and the right of impunity to say whatever they will, knowing that, in the first place the Canadian people will never give them the responsibility to carry out that which they say they will do. So I give them a little bit of time and I give them also a little bit of respect because they have not had an opportunity to do what the Liberals did.

Lastly, Mr. Speaker, the example I would give regarding the motion is the mother of Parliament itself. Many people in this House have sat on parliamentary reform. All of us, including the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), have argued in part that we should follow the British system. That is, that Government should have the right, after it has brought in a Throne Speech, after it has brought in a Budget, after it has brought in its legislative priorities and plans, within a period of time to say these are the Bills we will debate, this is the period of time we will give. There is a general agreement in the mother of Parliaments that that is the approach. Mr. Speaker, that is what he and others have been recommending in the last parliamentary reform package. That is what has been recommended time after time in the years we have been here, and I say to the Opposition, oppose if you have a better idea. Don't oppose without any reason, or without any rationale or without any idea whatsoever as to how long you want to keep going.

I say, Mr. Speaker, that it is time that the Canadian people had the right to take a very clear look at this House, and vote through their representatives. I suggest that that vote take place immediately.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is really deplorable and disappointing—

[*English*]

Mr. Speaker: The Minister of National Health and Welfare (Mr. Epp) on a point of order.

Mr. Epp (Provencher): I apologize for interrupting the Hon. Member. The only point I want to make, I said that it was not in *Hansard*. We have double checked and find at page 6866 that it is not only in *Hansard* but obviously—

Mr. Speaker: Thank you.

[*Translation*]

Mr. Malépart: Mr. Speaker, it is really deplorable and disappointing that the Minister of National Health and Welfare (Mr. Epp), after four days of debate, is doing the "dirty work" the Prime Minister has asked him to do, in other words, gagging the Opposition and presenting a motion of closure.

Mr. Speaker, after four days, this debate has only just started. The Government has not told us why it is in such a hurry to adopt a Bill that will not become effective until January 1.

The Government has not answered our questions. Why did the Minister of Finance (Mr. Wilson), the Prime Minister (Mr. Mulroney) and the Minister of National Health and Welfare not transfer the $15 million they are going to squeeze out of families with children in 1985-86 and the $40 million in 1986-87 to the child tax credit, by increasing the child tax credit and raising the cut-off point for families with modest and low incomes? Mr. Speaker, the Government has failed to answer that question. Why is it trying to gloss over the cuts in family allowance increases starting in 1986, when everybody knows that family allowance payments benefit poor families and families on modest and low incomes, since these payments are taxable? Nor has the Minister of National Health and Welfare told us why he is going to wait until 1987 to reduce the Child Tax Exemption, a measure that benefits those with higher incomes.

• (1115)

If we refer to the Blue Book signed by the previous speaker, Mr. Epp—I think it was Mr. Epp—and if we look at the table on page 17 under Child Tax Exemption, we see that families whose incomes are less than $10,000 receive no money at all under the Child Tax Exemption; families whose incomes are less than $20,000 receive a tax exemption of $203; but families with an income of $80,000 receive $363.

Mr. Speaker, the Government has failed to answer the question. It does not want this matter to be discussed. I can see why the Prime Minister is ashamed of his Bill. I can see why the Prime Minister wants to rush through the House a piece of legislation that is going to hurt families with modest and low incomes.

Mr. Speaker, on the weekend I met a number of mothers, and I think many Hon. Members will remember what these

mothers told me and what my mother used to say. Children used to ask their parents, and many Members will remember such moments, for $5 or $10 to buy school supplies, or a boy might want to buy a hockey stick or a pair of skates and a girl a pair of boots, and their mothers would say: Wait until the middle of the month when I get my family allowance cheque. Even today, Mr. Speaker, I meet families in the riding of Rosemont, a Conservative riding, in the riding of Hochelaga-Maisonneuve, also a Conservative riding, in the riding of Gamelin which is also a Conservative riding . . . Even today, mothers tell us it is often very humiliating when they have to ask the teacher whether they can put off paying for some school activity for a week or two, until the family allowance cheque arrives.

Mr. Speaker, I do not understand why the Prime Minister, who was not brought up in a rich family . . . I can understand people who were raised in a rich family, where the family allowance cheque was not important. However, for the vast majority of families in Quebec, the family allowance cheque was often the only budget that the mothers administered, because the father kept all the money. Mr. Speaker, very often . . . Some Hon. Members will remember, for instance those from Quebec, that when they were little, they got a pair of winter boots because their mother could count on her family allowance cheque. Very often, girls were able to take part in activities like the majorettes as soon as their mothers got their family allowance cheques, Mr. Speaker. And they used to have large families in Quebec, and some of those families had food on the table thanks to their family allowance cheque!

I suppose the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) is going to say: $4 a month is peanuts. Mr. Speaker, when families do not have enough money to start with, it is not peanuts. How can anyone understand why the Government wants to squeeze $55 million out of families with low incomes? The Government could have done what all the agencies recommended, and that was to reduce the tax exemption which benefits the rich and increase the tax credit as much as possible, and thus give families on modest and low incomes a bit more. How are people going to believe that the Government had no trouble finding $1.2 billion to help companies and individuals with bank deposits of over $60,000? These people knew the risks they were taking, Mr. Speaker. Why are all those other taxpayers, all those families going to have to pay for the mistakes made by this Government?

Mr. Speaker, I think it is unconscionable that after only four days of debate, the Government should decide to use closure. I can assure the Government that although it may be able to manipulate the proceedings and try to gag the Opposition here in the House, and I can also assure the Minister of social injustice of Canada that he will not be able to gag the Opposition in the streets. There will be a meeting tomorrow in Montreal. Tomorrow, Quebec families are going to start organizing in all ridings, and the Prime Minister will not be able to manipulate and gag these people. The debate will shift to the streets, to all kitchens and to the offices of Members, and the social injustice minister will always have in mind the shamelessness he displayed this morning, he who under normal circumstances, like all previous Ministers of National Health and Welfare, Liberals and Tories alike, ought to stand up in the House to defend the interests of poor families and elderly Canadians. For the first time in Canada's history a Minister of National Health and Welfare acts as a hatchet man against families.

Mr. Speaker, the former Minister of Fisheries and Oceans had the courage to resign. Considering his pitiful performance in the debate on deindexation of old age security pensions and his failure to speak up against taxes on prescription drugs and additional levies on families with children, the Minister of National Health and Welfare should have the courage to tender his resignation and ask for another portfolio. Mrs. Bégin would have never put up with that, she would have resigned rather than do the dirty work of the Minister of Finance (Mr. Wilson). The social injustice minister can be satisfied with himself, his $40,000 and his driver. He has it made and could not care less about others, but one of these days he will have to face up to the music when all those families come up here to challenge him.

Mr. Speaker, when we recall the Government promises we understand why the word of the Prime Minister does not mean much any more. The Government did make a commitment not to reduce the deficit at the expense of families, but after listening to the Minister of National Health and Welfare we have to ask what his word is worth today. Nothing. Before consulting with the various interest groups, the Minister of National Health and Welfare rose before the parliamentary committee to ask: Would the interest groups prefer that all funds be redistributed in the form of tax credits? Yes, they said. So he did exactly the opposite.

I see that my time is running out, Mr. Speaker, so I want to tell Hon. Members that for now this may be the end of the debate in the House, but I can assure them that I will take to the streets and strongly denounce both the social injustice minister and the Prime Minister.

• (1120)

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I am pleased to have an opportunity to speak in this debate. It is my first chance to speak but, unfortunately, in so doing, I am not speaking on the issue itself because the Government has now introduced a time allocation motion. This is a motion which is known to most of the world as a closure motion.

It is interesting to note that in the opening of his speech the Minister mentioned that the former Liberal Government used this measure often in its term of office. That is quite true. It is also true that we New Democrats have often not spoken against the principle of time allocation because we agree that

there must be some mechanism to ensure that there is orderly debate and some conclusion to debate in the House of Commons.

However, with regard to the particular issue before us, we are talking about a fundamental change in the universality of social programs in the country. The Government has slid over that point in debate. The Minister, in his long quotations from various newspapers, mentioned editorials from various parts of the country which spoke out in support of him. He did not mention those editorials which point out that the Government is, indeed, moving away from universality in this important area.

The attack on family allowances is just the beginning of the crack in the dam which we have in place to defend social programs in Canada. In his speech, the Minister spoke about the fact that we approved the Budget. With 211 Tory Members in the House of Commons we have to approve everything which is put forward. Let me remind the Minister that even though the House approved the Budget, the Government backed down with respect to the deindexing of old age pensions.

We have a right—an obligation—to stand up in the House of Commons to debate Bills and the philosophy behind them. We have a right to ensure that the public has an opportunity to know what is really in the legislation which the Government is presenting.

In defending his legislation, the Minister of National Health and Welfare (Mr. Epp) said that the money will be going from those who have a lot of it—the hypothetical banker in this nation—to peole who need it the most. That is the myth out there which is the foundation of the editorials from which the Minister has quoted. I would like to quote from another editorial. It is one which takes the opposite side. It is an editorial which appeared in yesterday's Winnipeg *Free Press*. I am sure the Minister is aware of it. This is an article written by Leonard Shifrin. First, it points out that the Government is again breaking another promise. The headline reads: "The Tories broke their word". The article points out that the Minister himself said that the Government would not be taking money from the old age pension, family allowances, et cetera, to reduce the deficit. The article further points out that in the long run, after a three-year period, it will not just be the middle-income earners, those with a fairly reasonable salary or those who are rich in Canada who will be losing the benefit of a fully indexed family allowance. It will be all Canadians who receive the family allowance, including those at the lowest level of the Canadian income scale. And the Government also plans to deindex the child tax credit which it is so fond of saying is the recipient of this money is going to be saved through the reduction to the full indexation of family allowances.

● (1125)

What the Government is doing is what we have always said is the dangerous thing about the move away from universality. It is a two-step operation. First, it reduces the dependency of middle-income earners on the family allowance by taking away the protection of full indexation. In other words, over a period of time the real money which the average woman will receive from the family allowance—and let's make no mistake about it, that money in most cases goes to the woman and is spent by her for the necessities of the family—will be worth less and less to that family. The reduction by 3 per cent a year of the real value of the family allowances means that it will provide for less and less of the basic necessities for food, clothing and other items for the children of that family. That is the first step.

The second step is to deindex the child tax credit, the money which goes to the poorest families in this land. We see that as dangerous, Mr. Speaker, because the Government will take away broad public support for family allowances by making it worth less to a large percentage of the population. After it has done that, three years down the road, it will take the protection from those who need it the most. That is something of which the public is not aware and that is why we need a full debate.

My colleague from the Liberal Party mentioned that we have had only four days' debate on this issue. That is not very much. This is an issue which is fundamentally changing the way we deal with universal programs in this country.

The Government failed in its first attack. It failed to deindex the old age pensions. The new frontal assault now is to attack family allowances. That is a dangerous precedent and it is very important that the public be aware of exactly what the Government is doing.

It is also just as important, Mr. Speaker, that we have a chance to hear from that same public. As the public becomes more and more aware of what the Government is doing, as it realizes this is not just a short-term cut-back to reduce the deficit, as it becomes aware that this is not an attempt to take money away from those who are rich to give to those who are poor, as the public becomes more and more aware of what is really happening, there will be more and more groups who will tell this Government not to deindex family allowances.

That is what happened in the pension debate. It became a national issue. It took some time to get it going but after one month of debate, after one month of petitions, and after various groups came to the House of Commons saying that the Prime Minister (Mr. Mulroney) had broken his word, the message got through to the Government.

It is now one week since the debate started in this House on the deindexation of family allowances and the Government wants to take this legislation away from the House of Commons. We have televised debates and the people who are out there can find out what is really in the legislation and will have a chance to respond to their Members of Parliament and the Minister responsible for this legislation. They will have a chance to tell the Prime Minister that he has broken faith once more with the population of this country. But the Government wants to shuffle the legislation into some committee room. That goes against the whole intent of televising the debates of the House of Commons.

We want the public to know what is going on. We want the public to know not only what is going on but to come back to us and tell us that they want to protect family allowances, that they want to protect the universality of Government programs.

We built a social net in this country, and I give full credit to all three political Parties for building that social net over many, many years. Now we have a Government dedicated, in a sneaky, two-step fashion, to breaking down that social net.

• (1130)

I think it is very important that we not be limited, as we are today, to a two-hour debate. Members from all Parties should stand up for the right of the public to know what is really going on in this legislation. They should stand up and tell the people of Canada that this is not just something which will deindex family allowances with the money going to the poor. They should explain what is really happening three years down the road when that money is going to be taken away not only from the rich, from the bank president the Prime Minister is so fond of referring to, but from the very people who need it most.

There is a public clamour for this Government to stop deindexation of family allowances. Some of the groups who have come out in support of full indexation of family allowances include the National Anti-Poverty Organization and the National Advisory Committee on the Status of Women. I met with 15 different groups in Nova Scotia two weeks ago and not one of them wanted to see this Government move ahead on this proposal. I am asking this Government and Members of Parliament to let the public participate in this debate, not in a closed hearing room but in this House of Commons itself, so we have a chance to make sure people know and approve of what this Government is doing, because they do not.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I also appreciate the opportunity to engage in this debate. I want to tell the House that this speech has been six years in the making. I am not suggesting that is going to make it a better speech, but it is a speech I have waited six years to make.

I feel very strongly about the subject of how the time of the House is used. The House of Commons is a forum where we debate and decide, not denounce and delay. We were sent here to debate the issues of the day and decide how to deal with them. It is the job of the Government to consult, draft policy and legislation, and bring it in for debate. It is our job as Members of Parliament, and your job as Speaker, to make sure that the rules of debate which we have all agreed upon are observed. I appreciate that it is the job of the Opposition to review government legislation, attempt to improve it, and object and debate. They also, I suggest, may obstruct. But I also suggest to the Opposition that the sword of obstruction is a two-edged sword.

In 1982, my friend from the Liberal Party will remember, we rang the bells for 18 days—

Mr. Blaikie: Sixteen.

Mr. Lewis: —because of the odious omnibus Bill brought in by the Liberal Government. We suggested the Bill should be split and we shut down the House for 18 days.

Mr. Blaikie: Sixteen.

Mr. Lewis: The result was that public opinion was on our side and the Bill was eventually split almost exactly the way we suggested originally. That was a case for obstruction because the Bill was wrong and we knew the public would understand that. At that time the NDP, which supported the Liberal Party throughout the NEP debate, also supported the Government and fought against what we were trying to do for the people.

Now, let us look at Bill C-70. This Bill flows from the May 23 Budget.

Mr. Blaikie: Point of order, Mr. Speaker. I hate to interrupt a speech which has been six years in the making, but six years has not enabled the Member to get a grasp of the facts. I think if he checks the record he will see that we were not supportive of the Government throughout the national energy policy debate.

Mr. Deputy Speaker: I regret that is not a point of order.

Mr. Lewis: I think if the Hon. Member had spent six seconds before he spoke he would not have thought—

Some Hon. Members: Oh, oh!

Mr. Blaikie: Try again.

Mr. Lewis: Had he spent six seconds thinking he would not have spoken. I had all the right words it was just a matter of order.

The point I want to make is this. We had a Budget on May 23 and we had a formation of public opinion about deindexing the first 3 per cent of old age pensions. That is true and we reversed our position. Everyone agrees that during the budget debate there was a focus on only that one issue. Four months later my friend the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) says we should give them a minute to let public opinion formulate. What is your hurry, says the NDP, four months later! Where is this great groundswell? My friend from Sudbury is in the audience. He always comes to hear my speeches and I appreciate his being here today. He is the one who said there was going to be this groundswell of grandparent power. Grey power. Where is it on this Bill? Where are the petitions? There is no public opinion groundswell.

Mr. Lapierre: They are coming, don't worry.

Mr. Frith: You are going to have them, Doug. Don't worry.

Mr. Lewis: The Hon. Member for Montreal-Sainte-Marie said they want time to mobilize public opinion. Well, he has to do some mobilization, I guess. I hope he will be back with that mobilized public opinion.

Mr. Frith: Wait for family week. Jake is going to be in China.

Mr. Lewis: Let us look at what the legislation does. Let us look at what the Liberals and NDP are delaying. I want the House to understand that this Bill respects universality. This Bill is of benefit to low-income families because we are increasing the child tax credit 36 per cent. So the NDP and Liberals are against increasing the child tax credit. They are against the $70 increase in 1986, and a further $35 increase in both 1987 and 1988. Be very sure, my friends, as to what you are against. We want that legislation passed so that we enhance the income of low-income families and reduce the income of the higher income families. That is exactly what you are against.

I believe that the Government should have its bad legislation. That is what Churchill said. The question of whether it is bad legislation or not remains for the court of public opinion.

I suggest that the Opposition has failed miserably to mount any public opinion against this Bill. They know that, and they know it well. I believe very strongly, Mr. Speaker, that we should pick our spots when we bring in closure. We should have a full debate. If you check the record you will find that I have not spoken very often against closure. Check that. But when it comes to whether or not we are delaying unnecessarily the time of the House, as the Liberals and NDP did on Friday—they did not have enough speakers to carry the debate so what was their great, brilliant political tactic on Friday? The great brilliant political tactic was to shut down the House. Now, isn't that intelligent political opposition? We do not have the speakers so we shut down—yes, 30 speakers out of 70 in the Opposition had spoken by Friday. All right, track them down, where are they going to be on Thursday when we debate this Bill, or Friday?

Mr. Frith: That is 45 per cent of our Members. What percentage of yours have spoken?

Mr. Lewis: We gave you the opportunity. We do not want to take up time debating something we already debated in caucus. When the Liberals were in power we knew there was no debate in caucus. This Bill has had debate in caucus and it is going forward.

In closing I want to say that the Government has given the Opposition every minute they need to debate this Bill fairly. We have given the Opposition all the time they need to mobilize public opinion. Well, ladies and gentlemen, you do not have it mobilized, you have been four months at it, and how much longer do you need to do your mobilization? My colleague from Montreal-Sainte-Marie has had the time, he did not do it, it is not there and he knows it. We intend to proceed. We have given them the time and I hope maybe they will see the light and shut down this debate now so we can go on to more important matters.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Hon. Member is quite correct, it is a rare occasion when he makes an intervention in this House and I was very happy to be in my seat to be able to hear that kind of an intervention. I hope that the people in his hometown will take the opportunity to listen to what he said. If they do, they will realize that the intent of this Government measure is a massive tax grab from middle income Canadians.

• (1140)

I would like to refer to a point made by my colleague from Montreal. It comes as no surprise to us on this side of the House that the Government has chosen to introduce time allocation in order to end the debate with respect to Bill C-70 on the floor of the House of Commons. The Government does not want to have the debate widened, as we do, in order to ensure that Canadians fully understand more than just the import of deindexation of familly allowances.

The Minister of National Health and Welfare (Mr. Epp) quite properly read into the record from an editorial in last Friday's edition of *The Toronto Star*. However, he read selectively from it. The last paragraph of that editorial is the telling one. It indicates that Opposition MPs are misdirecting their fire by concentrating simply on he deindexation of the baby bonus, however popular a cause that may be with middle class voters. They should, instead, the mounting be barricades for the kind of meaningful reform of the tax and transfer payment system that would lead Canada to a better system of social security for its neediest citizens. That is what we have been attempting to do in this debate rather than simply focussing, as the Government wants us to, on its plan to deindex familly allowances.

I am looking forward to the debate that the Minister of National Health and Welfare will introduce on the floor of the House of Commons when the Government brings forward the omnibus tax Bill to deal with those other measures in the Budget which will impact on low and middle income Canadians in a manner in which the Government does not want average Canadian citizens to find out about.

When considering the Government's proposals we must include the plan to deindex personal exemptions. As a result of those two measures, at the end of 1990 a family of four living on $15,000 a year will pay an additional $1,700 in income taxes and a family of four living on $35,000 a year will pay an additional $3,600 in taxes, but a family of four living on $80,000 a year will only pay $1,125 more in taxes. In other words, the import of the over-all tax change is to make the rich richer and the poor poorer. That is what is at the heart of this debate.

The Government wanted Canadians to focus on its plan to deindex family allowances because it knows it can get away with this measure. The Government wants us to focus on what it is doing in the left pocket while it is taking thousands of dollars of income out of the right pocket. The net effect on Canadians will be that in four years the disposable income of the poorest of the poor in our society will be four per cent less, while the rich in our society will have an additional .6 per cent of disposable income.

I am not surprised by the fact that the Government has introduced time allocation, but I am surprised that it chose the Minister of National Health and Welfare to introduce it. The Minister of National Health and Welfare should have ensured that if time allocation had to be introduced, it was the Minister of Finance (Mr. Wilson) who introduced it. I know the quality of the Minister of National Health and Welfare and I am sure that he must have fought extremely hard around the Cabinet table, but lost the battle. I find it difficult to believe that the Minister of National Health and Welfare could defend budgetary measures that will put the burden of deficit reduction on the backs of low and middle income Canadians rather than advocating, as he should, the overhaul of the tax system to introduce a minimum tax for the rich and to ensure that the transfer does not make the rich richer and the poor poorer. That is what middle and low income Canadians expect from the Minister of National Health and Welfare.

The previous Minister of National Health and Welfare, Monique Bégin, made a name as a defender of the interests of poor and middle income families in our society. She fought well at the Cabinet table to ensure that the interests of her constituents were well represented. They certainly have not been in this debate.

The Minister indicated that, rather than simply obstructing every piece of legislation, the Opposition should bring forward proposals to improve the system. In the intervention that I made on September 16 I indicated the proposals and principles on which the Liberal Party will stand with respect to an overhaul of the social security system in the country. I indicated that we have certain premises with which we began. One of the premises is that amongst the OECD countries Canada ranks in the bottom third in terms of the percentage of GNP that goes to our social security system. That is a fact.

Mr. Epp (Provencher): That is not true.

Mr. Frith: From that assumption we can go to the Macdonald Commission which took two years to make some of the most important analyses of the economic system as we know it. Among its recommendations the Macdonald Commission said, with regard to our social security system, that it does not fear for the future sustainability of our income transfer programs, nor does it believe that short-time budgetary problems, which this Bill and this Budget are all about, should be solved through cut-backs in the programs for social development.

One year ago, during the election campaign, the Government indicated that never, ever would the burden of deficit reduction be taken out on the backs of poor and middle income Canadians, and never, ever would deficit reduction be taken out on the social envelope. Yet, one week ago, in introducing Bill C-70 on the floor of the House, the Minister of National Health and Welfare defended his Government's intentions to reduce the size of the social envelope and to take out deficit reduction on the backs of poor and middle income Canadians on the basis that the economy is not going as well as it should.

Under a Cabinet system the function of the Minister of Finance is to indicate over-all fiscal policy for the country. I would hope that the Minister of National Health and Welfare would exercise his responsibility and indicate his displeasure at the direction which the Minister of Finance took on May 23.

The over-all thrust of the Liberal Party's position is that something has to be done to ensure that the issues of poverty and of the burden of social programs does not fall inordinately on middle and low income Canadians. We want to expand this debate to include measures other than deindexation. I look forward to the debate which we will have in the House of Commons when that omnibus Bill does come forward in order that Canadians can understand.

I have done some open line shows on this subject in the last several days and it comes as no surprise to me that Canadians do not understand the debate that is occurring here in the House; it is very complex. Because of its complexity, and the Government's knowledge that it would not be fully understood by the average Canadian, the Government undertook deficit reduction on the backs of middle income Canadians through sneaky measures, such as the deindexation of personal exemptions. Canadians will not even understand what happened to them until they file income tax returns in the spring of 1986. They will not understand what is happening because the monthly family allowance cheques will not get any smaller. It is very insidious and sneaky. Even the Minister of National Health and Welfare knows that under Bill C-70 the poorest of the poor, the family which lives on $9,000 a year and has four children is going to lose purchasing power by the year 1990.

I will conclude by saying that the notion that this Bill helps the poorest of the poor is only another indication that the Government prefers to put a little grain of truth in its measures. In fact, even they will lose as a result the introduction of Bill C-70.

• (1150)

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I listened to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) who happens to be in the House rather than on the street to participate in the debate, as he usually says—

Mr. Malépart: We are here to defend real people—

Mr. Blais: Real people . . . Just what did you do to defend real people over the past twenty years? We did not see you anywhere, you were glued to your seat here in the House for twenty years, never getting up while your Government prevented—

Mr. Malépart: We had you reverse your decision on old age pensions—

Mr. Blais: —prevented the full indexation of family allowances, which meant a $20 loss for every Canadian family. That is one incident you would rather forget.

Mr. Malépart: Elderly Canadians have fully indexed pensions thanks to the Opposition!

Mr. Blais: That is one incident you would rather forget. When it was time to speak up you did not do anything. That is all you have ever done—

Mr. Deputy Speaker: Order, please. I would urge the Hon. Member to direct his remarks to the Chair so as to avoid debates between two Members.

Mr. Blais: I apologize, Mr. Speaker! Compared to me, my hon. colleague enjoys considerable experience, but he does not seem too eager to share it with us, unfortunately. We seldom have the opportunity to hear debates—

Mr. Malépart: Tell us about the tax on drugs!

Mr. Blais: It is unfortunate for the Hon. Member. Apparently, he needed more than the ten minutes which had been allocated to him. I am sorry, Mr. Speaker.

Mr. Speaker, the Hon. Member quoted all sorts of data concerning tax exemptions. He mentioned for instance that a family earning $80,000 a year would have a tax exemption of $363 while a family earning between $10,000 and $20,000 would have a tax exemption of $203. He may be right technically. But he overlooked the fact that the family earning $80,000 a year—

Mr. Malépart: Is going to pay more than the rich.

Mr. Blais: No . . . I think they also pay income tax. I think that families earning $80,000 pay income taxes too. First of all, that is an exemption, and I suggest that like all the other Members of the Opposition, the Hon. Member for Montreal-Sainte-Marie should keep his mouth shut, open his ears and eyes, and realize that 285,000 people have returned to work since last fall, that these people will be paying income tax and that they are very satisfied with the present Government.

An Hon. Member: That is not true!

Mr. Blais: As my colleague stated a while ago, I think that the Government has clearly indicated its proposals to the Canadian people through its May 23 Budget, and that is what we are working on today.

There have been a number of debates, so that the Opposition has had the opportunity over the past few months to state its case and tell all sorts of stories to the Canadian people. We end up today . . . The Canadian people support the Government, Mr. Speaker, as evidenced by the most recent surveys. That is important!

I realize that the Opposition's duty is to stand in the House, to deal with the various issues, and to try at least to get to the bottom of issues that are of concern to them. But when it is shown that the Canadian people fully support the policies which are on the Government's agenda, I suggest that they should recognize it. They have had every opportunity to deal with this Bill on second reading, Mr. Speaker. In my opinion, the Hon. Minister has put forward quite a legitimate proposal. The House has already spent enough time on this matter.

Mr. Speaker, the Hon. Member for Montréal-Sainte-Marie (Mr. Malépart) referred a while ago . . . I almost started to cry when he mentioned that his mother was waiting for her family allowance cheques. But I suggest that what Canadian families have been waiting for in the past 20 years . . . I prefer to see the people waiting for their pay checks, which hundreds of thousands of Canadian families had to do without because of the previous Government's disastrous policies. That is important! I think that Canadian families need pay cheques much more than they need family allowance cheques. On this basis, the Government has been working very hard on this since September last, something the Opposition should realize and understand. That is clear enough. And the Canadian people realize it.

If Canadian families felt enormously penalized, they would let us know. They have the necessary means to do so. Such is not the case. Because what the . . . The Hon. Member for Montréal-Sainte-Marie should listen instead of continually shouting. I understand that because you have kept quiet for the past 20 years, you want to open your mouth for the next 20 years. You would have been better advised to speak out a little more every year instead of trying to say everything now in six months. Perhaps this would have been preferable.

Mr. Malépart: We never worked for the rich!

Mr. Blais: Is that so? Your Government was looking after them. It is not a matter of working either for the rich or for the poor, but of working for Canadian families. The legislation now before us, Mr. Speaker, is aimed at restructuring in the best possible way the Canadian family's economy. And the starting point is that we should . . . I realize this is something they cannot understand. They never known that. They never had the urge to give jobs to working families and try to restore confidence. All they are trying to do—

An Hon. Member: Stop that nonsense!

Mr. Blais: Try and listen! At least, be polite! You could at least be polite! We listened when you had the floor, even if you had nothing to say. We listened just the same. Therefore, you could at least have the decency to be polite . . . There are people here and they can see who is defending the widow and the orphan. There are people here who can judge your behaviour in this House; you should listen to other Members who have something to say.

An Hon. Member: We are not here to defend our jobs!

Mr. Blais: No, I have no job to defend, and my record is a guarantee for the future. I have not been depending on this. You perhaps, because you have been here a long time, but not me. I was doing something else before. Ask no questions if you will hear no answers.

Mr. Speaker, I still have a few moments left, and I think that if they could . . . I see smiles on the faces of members who last week were almost in tears. Apparently, as soon as the debate becomes serious, they forget that. All they do is play to the gallery.

Mr. Speaker, the serious thing is to put our Canadian families back to work, which this Government is committed to, that is restructuring the family sector. This is important!

Mr. Speaker, we need the Opposition just as we need the Canadian people, to feel that we are recovering our Canadian dignity, to tell ourselves that Canada is not a country that should simply be in constant struggle but that is based on a social fabric. The social fabric is a protective fabric. It is supposed to be a safety net for people who need it. But since there was no economic structure, and this country was going adrift, clearly they never thought of structuring economic and social policies intended to create jobs. Actually people want a pay cheque before a family allowance cheque. This is what I am working at, like each and every one of my colleagues in the Government, Mr. Speaker.

And this is important, just as the Minister of National Health and Welfare has provided Canadians with jobs. It is important to give a pay cheque even before a family allowance cheque. Listen, they stopped at nothing. They reduced the family allowance cheque by $20 during the last 10 years. This includes the Hon. Member for Laval-des-Rapides (Mr. Garneau), who at that time was not concerned with the universality of social programs.

An Hon. Member: He is not here.

Mr. Blais: No, but he was somewhere else, and was saying that universality did not matter.

Concerning the two Members who have been railing at me for the last 10 minutes, including the Hon. Member for Montreal-Sainte-Marie, they have not said anything for 20 years, while they were sending our—

Mr. Lapierre: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Shefford (Mr. Lapierre) on a point of order.

Mr. Lapierre: Mr. Speaker, I would like to remind you that 20 years ago I was barely nine and not in this House.

Mr. Malépart: On the same point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Nine years ago, I was a member in the Quebec National Assembly, while the Hon. Member did not yet know where he was going and is still all mixed up.

• (1200)

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I should like to begin by commenting on some of the things said by previous speakers. I was interested in the benefit of the doubt which the Hon. Member for Sudbury (Mr. Frith) gave to the Minister of National Health and Welfare (Mr. Epp). he hypothesized that the Minister had fought hard at the Cabinet table but had lost in the battle for family allowances. I hold no such theory. As far as I am concerned, I think the Minister is captive to the total economic philosophy of the Government. I do not think he fought very hard at the Cabinet table to prevent the partial deindexation of family allowances. I do not give him that benefit of the doubt. I have seen how the Minister of National Health and Welfare fights at the Cabinet table for other things, particularly for his own province, and he has been a miserable failure at that. If he fought at all to prevent the deindexation of family allowances, his record is equally miserable in that regard. I doubt whether he actually fought.

I was disappointed by the speech of the Hon. Member for Simcoe North (Mr. Lewis) who said that he had been waiting to make such a speech for six years. Instead of making a reasoned defence of the need for the Government to pass its legislation—and indeed such a reasoned defence can be made—it turned out to be a political tirade totally captive to the present context. I was disappointed because I thought we might actually receive some erudite parliamentary advice from the Hon. Member.

In respect of the reason for closure, we have not debated the Bill at great length. The real reason is a political one, that the Government is afraid public opinion may be mobilized. Some people have argued that four months have gone by since the original suggestion was made. We have to remember that the political agenda is often crowded, as it has been since the time the proposal was first made. If the Government was confident that its measure had the support of the Canadian public, I think it would have been much more relaxed about allowing the debate to continue in the House for a decent period of time.

Before the summer recess the House was preoccupied and seized with the question of the deindexation of pensions, and there have been many items on the agenda since our return. One of the functions of delay in the parliamentary system is that it gives people time to catch on to what the Government is up to. I am unhappy, although I understand it as a political tactic, that the Government has decided to try to prevent that from happening. However, let us be clear about why this is being done.

Unfortunately the Minister of National Health and Welfare tried to make light of the position of the Opposition on family allowances. What he did not do or what he could have done—

and, in doing so, I think he could have enhanced his own image—was recognize that what we have here is a debate about fundamentals in so far as social policy is concerned. He could have dwelled on matters of principle, but he did not do that because the Conservative approach to the whole question of family allowances and other social policy changes has been completely devoid of principle. It is no accident that the Minister did not try to get into that higher level of debate which was available to him.

We see a total lack of principle on the part of the Government. The real principle in the backs of the minds of many Progressive Conservative Members, whether they be in Cabinet or on the back-benches, is that they do not like universal social programs. I would much rather that they had the guts to say it and to initiate a debate on universality. This is what they should be trying to do instead of trying to get rid of universality by the back door and not having the commitment to their own fundamental view of social policy. We are not afraid to travel around the country saying that we stand by universal social programs even when some people in the social policy area have questions about universality. We are willing to take that heat, but the Conservative Party is not willing to take the heat about its own real position. Its Members are not able to do that or are unwilling to do that.

There was a second position which they could have adopted on principle, which they did not do. They could have stuck by their contention that whatever reforms they made, the money saved through such reforms would have been passed on to those people who needed it the most. That was the position of principle which they took in the paper released by the Minister of National Health and Welfare back in January, I believe it was, but they abandoned that principle. They did not have the guts to stick by it. Now we find that the money which is to be saved from the deindexation of family allowances will eventually find its way into the cause of deficit reduction rather than into the pockets and budgets of families who need it most. By doing this, the Government made a serious political error, if I may give it some unsolicited advice. Had its Members stuck by the second principle, they could have divided their critics. Had they stuck by that principle, groups which are now forming a coalition against the deindexation of family allowances would have been divided over the issue because some of them would have said that if the money was actually going to those who needed it most, they would support the Government. Certain groups have taken that position over the years, but the Conservatives did not have the guts to stick by that principle. Now we see a coalition of people from various groups that have held various views about the benefits of universality over the years coming together to say that this is bad social policy in every respect because it erodes universality without adopting the most beneficial aspects of selectivity. Also they say that it is a retreat on promises made by the Government in January in respect of where money saved would go and, before that, the promises made by its Members during the election campaign about whether family allowances would be hit at all.

I recall that the Progressive Conservative candidate who was my opponent in the last election had conniptions when I distributed a pamphlet indicating that the Conservatives would tamper with family allowances. He said that that was a lie, that I was a most irresponsible person and that the Progressive Conservative Party had no intention of doing anything with family allowances. He asked how I could be so dishonest and make those kinds of allegations. I said the same about pensions. Of course many members of the New Democratic Party did, because we know the real social policy agenda of the Progressive Conservative Party. Unfortunately the Conservatives are unwilling to come forward to say so, so that we can have a real debate about the fundamentals of social policy. I think that would be instructive for all of us; we could find out where people really are in respect of these issues.

It is not only questions of social policy, it is also the question of who is pro-family, if anyone is completely. There has been much rhetoric about who is pro-family and who is anti-family. However, the deindexation of family allowances and the erosion of universality over time will not be an attack only upon families. It is an attack on communities and on the sense of what it means to be a community.

One of the reasons we are in favour of universal social programs is that we believe a community has the right to say that it regards certain matters as important. In this case it is the family. It might be education or retirement for the elderly. We say that these things are provided to people because we believe that that is what it means to be part of a community. We believe that they ought to be allocated to people on the basis of the fact that they are part of the community, not because they are at one end or the other of the income scale, nor because we hold to a view of society which sees us as isolated individuals.

We have a notion of what it means to be a community. That is also at stake here, in terms of the philosophical debate wich we ought to be having. We will not have the time to do that. In fact, we will not have as much time as we need because the Government has chosen to move a closure motion. It goes against everything its Members said in Opposition. When it comes down to it, they did not mean it in any event. It is too bad that we will not have time for the debate we ought to be having.

• (1210)

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am very happy to take part in the debate on the motion moved by my Hon. colleague, the Minister of National Health and Welfare (Mr. Epp). I believe that Bill C-70 should immediately be referred to the legislative committee which is empowered to make an in-depth study of its provisions. I want to express my support for this Bill. Being myself a mother who received family allowances for her four children, I understand the crucial importance of this debate for all recipients of family allowances, especially women.

Mr. Speaker, the purpose of my intervention is twofold. First, I shall emphasize the universal nature of family allowances and the progressiveness of the federal child benefit system. Second, I shall outline the main reasons which motivated our Government to index family allowances yearly to the consumer price index over 3 per cent.

Mr. Speaker, I believe it is my duty to reassure the Canadian people that the principle of universality of the family allowances system will be maintained. This system, after being established in 1945, soon became popular with Canadian society as a whole. Through this system, the Governments recognize the invaluable contributions made to society by parents who are raising tomorrow's citizens. In 1985, some 3.6 million Canadian families will receive $2.45 billion under the family allowances system. These 3.6 million Canadian families can be assured that the Conservative Government has no intention of jeopardizing the universality of this system. In spite of the recommendation by the Commission on the Economic Union and Development Prospects for Canada to the effect that family allowances and other Federal transfers should be replaced by a universal income security system, my colleague, the Hon. Minister of National Health and Welfare, clearly stated that the Government had preferred to maintain the principle of universality and indexation. I find it very regrettable that our friends opposite would remain silent about the fact that the universality of this program is being maintained. Throughout this debate, they have tried to scare the Canadian people, but it should be emphasized that the Government of which I am a member is in no way contesting the universality of family allowances.

Moreover, Mr. Speaker, I believe that this Bill must be viewed as only one component in the federal child benefit package. Consequently, it must not be considered in isolation, but should instead be analyzed in conjunction with the other two components, namely the child tax credit and the tax exemption for dependent children.

In a spirit of social justice, our Government has shown its desire to reinforce the progressive nature of the programs designed to provide financial assistance to people with children. Is it not more equitable, Mr. Speaker, to pay higher benefits to the poorer recipients and the lower benefits to the wealthiest? A report of the National Welfare Council entitled The Reform of Child Benefits tabled in March 1985 concluded that "the benefits received by a family from the child benefit system have no logical or equitable relation with its financial needs". According to this same report, "the Canadian child benefit system is inconsistent not because it provides benefits to high income families, but rather because their benefits are too high. It is a problem of equity".

Improving the progressiveness of family allowances is therefore a basic objective to which our Government has committed itself. A number or organizations dedicated to the defence of the disadvantaged have for many years requested from the Federal Government income redistribution measures which would be more equitable to low income Canadian families.

The budget tabled by the Minister of Finance (Mr. Wilson) last May takes these representations into account. Thus by increasing the child tax credit and by reducing the tax exemption for dependent children, low-income families now will benefit from an increased assistance from the federal Government. According to the Minister of National Health and Welfare (Mr. Epp), families with children and earning an annual income of $25,000 or less will be the big winners of our assistance policy to families. This is a policy which we should all applaud. I readily agree with it as did the Minister of National Health and Welfare in the previous Government when she said: "We have to ask ourselves in the first place whether it is proper in our society for families with income in excess of $26,000 to receive the full child tax credit.

Mr. Speaker, with your leave, I will now state the various reasons which led our Government to introduce a measure providing for partial indexation on the cost of living. The reason is quite simple and unfortunately does not require a lengthy demonstration. In September 1984, the Conservative Government had to tackle the problem of our public debt. It is a sad reality with which we have to deal. It seriously threatens our capacity to promote constant growth. It alone represents in simple terms the sum of all deficits since Confederation. A hundred years or so were needed to pile up a $18 billion debt. Now less than 20 years later, our debt is close to $200 billion and increasing twofold every five years.

Moreover, if it is not controlled right now, the deficit could jeopardize at medium and long range the future of some of our social program. In a thorough analysis of the federal deficit and debt, the President of the Economic Council of Canada, Mr. David Slater has said: "Left alone, the federal deficit could in the future create serious problems restricting among other things the capacity of the Government to provide public services." By talking immediate measures to reduce the deficit, our Government is guaranteeing the future of our social programs.

With respect to the same issue, Mr. Speaker, I should like to object to a statement made by my colleague the Hon. Member for Vancouver East Ms. Mitchell). She pointed to the House that it was easier to encroach upon the rights of children, because they cannot vote. The stringent measures taken to control the deficit are meant to be effective right now so that our children will not inherit economic conditions over which the public debt prevails. We do not have the right to evade our economic responsibilities. The next generation should not expect to be required to pay for the excesses of the previous generation.

Those are the policies, Mr. Speaker, which the Canadian taxpayers will surely appreciate. The President of the Economic Council of Canada has applauded the budgetary measures of our Government. According to Mr. Slater, the implementa-

tion of constructive measures was necessary to maintain the deficit at a proper level and to ward off long term problems for Canada. By tackling the deficit right now, we are thinking in terms of the future of our children.

Mr. Speaker, I also want to deal with several alarmist statements made by our colleagues opposite. Some opposition members suggest that they are the unwavering champions of social programs—

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

Mr. Deputy Speaker: Order. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a point of order.

Mr. Boudria: Mr. Speaker, I had been listening attentively to the Hon. Member's speech until I noticed, as you did yourself, that the speech was read in its entirety, and I am sure you will agree that under the Standing Orders, Members may not read what they say in the House without good reason.

Mr. Deputy Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) may be technically right, but I think the Chair has been tolerant in this respect with junior Members of the House.

The Hon. Member for Blainville-Deux-Montagnes (Mrs. Landry).

Mrs. Landry: Thank you, Mr. Speaker. Perhaps I prefer to read what I say and say something sensible, instead of speaking without a text and speaking at random.

Mr. Speaker, some Members of the Opposition are inferring that they are steadfast defenders of our social programs. I think they have a bad case of selective amnesia. Although they may not want to hear it, I may remind them it was the previous Government that fully de-indexed family allowances for 1976, when Canada was faced with an annual inflation rate of 11.2 per cent.

In 1983-84, the previous Government again acted by capping increases in family allowance payments at 6 and 5 per cent respectively. I suggest that our friends opposite stop their posturing.

One of the Ministers at the time stated that it was impossible to deal effectively with our own deficit and that of the provinces unless taxpayers helped to reduce these deficits by limiting their income. Those words should be an inspiration to the Opposition today.

In concluding, Mr. Speaker, I would like to stress that the two Opposition parties do not have a monopoly on compassion. Our Government's family assistance policies are dictated by the principles of social justice. The principle of universality is not being challenged. In addition, the whole family assistance program is more progressive than it was under the previous administration. Finally, our fight against the deficit sparked the economic recovery which makes it possible for all Canadians to look forward to better days.

Mr. Speaker, I fervently hope that Bill C-70 will be referred to a legislative committee as soon as possible.

• (1220)

[*English*]

Mr. David Berger (Laurier): Mr. Speaker, if, one year ago, someone had told me that I would be rising to make the speech that I plan to make in the next 10 minutes, I really would not have believed it. Who would have thought that the Conservative Government, elected with such a huge majority, would have succeeded in disappointing so many Canadians so quickly? The Conservative Government was given a mandate to better the lives of Canadians, to find a better way of doing things. One year later, I invite you, Mr. Speaker, to read the year-end reviews. Even the staunchest Conservatives supporters are having doubts.

[*Translation*]

It did not take long to realize that the promises of the Prime Minister (Mr. Mulroney) were not sincere. The moment the new Government took office, we witnessed a whole slew of political appointments which even the most staunch Conservative finds revolting.

[*English*]

It did not take long for Canadians to discover—

Mr. Lewis: Mr. Speaker, I rise on a point of order. If the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has a minute, he might advise his colleague, the Hon. Member for Laurier (Mr. Berger), not to read his speech.

Mr. Deputy Speaker: The Hon. Member for Laurier (Mr. Berger) has the floor.

Mr. Marchi: That's sleazy. You're desperate to get on t.v.

Mr. Berger: It did not take long for Canadians to discover—

Ms. Copps: The only thing you're going to finish is Canadian families.

Mr. Berger: I will try again. It did not take long for Canadians to discover that P.C. meant not Progressive Conservative but "Patronage Canada".

Some Hon. Members: Hear, hear!

Mr. Boudria: Well said, Mr. Speaker.

Mr. Lewis: Well read.

Mr. Berger: I think that most Members of the House and many members of the public probably read Gary Lautens' column which revealed why the Prime Minister (Mr. Mulroney) travels with two planes. He has one filled with empty seats and the other with empty promises.

To understand the sense of betrayal of Canadians, there is no better example than the sleight of hand performed by the Prime Minister and the Government over child and elderly benefits. Could anyone have predicted that the Conservative Government would act in such an underhanded manner, playing games with the trust of Canadians, flip-flopping on the most basic promises?

[*Translation*]

First, the Mulroney Government fails to live up to its commitment not to reduce social spending.

In the famous consultation paper tabled last January concerning child and elderly benefits, we were promised, and I quote:

> Any net savings which may then remain, whether resulting from reductions in expenditure or additional revenues, should be applied to other priority concerns in the social affairs envelope.
>
> No such savings—

—and I emphasize this—

> —should be transferred to deficit reduction.

All we need do is read the first sentence of the speech delivered by the Minister of National Health and Welfare (Mr. Epp) to appreciate the complete about-turn of the Mulroney Government in the space of four months. A week ago, in his remarks to introduce this Bill, the Minister said that the Government announced its intention to restructure the federal child benefit system to provide greater assistance to families with lower incomes while at the same time moving to bring our national debt under control.

The Mulroney Government says one thing in January and does the opposite four months later. No wonder the Government has lost public support.

All told, Mr. Speaker, the Budget will reduce by half a billion dollars the benefits that had been earmarked for families from now until 1990.

[*English*]

That the Government reneges on its promise not to cut social spending is one thing but what is worse is that the combined effect of the Budgetary measures hurts poor people more than the rich. It is hard to believe that in 1985, a Government would table such a regressive and anti-social Budget.

[*Translation*]

The Bill provides that, starting in 1986, family allowances will be indexed only on that portion of the inflation which exceeds 3 per cent. Hon. Members will know that family allowances now amount to $375 a year and are fully indexed to the cost of living. The Government is therefore making the families pay for the first 3 per cent of inflation.

The child tax credit will increase, but fewer families will be eligible as the level of family income at which the tax credit begins to diminish will drop from $26,330 to $23,500 beginning in 1986. The Women's Health Center located in my constituency has stated the following:

> The consequence of the proposed reform will be to minimize and marginalize family allowances which are the only true form of completely universal benefits and to give more importance to selective types of benefits such as the tax credit.

I should add that fewer families will be eligible to the tax credit.

The budget also announced a number of other tax changes, changes to the tax exemption for dependent children, to the federal rebate, to basic personal exemptions, to tax deductions, to registered pension plans and to Registered Retirement Savings Plans or RRSPs.

The National Council on Welfare, in a study report published last July, showed that the combination of all those measures is punishing lower- and middle-income families while benefiting rich families.

An Hon. Member: A Government for the haves.

Mr. Berger: Tax deductions allowed to the rich for registered pension plans and RRSPs—and it is important to understand that—make up for losses due to changes in child benefits and tax credits, with the result that the budget is reducing taxable income in the case of rich families.

In its calculations the National Council on Social Welfare uses as an example a working couple with two children and makes a comparison between poor families ($15,000 income), middle-income families ($35,000 income) and rich families ($80,000 income).

Over the next five years, poor families will lose $1,879, while rich families will only lose $1,125. Where is the justice, Mr. Speaker? We dare not even mention middle-income families. They are the big losers, to the tune of $3,452.

[*English*]

The National Council on Welfare also analysed the effect of the Budget on single parents. I am particularly distressed by these results because of the impossible situation of most single-parent families and because in the riding of Laurier there is twice the national average of such families. Almost half of single mothers were below the low-income line in 1983 and their average income of $17,585 was only 44 per cent of the $39,554 average for two-parent families. These stark figures would seem to be evident to everyone except Members of the Conservative Government.

I would remind you, Mr. Speaker, that the rich one-parent family with $60,000 per year in revenue actually ends up some $404 ahead after the Budget. The poor one-parent family with $15,000 in average income will lose $1,844 between 1986 and 1990. The middle income family with an average income of $35,000 will lose $3,504 over the same period of time.

• (1230)

I would like to point out that the analysis of the National Council on Welfare only takes into account the Budget's changes to child benefits and the personal income tax system. It does not analyze the effect of increases in consumer taxes,

which could add about $200 to $300 a year to the tax bill of most Canadian families. It does not consider the effect of the capital gains exemption which will benefit only the most wealthy in our society.

The bottom line on the Budget of the Prime Minister is this. First, it breaks the promise not to reduce social spending. It then attacks the poor and the middle class. The Conservative Government attacks those in our society who are least capable of defending themselves. It seems the Government can find $1 billion to bail out depositors with deposits of more than $60,000 but cuts precious dollars from family benefits. In the case of the elderly, the injustice was obvious and caused the Government to retreat at the end of June. In the case of family benefits, the injustice is more difficult to perceive at this point in time.

I started off my remarks by saying that if someone had told me a year ago that I would be standing in the House today delivering this sort of speech I would not have believed him. However, given the pitiful record of the Conservative Government one year later it is not surprising how many people have concluded that this Government will last but one term.

Some Hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, when I listen to opposition Members I am reminded of what happened when I was training as a young man at Sarcee Reserve in Calgary. We were shooting at a target and the sargeant was behind us. The chap next to me was shooting and not hitting the target. The sargeant came up to him and said: "Where in the world are those bullets going?" The young man looked up and replied: "Well, sir, I don't know where they are going but they're sure leaving here with an awful bang." That is the feeling I get from speeches made by opposition Members. They do not know where they are going. The only way we could make the Opposition happy would be to continue to borrow and borrow and borrow and live on borrowed money. That is the only way we could make the Liberals and the New Democrats happy. That is what they were doing for the last 16 years. They thought they could borrow themselves out of debt.

Some Hon. Members: Oh, oh!

An Hon. Member: Louder!

Mr. Deputy Speaker: Order, please. Could we allow the Hon. Member for Bow River (Mr. Taylor) to make his speech?

Mr. Taylor: What they have done is left a heritage, a heritage of—

Some Hon. Members: Louder, louder!

Mr. Deputy Speaker: Order, please. Could we please allow the Hon. Member for Bow River to make his speech?

Mr. Taylor: Mr. Speaker, when you throw a stone into a pack of dogs and a dog starts to yelp you know you have hit one of them.

Some Hon. Members: Hear, hear!

Mr. Taylor: Mr. Speaker, they never stopped once to realize what they were doing to the country when they were borrowing and borrowing. The greatest threats to the social programs in Canada are the Liberals and members of the New Democratic Party. They were going to borrow and borrow and borrow until there was nothing left to borrow.

Mr. Tobin: On a point of order, Mr. Speaker. Might you advise the Hon. Member opposite that we have now moved into the 20th century? We have electronic means of being heard in the House and it is not necessary to yell. His speech is both offensive to intelligent people and offensive to our ears.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Member for Yorkton-Melville (Mr. Nystrom) on a point of order.

Mr. Nystrom: On a point of order, Mr. Speaker—

Mr. Taylor: In the 20th century they know what a point of order is. They have been in the House for a number of years and they still do not know what a point of order is.

Mr. Deputy Speaker: The Hon. Member for Yorkton-Melville on a point of order.

Mr. Nystrom: Is that not a case of the kettle calling the pot black, Mr. Speaker?

Mr. Deputy Speaker: The Hon. Member for Bow River has the floor on debate.

Mr. Taylor: I hope you will not be taking the time they have spoken off my time, Mr. Speaker.

Ms. Copps: We hope you are.

Mr. Boudria: Repeat what you said.

Mr. Taylor: I have said before that the only way you can get anything into opposition Members' heads is to cross a woodpecker with a carrier pigeon. In that way they could carry their message and pound it into their heads.

Some Hon. Members: Oh, oh!

Mr. Taylor: Members opposite still think that borrowing is all right. It is no wonder that they jump up and down like jumping jacks when we talk about the effect of their policies because what they will do is ruin the social programs of Canada. Social programs depend on the productivity of a country. When a country borrows, borrows and borrows, that productivity is eventually eliminated.

Ms. Copps: Are you the woodpecker or the pigeon?

Mr. Taylor: They would do that until the point where they could not borrow any more. Then they would leave the widows and the children and the crippled without any help whatsoever. That is the end of their program.

Some Hon. Members: Shame, shame.

Mr. Taylor: That is where they would lead us. They do not know where they are going but that is where they would take us.

This Government is looking ahead. We know where we are going and what we are trying to do. We are trying to make Canada a place which has no debt and a balanced budget so that our people can keep more of the money in their own pockets and not have so much taken off their pay cheques. I look forward to the day when Canada as a united country will be happy right from the Arctic to the 49th and from the Pacific to the Atlantic with people earning their living and the Government only looking after those who need help—not the rich.

An Hon. Member: What about the banks?

Mr. Taylor: It makes me laugh when I hear members of the Liberal Party and the New Democratic party talk about helping the rich. Who is it who wants to help the rich?

Some Hon. Members: The Tories.

Ms. Copps: You do.

Ms. Mitchell: What about the oil companies and the banks?

Mr. Taylor: This program will help the poor and not the rich. The rich are part of this country, too.

Ms. Mitchell: Help the banks.

Mr. Taylor: I do not criticize the rich. Most of them got rich through hard work. Now, members of the NDP want to take their money away from them.

Ms. Mitchell: Give it to the banks.

Mr. Taylor: I want to get the country to a place where we can earn our keep and where we will have more rich people. I will not hurt the poor. This Bill does not hurt the poor. It takes from the rich and adds to the poor.

Mr. Lapierre: Not at all.

Mr. Taylor: I wish Hon. Members opposite would get that into their heads.

Mr. Lapierre: Read the Bill.

Mr. Taylor: It takes from the rich and adds to the poor.

[*Translation*]

Mr. Malépart: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: I will let the Hon. Member put his translation phone on but I am afraid he is not referring to the right legislation. The Bill that robs the poor to give to the rich—

[*English*]

Mr. Deputy Speaker: The Hon. Member for Bow River has the floor on debate.

Mr. Taylor: Mr. Speaker, I wish the Hon. Member opposite would read the Bill, in his own language, if he likes—in French or English. If he did so he would definitely see that we are paying a greater amount to poor families with children than we are to rich families with children. That is what hurts Hon. Members opposite. They keep talking about hurting the rich. They are trying to deceive the poor. That is what Hon. Members opposite are trying to do. The last Hon. Member who spoke, whom I respect highly, was saying that we are helping the wealthy. That is completely silly. This Bill will raise today's maximum of $384 to $524 by 1989 for the poor—not for the rich. Why do Members opposite try to deceive the people out there when they talk about the time allocation motion?

When I was in England with a delegation I asked Labour Members and Government Members if they agreed with the policy of the mother Government. What do they do in England? Almost every Bill which comes in has written on it: "This Bill will have 'x' number of days for debate." I said to a Labour Member of Parliament, since he sits in opposition: "Do you support that measure?" He replied: "Certainly. Parliament has to make progress. We have to deal with things." We do not want repetition after repetition after repetition as we have heard in the debate thus far.

An Hon. Member: Could you repeat that?

Mr. Taylor: Last Friday, because they were so repetitive, they ran out of Members to speak on the Bill and they had to adjourn the House.

Mr. Tobin: You have not had an original thought in ten years.

Mr. Taylor: Mr. Speaker, we want a reasonable time for debate. I would like to see the Government bring in a policy by which every Bill has a set number of days for debate so that we can debate measures fully and thoroughly, but not repeatedly and repeatedly.

• (1240)

Those Hon. Members talk about helping the rich with capital gains. I wish they would go out to the west, to some of the farm homes which I visit. The only nest-egg those farmers have is the land they have worked on for 50 years. That is their only nest-egg. The Government is saying to them, "When you sell your nest-egg at the age of 65 or 70 years, you can keep it all. We are not going to grab part of it because you have been paying taxes all through the years".

Ms. Mitchell: You'll take away from their grandchildren, though, won't you?

Mr. Taylor: Now when those farmers sell their nest-egg they can keep the returns and enjoy their last years on the earth.

Mr. Cassidy: Let's hear it for the speculators.

Mr. Taylor: That is what those Hon. Members say is helping the wealthy. The farmers of Canada are not wealthy. They deserve the nest-eggs they have built over the years.

Mr. Deputy Speaker: Order, please.

Ms. Copps: Mr. Speaker, I rise on a point of order. I understand why the Minister is repeating the same arguments he made during the senior citizens' Bill which was repudiated by the people—

Mr. Lewis: That's not a point of order.

Ms. Copps: —and by the Prime Minsiter (Mr. Mulroney). My point of order deals with the fact that the Hon. Member is supposed to be speaking to this Bill; his ruminations on capital gains exemptions have nothing to do with this particular motion.

Mr. Deputy Speaker: The Hon. Member for Bow River (Mr. Taylor) has the floor on debate.

Mr. Taylor: Mr. Speaker, if the Hon. Member has left her manners at home, I wish she would stay home with them.

Those Hon. Members started the debate on capital gains. This is a closure debate, in case the Hon. Member does not know it, and I am arguing why it has to be a closure debate. It is because of the nonsensical attitude of the Opposition in this House. They want to continue to borrow and borrow. They keep talking one way and acting another. What did they do for the poor people of Canada when they were in office? They talk about the results of deindexing in the 1990s. If we had deindexed the way the Liberals did on family allowances, we could have said every family would lose "x" dollars too. That is a silly argument. We live by the laws of the House of Commons and—

Mr. Cassidy: The law of tooth and claw.

Mr. Taylor: —and we endeavour to help those who need the help, not those who do not. This Bill will reduce payments for rich families and it will increase them for the poor families. That is the way it should be. It might be an entirely different attitude and policy—

Mr. Cassidy: Let's go back to the dark ages.

Mr. Taylor: It's a foreign policy to the Liberals and the New Democratic Party but it is a policy of this Government to help the poor. We must get productivity going so that everyone in the country will have a chance to live and to survive. We built this country not on debt but on productivity, with people producing. That is the way to build a country, Mr. Speaker. We are building unity among our provinces and among our management and labour unions. We are doing so because the greater our productivity the greater the social programs we can provide. The more we produce, the better we can treat the poor people of this country—

Mr. Cassidy: Bring back the cartels. Long live the 19th century.

Mr. Taylor: —and eliminate the poor people of this country.

Mr. Cassidy: Yes, eliminate them.

Some Hon. Members: Oh, oh!

Mr. Taylor: —so that they will not be poor, so they will have enough to live on and will not have to depend on Government subsidies. That is what we want. We want our poor people to become richer and richer.

Mr. Deputy Speaker: Order, please. The Hon. Member's time for debate has elapsed.

Mr. Nunziata: I rise on a point of order, Mr. Speaker. A few moments ago the Hon. Member referred to my colleague, the Hon. Member for Hamilton East (Ms. Copps), and suggested that my colleague should stay home now that she is married.

Ms. Mitchell: Oh, oh!

An Hon. Member: He didn't say that.

Mr. Deputy Speaker: That is not a point of order on debate.

Hon. Herb Gray (Windsor West): Mr. Speaker, we are debating a motion which will have the effect of choking off consideration of a measure which will affect 3.6 million Canadian families.

Mr. Lewis: Something you never did, eh?

Mr. Gray (Windsor West): This Bill, if it passes, will hurt 3.6 million Canadian families by reducing the purchasing power of the family allowance. No wonder the Conservatives want to choke off debate on this Bill after only five days. The Conservatives hope this Bill will slip through this House before Canadians, especially middle and lower income Canadians, fully realize what harm the Conservatives want to do to them.

The Conservatives now say that there has been enough debate on this whole issue of deindexing the family allowance. The last speaker, in particular, cast doubt upon the commitment of the Conservatives even to the most elementary of social programs. Yet back in 1980, the Conservatives had a massive ad campaign opposing any suggestion of deindexing. That ad said in part that deindexing "is a form of taxation that will have staggering consequences for every Canadian taxpayer, especially the low income earner". It said that "deindexing is a scheme to guarantee that you will pay higher federal income taxes year after year". If that was true in 1980 with respect to income tax, it is true today, not just for income tax but for family allowance.

Yet the Conservatives today are trying to cut off debate on a measure aimed at slipping through a cruel blow to a key part

of our whole fabric of programs to support families and all Canadians. No wonder the Conservatives want to rush through an amendment to the Family Allowance Act which is something as I have said, that severely weakens and undermines the objectives of one of the fundamental elements of our national social security framework.

The Bill which this motion wants to bring to a vote reduces the indexing of family allowances and therefore its purchasing power. This not only contradicts promises made by the Conservative Party in the last election campaign, it absolutely contradicts the assurances of the Minister of National Health and Welfare (Mr. Epp) who stated in this House last December 21, and I quote from *Hansard* at page 1444:

Mr. Speaker, I can confirm that the regular indexing of the Old Age Security, Guaranteed Income Suplement, and family allowance will be increased as of January 1, 1985, and the Canada Pension Plan will also be increased 4.4 per cent—

The question asked of the Minister at that time did not include any reference to the family allowance system which is under attack today. However, the Minister went out of his way to include the family allowance in his commitment to increase regular indexing for 1985. The indexed family allowance benefits will increase by 4.4 per cent in 1985 but will be 1.4 per cent, more or less, in 1986, because of this cruel and heartless Bill.

The Family Allowance Bill of 1973 was introduced by the Liberal Government of the day and was approved by this House with the support of all Parties. That Bill had as its objective the strengthening of an income supplement program for Canadian families which was created by a Liberal Government almost 30 years before. This law was passed with the full recognition that income from employment does not request family size, that family bread winners working at or near the minimum, part-time or full-time, often do not have sufficient earnings to support more than one or two dependent children.

The Family Allowance Act also embodies a recognition that the family bread winner may only be able to obtain work on a seasonal or intermittent basis. Parliamentarians realized that these families constantly struggle to keep off the welfare roles because of their pride in their ability to make their own way. Indexing was and is very much part of the program to preserve the purchasing power of the family allowance, a vital instrument, therefore, of social justice.

It is not only this particular Tory Bill under debate today which violates the objectives of the Family Allowance Act and our entire social security framework. This legislation is just one part of a total package of Conservative Government Budget measures which runs against the grain of every positive step taken by successive federal Governments—yes, Liberal Governments—to help lower and middle income Canadian families to improve their economic and social standing in the society of our country.

Further, the May Budget of the Conservatives is not just fundamentally flawed in its brutalizing collision with the values which have shaped our national social policy tradition and consensus, it strikes particularly at lower and middle income Canadians at a time when we are still in a period of recovery from a severe world-wide recession. Lower and middle income Canadians have borne the brunt of general economic difficulty.

• (1250)

The May Budget of this Conservative Government will drive an expanding wedge through an already widening gap between rich and middle-income and poor families. At a time when federal Government anti-poverty efforts should be renewed and reinforced, at a time when federal government efforts to assist families should be strenghened, this Tory Government has chosen to redistribute income from lower and middle-income Canadians to rich Canadians.

This Government's first priority is an impersonal passion for the bottom line. It intends to apply what it calls savings, actually money taken from the pockets of middle and lower-income Canadians in the billions of dollars through cuts in social programs, to reducing the deficit.

First it tried to do that with the old age pension and the outrage of Canadians generally forced it back. But it still wants to do this to the family allowance program, the subject of the Bill which this motion will bring to a vote. It intends to do the same thing to the indexing of the personal income tax. The so-called savings are to be applied to a reduction of the deficit and the Government intends to do this as a priority in total disregard of its own promise, stated for example by the Minister of National Health and Welfare on December 14 of last year, that none of the money saved by reducing social benefit payments would be used to reduce the deficit. So much for credibility. So much for accuracy. So much for a commitment to social values by this cruel and heartless Conservative Government.

Even this cynical passion for deficit reduction fails to completely explain Tory Government motives which result in the unfairness of the Budget of which this Bill is just one part. While the Government has been forced to withdraw its measure to deindex the OAS, it continues to try to put into effect tax policy which would provide a small group of individuals who receive handsome profits from capital gains with unconditional exemptions which will cause lost tax revenues estimated at $1.2 billion in 1990 alone.

The Budget proposes a swath of changes to child benefits which, according to the superficial arguments of the Government, appear to provide an advantage for low-income families. But on closer examination we find this Budget will bring about a partial deindexing at the 3 per cent threshold after 1989; that the cut-off point for the planned child tax credit reduction will be lowered from $26,330 to $23,000 in 1986; and that the child tax exemption will be reduced from $710 per child to $560 in 1987, $470 in 1988, and to the level of the family allowance in 1989. Every Canadian family will lose necessary benefits as a result of the impact of the Conservative Budget. But even the poorest of the poor will lose benefits after 1990 because of the deindexation of the child tax credit along with the deindexation of the family allowance which the Conserva-

tives are trying to force through this House today against the interests of Canadian families and children. All families will get less, even the poorest will get less, because of this Conservative measure.

If we consider the cumulative impact of the budget measures to change the child tax credit and the current tax exemptions for dependant children, and the indexation of income tax, then we find working parents who together earn $15,000 annually and have to feed, clothe and provide a home for only two children, will lose $1,844. The husband and wife who earn a combined annual income of $35,000 will lose $3,452.

There is no reasonable and objective standard of evaluation of the Conservative Budget, of which this Bill is just one harmful part, which can avoid yielding the conclusion of unfairness and injustice. The consistent and undeniable theme throughout is a redistribution of disposable income away from lower and middle-income taxpayers to upper-income taxpayers. Over the next five years those earning $15,000 a year will have to absorb a 36 per cent tax increase, those earning $30,000 an 11 per cent tax increase, those earning $100,000 only a 4 per cent tax increase, and those few taxpayers, great friends of the Tories obviously, earning $200,000 a year will only have to pay 2 per cent more in taxes. That is Tory fairness. That is Tory social justice.

To conclude, in December of last year the Prime Minister (Mr. Mulroney) appeared to base the entire argument for his Government's unsuccessful attack on the universality of certain social programs on the justice he saw contained in his tirelessly repeated and meaningless anecdote of how bank presidents should not be receiving social programs benefit payments which they do not need or want. He tried to give Canadians the impression that his Government would redirect and enrich social program benefits to Canadians most in need. Well, the Canadian people were not taken in when it came to the OAS and in spite of Conservative efforts to choke off debate on this Bill they will not be taken in by its measures.

Certainly the imbalance, unfairness and injustice of the Budget in general and this measure in particular have only been made more patently obvious by the Government's total mismanagement of its reponsibility in the $1 billion fiasco involving the Canadian Commercial and Northland Banks. While the Conservative Government places an onerous burden of taxation on lower and middle-income Canadians, it is ready to spend more than $1 billion of the taxpayers' money to make up for its mishandling of the CCB affair. The Government should withdraw its Budget and keep its promises to lower and middle-income Canadians. This Bill, as one step to withdrawing this Budget, should be defeated; the first step is to defeat this motion aimed at unfairly choking off debate on this important measure.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, we are debating a motion to limit debate on Bill C-70. As we all know, this means we are debating the Government's intention to close debate; a closure motion. This is a really damaging—

Mr. Dick: Point of order, Mr. Speaker. Perhaps the Hon. Member does not know and understand, but we are not debating a closure motion. If she knew what the procedure was, she would know we happen to be debating a time allocation motion. Closure is under an entirely different section and is rarely used.

Ms. Mitchell: Mr. Speaker, perhaps the Hon. Member would listen to what I am saying. I said it has the effect of a closure motion.

We have had less than 10 hours of debate on this Bill and until today there have hardly been any Conservative Members willing to stand up and say why the Government is putting forward this Bill which is so damaging to families and children. I think it is disgusting, Mr. Speaker! Conservative Members would debate the Crow Bill for hours. I don't care about woodpeckers and carrier pigeons but the Member who spoke a little while ago will remember how long he debated the Crow legislation tailing along after the NDP. Members opposite do not care about children. They do not care about families or women, the ones who are going to be affected most by this Bill. This Government wants to suppress debate because it is afraid. It is afraid that the people of Canada are going to find out what this Bill will do in reality and what it symbolizes as the first of many terrible measures in the Budget affecting families. We are going to continue to keep the public aware and get the message out to people as to just what this damaging Bill is doing. The Government is giving an erroneous impression that this Bill is insignificant. It is a very, very damaging Bill and I hope to continue and conclude after lunch.

Mr. Deputy Speaker: Yes, the Hon. Member will be able to complete her speech later.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

LABOUR RELATIONS

THUNDER BAY—KRESGE DEPARTMENT STORE STRIKE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, for more than five months a number of employees of the Kresge department store chain in Thunder Bay have been on strike in an attempt to win a first contract and ensure for themselves a reasonable degree of recognition and remuneration for their work. Ninety-four per cent of these employees are women and,

as is the case far too often when the majority of employees are women, the management of this company is trying to ignore them. These employees receive an average wage of only $4.51 per hour, which is far below the poverty line for a single mother. An employee with 30 years of service with the company will receive a whopping pension of less than $90 per month.

These workers have every right to demand fair compensation for their work, and the company has a social responsibility to deal with them fairly and to accept their right to form a union to speak with a collective voice. If the company refuses to live up to its responsibilities, then it is up to society to impose sanctions. The workers are asking the consumers of Canada to boycott this department store chain, and the other chains, K-Mart, Jupiter, and Big Top which have the same owners.

This boycott has been offered support from the CLC, the OFL, the Roman Catholic Bishop of Thunder Bay, and the United Food and Commercial Workers. I hope it will also be endorsed by all consumers of Canada who understand that fairness and a decent standard of living are the right of all workers in this country. I ask that they join with me and my colleagues and say: "I can't shop at Kresge's any more!"

* * *

CANADIAN PACIFIC RAILWAY

ELIMINATION OF PENSIONERS' TRAVEL PASSES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I would again like to bring to the attention of the House the matter of the elimination of pass privileges by CP Rail for CP Rail pensioners. When the issue first came to light last summer CP Rail indicated that it was a decison arrived at during union-management negotiations. CP Rail has now indicated that passes for pensioners and employees were a privilege and not a right, and that they have been replaced by a comprehensive health package at no cost to the pensioners. Pensioners, as well as all residents of my constituency, are already fully covered by our provincial health plan.

The letter of September 16, 1985, from the President of CP Rail addressed to all CP Rail retirees falls far short of providing an adequate explanation regarding the elimination of these pass privileges.

There was a clearly documented agreement between union and management, dating back to 1936, that employees of the CPR, and pensioners who retired in good standing, were entitled to pass privileges for life.

The CPR received land grants and mineral rights as well as many financial advantages during the planning and construction stage. In view of this, Mr. Speaker, I call on CP Rail to accept its corporate responsibilities and restore pass privileges to all pensioners.

S.O. 22

[*Translation*]

SOCIAL SECURITY

REQUEST THAT GOVERNMENT WITHDRAW BILL C-70

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Last weekend, Mr. Speaker, I had an opportunity to meet with several mothers and a good many people responsible for family organizations, and they all wanted to know what the word of the Government is worth. They reminded me that the consultation paper tabled by the Government last January concerning child benefits contains a sentence which goes like this: "The commitment of the Government is that no savings resulting from program changes should be transferred to deficit reduction". A few months later, Mr. Speaker, the Minister of Finance (Mr. Wilson) tabled a Budget document stating that net federal expenditures will be reduced by $15 million in 1985-86 and by $40 million in 1986-87. All this money, $55 million, will come from cut backs in income support programs for families with children.

Those people are also wondering why the Government did not implement the unanimous recommendations made by various groups whereby the child tax credit exemption should be reduced because it benefits wealthier people. According to the document, a well-to-do- person with an income of $80,000 will get $363 more whereas a man with a $10,000 income does not get anything. Those people would just like to know why the Prime Minister and his Conservative Government do not honour their words and commitments and withdraw Bill C-70.

* * *

[*English*]

WAR CRIMINALS

OPPOSITION TO SOVIET AUTHORITIES PROVIDING EVIDENCE

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, yesterday the Deschenes Commission of Inquiry heard arguments regarding the possibility of the Commission travelling to the Soviet Union to gather evidence. Taking into consideration the abominable record of human rights violations by the U.S.S.R., does the Commission really expect to find evidence that has not been tampered with and tainted?

Members of Parliament asked to appear before the Commission to address this very question of Soviet evidence and the merits of such a proposed trip. They were denied the opportunity to voice their views and those of their constituents. How can the Commission naively believe that Soviet authorities have justice in mind when they themselves committed atrocities during the war and continue to be the most repressive Government in modern times?

It is even more surprising, Mr. Speaker, to hear groups which so effectively discredited the Soviet judicial system, especially with regard to trials against Soviet citizens, now argue that the Commission would be shirking its responsibility if it did not go to the U.S.S.R. The Commission would be in a

jurisdiction where the presumption of innocence and judicial independence are not the rule of law. If such evidence is accepted by the commission established by the Government of Canada, it will, in effect, be approving and accepting the present legal system of the U.S.S.R., a system that is corrupt. Canadians will never give approval to such abrogation of fundamental freedoms.

* * *

APARTHEID

SOUTH AFRICA—DEMAND FOR STATEMENT OF GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, comments made by the Secretary of State for External Affairs (Mr. Clark) in response to questions asked about South African controlled mining companies operating in Canada are a result of the Government's lack of a definite policy toward South Africa. Canadians in one-industry towns such as Flin Flon and Snow Lake in Manitoba feel extremely nervous as a result of the Minister's spontaneous remarks. Fear has been created in these communities, yet the Government has no clear policy.

Personally, I continue to support strong sanctions that will affect the South African Government's oppressive policy of apartheid. However, there must be a clear statement of this Government's policy. Without that we suffer from vague remarks that create unnecessary fears. Let us hope that this is the last example of another Minister, another foot, and another mouth.

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[*Translation*]

SHIPBUILDING

NEED TO BUILD FRIGATES AT LAUZON, QUE.

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, it has already been brought to the attention of this House that Versatile-Davie is going to build the equivalent of one and a half frigates in Lauzon, thus creating jobs for 650 workers in this area for four years. This decision was made by the company's management after considering the following factors:

The alternative site had not been used for shipbuilding since 1968;

Shipbuilding in modular phases had already been tried in Lauzon but never at the other site;

Human resources and equipment at Versatile-Davie were in a better position to accelerate the development of Canadian expertise and thus strengthen Canada's competitive position throughout the world.

The management of Versatile-Davie does not expect any interference from the Government in selecting the site because it has already been said that this Government trusts the private sector to develop and enhance this country's economy.

The Government will neither obstruct nor interfere with the private sector's initiative, creativity, profitability and expansion. The development of Canadian expertise and our competitive position internationally make it imperative that the frigates be built in Lauzon.

* * *

[*English*]

THE PRIME MINISTER

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in a recent television interview the Prime Minister of Canada (Mr. Mulroney) demeaned and insulted new Canadians by referring to an alleged syndrome that neither I nor any other new Canadian I have spoken to has ever observed. Specifically, the Prime Minister implied that immigrants tend to salute uniformed persons, something that I have never seen in this country.

One of the things that attracts immigrants from all countries to Canada is that it is a free country. That freedom is, of course, in no way threatened by the Prime Minister's rather feeble sense of humour. However, given the influence of his position, he should know better than to make any remark which would initiate or perpetuate negative stereotyping, however minor it may appear to him.

* * *

[*Translation*]

AIR TRANSPORT

NEGOTIATIONS WITH EMPLOYEES AND TRANSPORTATION COMPETITIVENESS

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, the present situation with respect to the conflict between Air Canada and the Canada Air Line Flight Attendants' Association deeply concerns me as all other Canadians.

Our national carrier has from now on to behave as a true competitor of the private sector with the same tools but also with the same limitations. This commercial aggressiveness has been Air Canada's slogan for several years, but we wonder whether the officials of the corporation have adequately conveyed to their employees the message about their change of outlook. Apparently, they have been unable to apprise their staff of that dractic change of behaviour in view of a major restructuring of that Crown corporation. No doubt it explains the present conditions in which a climate of frustration is obvious.

Unfortunately, emotional factors seem increasingly to override basic issues, that is people are drawing a parallel between conditions in which CALFAA members are working and those enjoyed by employees of other air lines, and wondering wheth-

er a preferential treatment for Air Canada by way of Government subsidies is justified.

Several foreign air carriers would like to do business in Canada as a result of the deregulation process announced by the Government. To allow a Crown corporation to compete with those air lines as well as with Canadian private corporations, the rules of the market must prevail during the negotiations with the union and as far as its sources of income are concerned.

* * *

• (1410)

TEXTILES

GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, the former Leader of the Opposition, who is now Prime Minister, stated in Sherbrooke on May 4, 1984: "The quota policy would remain unchanged . . ." And the Prime Minister, the then Leader of the Opposition, spoke against free trade in those sectors. He went on to say he would not "bow" to the pressures that might come from Common Market countries, the United States, for less stringent quotas on shoes and textile products. He added this, and I quote: "I will make no bones about telling this to President Reagan when I meet him in Washington next month. I will see to it that our interest are protected at all times. Friendships have their price. Neighbours like us are worth a lot . . ."

Today, Mr. Speaker, over 15,000 jobs directly depend on those three industries in the Eastern Townships, and it is therefore vital that the Government should take initiatives, and adequate steps needed to protect and save 15,000 jobs as well as the economy of the whole Eastern Townships area.

* * *

INDUSTRY

ACHIEVEMENT OF CARREFOUR DE LA SOUS-TRAITANCE

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, the major event in the industrial sector over these last 20 years is beyond controversy the achievement of "Carrefour de la sous-traitance" for Eastern Quebec, on October 16, 17 and 18 in Rivière-du-Loup.

The fact that "Carrefour de la sous-traitance" involves both the industries in Eastern Quebec and the public sector is in my view exceptional for the present and most significant for the economic future of our area.

In this respect, I cannot but commend the officers of the Chamber of Commerce and Industry in Grand-Portage for that worthwhile initiative. The industrial potential of the

Kamouraska-Rivière-du-Loup constituency and Eastern Quebec will never have been so well represented within a single event.

This will give entrepreneurs, potential investors, Crown corporations and the various Government departments an awareness of the vitality of our industrialists. By pursuing as its main objective the economic development of the area, "Carrefour de la sous-traitance" will give both the public sector and private participants an opportunity to meet, explore new markets, and indeed make good deals.

It is within that spirit that the Department of Regional Industrial Expansion and the Department of Employment and Immigration were actively involved in the achievement of "Carrefour de la sous-traitance" by funding a major part of the operating costs connected with—

Mr. Speaker: I must inform the Hon. Member that his time has expired. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

* * *

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS—CONTENT OF GUIDELINES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in a Canadian Press article of September 18, the Minister of the Environment (Mr. McMillan), the "Peeping Tom" of the House of Commons as he became affectionately know in his previous role as Minister of Tourism, stated:

> There may have been some excesses or abuses.

He was referring to the handing out of patronage appointments. According to the Minister, the Prime Minister (Mr. Mulroney) has recognized this and has introduced tough new guidelines, the toughest of any western democracy.

Let us examine the tough new guidelines. First, the review process which the Prime Minister announced applies only to Order in Council appointments. People appointed by contract would still be exempt from scrutiny, like Sam Wakim.

Second, the Prime Minister said that there will no longer be nepotism such as there was in the past—no more appointments of brothers, sisters, sons and so forth. However, the law still permits relatives who have been previously hired to keep their jobs, like Peter Clark, Mr. Speaker.

Next, there are no sanctions in the new guidelines. It should also be remembered that there is a brand new loophole in these so-called tough guidelines. All one has to do to avoid the guidelines altogether is to incorporate as a numbered company. You then consult your favourite Cabinet Minister and he hires on contract. This loophole then provides a tax advantage and bypasses all the new conflict of interest provisions. Some tough guidelines, Mr. Speaker.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA—REJECTION BY DEPARTMENT OF NATIONAL DEFENCE

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Deputy Prime Minister. Knowing that the Deputy Prime Minister should have been concerned about the health of all Canadians, did he inform the Prime Minister or the Prime Minister's Office that two shipments of rancid tuna were rejected by the Department of National Defence? When did he communicate that information to the Prime Minister or his office? Or, did he keep the fishy details to himself?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That information, Mr. Speaker, came to my attention on Wednesday, September 18, and it was part of the over-all circumstances that were taken into account by me—

Mr. Broadbent: What?

Mr. Nielsen: —on the instructions of the Prime Minister, in the immediate action that was taken by the Government to meet the situation.

PREMIER HATFIELD—COMMUNICATIONS INQUIRY

Mr. George Henderson (Egmont): Mr. Speaker, my supplementary question is directed to the Prime Minister. Did the Prime Minister have any telephone conversations or written correspondence with Premier Richard Hatfield? What discussions took place between himself and his Minister of Forestry regarding this situation?

Right Hon. Brian Mulroney (Prime Minister): I can only respond for myself, Mr. Speaker. The question to me was whether I had conversations in this regard with Premier Hatfield. The answer is no.

PRIME MINISTER'S RESPONSIBILITY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Prime Minister. According to the press reports we have, and compiling a list of all the people who knew about the tuna situation, we know that as of today—

Mr. Hnatyshyn: Order.

Mr. Chrétien: —the Deputy Chief of Staff for the Prime Minister, in addition to the man in charge of his liaison with the caucus, Mr. MacAdam, the Minister of Fisheries, the Minister of Health and Welfare, the Minister of Consumer Affairs, and the Department of Justice were aware of it.

Mr. Hnatyshyn: Order.

Mr. Chrétien: When will the Prime Minister start to accept some responsibility for that mess and stop looking for scapegoats, forcing the wrong people to resign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have accepted responsibility. The former Minister of Fisheries in a value judgment that he made submitted his resignation as an honourable gentleman, a concept that would be entirely alien to a Liberal Minister.

Some Hon. Members: Hear, hear!

Mr. Deans: That is true.

Mr. Mulroney: The Liberals had a simple premise: no indictment, no resignation.

Ms. Copps: Hold it. You will get yourself into trouble telling the truth.

Mr. Mulroney: As far as we are concerned, Mr. Speaker, the response to the question is that as soon as it was brought to my attention, as I indicated yesterday, in the circumstances I acted properly and with celerity to resolve the matter, and I think that was done.

[*Translation*]

ROLE OF PRIME MINISTER'S OFFICE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary for the Right Hon. Prime Minister.

According to our information, the Prime Minister's Office had been aware as early as July that Canada's two largest English language television networks were working on a story on the tainted tuna issue, as it is now referred to. Did the Prime Minister give his office instructions to be concerned, above all else, about the Prime Minister's image rather than the health and well-being of Canadians?

Right Hon. Brian Mulroney (Prime Minister): What a surprising question from such a well-known and respected Member of this House!

Yesterday, I answered all questions fully and frankly. Unfortunately, the Hon. Member was not in the House. We have acted at all times with dispatch and in the interests of Canadian consumers.

My hon. friend mentioned the fact that one or two members of my staff were aware of the matter. It is true that Mr. MacAdam, a member of my staff, became aware of the existence of rumours around the first week of July. He got in touch with the Executive Assistant to the Minister of Fisheries and Oceans and received the assurance that there was no problem.

The second time was around the middle of July when Mr. Anderson, who works in my office, was visited by two staff members of the Minister concerned. He was given the assur-

ance there was no health threat of any kind, and secondly, that the Minister was acting entirely within his authority as a Minister and that there was nothing improper about the situation.

Since the Minister was absent, Mr. Anderson was asked for advice on what to do if the issue was mentioned on the evening news. Mr. Anderson said: Take your most senior official at Fisheries and Oceans and make him fully available to the media, to answer any questions they might have. And that was it. I think my staff acted quickly, in the national interest, and I believe my hon. friend will agree that was the case.

• (1420)

[*English*]

REQUEST FOR PARLIAMENTARY INQUIRY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my supplementary question is directed to the Prime Minister. According to what we know about the problem, a lot is unknown to the public. Not only one Minister was responsible. The Minister of National Health and Welfare should have been involved, if he was not, and I would say the same about the Minister of Consumer and Corporate Affairs.

Would it be possible for the House to look into the matter to know exactly when the problem became a serious one, who was really at fault, and whether the Prime Minister's Office had any responsibility, rather than avoid the problem as the Prime Minister is doing right now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I regret that my hon. friend, who asked me a question and gets a direct answer, thinks that it is inadequate and insufficient. I told my hon. friend with regard to my knowledge that it happened on the Tuesday night and that I acted immediately on Wednesday morning at caucus.

Mr. Lapierre: At caucus!

Mr. Mulroney: That was the first knowledge of it—at caucus on Wednesday morning.

Mr. Chrétien: You defended it in the House.

Mr. Mulroney: Yes, I think I indicated that in response to a question yesterday.

With regard to my personnel, on or about the first week of July, Mr. MacAdam picked up some scuttle-butt to the effect that there was a story floating around. He, one of my personnel, conveyed it to the Chief of Staff of the Minister of Fisheries, who told him that there was no problem.

About mid-July Mr. Anderson was visited by two members of the personnel of the Minister of Fisheries and Oceans who conveyed or gave him the assurance that there was no health hazard, that the Minister was acting within his authority and that there was nothing wrong. They queried, in the absence of the Minister, that if this was aired that night, what advice would he provide? And he said: "My advice to you would be to get the most senior member of the Department of Fisheries and Oceans and make him available to the media so that he can respond fully to all questions". I think that is sound advice.

PRODUCT DECLARED UNFIT FOR HUMAN CONSUMPTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I remind the Prime Minister that, when he was answering questions on the first day that the issue broke, he kept using the phrase that there was no health hazard then. He soon realized that tuna fish, unfit for human consumption, ought to be taken off the shelves. It is "unfit for human consumption" which is key here. Since the Prime Minister has used that phrase time after time, is he telling us that in the summer, when we knew that the Ministry of Justice, the Ministry of Fisheries and the Ministry of National Defence, as well as Pat MacAdam and Ian Anderson, intimately associated with the Prime Minister, were discussing the matter, no one conveyed the message to any of the Ministers involved or to the Prime Minister himself that the product under discussion—and they well understood it by then—was unfit for human consumption? Did no one know that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it was my personnel that brought the scuttle-butt to the attention of the Fisheries officials.

Some Hon. Members: What happened?

Mr. Mulroney: Mr. MacAdam received the assurance in early July from the Chief of Staff or the official at the Department of Fisheries that indeed he was aware of a possible CTV story but that it caused no concern or problem; that there was no problem. With regard to the substance of the question of my hon. friend as to whether the product was unfit for human consumption, my friend is quite right when he refers to the fact that there was no health and safety warning. When it was brought to my attention that indeed there was an allegation that it was unfit for human consumption, notwithstanding that, I immediately instructed the Deputy Prime Minister to meet with the Minister of Fisheries and the Minister of Health and Welfare and arrange, with their co-operation, to have that product removed from the shelves. That is exactly what transpired.

OFFICIALS' KNOWLEDGE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to know from the Prime Minister—and, more important, the people of Canada want to know—that if we had in this city senior officials who were aware that the tuna was unfit for human consumption, why was it not brought to the attention of the Prime Minister? How could we have a million cans of tuna, unfit for human consumption, out there on the shelves and not have it brought to the attention of the Prime Minister? Is he saying that it would still be on the shelves had the program not appeared on television?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am saying no such thing. I am saying that the matter was raised—

Mr. Gauthier: That is exactly what you are saying.

Mr. Broadbent: That is exactly what you are saying.

Some Hon. Members: What are you saying?

Mr. Mulroney: Mr. Speaker, I have been asked a question; I think I am tempted to try to answer it. I am saying no such thing. I am saying that in both instances involving staff members this summer, this question was not raised. In the first instance it was raised by Mr. MacAdam who communicated himself with the Fisheries Department. In the second case the matter was placed in an entirely different perspective for Mr. Anderson. In fact the query related to an interview which the Minister had given on June 26. The Minister being out of town, they sought advice as to how they ought to respond in the event that it aired that evening.

With regard to the product being unfit for human consumption, when that was brought to my attention—all I can do is tell my hon. friend what transpired—I immediately communicated with the Deputy Prime Minister and caused him to convene a meeting of the Minister of Health and the former Minister of Fisheries, plus other senior officials of the Government, so that they could find a way to remove this product from the shelves immediately. That is exactly what I did.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as I understand the facts, by mid-summer the Ministry of Defence, the Ministry of Fisheries and the Ministry of Justice, to name three, were all aware because of tests that had been conducted or because of impending legal action, as was the case with the Ministry of Justice, that tuna, unfit for human consumption, was on the shelves of stores throughout Canada.

Is the Government so incompetent that the knowledge of that in a number of Ministries was not brought to the attention of the Minister or the Prime Minister? Is that the kind of incompetence we have in the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have the kind of competence which indicates that when this matter is brought to the attention of the Prime Minister of Canada, he immediately acts on behalf of the consumers and the citizens of the country. That is what happened.

ISSUANCE OF FORMER MINISTER'S STATEMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister's answers would indicate that he believes he is the only competent person in Cabinet. It is interesting to note and tragic to realize that the Prime Minister defended the Minister of Fisheries and Oceans when the Minister's actions threatened the public good. However, he swiftly canned that same Minister when the Minister's actions threatened the Prime Minister personally; suddenly this tuna was not good enough.

I have a direct question for the Prime Minister. Is it not true that the Prime Minister instructed his Minister of Fisheries to issue a clarifying statement last Friday night after the Minister had publicly disagreed with the Prime Minister's version of events on Friday afternoon? Is it not also true that the Prime Minister only decided to can his Minister of Fisheries after that Minister had publicly corrected the Prime Minister's flawed version of events in respect of the tuna?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer is no in those cases. The only flaw is in the question, and it is gravely and irretrievably flawed.

OFFICIAL'S DUTY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, will the Prime Minister tell the House whether or not his assistant, Mr. MacAdam, was aware of this matter because Mr. MacAdam had been lobbied by New Brunswick MPs, in particular the MP in whose riding this plant is located? Is it not normally the duty of the Atlantic assistant of the Prime Minister to report to the Prime Minister when members of his caucus bring matters to his attention?

• (1430)

Is the Prime Minister telling us that Mr. MacAdam did not communicate—

Mr. Speaker: Order. You have already asked two questions.

Mr. Tobin: —did not communicate directly with the Prime Minister?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I gave a complete answer to that question just a few minutes ago.

[*English*]

PRIME MINISTER'S INFORMATION

Mr. Ray Skelly (Comox-Powell River): We have been told emphatically that the Ministry of Health had this problem, the Ministry of Justice, the Ministry of National Defence, the Prime Minister's Office had been contacted twice, the Privy Council Office had this matter in detail, and the Prime Minister is attempting to tell this House he knew nothing about it. Is the only time the Prime Minister ever finds out anything when he watches television? Is that the only time he gets information?

Mr. Deans: Sitting in your jacuzzi.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that the NDP, having done what they have had to

do, are now sitting there chuckling. They think they have scored a few points. You will pay heavily for that kind of jocular attitude with the Canadian people, I can tell you that.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I have responded fully and honestly to the inquiries of my hon. friend.

An Hon. Member: Getting under your skin, eh?

Mr. Skelly: Mr. Speaker, the Minister of Fisheries in an emphatic statement said this matter was, in detail, in the hands of the Prime Minister. We have had seven examples of how it should have gotten there. Would the Prime Minister admit in this House that he cut the Minister of Fisheries' throat in order to cover his own backside?

Some Hon. Members: Oh, oh!

An Hon. Member: No way.

PRIME MINISTER'S KNOWLEDGE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, it is becoming increasingly difficult, in listening to these answers and questions, to avoid the conclusion that the Prime Minister knew about this matter along before he has indicated in this House previously that he did.

Some Hon. Members: Hear, hear!

Mr. Baker: Was he blind, deaf, and dumb?

An Hon. Member: Just dumb.

Mr. Baker: My question to the Prime Minister is this. In view of the questions that have been asked here today, in view of the information that has become public in recent days, in view of that, can he now stand in his place, in retrospect, and say quite honestly that he knew absolutely nothing, nothing at all about this incident prior to that Tuesday night?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can say that and anybody who says anything to the contrary can bloody well put his seat on the line, because it is false.

Some Hon. Members: Hear, hear!

An Hon. Member: Getting under your scales, Brian?

INQUIRY OF THE PRIME MINISTER

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the bigger scandar here is that the Prime Minister did not know—

Some Hon. Members: Oh, oh!

Mr. Speaker: If the Government benches will permit a question. Supplementary question immediately, please?

Mr. Baker: With a 54 per cent increase in his staff and 120 people working there—

Some Hon. Members: Oh, oh!

Mr. Speaker: I invite the Hon. Member to come immediately to the question.

Mr. Baker: My question quite simply, Mr. Speaker, is this. Don't you think you should have known?

Some Hon. Members: Oh, oh!

Mr. Gauthier: Where does the buck stop?

* * *

CUSTOMS AND EXCISE

PLANNED REDUCTIONS IN INSPECTION PERSONNEL

Mr. Bill Attewell (Don Valley East): My question is directed to the Minister of National Revenue concerning the planned cut of customs and excise jobs over the next five years and the planned centralization of examination of international parcel mail. Some Canadians fear that this move may increase the risk of pornography and illegal drugs coming into the country. Would the Minister allay the fears of the Members of this House, and Canadians, about this risk?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I want to thank the Hon. Member for a very topical and pertinent question and to assure him the reductions in numbers that have been referred to are not nearly as great as those which have been reported. This in no way affects the capacity of the Department to carry out with vigilance what is required to keep prohibited imports from coming into this country. The reductions are designed to improve the payment and delivery and streamline the service, and do not affect the enforcement ability of the Department.

* * *

[*Translation*]

FISHERIES

TUNA AFFAIR—REQUEST FOR EXPLANATIONS CONCERNING TWO OFFICIALS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Prime Minister.

Everybody is aware now that Ian Anderson, the Head of Communications, and Pat MacAdam, a long-standing friend and adviser of the Prime Minister, were aware of the "Tuna affair" in late July. But curiously enough, neither Anderson nor MacAdam were fired.

My question is this, Mr. Speaker. Must we infer now that they properly did their duty and informed the Prime Minister of the "tuna affair"? If not, the Prime Minister being respon-

sible for his staff, as any other Minister is, why did he not sack them? Why did he not sack them both just as he did the Minister of Fisheries and Oceans?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, here you have a perfect example of the NDP problem.

The Hon. Member prepared his question before coming to the House. In reply to about a dozen questions, I gave some clear and precise explanations; just the same, the Hon. Member did not change his question. He read it just as it was. He had absolutely no reason to do that. I provided all the necessary information concerning the behavior of the two persons concerned, and I want to repeat it for the benefit of the Hon. Member.

[*English*]

Some Hon. Members: No, no.

An Hon. Member: Definitely no.

Mr. Nystrom: The Prime Minister did not answer the question. He is a phoney. He is a phoney and the people of Canada know it.

Mr. Speaker: Order, order. Both sides. Order. Supplementary question immediately.

Mr. Nystrom: My question is a new question, Mr. Speaker, and I want the Prime Minister to answer it. The Minister of Fisheries was fired in this country because he was derelict in his duties.

Mr. Speaker: Order; no. I invited the Hon. Member to come to a question immediately; he did not. No. The Hon. Member for Montreal-Sainte Marie.

* * *

[*Translation*]

SOCIAL SECURITY

SOCIAL PROGRAMS POLICY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker—

[*English*]

Mr. Speaker: Order, order. Could I ask all Hon. Members, particularly the majority, to please allow the questions and the answers to be heard.

[*Translation*]

Mr. Malépart: Mr. Speaker, the question I am directing to the Right Hon. Prime Minister deals with such an important issue as the income supporting policy to help families with children.

Last January, Mr. Prime Minister, your Government promised that no savings resulting from changes to the programs would be used to reduce the deficit. Could the Prime Minister explain to us now why his Government has not kept his word and has reduced by $15 million in 1985-86, and $40 million in 1986-87?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member opposite will know that this matter is in debate in the House at the present time. I would also like to indicate to him that if he looks not only at the consultation paper but also at the expenditure increases for both this Department and, for that matter, the total social policy envelope, he will find that the expenditure increase is well beyond any of the figures that are now incorporated in Bill C-70.

[*Translation*]

REDUCTION OF FAMILY ALLOWANCES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary question for the Prime Minister.

Families in Quebec and the rest of Canada would like to know why his Government has decided to reduce in 1986 the family allowances which help middle and low income families, preferring to wait until 1987 to change—

• (1440)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again this matter was included in the Budget. I would point out to the Hon. Member again that this is not the first time. In fact it was his Government which in 1976 fully deindexed family allowances and which did it again in 1982 with the six and five program. In fact if this had not happened, family allowances would now be substantially higher. I simply say to the Hon. Member that he should look at his own record to see why what he is saying today is quite opposite to what members of his Party said then.

* * *

FISHERIES

SALE OF CANNED TUNA—RESPONSIBILITY FOR INFORMING PRIME MINISTER

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. He has now made it clear in the House that he learned of the tuna scandal by hearing that it had been on television and on the national news. My question to the Prime Minister is very simple. Who on his staff or in his Cabinet should have been responsible for telling him about this before that date?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the responsibility is a ministerial one. The former Minister, whom Hon. Members quite properly saluted yesterday, exercised his judgment in the circumstances. He felt that he was

doing the proper thing. He no doubt reconsidered in the light of developments and did the honourable thing by submitting his resignation. This was within the purview of ministerial authority and the former Minister exercised his authority as he so indicated to me and to the House through earlier questioning last week. I have already explained the other circumstances under which members of my staff brought the matter to the attention of the Ministry.

FORMER MINISTER'S STATEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is again directed to the Prime Minister. I would like to know why the Prime Minister has challenged the Hon. Member for Vancouver South to put his seat on the line. Last Friday the Hon. Member said very definitively that full details had been provided to the Prime Minister's desk several weeks ago. Is the Prime Minister saying that that statement made by the former Minister of Fisheries and Oceans is false and that those full details were never provided to him?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend, if he checks the record, will find that what he has said is seriously inaccurate. That is not the situation that prevailed then nor does it prevail today.

PRIME MINISTER'S STAFF

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Prime Minister. I have heard him state before, and now again in this House, that the reason he was not personally involved in the dossier was that when members of his staff heard about it, they went to the Ministry involved but, because it was not on television, it did not become an issue. Is the Prime Minister telling the people of Canada that it was not his and his staff members' responsibility to act on one million cans of tuna that were potentially unfit for human consumption, and that his staff's responsibility is only to manipulate the media and television shows?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I indicated quite clearly the circumstances in which two members of my staff were involved, however peripherally, in this matter. In the first instance Mr. MacAdam conveyed what he had learned to the Department of Fisheries. In the second instance, Mr. Anderson, in the absence of the Minister, was asked for advice as to who ought to be available in the event that the matter was aired. The dimension of television was incidental to the questions that were being put. I thought that in both cases Mr. Anderson and Mr. MacAdam acted very properly.

ACTION TAKEN BY PRIME MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Prime Minister now says that Mr. MacAdam was peripherally involved. Earlier on today, he stated that he and his office had taken a lead in the issue. Which was it ? Was he peripherally involved or had he taken a lead in the issue? If the Prime Minister was so concerned about the tuna that was unfit for human consumption, why did it take him more than 24 hours to get it off the shelves of Canadian consumers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have explained completely the circumstances and the celerity with which I acted upon being apprised of the matter. In regard to Mr. MacAdam's involvement, all I meant by the use of the word "peripherally" was that it was peripheral to the main issue. Mr. MacAdam picked up information which he passed on, as I think he should have, to the Ministry of Fisheries and they dealt with it at that level.

AIRING OF TELEVISION PROGRAM

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also to the Prime Minister and it is simple enough. If the *Fifth Estate* program had not been aired—

Mr. Crosbie: What would you be asking about?

Mr. Hnatyshyn: Order, order.

Mr. Deans:—would the rancid tuna still be on the shelves?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. May I invite the Hon. Member to phrase a question that is not so hypothetical?

Mr. Deans: Mr. Speaker, let me put it another way. It is not a hypothetical question because in July there was a rumour that a program was going to appear, the Prime Minister's staff looked into the rumour, the program did not appear and nothing was done about the content of the rumour. If conditions had remained the same and the program had never appeared on the air, what assurance can the Prime Minister give us that his staff would have acted responsibly, having full knowledge of the possible health effects of that rancid tuna, and made sure that the House of Commons was informed of what had happened and that the tuna would have been taken off the shelves?

Mr. Speaker: Order. That question is just as hypothetical as the first question. The Hon. Member has his views but that question is just as hypothetical. I will invite the Hon. Member to ask the question one more time.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Next.

Mr. Speaker: Order, please. I would like the Hon. Member to ask a question of fact.

Mr. Deans: Mr. Speaker, I do not think that there is very much doubt about the import of the question. Let me put it another way. Was it the fact that the program appeared on television that caused the Government to move to have the

tuna taken off the shelves in spite of the fact that it knew about it in advance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, whether the question is hypothetical or not, I would be happy to respond to the thrust of the question of my hon. friend. As I understand it, the program aired on a Tuesday night. I did not see the program but it was brought to my attention that in fact it aired on that Tuesday night. Wednesday morning, I immediately charged the Deputy Minister with the responsibility of assembling all the details and immediately thereafter, the next day, the tuna was off the shelves. I think that that is very swift action on behalf of the people of Canada.

Mr. Nystrom: Government by television.

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TRADE

SHOE IMPORT QUOTAS

Mr. Sid Fraleigh (Lambton-Middlesex): Mr. Speaker, my question is directed to the Minister for International Trade. There is presently a great deal of concern and uncertainty in the minds of the 20,000 Canadians who are employed in the shoe industry concerning the possible lifting of quotas on the importation of footwear into Canada. The industry wants to be assured of fair trade before free trade.

Some Hon. Members: Hear, hear!

Mr. Fraleigh: So that this uncertainty is removed, can the Minister tell the House when there will be a decision made regarding the industry's request for limited protection?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as the Hon. Member is aware, the tribunal handed down its decision in the latter part of June. We were aware of that decision. We immediately consulted not only with the manufacturers and the unions but with the consumers, the importers and the exporters of shoes. We have heard from them. We are presently working on a response to that and will be reporting in due course to Cabinet.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—MODIFICATION OF SMELTERS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Minister of the Environment whom I wish well in his new portfolio. In view of the fact that last week at the conference in Muskoka on acid rain he indicated his wish to accelerate the process of modification of smelters in Canada, how does he intend to proceed with this?

• (1450)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, may I begin my answer by thanking the Hon. Member for his congratulations and his good wishes. I look forward to working with him and his colleagues on our common environmental concerns.

To answer his specific question, my priority is to see, in concert with the provinces, that the provinces give effect to their individual commitments made on February 5 of this year to reduce acid rain-causing emissions by 1994 to 50 per cent of the levels prevalent in 1980. Only Quebec has come forward with a specific program to put into effect its own commitment. I am confident, however, that the other provinces will be following suit before long.

A federal-provincial conference is scheduled for next week, at which time I think each of the provinces will be eager to report to one another, and to me, on their respective progress.

MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, will the Minister take a public stand, while the process which he has just announced proceeds, with respect to rejecting in no uncertain terms the request by the American Environmental Protection Agency for an additional three years of study in order to examine a request by the U.S. Judiciary which ordered the agency, in July, to proceed in the interest of Canadian and American forests and resources with respect to acid rain reductions? Will the Minister take a public stand in this regard?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am a little puzzled by the question because I have done nothing else but take a public stand on the issue since becoming Minister.

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FINANCE

EXCHANGE VALUE OF UNITED STATES DOLLAR—MEETING OF FIVE FINANCE MINISTERS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Finance. Yesterday the Minister of State for Finance said that to the best of her knowledge the weekend meeting in Washington to which Canada was not invited was just another routine meeting of Ministers of Finance of the Big Five. United States Treasury officials today said it could be called "a very special meeting conducted in utmost secrecy". Was the Minister of Finance aware of this special meeting? Was he aware of the important agenda items to be discussed at that meeting? Which of the Big Five was representing Canada's interests?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me try to bring the Hon. Member up to date with respect to various events which have been taking place over the years.

Mr. Broadbent: Starting in which century?

Mr. Wilson (Etobicoke Centre): It will only take a few minutes, Mr. Speaker.

The meeting of the five industrialized countries which took place was part of a long process of meetings which have been going on for a number of years. However, most recently, it has been the culmination of meetings at which I have been in attendance with the IMF, the OECD, and the summit meeting in Bonn which were all directed at the same problem of inflation and divergence of economies and, also, the important problems with respect to exchange rates between various currencies. The particular meeting to which the Hon. Member has referred was supposed to resolve some of those problems as they relate to the five countries.

ABSENCE OF CANADIAN REPRESENTATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, what the Minister has said is interesting since it has been indicated by the office of the Minister of State for Finance that "the thing just hit us", in terms of the topic being discussed at that meeting. My original question to the Minister of Finance was: Because of the important implications which this meeting had for Canada, in terms of a depressed United States currency relative to ours, and the implications of that, who was representing Canada's interests—which of the Big Five?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to make it clear to the Hon. Member that nine days before the meetings in New York I was in Washington. I met with Secretary Baker, Chairman Volcker of the Federal Reserve, and Chief of Staff Regan in the White House. At each of those meetings I brought to their respective attention the problems which we are facing in Canada, and the importance of the relationship with the United States and those policy matters which we felt important to be dealt with at IMF meetings—at any meetings prior to this.

I should also say to the Hon. Member that the G-Five meetings are normally held at this time of year. They are a prelude to the G-Ten meetings, which are meetings of other industrialized countries. We are part of that process and will continue to be a very important part of that process.

Some Hon. Members: Hear, hear!

CANADIAN BROADCASTING CORPORATION

SELECTION OF NEW HEADQUARTERS SITE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question for the Minister of Communications is addressed to his Parliamentary Secretary. The City of Scarborough is giving CBC the chance of a lifetime to locate its headquarters in Canada's fastest growing city, at a savings of $95 million. What action will the Government take to assure the taxpayers of Canada that the question of the location of the CBC headquarters is still open and that this proposal will receive objective and thorough consideration?

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I would like to thank the Hon. Member for his timely question which I know he asks on behalf of other Hon. Members from Scarborough. The Minister of Communications is aware of the proposal by the City of Scarborough. I am informed that the CBC has also been made aware of the Scarborough proposal. The Minister of Communications is certain that the CBC will be giving the proposal all due consideration.

Some Hon. Members: Hear, hear!

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AGRICULTURE

CANADA-UNITED STATES TRADE TALKS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. It concerns the Canada-U.S. negotiations on free trade. Government documents indicate that the agricultural sector may not be exempt from negotiations on free trade because, in the documents, it is indicated free trade would increase productivity and accelerate the transfer of farmers out of agriculture. As the Minister well knows, without certain programs agriculture would be in a more desperate situation than that which it is in already. Will the Minister assure Canadian farmers that support programs and marketing systems, such as we have in place with respect to dairy and poultry products and Wheat Board commodities, will not be bargaining chips in the Canada-U.S. negotiations on free trade?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the Hon. Member's question, those of us who have been involved in the agri-food industry over a number of years would certainly recognize the sensitivity of the industry if we make a decision to go forward. However, I think the Government is determined to bring about a fair and better deal for Canadian agriculture.

STABILIZATION AND INSURANCE PROGRAMS

Mr. Maurice Foster (Algoma): Mr. Speaker, agriculture is facing the worst crisis since the 1930s. Why will the Minister not give a categorical commitment today that programs such

as the Western Grain Stabilization Program and the Crop Insurance Program, which are so desperately needed in western Canada, will not be bargained away in the free trade negotiations with the United States?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, part of the reason we are suffering such a tight situation in the agricultural industry today is because of the fact that for many years the previous Government completely and totally ignored the agri-food industry year after year, after year.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Two wrongs do not make a right.

Mr. Wise: I hope the Hon. Member would want to take advantage of an opportunity, if the opportunity presents itself, to attempt to eliminate some of the border irritants which have gone on and on and which impact detrimentally on Canadian agriculture. I think that he would want to take advantage of that opportunity.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

CLOSING OF TWO DOMINION TEXTILE PLANTS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion and concerns the closing of the two Dominion Textile Plants in Saint-John and in Valleyfield, resulting in the loss of 550 jobs.

In view of the investment by the Canadian taxpayers in these plants, will these decisions of Dominion Textile cause the Government to stop immediately all additional payments to Dominion Textile by the Canadian Industrial Renewal Board and will the Minister immediately undertake an in-depth examination of the management of the grants received by Dominion Textile?

• (1500)

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): As the Hon. Member knows, that question was raised earlier. It is under review by the Government.

Mr. Cassidy: Supplementary, Mr. Speaker—

Mr. Speaker: No.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, September 23, 1985, meet the requirements of the Standing Orders as to form.

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HOUSE OF COMMONS

APPOINTMENT OF INTERNAL ECONOMY COMMISSIONERS

Mr. Speaker: I have the honour to inform the House that the Deputy Speaker, Marcel Danis, the Hon. Ramon John Hnatyshyn, the Hon. Robert de Cotret, the Hon. Herb Gray, the Hon. Robert Howie, Gerry St. Germain, the Hon. André Ouellet and Ian Deans have been appointed to act with the Speaker of the House as members of the Board of Internal Economy for the purposes and under the provisions of Chapter 39 of the Statutes of Canada, 1985, entitled An Act to Amend the House of Commons Act.

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PRIVILEGE

DRAFT DOCUMENT—TASK FORCE ON FREE TRADE

Mr. Speaker: I am in receipt of a Notice of a Question of Privilege from the Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Mr. Speaker, I have written to you on a question of privilege and I have raised it at the earliest possible opportunity.

It came to my attention recently that there is in existence a Government document, supposedly a draft document, produced in September of 1985 by the Communications Task Force on Free Trade appointed by the Prime Minister's Office, which violates my privileges as a Member of Parliament.

On page 8 of the document, it states, and I quote:

> Members whose ridings can be expected to benefit from the initiative will likely be under a complicated and conflicting set of pressures. These can be productively exploited.

The document continues and specifically targets myself for attention, and I quote:

> As examples . . . Sheila Copps, whose Hamilton, Ontario riding has the steel industry to represent—

I believe this to be a violation of my privileges as a Member of Parliament and draw to your attention to Beauchene's Fifth Edition, Citation 67 and Citation 71. Citation 67 states, and I quote:

> It is generally accepted that any threat to a Member, attempting to influence his vote or his actions as a Member, is a breach of privilege.

Citation 71 states, and I quote:

> Direct threats which attempt to influence Members' actions in the House are undoubtedly breaches of privilege.

I conclude, Mr. Speaker, by stating that if you find a *prima facie* breach of privilege, I am prepared to move the necessary motion.

Mr. Hnatyshyn: Mr. Speaker, I do not have a long presentation to make to you, Sir, because it is clear that the Hon. Member has no case of privilege at all on the basis of the information she has brought forward.

The Hon. Member refers to an alleged document which she has in her possession which I have not seen and upon which I am not able to comment except to say that I believe the Hon. Member will recall that when reference was made in this House to a document of similar ilk, there was an indication that there was no knowledge on the part of the Government as to where this document came from, what it was, and in fact there was absolutely no acceptance of it as a document or despatch of the Government. We are going to look into these matters, whether they be by way of press reports or synopses or documents of which I have no knowledge. I think that is not the basis upon which any *prima facie* case can be established and, accordingly, I would ask you to rule in this instance that there is not a *prima facie* case.

There has been no demonstration, even from what I have heard, Mr. Speaker, of any suggested threat against any Hon. Member. If that were the case, certainly with respect to polls being taken as to whether or not a Member of Parliament is accepted or not accepted, the Leader of the Opposition (Mr. Turner) would be first in line, because apparently he is having polling done as to which Ministers are the most formidable in this House, and I do not feel threatened at all.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) did in fact send me notice of her intention to raise her question. It is a serious accusation and I fully intend to reserve and give the matter the proper attention it deserves.

If I may say to the Hon. Member, just as a matter of form, the Hon. Member has quoted from a document and I would ask her, please, in order to bring her complaint within the form, to provide me in my chambers with a copy of the document.

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I wish to announce the business for this afternoon and, indeed, into tomorrow.

Mr. Gauthier: You announced that yesterday. Have you changed your mind again?

Mr. Hnatyshyn: I know the Hon. Member for Vanier—

Mr. Gauthier: Ottawa-Vanier.

Mr. Hnatyshyn: —the Hon. Member for Ottawa-Vanier (Mr. Gauthier) missed me yesterday. I had some discussions with the Opposition House Leaders, Mr. Speaker, concerning the matter of the order of business and, in order that we can proceed with items of business and that there be no misunderstanding on the part of anyone, we have changed the order of business now to continue to deal with Bill C-71, an Act to amend the customs tariff. Bill C-72 will be the next Bill, which is an Act amending the statute law and the Income Tax Act and the Tax Court of Canada Act. Bill C-73 will be the next item of business, which is an act to validate certain ordinances in the Yukon Territory and the Northwest Territories. That will be followed by Bill C-74, an Act to amend the Constitution Act, 1867, and the Electoral Boundaries Readjustment Act. Then Bill C-55, an Act to amend the Immigration Act.

Discussions will continue, Mr. Speaker, and if there be a change in that sequence of business, or any other item is brought forward, I will rise in my place and make an appropriate announcement so that all Hon. Members will be apprised at the earliest date.

Mr. Deans: Mr. Speaker, I just want to say that that is in fact what resulted from conversations and discussions we had this morning. I am pleased to return to the orderly way of doing business.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES AND CHILD TAX CREDIT

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): I have the honour to present a petition from residents of my constituency of Saint-Michel-Ahuntsic and of Beauharnois, Papineau and Rosemont. They ask the Government to review its position and to re-establish full indexation of family allowances and the child tax credit for all Canadian families.

I therefore ask the Government and the Minister of National Health and Welfare (Mr. Epp) to consider the concerns of these people and to take action to correct this injustice.

Mr. Speaker, I have more petitions from residents of the Hochelaga-Maisonneuve constituency and of Saint-Denis. The petitioners humbly sheweth that, while the Prime Minister promised Canadian citizens during the 1984 electoral campaign to maintain full indexation of family allowances and the child tax credit, cut backs of $55 million will be effected in family assistance benefits if the Government does not review its budgetary measure, that it is unacceptable that the Canadian Government—

Mr. Speaker: If I may interrupt, I believe that the Hon. Member is well aware that it is forbidden to read the petition, but that she may give a brief summary.

Mrs. Killens: Thank you, Mr. Speaker, the summary is as follows: That the Government of Canada make the necessary

changes so that the Minister of Finance (Mr. Wilson) can amend the budgetary measures to maintain full indexation of family allowances and the child tax credit.

Mr. Speaker, I have a third petition from constituents of Longueuil, of Laval and of Gamelin. These residents and petitioners also ask this Government to review its position and to reestablish full indexation of family allowances and the child tax credit for all Canadian families.

This is the last petition, Mr. Speaker! It comes from the federal constituencies of Gamelin and Rosemont in Quebec. The petitioners are also disappointed by the Government's decision to de-index family allowances and the child tax credit. They pray the Government to review its position and to reestablish full indexation of family allowances and the child tax credit.

• (1510)

Hon. Jean Lapierre (Shefford): Mr. Speaker, I also have a number of petitions given to me by the people of Lotbinière and Mégantic-Compton who cannot rely on their Members of Parliament to represent them in the House. They asked me to act on their behalf and present a petition to urge the Government of Canada to restore the full indexation of family allowances and of the child tax credit.

Mr. Speaker, if there were only the people of Lotbinière and Mégantic-Compton, it would not be too bad, but a lot of ridings have asked us to represent them here. The people of Rosemont, among others, were unable to get in touch with their Member, so they asked me to act on their behalf and present a petition to urge the Government of Canada to restore the full indexation of family allowances and of the child tax credit.

As you can see for yourself, Mr. Speaker, there are a lot of dissatisfied people in Rosemont, for I have here another petition from residents of Rosemont who have asked me to present this petition to you where they urge the Government of Canada to restore the full indexation of family allowances and of the child tax credit.

I have another petition from Rosemont, Mr. Speaker. There are a lot of dissatisfied people in that riding. They too have told me they insist that the Government of Canada should restore the full indexation of family allowances and of the child tax credit.

Now, Mr. Speaker, a petition from the people of Montreal-Sainte-Marie who first told me how proud they are of their Member of Parliament, adding that they agree with him when he urges the Government of Canada to restore the full indexation of family allowances and of the child tax credit.

Mr. Speaker: Does the Hon. Member have other petitions to present on the same subject?

Mr. Lapierre: It is different, Mr. Speaker.

Mr. Speaker: The Hon. Member well knows that he has the right to name the constituency or to present petitions to the House. That is all that is needed. I cannot allow the Hon. Member to continue with such a list, except if he wants to name other constituencies. Is that the case? He only wants to name other constituencies?

Mr. Lapierre: Yes, Mr. Speaker. The residents of Saint-Léonard-Anjou would never have forgiven me had I not told you that they too are dissatisfied, as is another group—

Mr. Speaker: Order, please. The Hon. Member is fully aware of the Standing Orders of the House concerning petitions. If he has a series of petitions on the same subject, all he has to do is rise and indicate the number of petitions and where they come from in Canada. A brief summary is allowed, but not for each petition. I know the Hon. Member is aware of that. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to present to the House a number of petitions from confederations and family agencies representing millions of Quebec families in which the Prime Minister is asked to reinstate full indexation of family allowances and the child tax credit, and who are asking the Prime Minister not to cut $55 million from family assistance programs.

Mr. Speaker, of course, the people of that great riding of Montreal-Sainte-Marie have asked me to table a petition in which they humbly pray the Right Hon. Prime Minister to refrain from cutting family allowance payments and the child tax credit.

Mr. Speaker, I have another petition from the people of the riding of Rosemont. They want to know and are asking the Right Hon. Prime Minister to reinstate full—

Mr. Speaker: Order, please. Did the Hon. Member say three times: "a petition to the Prime Minister"?

Mr. Malépart: No.

Mr. Speaker: No? Now I would like to know whether these petitions are addressed to the House.

Mr. Malépart: To the House.

Mr. Speaker: Thank you.

Mr. Malépart: Mr. Speaker, I will repeat this for the record. The petitions are addressed to the House and they are asking the House to humbly pray the Prime Minister.

Mr. Speaker, I have another petition from a beautiful riding, whose people are a long way from Ottawa and Montreal, from the people of Chicoutimi and Sherbrooke, who also humbly pray the House that all Members urge the Prime

Minister to reinstate full indexation of family allowance payments and the child tax credit and to refrain from cutting $55 million from the income assistance program for families with children.

Mr. Speaker, from a beautiful region of Quebec, from the people of Trois-Rivières. They too have asked and urged us and all Members of the House to invite the Government to restore the full indexation of family allowances and to refrain from cutting $55 million from income support programs for families with children.

Mr. Speaker, I conclude with the people of my neighbouring constituency, the fair constituency of Hochelaga-Maisonneuve. Feeling like they have been abandoned by their Member, unfortunately, the residents of Hochelaga-Maisonneuve and Rosemont want all Members of the House to ask the Prime Minister to restore the full indexation of family allowances and of the child tax credit.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am pleased to rise and present to the House a petition signed by many residents of my constituency of Ottawa-Vanier who now exercise their ancient and unchallenged right and ask the House to urge the Prime Minister to restore the full indexation of family allowances and of the child tax credit.

Mr. Speaker, I have another petition, this time signed by many residents of the constituency of Ottawa-Carleton, who now exercise their ancient and unchallenged right and ask the House of Commons to bring pressure to bear on the Government and the Prime Minister so they will restore the full indexation of family allowances and of the child tax credit.

Mr. Speaker, I will not take advantage of the House, I have another petition, the last one today, a petition which comes from the Ottawa region generally in which the petitioners urge the House to fully restore such Government programs as family allowances and the child tax credit, and they also ask for the full indexation of family allowances and of the child tax credit.

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, many constituents, many people also came to my office to bring petitions, especially two from Montreal-Mercier and Rosemont wherein the petitioners strongly deplore the Government's insistence on wanting to deindex family allowances and tax credits. They urge the Government to reconsider the situation and to grant full indexation.

Another petition from Montreal-Sainte-Marie and Hochelaga-Maisonneuve in which the people again blame the Government for its savage attack against family allowances.

I have two more petitions, Mr. Speaker, the last ones, whereby the petitioners voice their objections to deindexation of family allowances and see in this shameful measure a sign that the universality of social programs might eventually come under review. Those people ask the House and all Hon. Members to reconsider the situation so as to maintain full indexation.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I also am honored to present petitions to this House and I can tell you there is quite a wave of protest somewhat similar to the one experienced last spring when there was an attempt by the Government to deindex old age security pensions. So the people in my constituency, the people in Shédiac, are joining the people in Rosemont, in Sainte-Marie, in Verchères, in Hochelaga-Maisonneuve, and all these people, Mr. Speaker, are asking the Government not to proceed with partial deindexation of family allowances.

* * *

[*English*]

CANADA SHIPPING ACT, ARCTIC WATERS POLLUTION PREVENTION ACT, MARITIME CODE ACT, AND THE OIL AND GAS PRODUCTION AND CONSERVATION ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

• (1520)

TORONTO ISLAND AIRPORT

MEASURE TO ENACT

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-76, an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Order Paper Questions

REPRESENTATION AND ELECTORAL DISTRICTS READJUSTMENT ACT (ONTARIO)

MEASURE TO ENACT

Mr. Maurice Foster (Algoma) moved for leave to introduce Bill C-249, an Act to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Foster: Mr. Speaker, this Bill is designed to maintain the representation from northern Ontario, which occupies 88 per cent of the land mass of the great Province of Ontario, of 11 Members of Parliament as it now exists. We believe that the present Government legislation before the House threatens this representation and, thus, the entire representation by Members of Parliament from northern Ontario.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Frank Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, today question No. 310 will be answered.

[*Text*]

PERSONAL USE OF CAR

Question No. 310—**Mr. Gagliano:**

Are any moneys paid out of the Consolidated Revenue Fund to the Minister of State (Small Businesses) for the use of his car and driver other than for government business and, if so (*a*) is the Minister's Chief of Staff driven in the car when not accompanying the Minister on official business (*b*) does the Minister take the car on private trips and does this include trips either to or in his Constituency (*c*) what other uses are made of the car and driver and on what occasions?

Hon. André Bissonnette (Minister of State (Small Businesses)): No. (*a*) No. (*b*) Yes. Cabinet Ministers may make personal use of the departmental vehicle assigned to their offices for official use. They must declare their intended personal use of the vehicle and such use must be paid for on the basis of a kilometric/mileage rate. Cabinet Ministers must report all personal use, from which a taxable benefit is calculated and added to their taxable income at the end of each taxation year. (*c*) None.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed from Monday, September 23, consideration of the motion of Mr. Epp (for the Minister of Finance) that Bill C-71, an Act to amend the Customs Tariff, be read the second time and referred to a legislative committee.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to say a few words on this particular Bill. I would like to approach this topic of customs tariff from the direction in which we seem to be moving with regard to trade with other countries, particularly with the United States.

Just a week or two ago I spoke to a number of Congressmen and asked specifically about their position on trade. From those to whom I spoke I got the very distinct impression that there is a real mood for protectionism among Congressmen. A number of those Congressmen are not only in a protectionist mood, but have moved in that direction. Consequently, before we pass Bills such as C-71, we should consider the entire subject of trade. I think it is wrong for the Government to proceed with changes in the trade structure without knowing the direction in which we are moving.

Right now there are nearly 300 pieces of legislation before Congress which contain protectionist measures for a variety of industries in the United States. In considering Bill C-71, which changes the customs tariff on a number of products coming into Canada, we must recognize that the rules are changing. It somehow seems incongruous on our part to eliminate the small tariffs we have in some areas before we know the basis upon which trade will be carried out in the future.

When I was speaking to those Congressmen I got the very distinct impression that they are very concerned that they are not in the best possible position regarding the General Agreement on Trade and Tariffs which is presently in place. They are concerned that the commitment that Congress has made over the years toward free trade is no longer the direction in which Congress or the Senate wants to go, and that in this particular case the administration is not going to win. The constitution of the United States allows two-thirds of Congress

to force legislation through not allowing the President of the United States the power of veto. Congressmen to whom I spoke feel that they have more than a two-thirds majority supporting them in Congress. Consequently, they feel quite secure that their protectionist direction is going to be upheld.

With protectionism rampant in the United States, Mr. Speaker, why are we eliminating the small protection that we have? Free trade seems to be a favourite topic among Cabinet Ministers at this time. It is a whole new area of concern and we do not know what the effects of free trade would be. It is all very well to say that we will get certain products cheaper if we have free trade, but it may also mean that those products will no longer be made in Canada. We do not know what the trade missions to Canada mean when they say that all they want is a level playing field. We have no idea what is meant by a level playing field in terms used by the United States. Does it mean that our relations with other countries with which we trade now, other than the United States, will be the same as those that other countries have with the United States? Are we going to find ourselves operating under the same kind of restrictions which the States presently operate on in its relations with many countries? Is that what is called a level playing field? Will we have the same access to markets that are presently our markets now, or will that access disappear?

• (1530)

In passing Bills like Bill C-71, we are going along a route that is not necessarily the route we will have to look at tomorrow. Why give away what we have before we know what the future is going to do for us? Let us slow down the process of changing tariffs until we know what the new rules are going to be. If we give away what little leverage we have, we will find ourselves without any weapons or any basis to say to any country that we want to keep Canadian industry going. Let us not give away the leverage we have by casually passing every customs tariff change that is brought forward by this Government.

I recognize that customs tariff changes were part of negotiations that we got into long before the present Government came into power. They were part of a direction decided many years ago, but decided when the rules were know, not decided under the circumstances we now find ourselves.

We keep being told that what we need is a level playing field. I am from a heavily agricultural area. I want to know before we start negotiating away our present tariffs that that level playing field will not negate our agricultural boards; for instance, the dairy commission, the poultry commission, and the Canadian Wheat Board. Those boards are very important to the continued stability of the agricultural industry across Canada. Will those boards disappear because the U.S. will demand a level playing field?

What do we know about the negotiations? What about things like stabilization for farmers and crop insurance, elements that are very important to the stable and continued development or even continued production in many farm areas? If you do not have stabilization and insurance, more farmers will go bankrupt than are going bankrupt now. If those things are not in place, many parts of our industry will disappear. Before we go ahead with casually passing Bills that will change the rules or the protection we have, let us be sure we know the rules we will be playing under next month or next year.

Although this Bill does not affect us a great deal, I think we should be careful about it. I expect this Bill will be passed, but nevertheless we should be very careful in our understanding of the rules by which we play. We should be very careful that the direction we are going is one that we control. Instead of tearing down the protection we have, we should be looking at areas where fair and free trade are taken into consideration, where we can protect ourselves from the large colossus to the south.

I wonder what a level playing field will be. A U.S. team is made up of 10 players. Canada's team is made up of one player. The U.S. is 10 times as large as Canada. Granted, if you kick the ball you have 10 places to kick it; but you only have one if you are in Canada. The whole process of free trade must be looked at very carefully within the bounds of what we have to keep us operating as we are now.

I just wanted to put those points on the record. When we start talking about trade, let us be sure we know the rules under which we will operate in the future.

Mr. Taylor: Mr. Speaker, I have one or two comments. I hardly know what the Hon. Member means when he says "Let's keep what we have and let's not give anything away". At the present time a number of my constituents are having difficulty. There is some rule that states a person must go to the customs office himself or have a broker go to pick up a parcel. One professional living in Strathmore has to hire a broker at $40 an hour, because he could not leave his practice, to pick up what was a $25 parcel. If that is keeping what we have, I do not go for that at all. The Minister is looking at such things and he should be able to change them.

Second, the Hon. Member has mentioned "giving away" several times. I do not know what he means by "giving away". If this is now going to eliminate the custom's charge that has been placed on the chassis of a fertilizer machine, we are not giving anything away. We are simply making it more reasonable for our farmers to operate. The Hon. Member coming from an agricultural area surely knows that farmers cannot pass on those costs. They have to absorb them, adding to the cost of producing food.

I think the Minister is very wise to bring in these measures. Many of the articles that I see in this Bill are protecting items made in Canada. We are not discussing free trade here at the present time. We are discussing the situation as it is. Certainly I do not agree with everything the way it is right now, but a lot of these changes are very good. Some of the changes will help people to get work. Doing away with customs charges on cutting machines for coal mines, for instance. These are very expensive machines not made in Canada. They come in from other countries. By eliminating that duty, that may enable

many of our coal mines to get started again. We have a tremendous amount of coal and very little of it is being mined today.

I do not understand what the Hon. Member means when he says, "Let's keep what we have". Let us change and make things fair and sensible is what I say.

Mr. Hovdebo: Mr. Speaker, I too can quote a litany of cases where the process under which customs charges have been put into place and administrated has been unfair. I recognize that. I think the Hon. Member for Bow River (Mr. Taylor) really underlines the point that I was trying to make, that in many cases I wish we did not have customs duties. We could get things cheaper for the whole agricultural industry. If we look at this on the basis of national interest, making things available cheaper right now might sound like a good thing.

The direction we are going is based on rules put in place 15 years ago when we started the GATT negotiations. We established the direction in which we were going, and we continued in that direction because free trade was a basis of the GATT negotiations. However, if we change the ground rules, we become the same to the rest of the world as the United States. We eliminate the possibility of trading with other countries and perhaps we will have to go in another direction in order to start protecting what we have. Although our direction before seemed acceptable, it is not necessarily acceptable under new rules if we start a free trade direction in the future. Let us not eliminate the structure which is in place that allows Customs duties to be charged on certain items. We must not eliminate that, because tomorrow we may be going in the other direction. The United States has demanded a level playing field in its free trade negotiations because it has protections in place which it may not want to give away.

● (1540)

Mr. Angus: Mr. Speaker, I have a question for the Hon. Member. During his remarks he made reference to the possible impact of the level playing field concept on the Canadian Wheat Board. As someone from Thunder Bay, a major port on the St. Lawrence Seaway, I was wondering whether he could expand his arguments and indicate what dangers he would foresee for Thunder Bay and therefore the movement of grain in a level playing field concept?

Mr. Hovdebo: Mr. Speaker, my concern is that Canadian farmers do not have the same kinds of subsidies as American farmers. Therefore they do not have the same ability to sell their grain as their counterparts in that country. We feel that both farmers should be on the same level in the playing field concept.

Farmers in the United States would love to have the Canadian Wheat Board or some similar organization through which to sell their grain. If farmers in the United States sell their grain after harvest, they might receive $2.50, whereas if there is a shortage six months later, it might be as high as $8. In Canada that is levelled out and every farmer receives $4.50 or something in the middle. Farmers go broke in the U.S. because they sold at the wrong time. This does not happen in Canada. If that protection does not remain, we will return to the system of handling grain where the longer one holds on to it, the better price one receives. If farmers were doing well in that case, Thunder Bay would receive much more grain than it could handle at the end of the season, but at the beginning of the season there would be none. That was one of the problems which led to the establishment of the Canadian Wheat Board and it led to the granaries of farmers being full when Thunder Bay was empty. Those are the types of things which might be affected by the level playing field concept.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am pleased to participate in this debate. A number of issues were raised by the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) when he launched the amendments to the Customs Tariff Act. In his comments he pointed to the need for certain Government measures to protect, for example, Canadian domestic automobile markets from the rising tide of protectionism. Obviously this begs a question as to what our country will do on the issue of free trade.

As the Hon. Member for Hamilton East, I happen to represent the most industrialized riding in Canada. I should like to shed some light on Canadian experiences with respect to the so-called free trade by referring to the steel industry. In a Government document which was exposed in the House last Friday, the Prime Minister's Office suggested that somehow I, as Hon. Member for Hamilton East, could not fight any kind of free trade initiative simply because it would be embarrassing to me from the point of view of my constituency.

In fact, the Government suggested that other Hon. Members and myself should be exploited because of our particular industrialized constituencies. I tell the Prime Minister (Mr. Mulroney) and his Government that as the Hon. Member for Hamilton East, the most industrialized riding of Canada, I have no hesitation in telling them to proceed cautiously. I have seen to what the so-called free trade agreement with the United States in the steel industry led. By all accounts, Canadian steel makers are fair and free trading partners with the United States. They had to spend $1 million in 1984 specifically to protect their interest in respect of the rising tide of U.S. protectionism when it came to the importation of Canadian steel. What was the result of that expenditure of $1 million? When the Prime Minister came back from the Shamrock Summit—and I think for the first time he put "sham" back into the word "shamrock"—he was gloating. He told Canadians that we had a new relationship with the United States, that the President and he were buddy-buddy. The President does not know it, nor do the major monetary partners. In any case, the Prime Minister of Canada was to get the message across that we are fair and free trading partners in steel.

However, the record in the first seven months of 1985 has shown that the bended-knee approach of the Prime Minister in negotiations with the President of the United States is simply not working. If we examine one specific sector, that is the steel sector, we see quite clearly that in the first seven months of

this year shipments of Canadian steel to the United States in a fair and free trading market were down 9.3 per cent. Half that reduction in shipment was a direct result of Canadian industry, in response to rising American protectionism, voluntarily cutting back on its imports. Also in the first months of the mandate of a Prime Minister who was to have a wonderful and productive relationship with the President of the United States, we see that the Canadian share of the U.S. steel market has dropped from 3.2 per cent to 3 per cent. Sources within the U.S. steel industry would like to see that percentage further reduced to 2.4 per cent. Instead of the Prime Minister and the Government spending money on developing sophisticated communications documents in an attempt to infringe upon the responsibilities of opposition Members, they should tell the House why, in light of this new relationship between the President of the United States and the Prime Minister of Canada, the Canadian share of the steel market was reduced this year as a direct result of those measures. Why is it that the Canadian Government is not responding to American measures which would see a loss, if in fact the Canadian share of the U.S. steel market was reduced to 2.4 per cent, as suggested by certain sources in the U.S. steel industry, of almost 6,000 Canadian jobs? Where are the Prime Minister and the Government when it comes to fighting the rising tide of U.S. protectionism?

The Prime Minister did not comment in the House today on press reports dealing with the response of the President of the United States to protectionism. He is setting up a $300 million American war chest to help U.S. exporters compete against subsidized foreign exports in markets abroad. We saw, in fact, the U.S. response when it came to consulting Canada on the devaluation of the U.S. dollar. Was the Prime Minister of Canada even in the picture? Was the Minister of Finance (Mr. Wilson) at the meeting? Was the Minister of State for Finance (Mrs. McDougall) involved in a decision which could obviously impact very directly on steel jobs and other jobs in the so-called international market between Canada and the United States, and I think of the auto market? Where was Canada when it came to this new, important role as espoused by the Prime Minister when he went to New York and said, "We are open for business".

● (1550)

In fact, the blind, bended knee, hands on approach of the Prime Minister with respect to embracing the notion of free trade is just another example of the Schefferville solution to Canada's economic problems. I would suggest to the Prime Minister and to his colleagues, whether they be the tuna tacticians in his office or other experts in communications, that they should spend less time trying to verbally assassinate the Opposition in documents such as the one which was given to the Speaker today.

I am not surprised. We heard about the interview that the Prime Minister gave to *Fortune* Magazine in which he said quite clearly that in his opinion Canadians cannot compete. I am not surprised when there is this kind of second rate, second class mentality that he suggests in this document that the strategy for selling free trade should rely less on educating the general public than on getting the message across that trade initiative is a good idea—in other words, a selling job.

The so-called public support generated for the Prime Minister's grand scheme of global free trade negotiations should be recognized as extremely soft and likely to evaporate rapidly if the debate is allowed to get out of control, and thereby erode the central focus of the message. Talk about doublespeak, talk about Orwellian overtones of political and media manipulation. In fact the Prime Minister, through this document, through his office, has suggested that we should attempt to contain debate on the most important issue that is facing this country in this decade and that is the question of free trade.

The Hon. Member asks what this has to do with the Customs and Excise tax. Presumably, Mr. Speaker, I am following along the debate which was opened—I understand the Hon. Member for Burlington (Mr. Kempling) is commenting on the validity of what this has to do with the question at hand. I would like to refer him to *Hansard*, page 6868, Commons Debates, September 23, in which the Parliamentary Secretary to the Minister of Finance is suggesting that one of the reasons for the speedy passage of Bill C-21 is because the protectionist trend typical of international exchanges today demands our serious attention. Presumably we are attempting to respond to that attention by comments here in the House.

When you look at specific comments from the Government's communications strategy it is unfortunate that the Government does not want to have a full, fair and free debate on the issue of free trade. He states:

> Members whose own ridings can be expected to benefit from the initiative will likely be under a complicated and conflicting set of pressures. These can be productively exploited. Research should be undertaken to identify economic and trade interests of the 70 ridings now held by the two Opposition Parties as well as those held by the Government.

He goes on to further state:

> With respect to individual members of the Liberal Party, a survey of key members and constituencies will identify circumstances where non-support of the government's initiative would be either difficult or hypocritical. As examples, the riding of the Leader of the Opposition, the Right Honourable John Turner, is in the Province of British Columbia—a province whose forest resource sector must ensure and enhance trade opportunities in the United States and which is currently coming under fire from congressional and individual state protectionist policies; Sheila Copps, whose Hamilton, Ontario riding has the steel industry to represent, and Don Johnston whom in the previous Liberal administration leadership campaign was a key spokesperson for economic enhancement and increased trade relations with the United States.

I suppose I should be flattered to be considered in the Government's document as a so-called member of a key constituency. Obviously the constituency of Hamilton East is the constituency in Canada which is key when it comes to international trade, but I further point to the example of the trail of broken promises and the trail of protectionist policies which has led in the first seven months of this year to a reduction of almost 10 per cent in the amount of Canadian steel that has been exported to the United States.

I know the Government Members would love to hearken back to the sins of past Liberal administrations, to point the finger at us as they have done with the demise of the Canadian

Commercial Bank, a sin which hangs solely on their backs, I might add. However, I want to tell the Hon. Member that in fact the reduction in steel exported to the United States has occurred as a direct result of this Government's refusal to act and its refusal to say to the United States Congress as well as to the President of the United States that we are, we have been and we will continue to be fair trading partners. For the Prime Minister to suggest that this somehow—

Mr. Brisco: Hogwash.

Ms. Copps: Hogwash? You don't feel we are fair trading partners? If the Hon. Member does not believe that the Canadian steel industry has been a fair trading party I would urge him to stand in his place and correct the record because he will find from every major steel industry, from Hamilton, from Sault Ste. Marie, from Cape Breton Island and across the country that Canada has constantly been pointed out as one trading partner which has been fair with the United States. We are not dumping our steel. We are selling our steel productively in the United States on a competitive basis, more competitive than any other nation in the world.

If the Hon. Member has information to show otherwise I would suggest that he have the guts to table it in the House. He does not have the guts because he knows that the Canadian steel industry has been competitive.

What has been our thanks for that from the U.S. Congress? What has been our thanks from the U.S. Government? A further reduction in Canadian exports to the United States and a cut into the market share which is further exacerbated and if continued, if accelerated, could lead to the loss of almost 6,000 Canadian jobs in the steel industry. Contrast that with a Prime Minister who goes to the President on bended knee and says, "Please, Mr. President, will you join us with fair trading and free trading practices in other arenas? Will you, in fact, be prepared to consider discussing with us free trade in a number of other sectors untouched, for example, by auto industry and steel industry fair trading practices? Will you, Mr. President, consent to speak with us on these issues?"

The Prime Minister of Canada has sold out his deck before he has even played his first card on the free trade issue. I would suggest if anyone wants to do an analysis—

Mr. Brisco: Garbage.

Ms. Copps: Garbage. The Hon. Member again says garbage and I wish I could identify the Hon. Member, Mr. Speaker—

Mr. Brisco: Your memory isn't long enough.

Ms. Copps: My memory isn't long enough? It is unfortunate that we do not hear much from a lot of the Government Members, 211 though they may be. I have not heard from them on the family allowances debate. I have not heard from them on the Customs and Excise debate. I have not heard from them on the free trade debate although we did see one Hon. Member stand up and speak his piece very eloquently during Question Period today. The reason we do not hear from most of them, Mr. Speaker, is because just like the surfers they came in with the tide, they are here to collect a pay cheque and they are not fighting for the interests of their constituents over and above political considerations. I would suggest that is true of some of those Members with the exception, of course, of the Fisheries Minister who had the guts to tell the truth in the House of Commons, and we saw where that got him. He got sacked. He got axed. He got dumped. He got canned by the Prime Minister because he had the guts to tell the truch on who was responsible for the tuna scandal. But what do we hear from the other Members? Silence, abject defeat, dejection. They are not prepared to stand up to the Prime Minister when they know these series of events were not stated quite correctly in the House.

Mr. Speaker, back to the issue at hand. If the Hon. Members on the Government side of the House has facts which can dispute my analysis of the steel situation he should so inform this House. The Prime Minister signed a handwritten letter which went to every constituent in my riding saying, "Don't vote for me, vote for your Conservative candidate because your Conservative candidate is going to be there fighting for steel jobs with me". The proof of the pudding is in the eating. Since he has become the Prime Minister, the percentage of the Canadian market share of sales to the United States for the steel industry has dropped by almost 10 per cent. Why should we take the word of the Prime Minister on free trade negotiations when he cannot even clean up the mess that is being made in his own backyard with respect to the protectionist tendencies in the United States?

• (1600)

The record is clear. The reduction in the market share that Canadians now hold in the U.S. steel industry should be a flag cautioning those Members, and in particular the Prime Minister, who are willing to barrel holus-bolus into a global negotiated free trade agreement without considering who is going to be on the giving end and who is going to be on the receiving end. The question must be one of a far wider, global nature.

What happened to our initiatives in the Far East? What happened to Pacific Rim discussions? What happened to a global trade enhancement that would not pit Canada and the United States against the rest of the world when it comes to certain protectionist measures but would develop a long-term global economy that would allow every economy to compete on an equal footing? Instead, the Prime Minister of Canada, through his office, is attempting to downplay the genuine concerns of Canadians like Premier David Peterson of Ontario. I might add that the number of such Canadians is growing. The more people examine the specific implications of an expanded negotiated free trade agreement with the United States, the more concerns they have.

A valid request of the Prime Minister and Members on the Government side is to table the information. We do not want the Canadian public hoodwinked by communications strategies which talk about undermining legitimate Opposition Members. We do not want the Canadian public steamrollered into

an agreement which could impinge on our economic and cultural sovereignty for the next century. We want to have a full and open public discussion and that discussion should be led and not muzzled by the Prime Minister.

Unfortunately, we see that Government Members do not have the political will to embark upon that kind of a discussion. We heard a question today reflecting the concerns of the textile industry and we heard another question today reflecting the concerns of the footwear industry. I know that there are a number of government Members who have been contacted not only by manufacturers in their own ridings but also by employees of those manufacturers.

In the community of Hamilton, Susan's Shoes is the seventh largest employer in the whole area. I know that Susan's Shoes has contacted the Hon. Member for Burlington, the Hon. Member for Hamilton West (Mr. Peterson) and the Hon. Member for Lincoln (Mrs. Martin) to ask them to give the Canadian footwear industry a chance, to save their jobs and to get a fair market share so that the seventh largest employer in the City of Hamilton can be protected. Unfortunately, we do not hear from these Members because they neglect to use their opportunities to speak up in the House on these issues which are of urgent and pressing public importance for all Canadians.

Mr. Brisco: Tell us how many grants they have had.

Ms. Copps: How many grants they have had? As a matter of fact, if the Hon. Member were apprised of the dossier, he would know that it is not seeking grants. Unfortunately, in typical knee-jerk Conservative response, all he can think of is grants. The typical Conservative response is that the private sector will do it all. We know what the private sector did with Inco. We heard what the Minister of Employment and Immigration (Miss MacDonald) had to say about the largest employer in Sudbury. Obviously there comes a time when there must be a mix of a public and private economy. It is unfortunate that the kind of knee-jerk private-sector capitalism as expressed on numerous occasions in this House by a number of Government Members fails to recognize the basic fact that in this country, we have a history of working together.

The Acting Speaker (Mr. Paproski): Order, please. I regret to inform the Hon. Member that her time has expired. Questions or comments?

Mr. Angus: Mr. Speaker, I listened with interest to the Hon. Member's speech. In the Schedule under this Act, there is to be no tariff under general tariffs or general preferential tariffs for machinery and apparatus for use in mining, quarrying, the development of mineral deposits or the processing of ores, metals or minerals and machinery and apparatus for use in the processing, smelting or refining of ores, metals or minerals. What impact does the Hon. Member think it will have on Canada and particularly Ontario that we are still allowing mining machinery to be brought into this country free of charge? Will that in any way help to develop a mining manufacturing facility anywhere in this country?

[*Translation*]

Ms. Copps: Mr. Speaker, it is clear that if we proceed with the fiscal decisions not to collect tax on all manufactured goods that can be used to process minerals, we will never have in this country a secondary industry manufacturing machinery for the processing of minerals.

Indeed, in Ontario, I know that the City of Sudbury has had in mind for a long time having in this country an industry to manufacture machinery for processing our minerals.

Unfortunately, with free trade in that class of machinery, we would always have machinery from abroad, foreign machinery, that would come here and perpetuate our vision of a Canada that is not a processing country, as was said by our former Prime Minister, but—

[*English*]

—that we are the hewers of wood and the drawers of water. It seems to me that this particular tax measure which again will facilitate the importation of machinery from the United States and elsewhere will prevent the kind of made-in-Canada processing of minerals that we should be seeing. That simply reinforces what I believe to be the Conservative view of Canadians which is that we are the hewers of wood and the drawers of water. Conservative Members look to the South when it comes to excellence in manufacturing expertise and salesmanship.

The Hon. Member has outlined a point which is very crucial to the ongoing discussion of free trade and that is that we consider ourselves number one. We in the Liberal Party do not believe that we are second-class citizens. We believe that Canada can compete and it has competed in the steel industry. We have constantly had the boots put to us on this particular issue by a number of U.S. trade and tariff barriers and non-tariff barriers. We will continue to fight that even though we believe that the Conservative or Schefferville mentality if one that sees Canadians as the hewers of wood and the drawers of water for American and foreign manufacturing.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Prince Albert (Mr. Hovdebo)—Agriculture—Southern Saskatchewan farmers (*a*) Request for assistance. (*b*) Aid to cattlemen; the Hon. Member for Athabasca

(Mr. Shields)—Regional economic development—Designatio of areas in Alberta under federal development programs; the Hon. Member for Comox-Powell (Mr. Skelly)—Fisheries—Sale of canned tuna (*a*) Request for Minister's resignation. (*b*) Basis for Minister's ruling.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) (for the Minister of Finance) that Bill C-71, an Act to amend the Customs Tariff, be read the second time and referred to a legislative committee.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I must begin by saying that this is not the most exciting and dramatic Bill that has come before the House of Commons in the last year, but it does afford us an opportunity to look somewhat critically at the trade policy approaches that this Government has been taking. That is what I would like to do now if I could, Mr. Speaker. I have some specific comments with respect to the Bill as well. I will turn to them in the latter part of my speech. However, I think it striking that the items of concern to the House of Commons with respect to trade which have been brought before us are, for the most part, housekeeping and technical matters which are dealt with in the Bill as opposed to the more dramatic and, hopefully, more effective and more important new directions in trade for which I think a great many people voted a year ago in this country.

● (1610)

Above all, it seems to me that the Government is characterized by a lack of strategy in the area of trade. I can think of three particular illustrations in this regard which face us as a country at the moment. First, if we look at the trade patterns of Canada we will see that our second largest trade partner by far is Japan. That is a demonstration of the tremendous importance of the Pacific Rim countries to the present economic health and to the future economic prosperity of the country. Korea has also emerged as a major trade partner. Indeed, even China has begun to develop as an important potential partner for Canada. Yet, we have not had any type of trade strategy set before us with respect to the Pacific. In fact, during the election campaign the Prime Minister (Mr. Mulroney) talked about the importance, the great priority, which should be attached to Pacific Rim trade. Indeed, many Ministers have taken the Cook's tour of Southeast Asia and the Pacific. I am certain they have had interesting trips. We have seen grand pictures of the Minister of Regional Industrial Expansion (Mr. Stevens) taking part in social occasions in Japan. What we have not had has been any direct and forceful articulation of a strategy to develop those markets more effectively in order that Canada can have the type of benefits from that trade which we need for our economic revival.

Second, beyond the particular parts of the world to which we could point as areas in which we would like trade strategy to lead us, it is clear when we talk of trade concerns that to effectively make our country more competitive, and to open up the potential for trade with other countries, that we need to have in place in our industrial structure the capacity to adjust, to be flexible and to take account of the problems which emerge to face our workers when imports from other countries begin to flow into Canada. It is in this area that we have seen the serious failure of strategy on the part of this Government.

The previous Government put in place a Labour Adjustment Benefits Program which was extended to certain communities which had been hard hit by downturns in the economy or by increased imports. That particular program was extended to cover automotive communities in Ontario between 1978 and 1984. However, the previous Government saw fit to cut off the extension of that program in February of 1984. The result of that move has been that workers who now lose their jobs in automobile parts producing plants in Ontario can no longer turn to the Government for labour adjustment assistance. The people who lose their jobs are often older workers who have long-term commitments to the industry in which they work. We all know from the experiences of workers over 50 years of age who come into our constituency offices just how difficult it is for them to suddenly find new jobs when faced with lay-offs. This is a crucial area in which labour adjustment benefits should be made available. Workers in my constituency who have faced this type of problem, even if they come from plants such as the Champion Spark Plug Co. factory in my constituency, which was eligible for this type of assistance in the past, have not been eligible for assistance from the Government.

I have spoken with the Minister of Labour (Mr. McKnight) with respect to this problem. I have put forward the case on behalf of workers in my constituency as forcefully as possible. However, all the Minister has been able to reply is that he hopes there will be a federal-provincial program to assist such older workers put in place some time within the next eight to nine months. I think that is excellent, if it happens; but there has been no commitment as yet to make certain that it will happen. If we are to have more open trade in the country and if we are to talk about freer trade with the United States, then the unanimous recommendation of the special joint committee which met last summer with respect to the need for better assistance programs has to be put into effect. In this area as well there has not been any leadership shown by this Government.

The same is true with respect to a point raised today by Conservative Members of Parliament. I am speaking of the question of renewal of the quota arrangements for our footwear industry. Our footwear industry has faced serious difficult import pressure for many years. Commitments were made by the Conservative Party, when not in power, that it would respond positively to the problems which the footwear

industry has been experiencing. Yet, now, when that industry looks for a commitment from the Government with respect to a renewal of the quota arrangements, and when it looks for better forms of assistance to be put in place, there is no positive message from this Government. There is no sense of strategy and no sense of direction.

We think that sense of direction has to come. It has to be put into effect aggressively. Putting that direction into effect does not consist of pronouncements in favour of freer trade with the United States. The United States has always been, and I am sure it will continue to be, the most important trade partner which this country enjoys. However, it cannot be the solution to our problems. It cannot be the Good Humour man who brings to us some type of easy answer to our economic difficulties. It cannot be the pot of gold at the end of the rainbow which gives us an answer to the great difficulties which our economy is now experiencing. That seems to be the strategy which this Government is adopting. It is a strategy to find the answers and the whole thrust of our trade policy in terms of a new organization of trade liberalization with the United States. As this Bill shows us, tariff levels are already falling on category after category for Canada because of the General Agreement on Trade and Tariffs of which we are a part. Instead of the easy answer that a free trade arrangement with the United States will somehow solve our problems, we have argued that we should be looking at case after case in which the United States, despite the fact that we havetariff free situations, is putting its back to our mechanisms to block us out of access to that market. This has happened with respect to steel and with respect to pork. It has happened with respect to fish products and it has happened as well with respect to a great many parts of our economy which feel the threat of these kinds of protectionist measures in the United States.

• (1620)

We have argued very strongly that the Prime Minister if he has a close relationship, as he suggests he does, with the President of the United States, should be sitting down with that administration and coming up with answers to these particular problems, these threats to our present access to the U.S. market. The priority should be to deal with those problems, to counter those threats, to get support for our producers who are facing that kind of crisis blockage of their access to the United States in so many different parts of our economy.

I think we can do that by establishing a new agency which will assist Canadian and American producers to work out some of their problems. It should be an agency which will provide, for instance, neutral statistics with respect to the sectors which are facing trade problems. In many cases what we have discovered is authorities on both sides of the border having quite different statistics to explain what is happening in the trade context in steel or in lumber. We could get help from that agency to assist us in working out agreements between Canadian and American producers in order to solve our problems. This is what has happened with respect to the steel industry, for instance. It is what we should be doing as a priority with respect to lumber, pork and with respect to fish. If we do not take that approach, Mr. Speaker, we run the danger of entering into negotiations with the United States for freer trade under blackmail conditions and under conditions in which the United States has already initiated backdoor protectionist moves against us. We will have to get the United States to give this up and in return we will have to give up important concessions. Its a mugs game, Mr. Speaker, to enter into negotiations under those conditions.

If we take that approach, if the Prime Minister of this country leads us into negotiations when we face this guillotine, this axe over the heads of many of our important trading sectors, I predict that we will find ourselves a year or two years down the line forced to give up very, very important concessions in order to get some kind of agreement out of the United States. I would predict, for instance, if we enter into a free trade agreement under these blackmail circumstances, we will have to accept informal limitations on our lumber exports to the United States. We will have to cut back the support we provide our fishermen in eastern and western Canada. We will have to give up the protection safeguards in the auto pact which have been so crucial to my community and to thousands of other people across Ontario and Quebec.

If we enter into negotiations for free trade with an axe hanging over our heads, it will not mean job gains. It will mean job losses. In my own constituency, I can see thousands of workers who will lose their jobs if we have to give up the production safeguards in the auto pact. If we have to accept limitations on our lumber exports, it will cost thousands of jobs in British Columbia and Atlantic Canada. If we have to accept a cut-back in support for our fishing industry, that will cost us thousands more jobs as well in Atlantic Canada and British Columbia. We will find our pork farmers across Canada facing more concessions. Free trade, then, Mr. Speaker, under those circumstances, will mean job losses for this country and it will mean the loss of a capacity on our part to take the economic initiatives which can rebuild our economy. We feel that this country can be a magnificent competitive and effective economy, able to export throughout this world, able to win thousands more jobs, but only with a tough, aggressive trade strategy which recognizes just how serious the challenges are in a world in which multinational companies are increasingly making the decisions which shape trade flows.

To tackle that challenge, we are going to need every possible instrument of trade policy we have. We will have to use our tariffs effectively. We will have to use our quotas effectively and we will have to bargain with those international companies just as this Bill itself bargains with those international companies. This Bill has an interesting provision within it. It is the provision that I like to call the Hyundai clause which states that after January 1, 1987, exports from South Korea and other countries which benefit from the GPT will be subject to duty in this country of 6 per cent. That clause has already forced the Hyundai Corporation to accept a commitment to put production into this country of the Pony and Stellar models which have gained such a market in this country. That

is the kind of effective, tough trade approach which should be applied not just to Korea. It is very easy for us to be tough on Korea because Korea cannot fight back. What we have to do is take that kind of shrewdness, that kind of use of every policy mechanism we have, to force the giant companies which are making their investment decisions throughout the world to start making those investment decisions in the interests of this country. You cannot do it by simply legislating free trade with the U.S. You have to work at it; you have to be effective, strategic and, above all, tough. I challenge this Government to take that kind of tough, effective, hard-hitting attitude in defining its trade strategy. Above all, I challenge the Government to define that strategy because, so far, it has not.

• (1630)

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

Mr. Angus: Mr. Speaker, having listened to my colleague and his very excellent presentation, I want to pursue the question I asked the previous speaker. In this Bill we have in effect free trade in mining machinery. Not having a mining machinery manufacturing component in this country, I would like to ask the Hon. Member what other avenues are left to Canadians in order to develop that sector? Is it going to take subsidies from the Canadian Government in order to get them on their feet so they can compete, or is it going to be some other mechanism?

Mr. Langdon: Mr. Speaker, I thank my colleague for raising an interesting question. One of the exciting things we learned this past year in looking at the export potential of this country is that there is a very fascinating relationship developing between some of our electronic firms and the Mining Association of Canada. They are attempting to develop an approach to the production in Canada of mining machinery by making use of some of the new high-tech breakthroughs which have occurred in electronic control systems, and adapting those to the specialized equipment we use in our mines. I do not think the way to realize this opportunity is by cutting back all our tariff protection. The answer is to try to work out agreements with the large mining multinationals in this country whereby they commit themselves to purchasing mining machinery in Canada in return for some of the tax assistance they receive from the Canadian Government. We have argued consistently in this House that this kind of conditional tax assistance makes more sense than the unconditional tax give-aways which have characterized both the Liberal and Conservative Governments.

We challenge the Government to help companies like Spar and Inco in carrying forward this development partnership. If that is done there is a potential for a tremendous number of jobs being created in Canada. I do not think it will take direct subsidies of the kind my colleague feared might be necessary, but it does have to be part of a broad and effective industrial strategy which this country has always lacked and which it so desperately needs.

Mr. Brisco: Mr. Speaker, the Hon. Member made reference to the need to assist Spar. Does he have any idea of the type of contracts which Spar has handled over the past four or five years? For example, the total value of their contracts for 1985 amounted to $159,345,000. Does he really believe that Spar needs help?

Mr. Langdon: Mr. Speaker, the question that was asked had to do with mining machinery which I am certain my friend realizes is a new field for Spar. Despite that, Spar is quite intrigued with its potential. They have formed a partnership with Inco Corporation to explore this potential. Inco is contributing expertise regarding mining machinery and Spar is contributing expertise in electronic data control systems.

This country imports something in the order of 92 per cent of its mining machinery. To me it is shameful that a country with a mining sector which is so important to its economy has not developed over the years the capacity to supply that sector with machinery. I am very pleased to see the private sector taking the lead in this area. That is the kind of good corporate citizenship we on this side hope will come from more private sector companies. I also think, and perhaps this is an area of disagreement between the Party opposite and myself, that it is an important responsibility of Government to offer some leadership and support to the private sector as it takes on new challenges. This kind of partnership between Government and the private sector in areas such as this where we import such a high percentage of equipment is one way of ensuring the creation of thousands of much needed jobs.

Mr. Brisco: Mr. Speaker, I suggest that the Hon. Member look at the business practice of the Canadian industry in this field and compare it to those of the European sector. When equipment utilizing the latest technology is developed in Europe and finds its way to Canada, it goes to the door of a major mine and they are asked to try it out. On the Canadian side, we go to the door of a major mine and say here it is, it costs $150 million, will you buy it? That is the difference. That is why the Europeans have the market.

Mr. Langdon: Mr. Speaker, the Hon. Member has demonstrated my point that Government leadership and support is required to open up the imagination of Canadian producers to this massive market. As I said already, this partnership between Spar and Inco is an exciting development and it should make us a more aggressive and more effective player in the mining machinery sector. If that happens, then perhaps some of the inadequacies of past marketing practice with respect to our producers can be overcome. I hope the Hon. Member will join with me in trying to press his Government to take that leadership and remedy some of the problems he has identified.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Is the House ready for the question?

Mr. Hnatyshyn: Mr. Speaker, there have been discussions between the House Leaders of the Parties represented here. I

think you will find a disposition to have the following motion accepted at this time without debate. The motion is as follows:

● (1640)

That notwithstanding any Standing or Special Order of this House, when the motion for second reading of Bill C-71, an Act to amend the Customs Tariff, has been disposed of in this day's sitting, the said Bill shall stand referred to a Committee of the Whole and that not later than the end of the time provided for the Government Orders at this sitting, all questions necessary to dispose of the said Bill at the then remaining stages shall be put forthwith without further debate or amendment.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we on this side of the House would like to co-operate with the Government House leader (Mr. Hnatyshyn) and certainly would not object to this particular Bill going to a Committee of the Whole. However, with regard to completing the debate by five o'clock, which is part of the motion, I am afraid that in view of the great interest which the subject has elicited on the floor of the House of Commons, it may not be easy to agree to that particular part. I think it will be a fact of life that it will simply not happen. Maybe the Government House Leader would like to rephrase—

Mr. Hnatyshyn: That was my understanding of the arrangement, otherwise we will go to a legislative committee.

The Acting Speaker (Mr. Paproski): There does not seem to be unanimous consent. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Epp (Provencher) (for the Minister of Finance) seconded by Mr. MacKay, moves that Bill C-71, an Act to amend the Customs Tariff be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

TAX COURT OF CANADA ACT

MEASURE TO AMEND

Hon. Elmer M. MacKay (for the Minister of State (Finance) moved: That Bill C-72, an Act to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act, be read the second time and referred to a legislative committee.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the purpose of Bill C-72 is to propose certain amendments to the Income Tax Act and to make a related amendment to the Tax Court of Canada Act.

Tax Court of Canada Act

Bill C-72 derives from the notice of ways and means motion tabled in the House of Commons September 9 last. This notice includes under the same cover the measures proposed in two notices of ways and means motions tabled in the House earlier this year. The first, presented last January 30, dealt with contentious assessments, the second, tabled last May 9, contained a great many technical amendments to the Income Tax Act.

The amendments related to contentious assessments are a result of the Government's commitment to allow taxpayers who object to an assessment to delay the payment of contested taxes, interests and penalties until their case has been heard by a trial court. In that respect the Bill provides for repayment of amounts already paid, to the extent that they are the subject of appeal. The proposed amendments relate mainly to three points: first, collection restrictions; second, the repayment of contested taxes; third, preventive measures against abuses of the new system.

Although an assessment established by Revenue Canada under the Act is payable by the taxpayer without delay, the amendments pertaining to collection restrictions provide that no formal collection measure may be taken by Revenue Canada within 90 days of the assessment. During those 90 days the taxpayer may, as is the case now, appeal the decision of the Minister by producing a notice of objection to the assessment.

If a taxpayer does not produce a notice of objection and does not pay the assessed amount, according to the amendments, formal steps to collect this amount may be taken 90 days after the date of assessment. However, if the taxpayer does produce a notice of objection, formal steps to collect the amount in controversy shall be delayed until Revenue Canada has concluded its review of the objection and until the period the taxpayer has to appeal from Revenue Canada's decision on the objection has expired. If a taxpayer decides to appeal before a court, within the 90-day period provided under the Act, to challenge the assessment as confirmed or modified by Revenue Canada, the Bill provides that formal steps to collect the amount in controversy shall again be delayed until the court hands down its final decision.

Should the court's decision be favourable to the taxpayer, the latter must either pay the amount in controversy or provide security for that amount to Revenue Canada, even if he appeals from the decision to a superior court.

As in the present Act, interest on the amounts finally determined payable by the taxpayer is calculated from the date on which those amounts were initially determined to be payable.

In addition to provisions limiting the right of Revenue Canada to commence collection procedures before the taxpayer has had an opportunity to apply to a court, there are certain amendments allowing the taxpayer to ask that the amount in controversy that he has already paid be refunded to him or

that the collateral provided for that amount be returned to him until he appeals before a court from the assessment or the new assessment established by the Minister of National Revenue.

Moreover, if Revenue Canada has not replied to an objection filed by a taxpayer within 120 days from the date he served his notice of objection, the taxpayer may ask that the amount in controversy be reimbursed to him or that the security offered by him be refunded, without having to appeal to another court.

In addition, the proposed Bill includes safety features against possible abuses of the new system. Where there are reasons to believe that the granting of a delay could jeopardize the collection of the amounts in controversy, the Bill allows Revenue Canada to take forthwith recovery action. On the other hand, the taxpayer has a right to ask a judge to review the opinion of Revenue Canada that the collection of the amount in controversy would be jeopardized by such a delay.

There is in the Bill another safety clause which authorizes the courts to collect an amount not exceeding 10 per cent of the amount in controversy in the case of an appeal which they deem unfounded and made essentially for the purpose of unduly postponing payment of the amount of an already owed contribution.

Mr. Speaker, the inclusion in the Income Tax Act of provisions dealing with the payment of amounts in controversy is a concrete effort to ensure the equitable application of our tax collection system, based more on a spirit of natural justice than judiciary procedure. Thanks to these provisions, taxpayers will not have to pay taxes which they feel they do not owe as long as their cases have not been heard by an independent court. In other words, the taxpayer will not be deemed guilty until fairly dealt with by the courts. This is a major step in the implementation of a fair and equitable tax collection system for all Canadians.

The other proposals in Bill C-72 have been introduced in the Ways and Means Motion tabled on May 9, 1985. Being for the most part technical, those legislative proposals are aimed at improving and updating the Income Tax Act.

The new overall budgetary objectives had a limiting effect on the number of amendments proposed to the taxation legislation. The result of this is that the most important amendments are part of the budgetary process, while the other required changes however of a technical nature and perhaps secondary and of a lesser economic impact, are often indefinitely deferred. The introduction of a procedure to implement that kind of change outside the budgetary process therefore appears to us to be essential and necessary. The procedure thus chosen is to periodically table an Income Tax Bill providing for subsidiary technical changes. The substantial changes deriving from public and major policy initiatives will remain within the budgetary process.

The amendments proposed in this technical bill have been chosen on the following grounds: first, they dispel uncertainty; second, they include legislative measures of relatively little complexity; third, they have a minor impact on revenues, and fourth, they tackle real problems. Moreover, many amendments improve the currently unsatisfactory French version of the Income Tax Act.

• (1650)

The motion tabled on May 9, 1985, was later referred to the Committee on Finance, Trade and Economic Matters. Generally speaking, the committee report is most positive. On the one hand, it unreservedly supports the principle that matters of a technical and administrative nature be treated separately from major policy issues. On the other hand, it comments very favourably on the large number of changes proposed in order to make the French version of the Income Tax Act more accurate.

During the sittings held in early June, the Committee considered each of the changes proposed in the 118 technical clauses of the Bill. Of that number some clauses, in the opinion of the Committee, should be examined more thoroughly by the Government. However, the comments pertaining to six of those seven clauses, far from criticizing the technical amendments involved, dealt with points of policy and administration that clearly go beyond the scope of amendments. Therefore, such matters will not be solved by rewarding the amendments, but will be considered whenever future amendments are proposed within the framework of the budgetary process proper. It should be added that following the Committee's comments, there was one amendment made to the Bill. This is the amendment adding subsection 162(2.1) on the late filing of income tax returns due to corrections made to foreign income tax, and this amendment has therefore been withdrawn.

Furthermore, technical amendments cover a number of other proposals, all of which are also strictly technical and arise from documents and representations received since the Ways and Means Motion was tabled in the House on May 9 of this year.

The Bill before the House today contains many technical amendments relating to a wide range of questions. I shall summarize the most important ones. Deductible charitable donations not deducted in a given year may be carried forward to a subsequent year. Persons afflicted with a total and permanent disability are entitled to roll over a life insurance policy into an annuity, without paying income tax. A taxpayer who buys a house, rents it and subsequently uses it as his principal residence may defer the capital gains accrued during the rental period until the house is sold. Furthermore, he may designate the house as his principal residence during the four last years, or less, of the rental period, in order to be eligible for the exemption from capital gains tax on a principal residence during that period. Moreover, the period allowed to acquire

goods tax free as the beneficiary of an estate will be extended from 15 to 36 months. When a corporation reports a loss or tax credit for a previous taxation year, the interest on the tax refund resulting from that report will be calculated from the filing date on the taxpayer's return for the subsequent year. At the present time, the interest is not calculated over the period prior to the final filing date. When a refund is made following overpayment of income tax by a corporation for a given taxation year, any interest will be calculated from the 120th day after year-end and not from the day six months after year-end, as is the case at the present time.

Losses deductible as business investments which cannot be fully deducted will be converted into net capital losses, and will thus be calculated over a longer period.

A corporation will also be able to benefit to a greater extent from the foreign tax credit for a given year by increasing its taxable income for the year and by creating a loss other than a compensatory capital loss, which is then deductible over other years.

A taxpayer will no longer be required to tell his creditor that he has elected to declare every year the interests on his debt; he will simply have to indicate that election in his tax return.

A corporation which, under a tax convention between Canada and another country, is deemed to be a resident of that other country but which would otherwise reside in Canada, will be considered as not being a resident of Canada.

Mr. Speaker, this Bill ought to be considered and passed as soon as possible in the best interest of all Canadians. We would then be in a position to introduce the legislation related to the Budget tabled last May 23. It should be noted that many of the Budget provisions will call for changes in the tax forms of Revenue Canada which must be printed and distributed before the end of the year.

On behalf of all Canadians anxious to benefit from the fairness inherent in our national renewal, we urge all Hon. Members of the House of Commons to act quickly and adopt this Bill, technical though it may be but essential for the well-being of our taxpaying fellow Canadians.

[*English*]

The Acting Speaker (Mr. Paproski): Are there any questions or comments? There being no questions or comments, we will resume debate. The Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, only one minute remains but I simply want to say that we have no objections to the technical amendments in this Bill. Some of them are good. I do not think it is an outrageously differing opinion than the hon. gentleman outlined but I have to point out to the hon. gentleman that this Bill also makes an amendment to the Tax Court of Canada Act. We wish to put on the record, perhaps after today's sitting, in more comprehensive terms why we object to not having more substantial changes made to the Tax Court of Canada Act since the Government of Canada has decided to crack down on people collecting unemployment insurance.

The Tax Court of Canada actually deals with the determination on every claim which is made by the Minister of National Revenue (Mr. MacKay). At a time like this when the Government of Canada is cracking down, and perhaps we will have thousands of appeals against a determination made by the Minister of National Revenue go to the Tax Court of Canada, we feel that the Government of Canada should have taken other measures. The determination process should be put right back into the lap of the Minister of Employment and Immigration (Miss MacDonald) and not be kept with the Minister of National Revenue with the extensive changes that are coming in.

Perhaps on the next sitting day I will outline in greater detail the problem with the amendments as they relate to the Tax Court of Canada Act. May I call it five o'clock, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed with the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

INCOME TAX ACT

SUGGESTED AMENDMENT RESPECTING WORKMEN'S COMPENSATION BENEFITS

The House resumed from Thrusday, February 14, 1985, consideration of the motion of Mr. Dingwall:

That in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act, in order to eliminate the hardships brought about by previous amendments, which now make Workman's Compensation reportable as "income" for Guaranteed Income Supplement purposes.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am pleased to have an opportunity to speak on this issue again today. I am somewhat surprised that the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) does not want to bring forward his points again and discuss them in some detail. However, I know his commitment to this subject and I certainly share his feelings.

• (1700)

The history of this problem goes back a number of years. In fact, it is fair to say that all of us in the House have been anxious to see what could be done for old age pensioners and, in particular, to give higher priority to those who are in some kind of special need. As a result, over the years a number of

steps have been taken to provide assistance to our pensioners. I think all of us have supported that move, in the main.

For pensioners who have had more difficulty facing the financial demands placed upon them, over the years we have provided two plans which are income-tested and are of special help to them. The first plan is known as the Guaranteed Income Supplement, a supplement to the Old Age Security system. It is income-tested, as I said, and is a means of helping to support those pensioners who are in greater need. More recently we introduced as a second measure of help the spousal allowance program. It is designed to help widows and widowers between the ages of 60 and 64 years who are having difficulty because of low incomes. There has been a commitment on the part of Parliament over the years to support such people.

Now I should like to turn to the history of the motion before the House, its source and the reason for it. Early in 1983, an amendment was passed to the Income Tax Act under the previous Government which required that workers' compensation benefits had to be counted in or regarded as income but were not subject to tax. The fact that they were not subject to tax was of no concern to most pensioners receiving GIS payments. However, approximately 25,000 people who were receiving workers' compensation benefits and were over the age of 65 years were also receiving GIS payments, and the amendment had the effect of reducing significantly the GIS payments; sometimes they were reduced to zero if the benefits they were receiving under the workers' compensation plan were sufficient. A problem arose which came to light in the House, if I remember correctly, sometime in late December, 1983. I recall Mr. Burghardt from London, who was a Member of Parliament at that time, and myself raising this problem in questions in the House before and after Christmas. It was a new problem. Even the officials in the Department of National Health and Welfare in Toronto and London were unaware of it. Not only did we find that we could not receive an answer from the Government of the day, but it had not given the problem any consideration because it was not aware that it was a significant one. A number of Members in the House, including the Hon. Member for Cape Breton-East Richmond and the Hon. Member for Beaches (Mr. Young), raised questions from time to time with the appropriate Ministers of the Government, only to obtain no significant answers of a positive nature in respect of making appropriate changes. Currently the following motion is before the House:

> That, in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act, in order to eliminate the hardships brought about by previous amendments, which may now make Workman's Compensation reportable as "income" for Guaranteed Income Supplement purposes.

As an aside, I notice that the Hon. Member for Hamilton East (Ms. Copps) is not present in the Chamber. According to the Order Paper, she has seconded the motion. I am a little surprised that she seconded a motion using the words "Workman's Compensation" instead of the currently acceptable term "workers' compensation". However, that does not affect the essence of the argument. For her to have missed that point—and I see the Hon. Member for Cape Breton-East Richmond smilling—makes us laugh somewhat. The wording of this motion is such that we really do not need to have a debate at all, because it is already being done. Perhaps that is why the Hon. Member did not rise in his place a few moments ago. The Government is giving serious consideration to the advisability of amending the Income Tax Act. Unfortunately, from my point of view, the officials, along with the Minister, have not yet been able to come to an agreement and understanding as to what would be an appropriate change to make. In a sense the intent of the motion has been fulfilled.

Be that as it may, it might be worth while to review some of the history behind the Guaranteed Income Supplement and how workers' compensation benefits are intertwined with it. In 1966, the Government of the day introduced the Canada Pension Plan to compensate senior citizens and assist them with income during their retirement years. At that time it was felt that the plan would probably be at its maximum benefit in about 10 years and that it would provide about 25 per cent of the income of retired persons. When combined with OAS payments, employee-employer sponsored plans and private savings, it was hoped that that amount would be sufficient to allow pensioners to retire on adequate incomes. It soon became evident that that was not the case. As a result, in 1967, the Government found that it was necessary to bring in amendments to the Old Age Security Act which provided for the Guaranteed Income Supplement. It was a mechanism by which to help many pensioners who were badly in need of income support. In actual fact, to indicate the number of people who required help, it has since become evident that roughly 50 per cent of our pensioners because of low incomes, rely on some benefits from the Guaranteed Income Supplement. A significant number of Canadians depend upon it. As I mentioned earlier, we have now added the spousal allowance for people between the ages of 60 and 64 years who are widowed and are similarly in need of further income.

In order to protect the rights of persons to work on their own and to have some income of their own and not lose it all, a criteria of the Guaranteed Income Supplement allowed for them to earn income apart from their Old Age Security benefits which would be deducted from the GIS at the rate of $1 for every $2 earned. In other words, if a person earned $200 over and above his Old Age Security, $100 would be deducted from his payment that year under the GIS. This mechanism was put in place to encourage people to save in their earlier years and feel that they were somewhat better off than persons who depended entirely upon the Government for support in retirement. The mechanism which was used to determine whether a person was entitled to GIS benefits was the definition of "net income" under the Income Tax Act. We should look briefly at the provisions of that Act as they relate to net income and recognize that various factors are taken into consideration when one arrives at one's net income on the income tax form which is returned each year. For instance, certain deductions are allowed from one's net income which, when taken into consideration for someone receiving GIS, are

of assistance to that pensioner and mean that his net income is reduced. I am referring to such items as 50 per cent of a capital gain or loss which can be deducted from net income on the tax form, allowable contributions to a Registered Retirement Savings Plan or a Registered Home Ownership Savings Plan, and certain tuition fees. In addition to those kinds of reductions which alter the amount of net income for tax purposes, certain definitions of "income" are excluded for the purpose of the supplement. These include income from sources such as war service and compensation benefits, income of Indians earned on the reserve and certain other pension and compensation payments. It was under this latter category that the workers' compensation benefits were excluded up until the change in the Income Tax Act which was effective, I believe, for the 1982 taxation year.

● (1710)

On the other hand, we have to recognize that the Government felt that there were certain sources of income that were received by pensioners, even though they represented income for tax purposes that should not be included for Guaranteed Income Supplement purposes. Thus we have under the Old Age Security Act certain specific exclusions as far as applications for GIS payments. These include family allowances, Canada and Quebec Pension Plan death benefits, home insulation grants and means tested assistance provided by the provincial Governments. All of these, of course, are programs that either had special designations for certain specific reasons such as the home insulation program, or those moneys that were already income tested such as certain death benefits and so on. Therefore, there were definitely certain factors taken into account in determining how one should arrive at the definition of what would be income that had to be reported and be considered in arriving at the benefits that a person was going to get for his Guaranteed Income Supplement.

The point that I think has upset a lot of us in the House is the fact that the amendment that was created in 1983 affected 25,000 pensioners who at the same time were receiving workers' compensation benefits. The officials of our Government and I think perhaps Ministers both in the present and previous Government felt there was some need to consider this as ordinary income. I think it is very important that we stress the difference between income that we get from earnings, called earned income; income that we get from a pension plan or income that we get from a disability plan. These are all plans where the employee or the taxpayer has paid a premium into it. He has put in money with the expectation of having some benefits at a certain time under certain conditions. The difference in a benefit under the workers' compensation plan is that it is not a payment, it is really compensation. It is compensation for having sustained an injury. When a worker loses a leg, Mr. Speaker, I would suggest to you that the best we could do for that person, if our technology would allow us to do it, would be to provide that person with a new leg and then there would not have to be any benefits whatsoever. We cannot do that. We must give that person an artificial limb which has certain disadvantages, which are more serious in the case of loss of eyesight. Being unable to replace those lost bodily parts we provide a payment that may be a payment on a monthly basis or it may be a lump sum payment. It is my understanding that the name of this payment that we are talking about here through the Workers' Compensation Board is a payment called active for life pension. It is a different kind of pension than any of these other kinds of pensions that we are talking about. It is my contention that if we are going to be fair to these people who are receiving that benefit from the Workers' Compensation Board that that money they receive should be considered not as income, because it does not resemble ordinary types of either earnerd income, investment income or pension income where premiums have been paid. It is entirely different. I think it is incumbent upon us as a Government to recognize that fact and to proceed accordingly.

I am pleased to be a member of a Party which is dedicated to helping our senior citizens, particularly those who have a special need and have requirements for financial assistance. That is indeed the feeling of this Government, but I will feel much better if I see the day come when this particular amendment to the Income Tax Act, going back to the previous Government of 1983, is removed from the books and that those pensioners who now receive that kind of a workers' compensation benefit will again be able to receive that benefit and not suffer a drop or a loss in their GIS payments because of that. I hope that the House will agree to that.

I have no objection to this going to committee but I also feel that there is active work going on now by our officials in several Departments and I would certainly be happy to see that progress. I would hope that all Members of the House would encourage those officials and those Ministers to expedite this matter as quickly as possible.

Mr. Rod Murphy (Churchill): Thank you, Mr. Speaker. It is not my intent to speak very long on the motion that was brought forward by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) but I do want to express, as the Hon. Member for Beaches (Mr. Young) and the Hon. Member for Nickel Belt (Mr. Rodriguez) have done in the past, that our caucus is in complete agreement with the proposal that he has made. As the Hon. Member is aware, when the Liberal Government introduced the changes to the Income Tax Act we opposed those changes for the very reasons that the last speaker spoke about so well; first, that workers' compensation has to be treated differently from other sources of income.

As was mentioned by the previous speaker, when someone has lost a leg, an arm, the use of one eye, other bodily functions, or has a disabling back injury he or she should be compensated, we should recognize that he or she should be compensated and we should recognize the special circumstances under which that person has to live for the rest of his or her life.

I find it ironic that even though this matter has been in debate for the last four years that neither the previous Liberal Government nor the present Conservative Government could move very quickly. That is one of the major complaints that I

have with what has been said by Government Members in this House both now and a couple of years ago under the Liberal administration. They said that we cannot move quickly, that it is a complicated area; there is the whole problem of inequity in the tax system and inequity in the pension system. That is the reason why they cannot move quickly.

Today we had a closure motion or a time allocation motion which would have the effect of reducing the family allowance or deindexing the first 3 per cent of the family allowance. There was a quick move by the Government to try to change old age pensions last year. There is an attempt which will be coming up later on which I am sure the Government will try to move quickly which will exempt the first $500,000 capital gains from any income tax. Those are examples of how Government moves quickly when it wants to move quickly. This Government has decided that it wants to deindex family allowances. It brings in closure after four days of debate. The Government has decided that it wants to give people who make their money through capital gains a $500,000 tax free exemption. There is no tax on the first $500,000 made through capital gains. It can move quickly in that matter.

What happens to someone who has had a disabling back injury? What happens to someone who has lost his or her leg? The Government finds that it takes much study, that it requires a look at the whole system of Guaranteed Income Supplements, that it must look at the whole tax system in order to move on this very specific need.

I think anyone who has lost bodily functions, who has lost a leg, an arm, an eye, deserves quick action by this Government. It deserved quick action by the last Government but it did not receive that. If this Government wants to prove that it is any different from the previous administration, its Members should not give the same speeches as those given by former government back-benchers. It should actually move on this matter.

• (1720)

I have yet to hear anyone in the House from any of the three political Parties say that we should treat workers' compensation beneficiaries or victims of the system in the way that we are treating them. No one has risen to defend the system; yet we refuse to act.

I am not going to take up any more of the time of the House. I think this is a matter on which we should express an opinion and for which Members of all three Parties who speak in favour of action should vote.

The Acting Speaker (Mr. Paproski): Order, please. If the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) rises, he will close off debate. Therefore, I recognize the Parliamentary Secretary. I am sure he has a few words to say.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, yesterday and today I made all the speeches of my Ministers in French, so I will take this opportunity to practice my English in answering the question.

[*English*]

I am very pleased to join in the resumption of this debate today on the motion made by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). This is a matter which raises some issues which are very important to many Canadians and I think the Hon. Member should be comended for raising it in Parliament. I know that there was no hint of partisanship in his bringing the motion before the House and that his concerns are sincere and deeply held. I also know that Members of all three Parties share his concern for those affected by the provisions in question.

If I could take some of the time of the House, I believe that a brief examination of the process through which the present situation developed will help us come to understand why these provisions are in the Act and why it seems to me that it would be inappropriate at this time to support the Hon. Member's motion. From the outset, though, I must emphasize that the Hon. Member's concern for the welfare of our senior citizens is one which I certainly share deeply. My words today are dictated by another concern, equally strong, with the concept of equity and fairness to all Canadians. This concern surely is and must continue to be at the base of all our actions.

As Hon. Members are aware, the Income Tax Act amendments in question were first raised in the Budget presented in November 1981. They were part of an effort to simplify the provisions of the Income tax Act and to improve its fairness. The amendments to Clauses 56, 81 and 110 of the Income Tax Act were clearly proposed and were not questioned during the debate on Bill C-139 which took place during the First Session of the last Parliament. Perhaps I may refer to documents issued at that time to explain the proposal. It is clear that the amendments were intended to put all similar programs on the same basis with respect to the calculation of eligibility for payments under the Guaranteed Income Supplement and child tax credit provisions.

Specifically, the then Government wanted to deal with cases of some recipients of the GIS already receiving substantial income from Workers' Compensation while being placed on par with those who had no other income. The Government also wanted to clear up a problem in a more general area of taxation. Previously a person claiming the dependent deduction did not have to take into account any income from Workers' Compensation which his dependent might have. This provision was deemed to be incompatible with the concept of tax fairness. Where is the fairness to other taxpayers in allowing as a full dependent someone who is in receipt of substantial workers' compensation payments?

It is important to recognize that the changes did not alter the special status of the workers' compensation payments which are not subject to tax themselves. The changes extended only so far as to include as income payments which are already granted special treatment. As well, this was done within very limited parameters.

In 1984, a number of Hon. Members including the Hon. Member for Cape Breton-East Richmond raised the matter in the House when it became clear that one effect of the change was to reduce GIS payments for certain persons. The matter was also raised by some columnists in the press. In the debate on Bill C-40 during the second session of the last Parliament, this issue was thoroughly considered both in the House and in the standing committee.

The standing committee consideration of the question now being raised was most interesting and the basic principals underlying the debate emerged from it with some clarity. One very important point raised was with respect to the GIS program itself and another related to the Income Tax Act and its approach to the sources from which taxable income is derived. There was also raised the question of whether workers' compensation payments are viewed as replacement for income or as payment for the injury itself. Finally, the testimony of the then Minister of National Health and Welfare pointed out the question of the amount of work needed to deal with the problem, something which she admitted had not been anticipated by her or her officials. I think it is worth while to look at each of these points.

My concern in taking the time to deal with these points is that I do not want the House to rush headlong into actions which may be regretted by some Members, particularly when hasty action may actually exacerbate any problems which now exist. I also believe that many of the issues raised should quite properly be left for more careful study in a more general context. Perhaps the greatest mistake we could make at this point would be to consider just one small matter without competent examination of the principles underlying it and without consideration of its place within the policies and goals of the Government.

Because the motion deals with the Guaranteed Income Supplement, I would first like to consider that program. It is important to remember that the Guaranteed Income Supplement is a program directed to the poorest of our senior citizens, those whose income would otherwise consist solely of payments from the Old Age Security Program and possibly other small incomes. It is designed to aid those people who are not able to provide for themselves in their later years and who would otherwise be left in a very depressed state economically.

Because the Government does not want to penalize those who have small additional incomes, there is a threshold below which benefits are not reduced by added income. Above that threshold, Guaranteed Income Supplement entitlement decreases by 50 cents for every dollar of income until benefits are completely eliminated. Surely this demonstrates that the Guaranteed Income Supplement is not and never was intended to be anything other than a program directed at low-income members of our society. Even the requirement that persons in receipt of the GIS must apply each year is evidence that the program recognized that changing circumstances might raise an individual's income and so reduce the need for GIS.

Let me take a moment to point out that in the current year, the threshold below which people no longer qualify for Guaranteed Income Supplement is over $11,000 for a single person and over $16,500 for a couple when Old Age Security payments are included. Obviously at this level, people are not well off and deserve the help that can reasonably be provided. However, there are many who are worse off like those whose incomes would otherwise be below this level. I believe that it would be more the act of a caring, responsible Government to direct our resources to those in this lower income group. It would be irresponsible to commit ourselves today to a change which would put those receiving worker's compensation benefits in a position superior to those who have no income other than Old Age Security payments and the Guaranteed Income Supplement. In all fairness, I believe that the Hon. Member has raised an issue which merits careful consideration. I believe it should be studied and, if it is found to impose undue hardship on those receiving both worker's compensation and the Guaranteed Income Supplement, then it should be amended so as to address that hardship.

• (1730)

Such a study is being undertaken at this moment. I think it would be in the best interests of all to await the results before acting. The Minister of National Health and Welfare (Mr. Epp) has commissioned an internal review of what is and is not considered income for the purposes of the Guaranteed Income Supplement. This review goes beyond the relatively narrow question being debated here today. However, it certainly will address fully the question of worker's compensation payments and their relationship with the Guaranteed Income Supplement system. This type of thorough, detailed study will allow an informed, proper decision to be made with respect to this matter—one which will take into consideration the many humanitarian, practical and policy concerns which must be addressed in any final decision. I fail to see how any action taken now, or any decision reached before the completion of this review, can possibly be fair. Is not the bottom line in any debate of this type fairness?

This debate also affects the principles which form the basic foundations of the Income Tax Act. This Act attempts to consider all income and to treat it fairly with respect to its source. The Act is certainly not perfect and improvements are always possible. All I suggest is that we be careful before we act hastily. Unless the decision is based on information which is complete, we may support a move which will reduce the equity of certain provisions in the Act, not increase it. The question, as I see it, is one of equal treatment of income, a concept which is important to the Income Tax Act. We ought not move away from that principle except for very good, deep reasons.

I know that it is urged that worker's compensation payments are different in kind from most other sources of income. Some view them exclusively as compensation for injury, in the sense that crutches attempt to compensate for an injured leg. Surely, worker's compensation is not that alone—that may not even be its main thrust.

Last June, many members of the standing committee made clear that they accept that worker's compensation payments are intended to replace, in whole or in part, the income which an individual would otherwise have earned, and which that person would, of course, be liable to pay tax, or to have assessed for the purpose of GIS eligibility. How can we state categorically that compensation payments are different in kind from other types of payment when they are not viewed as being different in kind by the very bodies which decide on their duration and amount?

I agree with the Hon. Member who moved the motion that individuals who may have received reductions to GIS payments unexpectedly were, not unreasonably, unhappy. However, we must look at the broader picture. Before the changes which sparked this debate became effective, some people who received relatively large incomes from worker's compensation awards would still have been receiving the entire GIS payment.

An additional complication which might result from an ill-judged amendment along the lines of the motion before us today concerns the implications for the provinces. Hon. Members may be aware that prior to the changes we have been discussing today it was necessary to pass remission orders every year to ensure that certain maintenance payments made by provincial Governments were not to be viewed as income for the purposes of GIS eligibility. The changes made in the 1981 Budget in this area ensured a greater uniformity of treatment for all similar payments, whether federal or provincial in origin, and did away with the necessity for repeated remission orders. I am inclined to think that any step which decreases the number of remission orders and other administrative steps is one which should be accepted as a step in the right direction.

I do not want to seem to be unfeeling toward those who were affected adversely by this measure. However, I have to take into account that legislation, especially the Income Tax Act, has to be of general application. When it becomes necessary to amend the Act in response to social and economic developments, it must be done in a manner which has the appropriate effect on the majority of those affected. Inevitably, there will be some people whose circumstances differ in some significant way from those of the majority. Every situation cannot be anticipated and dealt with individually. Surely, we are coming to realize that what is needed is not more complication but less so that basic equity can be preserved as easily as possible and as few persons as possible see fairness denied by an Act which is too complicated to understand or administer equitably.

We also have to take certain facts into account when we are considering what action is appropriate for us to take in response to this motion. A large amount of money is not at stake here when compared with the current level of spending on the GIS program—some $3.5 billion. However, I am informed that although 39,000 Canadians over 65 are currently in receipt of worker's compensation payments, all but about 2,000 of these people are considered to have 60 per cent or less disability and only about 800 are permanently and totally disabled and receiving the maximum amount. Therefore, money is not the main problem in this narrow context. It is more a question of equity, of fairness and of general principles.

We should remember that the people affected by the sections of the Income Tax Act before us do, in fact, have as much income—or more—than many others. Like other disabled persons, they continue to have access to other provisions of the Income Tax Act which assist the disabled and other programs which recognize the special needs of the disabled in general.

Finally, I would point out that even within the group of 39,000 persons who receive worker's compensation payments and who are over 65 years of age, many, in any case, are disqualified from receiving the Guaranteed Income Supplement as other pensions and personal revenue raise their income levels above the threshold.

In closing, I would like to return to the comments I made at the outset of my remarks this afternoon. I hope that I have made clear that my own feelings about the motion before us have no basis in partisan politics. I know that the Hon. Member who moved the motion raised this question in the last Parliament and in political circumstances different from today's. I appreciate that Members from both sides of the Chamber agree that the problem he raises is one that is real for those affected and one which should not be viewed in a purely partisan way.

I hope that I have also made it clear that it is not a matter of seeing a need and formulating a simple response to it. There are questions of equity under the law which are raised by it. The motion begs me to ask whether those supporting it really intend that this one source of income should be set apart and should not be considered in the administration of one of our major social programs.

Can it really be in the best interests of any of us to act in haste, out of emotion, possibly at the expense of the most equitable, most practical and fairest solution? When all the necessary information is known, then the problem can be addressed.

The mechanism which has been suggested as a means of dealing with a specific situation involves general issues of taxation and income under one Act. However, the thrust of the question, the substantive issue, is one which underlies the GIS Program and our approach to those citizens who have little else to support them.

• (1740)

[*Translation*]

Mr. Speaker, I would suggest that the fresh wind of equity which is blowing on our Government should reflect the remarks I have just made, and that both the spirit of justice and the spirit of compassion do prevail.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. Before I recognize the Hon. Member for Simcoe North (Mr. Lewis), I

would like to recognize the Hon. President of the Privy Council (Mr. Hnatyshyn), the Government House Leader.

ROUTINE PROCEEDINGS

[*English*]

CANADA SHIPPING ACT, ARCTIC WATERS POLLUTION PREVENTION ACT, MARITIME CODE ACT, AND THE OIL AND GAS PRODUCTION AND CONSERVATION ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will be very brief. Earlier this day under Routine Proceedings, a Bill was introduced in the name of the Minister of Transport (Mr. Mazankowski) intituled an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act and the Maritime Code Act in consequence thereof. The Bill as introduced contained an error. It has been redrafted and a new royal recommendation has been obtained.

I have had discussions with my colleagues, the other House Leaders, and I believe if you sought the unanimous consent of the House, Mr. Speaker, you would find that such consent would be forthcoming to have the records show that the Bill introduced earlier this day is actually the new redrafted Bill now in the possession of the Clerk, intituled an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof.

Mr. Angus: Mr. Speaker, I just wanted to indicate to the Government House Leader that we do, as always, try to assist the Government in correcting its errors and we will be most pleased to give unanimous consent.

[*Translation*]

Mr. Gauthier: We also agree, Mr. Speaker, but are we still talking about Bill C-75?

[*English*]

Is it Bill C-75 we are talking about?

[*Translation*]

Mr. Hnatyshyn: I think that the Bill introduced today by my colleague the Minister of Transport—

[*English*]

It is a small area in the title with respect to the Acts which will be amended, but we corrected that and a new royal recommendation is obtained. But it is, indeed, the Bill only for first reading and it will be published in proper form so that all Hon. Members have the correct Bill before them tomorrow morning at the latest.

Mr. Gauthier: Mr. Speaker, just to follow up—I want to make sure—the reason I asked, and the Minister will understand this—is that the striking committee is meeting tomorrow as it does when we have Bills for first reading. I just wanted to make sure that we have the right number, that we are talking about Bill C-75, and if we are, that is fine.

[*Translation*]

Mr. Hnatyshyn: The Hon. Member is right.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

INCOME TAX ACT

SUGGESTED AMENDMENT RESPECTING WORKMEN'S COMPENSATION BENEFITS

The House resumed consideration of the motion of Mr. Dingwall:

That, in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act, in order to eliminate the hardships brought about by previous amendments, which now make Workmen's Compensation reportable as "income" for Guaranteed Income Supplement purposes.

Mr. Doug Lewis (Parliamentary Secretary to Secretary of State): Mr. Speaker, I appreciate the opportunity to rise and address the motion which my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) has moved, and did so last February. I want to make some remarks, if I may, to the general matter of detailed study which was addressed by the previous speaker. I believe it is indicated in *Hansard* that this matter first came up on February 14. At that time, it seemed to me to be a reasonable motion. We have now had an opportunity to hear the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) indicate that there will be a further detailed study. I would like to say through you, Mr. Speaker, to the bureaucrats who are doing the study that we all think it is about time the detailed study became a little more immiment so that when we discuss matters such as the Private Member's Motion put forward by my colleague, we can have the benefit of the detailed study on which the bureaucrats somewhere in the Department of Finance or in the Department of Health and Welfare, or whatever, are progressing, we hope.

We, as elected representatives, when we debate this type of motion, put our comments on the record. We are, therefore, prepared to say where we stand as individuals in the course of this Private Members' hour. Sometimes it is easy to support a

motion such as the motion put forward by my colleague, and sometimes I must say, whether we are on the opposition or Government benches, it may be a little difficult. However, the fact is that we put our names to what is said in this Chamber and it is recorded. It is recorded not only for the bureaucrats in the bowels of the Department of Finance, but it is also recorded for people back home who we represent.

When we are asked to debate and give our comments, we have to bear in mind that our primary responsibility in this Chamber is to represent the people who sent us here. We represent them whether we do it in committee, in debate or in Private Members' hour. We are prepared as elected representatives from all Parties, to go back home and support what is said. I would hope, therefore, that somewhere some bureaucrat who is doing this long detailed study of this particular matter, will take to heart what I have just said because I intend to put it in writing.

Having said that, I want to address myself to the substance of my colleague's motion. The Guaranteed Income Supplement was introduced some years ago in 1967, I believe, and it was an effort on behalf of the Government of the day—and I am sure would be supported by all colleagues in the House now—to redress the situation where old age pensioners live below the poverty line and/or that is all the income they have for subsistence purposes. In other words, they do not have enough income to meet their basic needs, they cannot get by on their old age pensions. We, therefore, introduced the Guaranteed Income Supplement, and when that was combined with the Canada Pension Plan, the idea was that the senior citizens of our country would have adequate provision for themselves.

It is a fact, Mr. Speaker, that in many cases—I believe I heard the figure of 39,000 used in reference to workmen's compensation payments—senior citizens cannot get by on the old age pension and the Canada Pension so we have the Guaranteed Income Supplement which, let us just say, works.

My office, as I am sure are the offices of my colleagues in the Chamber, is besieged in the months from January through to April and May with requests from people for advice on their Guaranteed Income Supplement. I am not fully conversant with the form but my staff in both my Orillia and Midland offices help these people to complete the forms. However there is a gap, Mr. Speaker, which could be addressed on the basis of workmen's compensation.

● (1750)

However, the most interesting gap is the one which exists in the year they turn 65, in, let us say, April or May. They would qualify if they could submit a Guaranteed Income Supplement form but they cannot do so until the following January. I suggest that is something which can be looked at. If a person qualifies in April because they do not have enough income, I do not see why they should have to wait until the following January when the forms come out to make their application for the GIS. The fact remains that the GIS is based on income. That has advantages and disadvantages. It minimizes the Government's involvement in an individual's financial affairs, but at the same time allows for a verification of income. However, there are some deductions which reduce the net income, such as contributions to an RRSP.

I think we all agree that if a person is making contributions to an RRSP, they can hardly be in a position to qualify for the GIS. There are also some forms of income which are excluded, such as war service compensation, income earned by Indians on reserves, and certain other pensions. I think we have to address ourselves, and I would ask those bureaucrats in the bowels of the Ministry of Finance to do so as well, to how compensation for injuries suffered on the job is different from those types of pensions. I am sure I speak for all of us when I say that workmens' compensation legislation does the job. Maybe it does not do the job as nicely or to the extent we all want to see, but there is no question that it benefits the people who work for a living should they have an injury. As my colleague from Oxford said, we cannot put the leg or the arm back on but we as a society can say we are going to do our best to compensate the people concerned. For that reason I have considerable sympathy for the motion my colleague has put forward.

This is a question we all have to examine very carefully. Should this type of income be included in calculating income for purposes of the GIS? I do not think it should. I really do not. These compensation payments are an effort by society to compensate someone who has made a contribution to society during their working life, someone who is paying income tax, unemployment insurance and otherwise supporting the system. When that person suffers an injury then society has to make an effort to put them back in the same position they were in before the injury. We sort of give it with one hand through the compensation payment and take it away with the limit on the GIS. I am not really sure that would be seen as fair by any political Party or any elected representative, so when we examine the GIS limit and the definition, we should consider ways to eliminate hardships brought about by previous amendments.

My colleague across the way knows it is not always easy to be a member of the Government and do things that one cannot support. However, it is part of the game because of the solidarity required in Government. It does not happen every day but it does happen and I know that it happened to my colleague from Cape Breton-East Richmond. I know he fought his battle in caucus. I am not sure he fought it on the floor of the House, that may not have been appropriate, but I am sure, knowing how effective he is as a member of his Party—I do not want to go any further than that for fear it goes to his head and that would be the part of my speech that he did send home—when he did fight it as a member of the Government, he did so with conviction. I can understand some of his reasons. He said that the Ontario Federation of Labour and the Nova Scotia Federation of Labour both support this change. He mentioned the United Mine Workers and senior citizen groups. I can understand their support.

He made the comment that we all have to speak our mind in this Chamber and represent our people. I know I have had

constituents come into my office having suffered an injury at the plant and they are now partially disabled. I do not think I have had many people who have been fully disabled but I have had people partially disabled. They feel that these payments are compensation for their injury. Well, monetary compensation can never, as everyone knows well, put a body back together. But compensation on that basis is a recognition by society that they have suffered a wrong and society has compensated them. They then find themselves in a position where they are at the poverty line or very close to it and when they fill out the GIS form they have to include this income and there is a contradiction here.

I notice that not only do we have the bureaucrats in Finance looking into this, but we are fortunate enough in having the bureaucrats in Health and Welfare doing so as well. Therefore, I want my remarks with respect to the bureaucrats in the bowels of the Department of Finance also directed to the bureaucrats in the bowels of, and I guess that is most appropriate, National Health and Welfare. If they are studying this thing they should get along with it and do it seriously and bring it back because the next time this is debated they may not find every Member wants to get up and support any more bureaucratic delay.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Paproski): You may. I regret that I cannot recognize the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

[*Translation*]

The hour allotted for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been made.

SOUTHERN SASKATCHEWAN FARMERS—REQUEST FOR ASSISTANCE. (B) AID TO CATTLEMEN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, yesterday in the House I raised the question of federal Government assistance for hard-pressed farmers in western Canada. Harvesting in Saskatchewan is only about 35 per cent complete as of this week. By this time in most years harvesting would be totally complete. To make matters worse, yesterday in Saskatchewan there was additional rainfall and even some snow.

The problem of the late, wet harvest is only the latest of the misfortunes which prairie farmers have faced. Drought has ravaged much of the grain and pasture land in southern Saskatchewan and across the Prairies. Grasshoppers have plagued the same area. These two curses have resulted in a total crop failure for thousands of farm families. The livestock sector has also been affected because when there is no grain and no pasture there is nothing for cattle to eat.

Our farmers are tough, resilient, and optimistic, but for many of these farmers this is the second, third, or even fourth year of severe crop and livestock losses due to drought and grasshoppers. These farmers are doing everything possible to help themselves out of the desperate economic hardship which they have been experiencing. The problems they are facing now are not of their own making, so it is only fair that they should received adequate help to overcome them. Yesterday I asked the Minister of Agriculture (Mr. Wise) to make an immediate commitment to provide prairie farmers with adequate and timely relief. I asked for that commitment, Mr. Speaker, because the Hon. Member for Assiniboia (Mr. Gustafson) refused to make that commitment to the farmers during the summer and the Minister has only hinted at the commitment, refusing to make it. I ask for the commitment now because relief is needed by farm families now.

The situation is desperate. Many farm families must rely on donations to make ends meet. The Farm Women's Action Committee and the Southwest Drought Committee are collecting and distributing donations of food, clothing, livestock feed, and other supplies to those in greatest need. I have been informed that commercial market gardeners near Regina are donating garden produce to the cause. Donations of clothing are coming from as far away as British Columbia and Ontario. Surely this illustrates the urgency of the situation. Surely the Government can see that the time for action is now. Farmers, their families, and the farm organizations have been asking why the Government is so reticent to act now in this time of need. The Government did not hesitate to act with haste in committing $1 billion to its scheme of bailing out the banks. Foreign depositors are receiving federal Government compensation, but Saskatchewan grain farmers are still waiting to learn if their Government will help them.

Drought, unlike floods or earthquakes, does not happen over night. We have known about the drought and grasshopper conditions in western Canada since June and July. Why delay making the commitment to the grain producers? Yesterday the Minister of Agriculture said he needed time for consultations. Mr. Speaker, Government consultations are sometimes dangerous things. The Minister had consultations with his Conservative counterpart in Saskatchewan regarding drought assistance to livestock producers. That kind of consultation was not worth the time it took. That consultation resulted in every dollar of federal Government aid going, not to the farmers, but directly into the coffers of the Saskatchewan Government. The Saskatchewan Government took all of the credit for the program and then took the money from the federal Government for itself.

Farming is a difficult business, Mr. Speaker. Among their other concerns, farmers are constantly at the mercy of the weather. Drought, flood, and grasshoppers are disasters which

confront farmers all too often. If we had in place a regularized, structured disaster relief program, the farmers would not have to worry about whether or not relief would be forthcoming when they face a disaster.

• (1805)

I urge the Government to act without delay and put in place a contingency plan to deal with farm crises, such as the one we faced this year. I asked for a commitment because during the summer when the Hon. Member for Assiniboia the Parliamentary Secretary to the Prime Minister, was asked he refused to give that commitment to the farmers of his area.

As I pointed out yesterday, the immediate concern is for Government assistance to Prairie farmers now. This is the time of year when farmers traditionally have large bills and need help. This fall the farmers have the added burden of costs incurred to poison grasshoppers during the summer. Many farmers face certain bankruptcy, bankruptcy which the Government could help them avoid if the aid were forthcoming.

I urge the Government to accept its responsibility and provide Canadian farmers with desperately needed economic assistance now.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): First, let me say to the Hon. Member that the Minister of Agriculture (Mr. Wise) said yesterday that maybe within the next week or 10 days we will be in a position to come forward with phase 2 of the program. I understand the Hon. Member is in a hurry, but the Minister does what he can.

I am pleased to elaborate on the answer provided by the Minister of Agriculture yesterday, in response to the question posed by the Hon. Member for Prince Albert (Mr. Hovdebo) on financial assistance to farmers to the drought affected areas of the Prairie provinces.

As the Minister told the House, the federal Government has already made an announcement with respect to a $48 million program of assistance to prairie livestock producers. That is a lot of money, Mr. Speaker. In making that announcement on August 14, the Minister of Agriculture said federal assistance would be integrated with suitable provincial aid programs pending consultation with the four western provinces.

I am pleased to report that through the Prairie Farm Rehabilitation Administration we have nearly completed our negotiations with the four western provinces. We should be in a position to sign agreements with them soon. The mechanisms for making payments to producers are being prepared. In Saskatchewan, payments to producers are already being made through the program announced by the Premier of that province in mid-July. In total, federal payments could amount to $48 million.

The Minister also said in his August announcement that the Government would continue to monitor the situation in the Prairies and further action would be taken as needed. A task group, chaired by the Member for Assiniboia and including provincial Government representatives was to advise the Minister in this regard. I am sure that my honourable friends will admit that the Member for Assiniboia did a very good job during the summer.

The task group, assisted by a technical committee of federal and provincial officials, has been engaged in this pursuit and will be meeting again during the first week of October. We expect further recommendations to be made as a result of that meeting. Without prejudicing those recommendations, I should mention that the rain that has fallen in the southern prairies in recent weeks has certainly had an impact on the situation. I am sure my hon. friend will not think that we are responsible for rain and snow.

In part, because of the downgrading of many grain crops due to moisture damage, there is no shortage of feed grain in the southern prairies at this time and prices are extremely reasonable, at least from the livestock producers point of view.

REGIONAL ECONOMIC DEVELOPMENT—DESIGNATION OF AREAS IN ALBERTA UNDER FEDERAL DEVELOPMENT PROGRAM

Mr. Jack Shields (Athabasca): Mr. Speaker, I would like to put on the record a comment with regard to a question I asked of the Minister of Regional Industrial Expansion (Mr. Stevens) last Thursday. I asked the Minister whether he had taken action to designate areas of Alberta to tier 2 so that areas within Alberta that are presently experiencing high unemployment would then be able to take advantage of the Industrial and Regional Development Program offered by the federal Government. IRDP is the principal program of the Department of Regional Industrial Expansion or DRIE for providing direct financial assistance to industries in Canada. It has been in operation since July, 1983, and is administered primarily through DRIE's 12 regional and 25 local offices.

• (1810)

The objective of the program is to promote regional industrial expansion and development through the support of private sector initiatives with particular emphasis upon projects, industries and technologies with the greatest potential for economic return, sustained growth and international competitiveness. In other words, it is a massive program offered by the federal Government to encourage private enterprise to invest. It will assist private enterprise with grants and low-interest loans to create employment in areas where unemployment is very high.

When the former Government introduced its National Energy Program, it literally wiped out the employment and economic development which was taking place in Alberta. I draw the attention of the House to the tier system. If a district is classed as tier 1, it is eligible for very little in the way of incentive grants or assistance from the federal Government. In tier 2, there is automatic assistance to various companies which wish to invest and create employment. In tier 3, the Government hands out a lot more in the way of incentives. In tier 4, the Government just about hands out blank cheques to companies so that they will come into areas and develop new industries.

Before referring to the results of July, 1984, I should like to backtrack for a moment to say that the tier system is dependent upon census districts and each census district is looked at to determine how much unemployment exists. In July, 1984, in Newfoundland, there were seven census districts under tier 4 and three under tier 3; in Prince Edward Island, two under tier 4 and one under tier 3; in Nova Scotia, six under tier 4, three under tier 2 and one under tier 1; in New Brunswick, seven under tier 4, six under tier 3 and two under tier 2; in Quebec, there were 14 census districts under tier 4, 46 under tier 3, 13 under tier 2 and three under tier 1; in Ontario, there were six under tier 3, 27 under tier 2 and 20 under tier 1; and in Alberta, every census district is under tier 1. I think I have made my point. In other words, Alberta is the only province which is fully tier 1 and fully denied any access through the tier system to the economic development funds which are available to other provinces. I find that to be totally unacceptable. We have had the Minister rise in the House and say that they were attempting to do away with the tier system. I would suggest that it is long overdue and that it should be done away with.

In some areas of the Province of Alberta there is massive unemployment, unemployment to a level unheard of in the past 10 to 15 years. We have experienced a downturn in the economy which businessmen and other people in the province are calling a depression, all due, I might add, to the National Energy Program introduced in the House by the former Government. Fair is fair. There is massive unemployment. The province cannot do it on its own. The citizens of the Province of Alberta are only requesting that they be treated in exactly the same way as citizens in other parts of the country. It is obvious when one goes through, as I did, province by province and finds that of 15 census districts, all of the census districts of Alberta, not one census district is eligible for regional economic expansion funds under any other tier but tier 1, it leaves them very little by way of assistance. I hope that the Minister will take my suggestion and move quickly to right an injustice that I feel is taking place at present.

• (1815)

Mrs. Monique Bernatchez-Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I rise to respond to the question from the Hon. Member for Athabasca (Mr. Shields) concerning the possibility of designating parts of Alberta as tier 2 under the Industrial Regional Development Program.

Tier designations for purposes of IRDP as originally designed are based on an index of development which is a little more than the unemployment my colleague was talking about. It classified the country's 260 census divisions into four tier groups according to selective measures of economic need. The statistical measures used consist of the level of unemployment, the level of personal income and the fiscal capacity of the province in which the census division is located.

According to the Act and regulations, tier designations are reviewed once a year for possible adjustment in light of changing economic conditions. This is done by recalculating the development index using the latest annual data available in each census division on income and unemployment.

As a result of the latest update of the tier designation announced on July 1, 1985, Alberta's 15 census division are still in tier 1. The new 1985 designations are based on indicators that measure employment and income conditions during the period 1982-1984. As such, the new index reflects changing economic circumstances as well as the differential impact of these changes in Alberta and various parts of the country.

[*Translation*]

Mr. Speaker, it shows that classification and reclassification of census districts under the IRDP is being done on the basis of objective statistical data, using a formula provided under the Act and Regulations. The annual review of the development index is mandatory under the Act and constitutes the only procedure for updating tier classification in accordance with the requirements of the Industrial and Regional Development Act and Regulations. Any attempt to change the classification would require an amendment to the legislation.

Mr. Speaker, I realize there is no regional designation system that operates perfectly in all circumstances and is able to guide Government assistance to industry with absolute fairness and objectivity. The Minister is also aware of the shortcomings of the system and continues to consider other ways of improving the criteria now being used for tier designation. That is why the development index and the tier method used by the IRDP are being reviewed by the Department.

As soon as a more objective and useful method is developed, Mr. Speaker, the Minister is prepared to formulate recommendations for making the legislative changes that will make it possible to implement such a method.

Meanwhile, Mr. Speaker, the ERDA program now in effect could be used to arrange a subsidiary agreement with Alberta, and the Minister soon hopes to be able to sign an agreement of this kind that will be beneficial to the people of that province.

[*English*]

FISHERIES—SALE OF CANNED TUNA. (A) REQUEST FOR MINISTER'S RESIGNATION. (B) BASIS FOR MINISTER'S RULING

Mr. Ray Skelly (Comox-Powell River): The last remaining question, Mr. Speaker, in the great Canadian tuna scandal relates to whether the Prime Minister (Mr. Mulroney) in fact knew of this issue many weeks or even months before the matter reached its culmination in the House of Commons recently. On Friday, September 20, in a press conference the Prime Minister said that he had only heard about this problem the day before and had acted immediately on it. He said that in quite an explicit and firm way. The former Minister of Fisheries and Oceans, on the same day, in a scrum after Question Period said that that in fact was not true. He said that this whole issue in detailed form was in the Prime Minister's Office several weeks ago. It is interesting to note that the former Minister of Fisheries and Oceans survived the

Star-Kist affair but what he did not survive was the enormous contradiction that he had set up between himself and the Prime Minister. When the former Minister subsequently tried to heal the problem, the Prime Minister sacked the Minister of Fisheries and Oceans.

• (1820)

To return to the question at hand, there seems to be information indicating that the Prime Minister would have had several matters before him. First, David MacDonald publicly rejected this product weeks if not months before. On July 5, a close friend of the Prime Minister seems to have been given information that this scandal was upon us. On July 28, Ian Anderson who is now Deputy Principal Secretary, allegedly heard of this matter from two offices of the Department of Fisheries and Oceans. I believe tonight's answer will reveal that Mr. Anderson had a lot more information of which he either advised or failed to advise the Prime Minister.

The Department of National Defence had the information. Why did the Deputy Prime Minister (Mr. Nielsen) not have the information? The Minister of National Health and Welfare (Mr. Epp) should have had the information. Justice and Fisheries informed the Prime Minister's Office that this matter was pending. It is absolutely unthinkable that the Prime Minister of Canada would not have been briefed about the possible impact on a $2-billion industry and 100,000 jobs and the possibility of health problems arising from having a million cans of rancid and decomposing tuna at loose in the country.

It is amazing that we have been led to believe by the Prime Minister that none of his staff members and none of the Ministers briefed him on this critical matter and that he had to see it on television after which he knew that the right thing to do was to get that stuff off the shelves. It is pretty damned obvious that it should not have been on the shelves in the first place.

Only a few things make sense to Members of the House of Commons and the people of Canada. We have to make the assumption that the Prime Minister's staff has some common sense and fulfils the responsibility of briefing the Prime Minister on matters that are important to this nation. If we do not believe that, we have to believe that his staff is incompetent and the Prime Minister knew nothing. We have to believe that he gets his information about the nation's business from television.

Tonight we may see a clarification of this matter when it will allegedly be aired on television that information of this nature was in fact given to Mr. Ian Anderson, now Deputy Principal Secretary. One would think that he would have informed the Prime Minister of a very serious matter affecting a $2-billion Canadian fishing industry, a $1.7-billion exporting industry, 100,000 jobs and relating to the releasing on the Canadian market of a million cans of rancid and decomposing tuna. There is no way that we can accept the story that Mr. Anderson had not informed the Prime Minister of that. If that is in fact the case, the Prime Minister should have his head first thing tomorrow morning and be prepared to make a statement in the House of Commons about the reorganization of the Prime Minister's Office and the Privy Council Office so that this country can run with some effectiveness and safety, something which has not been demonstrated by the Prime Minister to date. Other than that, the Prime Minister should stand up in the House and admit that he in fact knew about this issue weeks before, as the former Minister of Fisheries and Oceans, a man whom many people know to be an honest gentleman with a tremendous political conscience, stated unequivocally in the period before the scrum on Friday.

• (1825)

The questions which have been asked in the House are still wide open. The people of Canada have not been given an acceptable answer by the Prime Minister. The questioning will have to continue until the Prime Minister comes clean with us and tells us that, in fact, he has either reorganized his office and fired the people responsible, or until he comes clean with us and tells us that he did know long before and failed to act. Ultimately, we might see that it is the Prime Minister who puts up his damn seat in response to this very serious matter.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am delighted to be able to respond to the original question asked by the Hon. Member for Comox-Powell River (Mr. Skelly) which was the basis for the Minister's ruling. My statement today is intended to set out clearly the decisions taken by the former Minister with respect to the release of certain lots of tuna products.

Over a period of months, beginning in late 1984, selected lots of canned tuna production inspected by DFO Inspection were detained from release to the public because of inspection decisions that these lots did not meet the minimum quality standards set out under the Fish Inspection Regulations. It must be stressed that large quantities of Star-Kist production did pass inspection testing throughout this period and were distributed to the market-place in the normal manner. It must also be stressed, and underlined, that at no time were any doubts expressed about the health or safety attributes of any Star-Kist products, including the detained products.

Beginning in late 1984, the Star-Kist Company, the Hon. Member for Carleton-Charlotte (Mr. McCain), and other interested persons approached the former Minister with criticisms of the quality standards applied by Fisheries inspectors to tuna production. He personally met with representatives of Star-Kist at St. Andrews at that time to see for himself what problems existed and how these could be corrected. In January 1985 the Government of New Brunswick contracted the Research and Productivity Council to conduct an independent assessment of Star-Kist production methods and issues of difference between the company and Inspection. Departmental staff co-operated with this RPC study. A report from RPC was presented to the New Brunswick Government on February 11, 1985, with a copy being provided to the former Minister.

Following receipt of the RPC report of February 11, the former Minister instructed that sampled of detained Star-Kist

products should be released to RPC for further testing. No detained products were released to the market at this time.

Normal inspection processes were continuing at Star-Kist. Some production passed and some did not. The former Minister formed an independent review committee to advise him on the resolution of differences of opinion between Star-Kist and Fisheries inspectors on March 4, 1985, and also to advise him on how to dispose of Star-Kist products which were still detained in accordance with the Fish Inspection Regulations.

The independent review committee presented a summary report to him on April 24, 1985. On the basis of this report, and also taking into consideration the information given to him in the RPC report of February 11, 1985, he decided to release all product under detention to Star-Kist for whatever disposition it chose to make. His decision was formally communicated to the Department on April 29, 1985 and Inspection released the product to the company during the first week of May. At all times he had been fully assured by his inspection staff, and by other interested parties, that health and safety concerns did not exist for these products.

All the products in question were placed under Star-Kist control from the first week of May. The former Minister understood that Star-Kist continued to work with RPC but that this was an arrangement between those two parties. This process obviously had nothing to do with his decision to release.

In the period since the decision to release detained Star-Kist products, the former Minister requested that an industry-government working group be convened to review in detail the inspection guidelines applying to canned tuna. That working group met twice this summer and revised guidelines have been agreed upon. These revised guidelines now apply to the inspection of all tuna products sold in Canada, whether produced domestically or imported from abroad, and will be reviewed again in January 1986.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, September 25, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

CORPORATE AFFAIRS

MITEL CORPORATION—DANGER OF TECHNOLOGY TRANSFER

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise today with regard to the situation concerning Mitel and the subsequent infusion of some $300 million into that corporation which is located here in the Ottawa region. I must say that we are very concerned about all the issues surrounding this particular bid by British Telecommunications and the amount of money that it is going to be putting into that company.

There have been many, many lay-offs, both in Kanata and in Quebec, in regard to this particular company. At the same time as workers are being laid off we read in the newspapers where substantial salary raises have gone to senior members of the management of Mitel Corporation. Yet when we question the Minister of State for Small Businesses (Mr. Bissonnette) regarding the agreement between Mitel and the Government of Canada with regard to the transfer of technology we are not given any assurances that that particular agreement will be in place after the takeover takes place.

As a Member of Parliament I am very concerned that if that commitment, which was negotiated by the previous Government and the management of Mitel, is not continued, that the transfer of technology will take place and it will leave Canada, thereby causing further and greater job losses to this particular community here in the Ottawa region. We don't have any answers—

Mr. Speaker: I advise the Hon. Member that his time has expired.

* * *

AUTHORS' ROYALTIES

PAYMENT FOR PUBLIC USE OF LIBRARY BOOKS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I welcome the announcement of the Minister of Communications (Mr. Masse) of an agreement with the provinces for a plan for payment for public use of library books. This has long been a demand of authors, as a means of compensation for the loss of royalties that they would otherwise receive from book sales.

The federal Government will be providing $2.5 million a year for this plan, assuming cabinet approval. The announcement constitutes a moral victory for the artists and their lobbying organizations.

Economically, however, this proposal is far from making up the $100 million lost to the arts and cultural community in budget cuts. Even if 5,000 writers benefit from this plan, that is only $500 a year on average. Yet the CBC cuts alone took $75 million, costing these same writers jobs, free lance contracts, and professional opportunities. Thus I join with the artists attending a conference on culture in Halifax this past weekend in calling for the full restoration of arts funding and, let me be perfectly clear, to the independent arts agencies.

* * *

THE LATE VACLAV PIVRNEC

DEATH IN CZECHOSLOVAKIAN JAIL

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I regret to inform the House of the death of Vaclav Pivrnec who died in a cell in a Czechoslovakian jail.

Mr. Pivrnec was the manager of Omni Trade activities in Canada until he was forced to return to Czechoslovakia. When he returned to Czechoslovakia his wife Jana and their two children declared and were granted refugee status here.

Mr. Pivrnec attempted to return to Canada, but was prevented by the Czech Government from doing so. Indeed, he was convicted by the Czechoslovakian state of the offence of trying to join his wife and children in Canada, and has, in fact, been separated from them for nearly four years.

The House will recall that a petition bearing nearly 500 names of Canadians was presented last Wednesday to the House calling upon the Czechoslovakian Government to release Mr. Pivrnec. Unknown to me and to this House, Mr. Pivrnec was arrested again by security forces as a result of protests made on his behalf, and was under an inquisition from September 15 until he died last Friday.

His plight and his concerns have been the subject of our Government's many representations to the Czechoslovakian Government. Czechoslovakia refuses to abide by the Helsinki Accords and refuses to treat its citizens with any sense of humanity. I call upon the Government to curtail immediately the activities of Omni Trade and other Czechoslovakian companies doing business in Canada as these companies are essen-

tially a front for espionage in Canada. Czechoslovakia is a police state that has no place—

Mr. Speaker: I must advise the Hon. Member his time has expired.

* * *

[*Translation*]

INDUSTRY

CONSEQUENCES OF TEMPORARY ABANDONMENT OF ALCAN ALUMINUM PLANT PROJECT IN QUEBEC

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, you are undoubtedly aware that the world's largest aluminium smelting complex operated by Alcan Aluminium Ltd. is located in my riding of Jonquière. During a press conference given yesterday by that company management it was learned that the $1 billion major investment project unveiled in April 1984 has been shelved *sine die*, owing to the slumping aluminium world market.

The temporary cancellation of this project is a hard blow to the social and economic interest groups of the Saguenay-Lac-Saint-Jean region. We could have been witness to an economic recovery, but the impact of this news is nothing short of disastrous. It entails the loss or at least the delay of a $1 billion new capital injection in our region, along with dire consequences for a number of local contractors, not to mention the direct or indirect loss of hundreds of temporary jobs among contractors, subcontractors and material suppliers.

As if that were not enough, one can only sympathize with the taxpayers since they will not be able to benefit from the taxes which the new smelter would have generated.

Still, Mr. Speaker, the construction project would have had a negative impact since 600 permanent workers would have been laid off at the Jonquière plant. It is a reprieve for the federation of united aluminium workers.

The monitoring committee responsible for protecting jobs in the aluminium industry will have to make the best of this reprieve and double its efforts to find other solutions to this problem.

* * *

FISHERIES

SALE OF TAINTED TUNA

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the tuna affair is starting to smell worse and worse for the Prime Minister and his party. Pretending to be shocked at the very idea, the Prime Minister claimed he was not aware that the tainted tuna, which was not good enough for Ethiopia and was turned down by the Canadian Forces, was on the shelves of our food stores.

Premier Hatfield of New Brunswick knew about it, the Minister of Fisheries and Oceans (Mr. Fraser) knew about it, the Minister of Energy, Mines and Resources knew about it, and a number of officials at the Department of Justice, the Department of National Health and Welfare, the Department of National Defence and the Department of External Affairs knew about it. The man in charge of caucus relations in the Prime Minister's Office, Mr. MacAdam, knew about it, and the Prime Minister's communications assistant, Mr. Anderson, knew about it as well, and now the Prime Minister, Mr. Speaker, that clown, would have us believe that he was the only one who was not informed.

Funny way to run a Government, Mr. Speaker. One thing is certain, however, that without that television broadcast, the tainted tuna would still be on our shelves.

* * *

[*English*]

HOUSING

SOCIAL HOUSING PROGRAMS—GOVERNMENT POLICY

Mr. Neil Young (Beaches): Mr. Speaker, the federal Government has played a major role in the supply of assisted housing since the early 1940s. For the first time in over 40 years there is a real possibility that it will hand over this control to the provinces. A leaked B.C. cabinet document calls for increased emphasis on shelter allowances and more participation by the private sector in developing and managing social housing programs.

Government assistance to the private sector has never ensured a long-term supply of well maintained, affordable housing. In contrast, the non-profit and co-operative housing developed by non-profit voluntary associations are quality affordable accommodation. These programs are at stake in the federal-provincial negotiations.

The federal Government must continue to take the leadership role because of its control over interest rates, tax policy, income support programs and policies affecting native communities. Transferring housing policy to the provinces can only lead to greater disparity in the "have-not" regions of Canada.

The future of non-profit and co-operative housing has been uncertain for the past few years. It is time for the federal Government to map out a long-term housing policy and programs that include a strong and continuing federal presense in the housing field.

It is time the Government started to think about policy and programs rather than following its ideological drift with no policy and programs.

THE DISABLED AND THE HANDICAPPED

PLIGHT OF YOUNGER DISABLED ADULTS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, while most Canadians fortunately enjoy good health, I would like to remind those who are active in all levels of Government of the particular needs of the younger, chronically disabled adults between the ages of 18 and 59.

● (1410)

There are 249 young disabled adults who currently reside in personal-care homes in Manitoba, many of whom are afflicted with multiple sclerosis. Moreover, the average age of the younger disabled resident is 50 years, substantially and significantly lower than the 83 years, substantially and significantly lower than the 83 years which is the average age of all residents of personal-care homes.

These younger persons have specific accommodation needs which are not always met by many of the personal-care home programs. Younger disabled adults often require more than the elderly in terms of rehabilitation, therapy, recreational and job opportunities. They desire and need more community contact and involvement as loneliness is more apparent due to the fact that they are often separated from young families and spouses. In addition, and of great importance, their intellectual needs are often not met.

The development of programs and the provision of separate accommodation for younger chronically disabled persons are necessary because present living conditions sadly, and even tragically, lead to a regression in their state of health.

* * *

CULTURAL AFFAIRS

ESTABLISHMENT OF CULTURAL CENTRE IN CHILLIWACK, B.C.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I think every Member of Parliament from a rural riding must from time to time wish that his or her constituents had the same opportunities to receive as varied and enriched a cultural life as residents in urban constituencies. It is a fact of life that urban areas with their greater population bases receive a larger portion of funds from government. I do not think anyone would argue that such a practice should change, but I think that everyone must recognize that cultural matters mean as much to rural constituents as they do to urban ones.

Recently the Minister of Communications (Mr. Masse) approved a cultural grant to one of the communities in Fraser Valley East. This grant, along with funds raised locally, when coupled with money from the province, made a Cultural Centre for Chilliwack a reality. The Chilliwack Community Arts Council which worked long and hard thanks the Minister and his Department for his co-operation and for his appreciation and support of cultural matters.

S.O. 22

AIRPORTS

EXPANSION PLANS FOR VERNON, B.C.

Hon. André Ouellet (Papineau): Mr. Speaker, I have a request from the residents of Okanagan Landing, British Columbia, showing concern about the Vernon airport expansion plans. Apparently the Airport Commission came up with a contract that will produce a licensed facility of only 2,000 feet. This is way below the 4,000 feet originally recommended in the Zolton Report, and below the 3,115 feet considered minimum for municipal use.

It is felt that NORD directors and their appointed airport commission have over-stepped their own mandate, ignoring the first of their prime objectives which is to locate and obtain a suitable airport site to serve the needs of the entire regional district, notwisthstanding future expansion and commercial usability being major considerations in this selection.

I would like to know why the Government is putting money into a project that will be totally unsuitable to the needs of the entire Regional District of Vernon.

* * *

WELFARE

FEDERAL-PROVINCIAL AGREEMENT TO ASSIST WELFARE RECIPIENTS ENTERING EMPLOYMENT

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the Minister of National Health and Welfare (Mr. Epp) announced last week that he and the Minister of Employment and Immigration (Miss MacDonald) have reached a historic agreement with the provinces and territories that will break the deadly cycle of welfare dependency. Disincentives have been replaced by hope, encouragement and, most important, opportunities.

Up until now there have been precious few incentives for welfare recipients to work. Any money a person earned while on welfare was deducted from his or her Government cheque. Hence, it was easier to stay totally dependent on welfare than to risk getting a job. This is a cruel and soul-destroying development.

We know that most people have pride in themselves and would like to work. To their great credit, people prefer self-sufficiency to hand-outs. Under this new program, by enrolling in federal job-training or work programs, people on welfare will be able to earn up to $158 per week without any reduction in benefits. The new Job Strategies Program assures people on social assistance of a fair share of the opportunities at entry and development levels. This is just as true for youth, for women, and for the disadvantaged. I commend the Ministers for their brilliant success in such an important area of concern to all Canadians.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA—PRIME MINISTER'S KNOWLEDGE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. I do not want to ask him about tuna. I want to ask him about integrity.

Last week the former Minister of Fisheries and Oceans told the country that the Prime Minister had received detailed information about the rancid tuna in July. Under pressure the former Minister changed his story and he was fired.

This morning the Hon. Member for Carleton-Charlotte, the riding in which the tuna factory in St. Andrews, New Brunswick, is located, contradicted the Prime Minister by saying that since Parliament has reconvened in September he has raised the issue repeatedly in caucus before it became public. Under pressure from Pat MacAdam of the Prime Minister's office, this morning the Hon. Member attempted to change his story. I ask the Prime Minister what he has been asked before. I urge him to take the question seriously and to think carefully before answering.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Does the Prime Minister still hold to the position that he never heard of this affair until one week ago?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker.

KNOWLEDGE OF OFFICIALS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, CTV has reported that Ian Anderson, who was Director of Communications and who is now the Deputy Principal Secretary to the Prime Minister, received a transcript delivered to him eight weeks ago with a full account of the story which has since become public. The Prime Minister's caucus liaison officer, Patrick MacAdam, and old college room-mate, and buddy—

Some Hon. Members: Order.

Mr. Turner (Vancouver Quadra): —also knew of the matter in July. Is the Prime Minister asking Canadians to believe that the matter was serious enough to cause the resignation of a Minister of the Crown and yet not serious enough to be told to him by two of the most senior officers in the Prime Minister's Office? Is that what he is asking us to believe?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not asking the Right Hon. Leader of the Opposition to believe anything. I was asked a question, one which I have been asked for the last three days while he was absent from the House, and I told the truth. That is what it is, absolutely.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, I have indicated to this House—and I have no need for a period of reflection—under interrogation by my hon. friend, the Leader of the New Democratic Party, and others, that this matter was brought to my attention for the first time on Tuesday night of last week. That is the fact. Any statement at variance with that is false. I have invited anyone who so contends from whatever side of the House to put his seat in play.

Some Hon. Members: Hear, hear!

ALLEGATION OF MINISTERS' KNOWLEDGE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we have had a statement by a former Minister and a statement by a Member of Parliament. We have had admissions that the Minister of National Defence knew, that the Minister of Justice knew—

Mr. Crosbie: I did not know.

Mr. Turner (Vancouver Quadra): —and that the Minister of National Health and Welfare knew.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Get your facts straight.

Mr. Turner (Vancouver Quadra): I am suggesting to the Prime Minister—

Mr. Dick: You are wrong again.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Mr. Speaker, we are dealing with a very serious issue reflecting upon the integrity of the highest office in the land.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The issue is not fish. We do not have fish before the House any more; we have the possibility of a cover-up.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would invite the Right Hon. Member to come to his question, please.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think Canadians—

Some Hon. Members: Order, order.

Mr. Turner (Vancouver Quadra): —demand to know the truth. Sir, you know this is a very fragile place. If the Prime

Minister has any respect for this institution, I urge him to come clean with the whole story of what he knew about this affair.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition says that the Minister of National Health and Welfare knew. That is false.

● (1420)

He says that the Minister of National Defence knew. That is false.

He says that the Prime Minister knew. That is false.

He says that the Minister of Fisheries and Oceans knew. He acknowledged it and took his responsibilities in a way which is completely alien to the Liberal Party which has no respect for the truth or for Parliament.

Some Hon. Members: Hear, hear.

VANCOUVER NEWSPAPER REPORT

Mr. George Henderson (Egmont): Mr. Speaker, if all those people in Cabinet did not know, you must have some caucus on that side.

My question has to do with a column in the *Vancouver Sun* which stated on Monday, and I quote:

One fisheries source said Mr. Mulroney issued directives on the matter in April and again . . . after lobbying by Maritime Ministers and MPs—

—in May.

Mr. Hnatyshyn: What Minister?

Mr. Henderson: My question is directed to the Prime Minister. What Ministers and Members of Parliament, other than the Hon. Member for Carleton-Charlotte, lobbied the Prime Minister? And can the Prime Minister honestly say to Canadians here today that he knew absolutely nothing about this affair until Tuesday night, September 17, 1985?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks me about a statement in the *Vancouver Sun* on September 23, which reads:

One fisheries source said Mr. Mulroney issued directives on the matter in April and again in May, after lobbying by Maritime Ministers and MPs.

The statement is absolutely false.

OFFICIALS' KNOWLEDGE

Mr. George Henderson (Egmont): Mr. Speaker, my supplementary question is directed to the Prime Minister. It is becoming, of course, more apparent than ever before that there has been more than just scuttlebut floating around in the Prime Minister's Office. There were facts about rancid tuna, and decomposed tuna and the Prime Minister's office knew this. Will the Prime Minister tell this House today just exactly what his senior aides knew, Mr. Anderson and Mr. MacAdam, about this story? Did they know at that time that this tuna was unfit for human consumption?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought I responded fully to that question yesterday but I will be happy to go through it again for the Hon. Member.

In early July Mr. MacAdam picked up the comment or the scuttlebut, here in Ottawa, to the effect that a network might be airing that kind of—or a story of some kind. He communicated with the official in the office of the Minister of Fisheries and Oceans who advised him that there was no cause for concern of any kind.

The second meeting to which I referred yesterday involved Mr. Ian Anderson who was visited by two members of the Minister's staff. They gave the assurances that there was no health hazard, that the Minister was acting within his authority and that there was nothing wrong. They asked for Mr. Anderson's view—in the event the program aired that very evening—as to what they ought to do because the Minister was absent from Ottawa. Mr. Anderson immediately advised that they get the most senior official available and make him or her available to the media to respond fully to all inquiries.

One of the things which was given to Mr. Anderson was the transcript referred to by others where the Minister says: "First of all, you must remember that none of this product was unfit for human consumption". This was a flat statement which was made by the Minister in a television interview on June 26. This is a transcript which Mr. Anderson was given.

In light of this, Mr. Anderson gave the advice he gave, which I felt—and I hope my hon. friend would agree—was appropriate in the circumstances.

STATEMENT ATTRIBUTED TO MEMBER FOR CARLETON-CHARLOTTE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the transcript in the hands of the Prime Minister refers to a million cans of rancid and decomposing tuna. It is a serious matter affecting a $2 billion industry and 100,000 jobs in Canada. It is unthinkable he would not have informed him.

The Hon. Member for Carleton-Charlotte today contradicted the Prime Minister. My question to the Prime Minister is this. Does the challenge to put your seat up apply to the Hon. Member for Carleton-Charlotte? If he is wrong and he did not inform caucus and the Prime Minister at the same time, would the Prime Minister have the Hon. Member for Carleton-Charlotte put his seat on the line? Or, would the Prime Minister quit the charade and tell the truth to the House of Commons?

● (1425)

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member—

Some Hon. Members: Throw him out!

Mr. Speaker: No, no.

Mr. Forrestall: Why not?

Mr. Speaker: Everyone just calm down, please. The Hon. Member knows there is an implication in the second part of his question which is improper and I simply invite him to rephrase it. Only the question without that part.

Mr. Skelly: Mr. Speaker—

Mr. Forrestall: Talk about charades!

Mr. Skelly: —my second question to the Prime Minister is: Does the Prime Minister know the price of defending a lie?

Some Hon. Members: Oh, come on!

Mr. Mazankowski: That is way out of order!

Mr. Skelly: The loss is honour. The loss is the integrity of his Government.

Mr. Hnatyshyn: Why don't you sit down?

Mr. Skelly: Does he know that it is a very serious problem?

An Hon. Member: You are wrong.

Some Hon. Members: Withdraw.

Mr. Speaker: The Hon. Member is skating very close and he knows it. It is not proper—

Mr. Forrestall: He thinks he is walking on water right now.

Mr. Speaker: It is not proper—order, please. All Members, order, please! What is improper is not made proper by yelling about it.

The Hon. Member is skating very close to the line. He knows it is improper to do indirectly what cannot be done directly. Making an accusation of that sort with regard to character is improper in this House. I, therefore, invite him to withdraw the earlier question and put a simple question of fact if he has one.

Mr. Skelly: Mr. Speaker, the simple question of fact is—

Some Hon. Members: Withdraw!

Mr. Skelly: —that a Minister of the Crown has given contradictory—

Some Hon. Members: Withdraw!

Mr. Speaker: Order, please. The Hon. Member for Port au Port-St. Barbe.

MEMBER'S STATEMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the issue before this Parliament today is not about tainted tuna.

Some Hon. Members: Question.

Mr. Tobin: Any more than the issue more than a decade ago in the U.S. was about a bungled break-in at Democratic headquarters.

Some Hon. Members: Oh, oh!

Mr. Tobin: I repeat the question my colleague attempted to put to the Prime Minister. Given the Prime Minister's challenge yesterday that anyone who contradicts his version of truth should put his seat on the line, will he inform this House whether or not the Hon. Member for Carleton-Charlotte has resigned, or how does he explain the statement made this morning by a member of his caucus?

Right Hon. Brian Mulroney (Prime Minister): The statement I made yesterday applies to any Member of this House irrespective of where he sits. I can tell my hon. friend that the Member of Parliament to whom he refers has since—

Mr. Ouellet: Changed his mind.

Mr. Mulroney: —issued a statement which substantially alters the impact of the first statement. I can tell my hon. friend that he has not been here. He has, as I understand it, been ill. Apparently this is sort of funny to the NDP.

Mr. Andre: He has never been to caucus this year; he is ill.

Mr. Mulroney: The statement was that this came up in September. The Hon. Member in question has been ill and not been in Ottawa since last June.

Some Hon. Members: Hear, hear.

ROLE OF PRIME MINISTER'S OFFICE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I want to say that I have the greatest respect for the Hon. Member for Carleton-Charlotte. I sat on the Fisheries Committee with him for four years. He has a very sharp mind and he fights hard for his area. I believe he raised the matter in caucus—

Some Hon. Members: Oh, oh!

Some Hon. Members: You believe?

Mr. Tobin: —and I ask the Prime Minister again—

Mr. Kempling: He wasn't here.

Mr. Tobin: I ask the Prime Minister again. How can he square the fact that both the Minister of Fisheries and the Hon. Member for Carleton-Charlotte have issued clarifying statements under pressure from his office? Does that not represent a very dangerous and frightening pattern of Members being pressured by his office to conform to the Prime Minister's idea—

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I too, have the same kind of respect for the Hon. Member for Carleton-Charlotte who has been ill for some time. I have not followed his movements—

Mr. Tobin: He has a good memory.

Mr. Mulroney: —exactly but my information is that he has not been in Ottawa hardly at all, if at all, since the month of June. But in any case, let me just say this. The Right Hon. Leader of the Opposition and the Leader of the New Democratic Party will, I am sure, agree with the basic principle that matters which transpire in caucus are, of course, secret. I will, however, without hesitation, make an exception to that rule today and say that at no time was that matter raised in my caucus by that Member in my presence.

● (1430)

Some Hon. Members: Hear, hear!

PROCEEDINGS IN CAUCUS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, lest we misunderstand what the Prime Minister is saying—

Some Hon. Members: Oh, oh!

Mr. Ouellet: It might have been raised in caucus while he was not there.

Mr. Nielsen: You clarify it.

Mr. Deans: I'll try. I learned from you. Is the Prime Minister saying categorically that the Member for Carleton-Charlotte did not ever raise that matter in the caucus of the Conservative Party during the period leading up to the time when it became public knowledge on September 18—that he never at any time raised that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have just said that not only that Member, but no Member, raised that issue in our caucus in my presence.

Some Hon. Members: Hear, hear!

CAUCUS INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I left "in your presence" out. I know the Member whom we are talking about very well. Is the Prime Minister saying that, whether or not he was present, at no time did that Member raise that matter in the Conservative caucus prior to September 18?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have a pretty big caucus.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Enjoy it while it lasts.

Mr. Mulroney: The NDP says "enjoy it while it lasts". You just keep up this kind of character assassination and you are going to be reduced to zilch in this country. That's what will happen to you.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I will repeat for my hon. friend that I heard of this matter for the first time on Tuesday night of last week.

Mr. Deans: That's not what I asked.

Mr. Mulroney: This matter was never raised by anyone in our caucus at any time in my presence or, I am informed, in the presence of anybody else.

Some Hon. Members: Hear, hear!

STATEMENT ATTRIBUTED TO OFFICIAL

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, Sir Walter Scott once wrote:

> "Oh, what a tangled web we weave,
> When first we practise to deceive!"

Some Hon. Members: Oh, oh!

Mr. Dingwall: I remind the Prime Minister that yesterday he said of Mr. Pat MacAdam:

> He got in touch with the Executive Assistant to the Minister of Fisheries and Oceans and received the assurance that there was no problem.

Today Mr. Pat MacAdam denies that he received any assurances. Will the Prime Minister indicate to the House who was telling the truth; he or Mr. MacAdam?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to that statement of my hon. friend attributed to Mr. MacAdam, I took the liberty of inquiring of Mr. MacAdam prior to Question Period, and that statement was never granted by him. It is inaccurate.

Mr. Guilbault (Saint-Jacques): Amazing.

STATEMENT ATTRIBUTED TO MEMBER

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, is the Prime Minister telling the House that the objections in the representations by the Member of Parliament for Carleton-Charlotte were never raised in his caucus? The report says he did raise them in September of last year, not this year.

Some Hon. Members: Oh, oh!

Mr. Tobin: Since September of last year.

Mr. Dingwall: Since September of last year.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we only formed the Government on September 17 last year. I do not know when the caucus met after that.

Mr. Tobin: Over the last year.

Mr. Mulroney: No, you asked me about September. You said it was not this September because the Member is sick, so it has to be last September. Now you change your mind on that.

Mr. Marchi: You are the one changing your mind.

Mr. Mulroney: I first acquired this information last Tuesday night. It is just as clear cut as that, and that is exactly the case.

* * *

NUCLEAR ARMAMENTS

EXPORT OF URANIUM TO UNITED STATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Canadians believe that all uranium exported from our country is to be used exclusively for peaceful purposes. In fact, we have an agreement with the United States which contains a specific clause about Canadian uranium which says that it "shall not be used for any military purpose".

I have given the Prime Minister notice of this question. Would he agree that the only possible interpretation of those words is that no uranium exported from Canada to the United States should be used for anything but peaceful purposes?

Right Hon. Brian Mulroney (Prime Minister): That is generally our interpretation. The Secretary of State will be in the House tomorrow to provide more ample information for the Member. This policy is one that has been unchanged. It goes back to a decision by Mr. Pearson in about 1965, and that is the general thrust of what successive Governments have followed.

USE MADE OF URANIUM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I agree with the Prime Minister that that is what the policy is supposed to be, and that is what the words of the agreement between Canada and the United States are. Has the Prime Minister been informed by the Secretary of State for External Affairs, or by any of his officials, of the very serious evidence that has been brought forward to show that Canadian uranium is now being used in the United States for the construction of nuclear weapons?

Right Hon. Brian Mulroney (Prime Minister): I am not aware of the specifics of that, but as I indicated, the Secretary of State will respond very fully to the question tomorrow in the House.

REQUEST THAT INQUIRIES BE MADE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, given the very great importance of this issue to Canadians and other people around the world, will the Prime Minister assure the House that he will have people in his office look into this immediately to find out if the evidence, which I understand to be quite conclusive, is conclusive? Once that is established, will he find out how it ever came to be that we would allow that to transpire with our uranium? Finally, will he take immediate steps to ensure that no uranium exported from Canada is used in any way for military purposes?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as soon as we received notice of the question of my hon. friend I began the process of conveying those instructions. A fuller response will be delivered by the Secretary of State tomorrow.

* * *

ENERGY

STIMULATION OF CANADA LANDS EXPLORATION

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, my question, through you, is directed to the Parliamentary Secretary to the Minister of Energy, Mines and Resources. The Petroleum Incentive Program terminates in March, 1986, as is stated in the Western Accord. What is being done and what discussions are under way to formulate a new federal policy to stimulate Canada Lands exploration? When might the Minister make an announcement in order that resource companies can make plans for future activity in the frontier?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Minister is having discussions with the industry, the provinces, and the Minister of Finance and others in the Government involved in this particular program. She will have something to announce to the House, hopefully before the end of the year.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—MINISTER'S MARCH STATEMENT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. On March 29 the Minister assured us that, with the exception of the Canadian Commercial Bank, no financial institution was in any difficulty. On that very same day, Western Capital Trust closed its doors after months of negotiations with the Minister's officials. Will the Minister explain why, only two days ago, she again said in the House that her March 29 statement was true?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as I have explained in the House before, Western

Capital Trust closed its doors voluntarily on that day while I was in the House. Through discussions with Western Capital we learned that they were trying to come up with a plan which my officials advised me had a chance of succeeding. When they closed the doors they informed me after the fact. I repeat that the reason I made the statement in the House that day was because it was true.

● (1440)

MINISTER'S KNOWLEDGE OF BANK'S PROBLEMS

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would have thought the circumstances which the Minister described indeed did indicate that the institution was in difficulty.

May I move on to another example of perhaps different understandings, Mr. Speaker? During the debate on the CCB bail-out in March, the Minister told us very definitely that there was no indication before March 14 that there were serious problems within this bank. We now know that is not so.

Can the Minister explain what happened? Was she not briefed? Why was she not able to be more factual?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, if there is anything I have dealt with in this House, it is the facts. The problems that were brought to our attention on March 14 were the facts on which we acted on March 25, namely, that there had been, obviously, in the Inspector General's office monitoring of financial institutions.

There is always monitoring of financial institutions. The problems that we moved to resolve we moved to resolve after the problem was brought to our attention on March 14.

* * *

FISHERIES

SALE OF CANNED TUNA—RETRACTION OF STATEMENTS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is addressed to the Prime Minister. The Minister of Fisheries retracted his statement on Friday that he had informed the Prime Minister's office about the great tuna scandal.

Mr. MacAdam has retracted his statement about his sources of information about the tuna problem—

Mr. Hnatyshyn: Question.

Mr. McCurdy: Today the Member for Carleton-Charlotte has retracted his damning statement made recently.

Mr. Hnatyshyn: Question.

Mr. McCurdy: How many retractions of this kind are the Canadian public to have before the people lose confidence altogether in this Government?

An Hon. Member: Where is your question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there are 210 Members of the Conservative caucus sitting here, and they will all give you the same answer.

Some Hon. Members: Hear, hear!

An Hon. Member: They have it written on the palm of their hand.

INQUIRY OF PRIME MINISTER

Mr. Howard McCurdy (Windsor-Walkerville): My supplementary question is for the Prime Minister, Mr. Speaker. Does the Prime Minister remember Richard Nixon?

Some Hon. Members: Oh, oh!

Mr. Beatty: Remember Joe McCarthy?

Mr. Speaker: Order, please. Order. May I remind Hon. Members that questions are supposed to have something to do with eliciting information about government policy.

The Prime Minister wishes to respond?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker. I remember Mr. Richard Nixon who was an unindicted co-conspirator, I understand, in a matter in the United States, a very tragic figure in American history. His problem was that he failed to respond fully and completely to legitimate questions, unlike me who responded completely before the House and the Parliament of Canada.

Some Hon. Members: Hear, hear!

Mr. Crosbie: They are twisted turkeys. It is the New Demogogic Party.

Mr. Speaker: Order, please.

* * *

[*Translation*]

BANKS AND BANKING

REQUEST FOR REASON GOVERNMENT DID NOT APPOINT PERSON TO CHECK TAXPAYERS' INTERESTS IN ADMINISTRATION OF CCB

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. Canadians read in the papers this morning that as far back as March 22 of this year, the President of the Toronto-Dominion Bank and other bankers had asked the Government to appoint a senior official to take charge of administration at the Canadian Commercial Bank, in order to protect the interests of Canadian taxpayers.

Mr. Speaker, I would like to ask the Minister of Finance why his Government, the Government to which he belongs, failed to designate anyone to protect the interests of taxpayers by monitoring the Bank's administration?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this question has been answered time and time again. In the spring we moved as rapidly as possible to try to find new directors for the Canadian Commercial Bank. I have no power to change the management of any banking institutions. I would also like to point out that the problems of this Bank began for two reasons, two reasons, Mr. Speaker. They began because of the National Energy Policy that destroyed the western economy—

Some Hon. Members: Hear, hear!

Mrs. McDougall: —and they continued because that Government never did anything about increasing the supervisory capability of our regulators to look after our depositors.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Garneau: Mr. Speaker, I have heard similar nonsense from the Minister and the Prime Minister two or three times before.

Mr. Speaker, I am referring to *Hansard* of March 25, in which the Minister herself stated the causes of the Bank's bankruptcy and referred to the situation in the United States. Never, in the initial paragraphs of her statement, did she mention—

Mr. Speaker: The question, please!

Mr. Garneau: I wish to put a question to the Minister. Why did she not appoint anyone when the bankers gave a list of former senior officials of their institutions who were retired and who were willing to come back and go to work to protect Canadian taxpayers?

[*English*]

Mrs. McDougall: Mr. Speaker, the Inspector General proceeded to do his job by sending in inspectors following the rescue package for the Canadian Commercial Bank. At a later time, people were sent in from the private banking sector. I want to remind the Hon. Member that—

[*Translation*]

—during the years when the Liberal Government was in power, your Government never did a single thing. Never!

[*English*]

REQUEST FOR LIST OF UNINSURED DEPOSITORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is in response to the Minister's decision to keep secret the list of depositors with over $60,000 who are receiving their pay-out from the taxpayers.

The Chairman of the Finance Committee has now come forward saying that a list of the uninsured depositors should be made public. That position is also supported by the President of the Toronto Dominion Bank, and other bank chairmen have indicated that the decision is really a government decision. Would the Minister now stop stonewalling, or covering up, and make this list public?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated that I will provide a categorical breakdown of the finest possible degree to satisfy the kind of information that is required by the committee. I would also point out that other bank chairmen and other members of the public, other lawyers and many people agree with my decision not to release these names at this time.

REQUEST FOR JUDICIAL INQUIRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister. In recent days it has become perfectly clear that the Government is not prepared to give the Finance Committee the necessary powers or information to conduct a thorough investigation into the fall of the Canadian Commercial Bank and Northland.

Rather than continue this charade, will the Prime Minister get to the bottom of the CCB mess and ask that a judicial inquiry take place into the demise of these two banks?

Hon. Ray Hnatyshyn (President of the Privy Council): Let me first say, Mr. Speaker, that I have had the opportunity of discussing these matters with the Hon. Member's House Leader. We have a firm rule that we will not have our Members make false statements in this House respecting negotiations. The Hon. Member ought to learn that right away because what he is saying is without foundation. We have been as open as possible with respect to every facet of the request being made. We are interested in getting to the bottom of this thing, even more so than the members of his Party, and we have taken steps to ensure that the full truth comes out. I would ask the Hon. Member's House Leader not to go about discussing what goes on in negotiations in public again.

Some Hon. Members: Hear, hear!

Mr. Deans: Sensitive. He didn't ask about the negotiations.

Mr. Broadbent: Did you hear the question?

* * *

TRADE

ENTRY OF CANADIAN TECHNICIANS TO UNITED STATES

Mr. Bill Kempling (Burlington): Mr. Speaker, I have a question for the Minister of International Trade. I am sure the Minister is aware that as a result of a court action in California by the International Union of Bricklayers and Allied Craftsmen that Canadian tradesmen and technicians are being denied access to the United States to install and service Canadian commercial and industrial equipment. Could the

Minister inform the House of the status of this situation and whether any progress has been made to eliminate the problem?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, immediately following the court ruling in California, we contacted the Acting Solicitor General for the United States and asked him to launch an immediate appeal and also to apply for a stop order. We then went back to the judge in question, that is the Solicitor General did, and he issued a partial reprieve in which he ordered that any contracts entered into prior to August 28, 1985, would not be subject to his ruling. So people going down to repair machinery delivered under contracts prior to that date will not be stopped. That was a partial reprieve. The Solicitor General is now appealing that ruling as well.

* * *

● (1450)

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—OFFER TO REVIEW ASSETS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is to the Minister of State for Finance.

[*Translation*]

What a nerve! She just said we as a Government never did a thing! But I can tell you—

[*English*]

—this Government never blew $1 billion and no other Government in Canadian history has ever blown a billion dollars. We want some answers here in the House of Commons.

Mr. Speaker: Order, please. Perhaps members on the Government benches could allow me to hear the Opposition's question.

Mr. Johnston: Thank you. And no bank ever went bankrupt either. Yesterday the bankers finally made clear something that the Minister has waffled about consistently in this House, that they were ready, that they were willing and they were able to move in and review the assets of the Canadian Commercial Bank and they could have saved the taxpayers of Canada a billion dollars. Why did the Minister or the Minister of Finance or the Prime Minister refuse to accept that offer? Tell us this time. You have not told us yet.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there have been a number of statements made by different bankers as to how long it would take to examine the books of the Canadian Commercial Bank. There were some commercial bankers in there looking at that loan portfolio. They have made that clear. Some of them said that it would take quite a bit longer than others have said it would take.

We came to a collective decision that we had to make a decision quickly on this bank. We brought our collective judgment to bear on this and in the end everyone agreed that that was the action that was necessary, by Monday morning.

GOVERNMENT DECISION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, what was the collective decision? Who were part of the collectivity? Neither the Minister nor the Minister of Finance sat in that meeting during that fateful weekend. Will the Minister not confirm—we will throw her one more life-jacket—will she not confirm that the decision had already been made by the Prime Minister on the Friday so there was no point in reviewing the assets of the Canadian Commercial Bank?

Some Hon. Members: Hear, hear!

An Hon. Member: Right on.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this was a collective decision on behalf of this Government that was made by a partnership and a collective action by the Government—

Mr. Ouellet: Answer the question.

Mrs. McDougall: —a Government that stands together and makes its decision together in conjunction with the banking system—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, order. It seems reasonable if I ask members of the Government to let me hear the Opposition's questions that members of the Opposition would let me hear the Government's answer.

An Hon. Member: There are no answers.

Mr. Speaker: Maybe that will get on camera.

Mr. Ouellet: You are on camera now.

* * *

CHARTER OF RIGHTS

PROPERTY RIGHTS—REQUEST FOR INCLUSION

Mr. Jim Jepson (London East): My question is for the Minister of Justice, the Hon. Member for St. John's West, and it is on the subject of property rights.

Until property rights are given full protection under the Charter of Rights and Freedoms, Canadians truly will not enjoy either the freedom or the security that is inherent in being a citizen of this great country.

Can the Minister tell us when we might expect this very important matter to be brought before Parliament?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the hon. gentleman probably knows, that provision would have been in the Constitution and the Charter of Rights were it not for the members

of the New Democratic Party and their fellow travellers snuggled in the bosom of the Liberal Party.

I am happy to be able to tell the hon. gentleman that I have already asked that this item be put on the agenda for the next federal-provincial meeting of Attorneys General and hope to have some action on it, always keeping in mind that we wish to protect the rights of the women of Canada with references to family law. We will try to accomplish both of these things when another constitutional amendment comes forward.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—COMMITTEE EXAMINATION

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is to the Minister of State for Finance. Given what we have just heard from the Government House Leader that the Government is anxious to move the question of the CCB into committee, and given the fact as well that the committee's report on the CCB is just riddled with statements that the committee could not complete its report because it did not have access to the proper information and that the Inspector General of the Banks was not forthcoming with information, how can she expect the committee to get to the truth of the matter if all these documents and information are not fully available to the committee?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated that I will give every document to the committee that I am legally entitled to give them. I have offered to break down the categories of depositors in a way that should meet their satisfaction about the legitimacy of these claims. We are working through other channels to attempt to get the report from the Federal Deposit Insurance Corporation in the United States. We have bent over backwards to indicate that we will provide the committee with this information.

[*Translation*]

REQUEST FOR REASON JUDICIAL INQUIRY REFUSED

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is for the Prime Minister. Considering that the auditors have indicated that the Canadian Commercial Bank loan portfolio would not be available, that the Minister will not provide us with the list of depositors, and that the bank inspector has refused—

Mr. Speaker: Order, please.

[*English*]

It must be Wednesday. Does the Hon. Member have a question?

[*Translation*]

Mr. Cassidy: With that in mind, why can we not have a judicial inquiry to shed light on all facts pertaining to the Canadian Commercial Bank collapse?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have indicated from the beginning that we want the facts public on this very serious situation. I take this as a very serious situation which the Hon. Members on the other side do not seem to do. At my request I was in committee to give them an early explanation as soon as we made the announcement. I have offered to bring everything that I can possibly bring to the committee. I do not know what more the Hon. Member expects that we can do. We have been far more forthcoming than your Party has.

Mr. Deans: We have given you everything we have.

* * *

NATIONAL DEFENCE

COMPENSATION FOR SINKING OF THE *LADY MARJORIE*

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of National Defence concerning the case of Walter Theriault. I know he is familiar with the sinking of the *Lady Marjorie* because it has been brought to the attention of the House by my colleague from South West Nova. Over six months have gone by since this unfortunate incident. The Minister knows that justice delayed is justice denied. Can he indicate to the House what action is being taken and when we can see this claim settled for the Theriault family?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I am well aware of the interest of the Hon. Member in this unfortunate situation. A board of inquiry is looking at it. I gave instructions to officials in the Department that they should make haste so that this matter can be put to rest finally and in the near future.

* * *

[*Translation*]

FISHERIES

SALE OF TAINTED TUNA—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a question for the Right Hon. the Prime Minister.

After today's oral questions period, does the Prime Minister not find it passing strange that he should be the only one to be in step? His friend MacAdam never said that. The former Minister of Fisheries and Oceans withdrew his statement. The Member for Carleton-Charlotte is ill and cannot possibly have said that. He claims that the news media are imagining things.

I would like to know whether the Prime Minister thinks he can fool Canadians? How does it feel to have a monopoly on truth?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I never claimed to be in secure possession of truth. In answer to a question I simply said that I gave the only answer possible, I told the truth.

My hon. friend blames me for telling the truth! It is unfortunate but I can assure you that the facts as I related them to the Leader of the Opposition and the Leader of the New Democratic Party were in accordance with the situation—

* * *

● (1500)

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. members on Tuesday, September 24, 1985, meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

STATEMENT BY RIGHT HON. LEADER OF THE OPPOSITION

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have a very brief question of privilege. I know that as a Cabinet Minister I have to take responsibilities, and I do that. However, I very seriously urge the Right Hon. Leader of the Opposition (Mr. Turner) that when he asks questions to not make statements as to so-called facts. I did not know about the tuna issue until Wednesday morning last week. In the preamble to his question he said other than that as a statement of fact, and I would appreciate him staying very close to the facts.

Mr. Speaker: Order, please. That is not a question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

STANDING COMMITTEE ON COMMUNICATIONS AND CULTURE

PRESENTATION OF FIRST REPORT

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour of tabling, in both official languages, the first report of the Sub-committee on Revision of Copyright, of the Standing Committee on Communications and Culture.

If the House gives its consent, I intend to move concurrence in this report later this day.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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THE CABINET

RESIGNATION OF MINISTER OF COMMUNICATIONS

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, this morning I was informed that I was the subject of an inquiry concerning an alleged violation of Sections 61 and 63 of the Canada Elections Act during the last election campaign, in the riding of Frontenac.

Although no complaint was lodged against me, today I have asked the Prime Minister (Mr. Mulroney) to relieve me of my duties as Minister of Communications. I made this decision since the prospect that a complaint might be lodged against me would cast doubts on my integrity, which would reflect on the Government. That is why I tendered my resignation to the Prime Minister today.

I am convinced that upon completion of the investigation, my innocence will be established.

Thank you, Mr. Speaker.

* * *

MINORITY RIGHTS

ESTABLISHMENT OF LITIGANT ASSISTANCE PROGRAM

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I am pleased to announce today, on behalf of the federal Government, a new and expanded litigant assistance program.

The advent of the Canadian Charter of Rights and Freedoms has focussed the attention of Canadians and led to a host of projects by volunteer agencies. In the Throne Speech in the fall of 1984, the Government stressed its commitment to social justice and equity for all Canadians, especially for those who,

in the course of our history, have suffered from discrimination. During the last election campaign, and on several occasions since then, our Government has said repeatedly that it supports the concept of providing financial assistance in cases based on the Canadian Charter of Rights and Freedoms and expected to have a national impact. The creation of a Committee on Equality Rights is one example of the many steps taken by our Government to bring the Charter to the people and to respond to the needs of volunteer organizations. The implementation of a new and expanded litigant assistance program is a major adjunct to this series of Charter-related initiatives.

Mr. Speaker, I am happy to say that the new program will not only support cases where language rights are at stake but will also provide for financial assistance in cases based on Section 15 (which says that all Canadians are equal before the law, without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability), Section 27 (which deals with the preservation and enhancement of the multicultural heritage of Canadians) and Section 28 (which stresses equal rights for men and women) of the Canadian Charter of Rights and Freedoms. The new sections of the expanded program will apply only to matters that fall under federal jurisdiction. It was thought that as far as equality rights are concerned, the federal Government should take the initiative and set an example to help Canadians in their search for clarification of these rights which are protected under the Charter. This is a very positive step which, it is hoped, will encourage the provinces to follow suit.

One of the important aspects of this new measure, Mr. Speaker, is that the Government, in addition to offering Canadians financial assistance in this very vital area, has done so in such a way that it can no longer be construed as in any way affecting the content of these court challenges. The new expanded program will be more directly concerned with areas under federal jurisdiction.

Mr. Speaker: Order, please. I am sorry to have to interrupt the Hon. Minister, but perhaps Hon. Members who want to have meetings could have them somewhere else.

Mr. Bouchard: I appreciate your intervention, Mr. Speaker.

Were one to assume that the federal Government will directly administer this program, one might very well suggest there is a conflict of interest if the Government were to decide which challenges against itself should be funded. This initiative is an example of the novel relations this Government wants to have with volunteer organizations. Therefore the Government did not elect to fund only a few organizations because it thought that many groups should have ready access to these funds, especially individuals who might not belong to non-profitable groups. It thought as well that many questions such as systematic discrimination were of great interest to several groups—women, visible minorities, native people and the handicapped, to name a few—and not only to the official languages communities. To a certain extent, the creation of the new body for which we have opted will reduce the possibility of duplication.

[*English*]

I therefore wish to announce at this time that the expanded program will be entrusted for its operation to a respected organization in the voluntary sector—the Canadian Council on Social Development. This national, non-governmental and non-profit organization provides a forum for citizen participation in the formulation of progressive social policy. The Council has undertaken, over the past four years, a number of initiatives to increase Canadians' awareness of and preparation for the impact of the new Constitution. Of particular note was the establishment of a task force which explored the judiciary's expanded public policy responsibilities, proposed a series of action strategies in such key areas as research and information support and examined the role of Constitution-based advocacy by the voluntary sector.

• (1510)

The council will be required to establish an independent body which will be charged with deciding which court challenges merit the provision of financial assistance under the program. The body so constituted will be composed of Canadians who are prominent in the fields of language and equality rights. This body will also deal with outstanding cases presently being considered for financial assistance.

Some Hon. Members: Hear, hear!

Mr. Bouchard: Under the terms of the arrangement with the Canadian Council on Social Development, it has been agreed that the council will report annually to the Department of the Secretary of State.

The program I am announcing today will provide an amount of $9 million over the next five years to support this important development in the clarification and expansion of fundamental rights and freedoms for all Canadians. This represents close to a tenfold increase in the level of funding that existed under the original program.

[*Translation*]

As Hon. Members well know, Mr. Speaker, this program was set up in 1978 to support challenges related to the linguistic rights of minorities. Extended in June 1979, it was limited to challenges based on Sections 93 and 133 of the Constitution Act of 1867 and Section 23 of the Manitoba Act of 1970, for those provisions were the only ones that could be used to provide a constitutional base for official languages rights. Section 93 protects denominational rights in respect of education, whereas Section 133 of the Constitution Act of 1867 and Section 23 of the Manitoba Act of 1870 sanction the use of English and French in the legislatures of the federal Government, Quebec and Manitoba, as well as before the courts of those two provinces.

As a result of the proclamation of the Canadian Charter of Rights and Freedoms, the Court Challenges Program was updated in December 1982 so it would apply also to typical challenges where the plaintiff claims his rights concerning the official languages or his right to education in the language of the minority, pursuant to the provisions of Sections 16 to 23 of the Charter. Generally speaking, Sections 16 to 22 deal with the status and use of French and English in Canada, at the federal level, and in New Brunswick. Under these sections, it is the right of anyone to obtain services in either of the two official languages, when dealing with federal and New-Brunswick institutions. Charter Section 23 guarantees the rights to education in the language of the minority.

[*English*]

To date, 17 cases have been funded in whole or in part under the program. A number of cases which enhance minority language education rights have been assisted in Prince Edward Island, Quebec, Ontario and Alberta. The issue of the use of official languages before the courts has been dealt with in Quebec, Manitoba, Saskatchewan, Alberta and the Yukon. The results of these cases have been encouraging and have underscored the important role that such a program has played.

[*Translation*]

Mr. Speaker, our Government is committed to promote social justice and equality for all Canadians and this new expanded Court Challenges Program is one way to achieve our purpose. This fresh approach signals a new era in relations between the federal Government and volunteer organizations.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to start by congratulating the Minister on his promotion which, I think we can rightly say, is a token of the Prime Minister's confidence in the Minister's competence and capacility. We have high hopes and great expectations, and we trust he will be able to respond to the needs of various groups, whether they are official language groups or represent other linguistic communities.

Mr. Speaker, "expanding the litigant assistance program" is undoubtedly something many Members of this House have been looking forward to for some time. Since last April, when Section 15 of the Canadian Charter of Rights and Freedoms came into effect, many of us have asked this Government when it would be considering an expanded program to include Section 15.

As we know, and the Minister already said as much, the cases heard before the courts since December 1982 have dealt with Sections 93, 133, 23 of Manitoba and 23 of the Charter. The Government, that is the Liberal Government at the time, had established the program in 1978 and expanded it to include the schools issue, which is covered by Section 23 of the Canadian Charter of Rights and Freedoms.

Mr. Speaker, we feel it is absolutely vital that Canadians should be helped financially in bringing before the courts cases of national importance based on the Canadian Charter of Rights and Freedoms. I think it is a very good thing that the majority, that Canada as a whole should bear the costs incurred by those Canadians who want to challenge the Charter of Rights before the courts.

Mr. Speaker, I also approve because it gives Canadians across the country a chance to acquire a better understanding of the rights we have all been given under this Charter of Rights and Freedoms.

Therefore, my colleagues and I can only applaud the Minister and the Government for their decision to expand the Court Challenges Program to include Sections 15, 27 and 28.

[*English*]

The purpose of this program is for the federal Government to make available financial and human resources to assist litigants in establishing before the courts the full meaning of equality and the full meaning of the rights given by the Charter in Section 23, 15, 27 and 28. Speaking for my colleague, the Hon. Member for York West (Mr. Marchi), who speaks as critic for multiculturalism, I can tell the Minister and the Government that indeed ethnocultural communities of Canada will be very happy to hear that the Government is enlarging the program to include Section 27 of the Charter. However, ethnocultural communities and other minorities have great concern regarding the limitations of the funds available. Until we know the criteria under which the program will apply, we cannot applaud too loudly. Hopefully we will see these criteria soon. Therefore, we will reserve judgement on the applicability of this program.

Speaking for my colleagues on this side of the House, I understand the Minister's concern about avoiding conflict of interest. I understand that the Government wants to give this to an outside agency so that the Minister of Justice (Mr. Crosbie) will not be in conflict with the Secretary of State (Mr. Bouchard) when deciding which cases will be financed and which will not. I, for one, endorse the idea that an outside body or bodies should be asked to administer this program. I am pleased the Government has heard the message clearly that there could be some conflicts. We all know that, for example, the Minister of Justice (Mr. Crosbie) was not too hot on the issue of allowing groups and individuals to have financial assistance from the federal Government.

• (1520)

The organization which will be charged with the administration of this program, the Canadian Council on Social Development, is a serious and competent body in social matters. I have hesitation with respect to language questions. To ask the council to perform the work which has been traditionally performed by the Secretary of State leaves me asking whether or not this is the proper organization to deal with language issues. It has not been my experience that the Canadian Council on Social Development has that expertise in matters of language rights. Therefore, I can tell the Minister that, with that reservation, I am happy to hear that the Government has adopted this arm's length position.

I would indicate to the Minister that we are worried about the lack of consultation which went into this issue. I have personally phoned several organizations and have been told by them that they were not consulted on how this program would be put together. That worried me because there are different interests, be they covered by Sections 15 or 27. We have a panel which will be chosen, I take it, by the Canadian Council on Social Development, or on the advice of someone who will represent various interests. We do not know how large the council will be, nor do we know how the people will be named to it. All we know is that there will be a panel of competent, we hope, and understanding people, who will report annually to the Minister. We still have to see the modalities, as we say *en français*—

[*Translation*]

—in French, modalities of application, criteria, and we are anxious to hear the answers to these questions.

Mr. Speaker, I must also tell you that I consulted with my colleague from Outremont (Mrs. Pépin) and she made it quite clear that women do not agree. In this field she knowledgeably speaks on behalf of the Liberal Party. They do not agree because they had a council—the Women's Legal Education and Action Fund, if my memory serves me right—which was funded and whose role was to support legal or other action to promote the cause of women.

Through you, Mr. Speaker, I say to the Minister that perhaps the whole approach will have to be reconsidered so as to involve several organizations, not just one. I had suggested the Canadian Bar Association because I thought it was an independent body which, at least in case of litigation, might have given a reasonable judgment devoid of any special interest. My recommendation was rejected, but there are many other such organizations.

For instance I can tell you that the *Fédération des francophones hors Québec* has not been consulted. It feels frustrated, it feels ignored and it even feels hurt because the Prime Minister had told all those groups: "We will consult with you." Well, they were not consulted. So we are faced with the imposition of an administrative measure which makes us feel somewhat hesitant.

The Secretary of State (Mr. Bouchard)—I conclude with this and wish him well—must become the champion of official languages minority groups, the champion as well of all individuals affected by this court challenges program, be they handicapped, women, official languages minority groups or anyone covered under Sections 15, 27 and 28; the Secretary of State will be their spokesman in the House. We warn him that we expect much from him and we hope he will keep the House up to date on the program and its operation.

Mr. Svend J. Robinson (Burnaby): On behalf of all my colleagues of the NDP caucus, Mr. Speaker, I am pleased to address the very important issue of the establishment of a fund to achieve equality rights in Canada.

Mr. Speaker, I emphasize that I am speaking on behalf of all these Hon. Members, including the Hon. Member for Vancouver-East (Ms. Mitchell) who is our party's critic on the status of women, the Hon. Member for Beaches (Mr. Young) who is our critic on the rights of the handicapped, as well as the Hon. Member for Churchill (Mr. Murphy) who is our critic on federal-provincial relations.

Mr. Speaker, I wish the Liberal Party critic had spoken out on this issue, because I am well aware that she does not agree with the views of the Government's spokeman and, frankly, I share her disappointment.

[*English*]

Mr. Speaker, I am pleased to indicate that while we in the New Democratic Party welcome at long last the announcement by the Government with respect to the funding of challenges of national importance under the provisions of Sections 15, 27 and 28 of the Charter of Rights and Freedoms, as well as the language rights provisions of the Charter, we are disappointed with the process which led to this announcement, as well as with significant elements of the substance.

It was with the objective, which I believe all Members of the House would share, that Canadians should not be forced into the courts that we welcomed the adoption of Section 15 of the Charter of Rights on April 17, 1982. However, we had hoped that in the three years which was given by Parliament and by the provincial Governments to change laws and practices to bring them into conformity with the spirit and letter of Sections 15, 27 and 28 there would have been far more substantial work done and that Canadians would not have to go to the courts. We were most disappointed with the minimal response, both by the previous Government and by this Government, to the challenge posed by Section 15.

Indeed, as a member of the committee of the House of Commons on equal rights, which travelled across the country, from one side to the other, I have heard from many witnesses who emphasized the importance of adequate funding for Charter challenges. In August of 1984 the Prime Minister announced that there would be adequate funding mechanisms established to ensure that potential litigants who wanted to bring forward important challenges under Section 15 of the equality rights section would have the resources to do so.

We know that the Minister of Justice (Mr. Crosbie) was not too excited about this prospect. In fact, in May of this year in response to a question from me he said:

> Mr. Speaker, there is a Charter of Rights here in Canada. It is alive and doing well. Any citizen or any group can apply to the courts if they believe they have a case under the Charter. They do not require financing by the Government. If they believe they have a good cause, they can find the money for that cause. That, Mr. Speaker, is the way it is and always has been in our country.

Fortunately, saner heads prevailed. I am pleased to note that the view of the Minister of Justice was a minority view. In fact, it was recognized that funding was essential to make equality a reality in Canada today. Now, over a year later, the Government has in fact established a fund. What about the fund?

First, in the brief time I have available I wish to speak about the process which led to the establishment of this fund. There was an excellent proposal made by a very respected organization in Canada. I am referring to the Women's Legal Education and Action Fund, a group which represents women from right across Canada.

[*Translation*]

The Women's Legal Education and Action Fund has carefully examined how the money should be spent to defend equality rights. In the opinion not only of this Fund but also of the New Democratic Party, it is essential that women should be able to choose among significant issues and decide on which to take action, as well as use the money as they see fit, and not as others might see fit.

That is why the Women's Legal Education and Action Fund has applied for financial assistance from the Government of Canada. It has a very specific purpose, Mr. Speaker. It applied for a grant of $20 million.

This amount would yield some $2 million in interests per annum, which is exactly what is required by a small organization the purpose of which is to defend public interests. And the Fund has emphasized that it is often necessary to go to courts to have the guarantees of the Charter enforced.

• (1530)

[*English*]

A concrete proposal was put forward for funding. What happened? Not once, not twice, but 13 different times they tried to talk to someone in Government—anyone; the President of the Privy Council (Mr. Hnatyshyn), the Secretary of State (Mr. Bouchard), the Minister of Justice, but no one would talk to them. This is the Government which prides itself on consultation. So much for consultation, Mr. Speaker. There has been no consultation whatsoever on this important question.

Had the Government consulted, Mr. Speaker, it would have found that this proposal is fundamentally unacceptable. It is a proposal which is a slap in the face to those groups who most hoped for action on equality, on the woman's movement, on the disabled, on visible minorities and other minorities. It is a paternalistic approach and one which denies the equality which Government is supposed to be promoting.

As Shelagh Day of the Legal Education and Action Fund said:

> Once more, women are going to have decisions made for them by others. The point of equal rights at this particular time, you would think, would be to give women power to make decisions for themselves and to honor their capacity to do that. This is not a good equal-rights decision.

We echo that concern, Mr. Speaker, which has been expressed as well by representatives of the disabled and the ethnic communities in Canada, including the Canadian Ethnocultural Council.

I emphasize, Mr. Speaker, that we are not opposed to the principle of an independent arm's length agency which would have the power and, I might say, adequate funds to assist in funding important challenges under the provisions of the Charter of Rights. However, we say that the two principles are not exclusive. One can have a respected independent agency such as the Canadian Council for Social Development involved in funding decisions and, at the same time, recognize that it is women who should be determining priorities for women, that it is the disabled who should be determining priorities for the disabled, and that it is the representatives of minorities who should be determining their priorities, not others on their behalf.

Mr. Crosbie: We agree.

Mr. McLean: We agree. That is exactly what they've done.

Mr. Robinson: The Government says it agrees, Mr. Speaker. Yet it is bringing forward a proposal which flies in the face of that fundamental principle.

Mr. Crosbie: Narrow-minded McCarthyism.

Mr. Robinson: The New Democratic Party believes—and we will hear from the braying Minister of Justice in due course—that the amount of money which has been allocated for this fund—

Mr. Crosbie: I'm not allowed to speak here because the loud-mouthed NDP are hogging the floor.

Mr. Robinson: —is not adequate.

Ms. Mitchell: The unjust Justice Minister.

Mr. Robinson: The Legal Education and Action Fund estimated that it would cost some $2 million a year merely to pursue the very serious and historic inequities against women. This program would allocate $2 million for all court challenges, including challenges under the provisions of language rights. The structure which is proposed, Mr. Speaker, is awkward. It will result in delays and in reviews on a case-by-case basis and not on a priority basis.

In fact, as Mary Eberts, a chairperson of the Legal Committees of the Women's Action Fund, said:

> The potential for the whole thing to become bogged down is really quite substantial. I'm convinced the method is guaranteed to slow down the pace of litigation to that of a snail.

Justice delayed is justice denied, Mr. Speaker—

Mr. Dick: Where did you hear that before?

Mr. Robinson: And justice has been denied to Canadian women, to the disabled and to other minority groups for far too long. We in this Party believe that the establishment of a fund or funds is long overdue, and while the resources must be beefed up, we are most disappointed with the failure of this Government to consult with the groups affected and to bring forward recommendations which would have responded in a

meaningful way to the concerns of the groups which are seeking equality in Canada today.

Mr. Crosbie: You are a bleeding heart with a mouth.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

REQUEST FOR FULL POSTAL SERVICE

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, as a follow-up to a letter I wrote recently to the Acting President of Canada Post Corporation, I have the honour to present a petition on behalf of the residents of the 79 unit condominium in the Greenboro area of Ottawa-Carleton. They request that Canada Post commence full postal service in the Greenboro area of the City of Ottawa immediately.

UNEMPLOYMENT INSURANCE—USE OF PENSION INCOME

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents of Kamloops, British Columbia. They are concerned with the announcement of the Minister of Employment and Immigration (Miss MacDonald) that workers laid off after December 31 of this year will have their pension benefits deducted from their unemployment insurance benefits, thus effectively eliminating the benefit to the worker of the pension package he or she is about to receive.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by several hundred residents of Sydney, Nova Scotia, who call upon Parliament to review and to recall the proposed section of the Unemployment Insurance Act which would see pension income being used as earned income for purposes of unemployment insurance.

FAMILY REUNIFICATION PROGRAM—REQUEST FOR CHANGE OF REGULATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition from a number of residents of the City of Toronto in the Province of Ontario. They ask Parliament to amend the immigration regulations so as to allow sons, daughters, brothers and sisters, regardless of their marital status, to immigrate under the family reunification program.

BUSINESS OF THE HOUSE

CONSIDERATION AT ALL STAGES OF BILLS NOS. C-71 AND C-72

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between House Leaders and I believe that if you were to present the following motion, you would find it would pass by unanimous consent without debate. The motions is as follows:

That, notwithstanding any Standing or Special Order of this House, the Order of Reference to a legislative committee of Bill C-71, An Act to amend the Customs Tariff, shall be discharged and the said Bill shall stand referred to a Committee of the Whole for consideration as the first item of business under Government Orders later this day;

Provided that not later than 15 minutes before the end of the time provided for the consideration of Government Business this day, the Speaker shall interrupt, if necessary, any proceedings then before the House and shall put forthwith all questions necessary to dispose of the then remaining stages of the said Bill without further debate or amendment;

That when the motion for the third reading and passage of Bill C-71, An Act to amend the Customs Tariff, has been disposed of, the House shall proceed to consideration of the motion for the second reading and reference to a legislative committee of Bill C-72, An Act to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act, and when disposed of at the second reading stage the same shall stand referred to a Committee of the Whole;

Provided, that not later than the end of time provided for the consideration of Government Business this day, the Speaker shall interrupt, if necessary, any proceedings then before the House and shall put forthwith, all questions necessary to dispose of the remaining stages of the said Bill without further debate or amendment.

Mr. Speaker: It is totally clear.

Mr. Hnatyshyn: In short, Mr. Speaker, there is an agreement that Bill C-71 and Bill C-72 will pass all stages today. There will be an opportunity, of course, to debate in Committee of the Whole, but we have agreed that we will dispose of these two items of legislation so that their Honours in the other place will be able to deal with them at their early convenience.

Mr. Gauthier: Mr. Speaker, I rise in my place just to congratulate the Minister for the clarity of his statement today. If we continue to have such clear and printed statements, it will be a lot easier for us to operate in this House. I give our Party's consent to this.

Mr. Deans: Mr. Speaker, as always, when consulted in advance, we co-operate.

Mr. Speaker: Somehow political connotations sneak into everything we say here, don't they?

The House has heard the proposal. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent, shall the motion as read carry?

Some Hon. Members: Agreed.

Motion agreed to.

• (1540)

[*Translation*]

COMMUNICATIONS AND CULTURE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): With leave of the House, Mr. Speaker, I move, seconded by the Hon. Member for Kamouraska-Rivière-du-Loup (Mr. Plourde), that the first report of the subcommittee of the Standing Committee on Communications and Culture on the review of copyright which was tabled in the House today be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 253 and 422.

[*Text*]

BELL HELICOPTER TEXTRON INC.

Question No. 253—**Mr. Blenkarn:**

Were any studies done by the Government with respect to the marketability of twin engine helicopters of the class and kind proposed to be built in Canada by Bell Helicopter Textron Inc. in accordance with the agreement the Government made with Bell Helicopter and, if so (*a*) what were they (*b*) will they be published?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Yes. (*a*) The market studies employed to assess the marketability of light twin engined helicopters, as the class of helicopter that is proposed to be built in Mirabel, were as follows:

(1) A Study of Helicopter Manufacturing in Canada, April, 1981. E.A. Owen/Aerospace Systems Division, Transportation Industries Branch, Industry, Trade and Commerce.

(2) Civil Helicopters/World Market Review, B. Metcalfe/ Market Research & Analysis Division, Defence Programs Bureau, July, 1982.

(3) Canadian Civil Helicopter/Market Analysis and Forecast, Aviation Planning Services Ltd., July, 1982.

(4) World Helicopter Forecast/Defence Marketing Services, (published annually).

(5) Aircraft Forecast (Military & Civil)/Forecast Associates Inc., (published annually).

Order Paper Questions

(6) Assessment of Historical and Projected Segments of U.S. and World Civil and Military Rotorcraft Markets 1960-1990/National Aeronautics and Space Administration. NASA CR-166151.

(*b*) Some of the marketing forecasts are available from professional agencies and can be obtained by contacting their publishers. Referenced studies Nos. 4, 5 and 6 cannot be published or copied by the Department for reasons of proprietary rights of the authors.

The Owen's study (No. 1) and the Aviation Planning Services study (No. 3) have been made available to the industry and can be made available on request. The remaining market study (No. 2) was an internal departmental working document, was never published and contains copyrighted information which the Department is not authorized to release.

In addition to the listed studies, the Department had access to various confidential market forecasts from helicopter and engine manufacturers. These forecasts contain proprietary information and cannot be released by the Department for reason of commercial confidentiality.

TRAIN SERVICE BETWEEN CANADA AND U.S.

Question No. 422—**Mr. Robichaud:**

1. (*a*) How many trains are there from Canada to the United States yearly (*b*) how many daily trains are there (*c*) what are the points of departure and arrival of such trains (*d*) what is the frequency of such trains?

2. (*a*) How many trains are there from the United States to Canada yearly (*b*) what Canadian destinations are served (*c*) how many daily trains are there?

3. Will the number of trains from Canada to the United States increase or decrease in 1985?

Hon. Don Mazankowski (Minister of Transport): 1. VIA Rail operates one daily train service across the international border. This train, named the "Atlantic" operates from Montreal, Quebec to Halifax, Nova Scotia via the State of Main. Stops in Maine are made at Jackman, Greenville, Brownsville Junction, Danforth and Vanceboro.

2. Amtrak operates two daily trains into Montreal. One train operates daily from New York City to Montreal Via Albany. The other daily from Washington, D.C. to Montreal Via Springfield, Massachusetts and New York City.

Amtrak and VIA Rail operate two daily services from Toronto to U.S. points. One train operates from Toronto to New York City with VIA responsible for its operation from Toronto to Niagara Falls. The second train operates from Toronto to Chicago with VIA responsible for its operation from Toronto to Port Huron.

3. The number of trains from Canada to the United States increased by one daily train with the restoration of the "Atlantic" on June 1, 1985.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S.O. 31

NORTHLAND BANK SITUATION

Mr. Speaker: I am in receipt of a notice of motion under Standing Order 31 from the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as you know, my Leader filed with you on two previous occasions a request for the adjournment of the House in order to discuss what we and I think others consider to be a matter of urgent and pressing necessity, the current financial situation at the Northland Bank. If you were to decide there is a *prima facie* case for allowing such a motion today, I would be prepared to move that motion.

Mr. Speaker: Members of the House were apprised of my view earlier on the question of emergency which must be met under this Standing Order, and also some of my preliminary views about urgency. Therefore, I find that the conditions of Standing Order 31 have in fact been met.

I, therefore, ask the House if the Hon. Member has leave to move the adjournment of the House under Standing Order 31 for the purpose of discussing a specific and important matter?

Hon. Ray Hnatyshyn (President of the Privy Council): No, because we are still discussing the matter by consent.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please rise?

And more than five but less than twenty Members having risen:

Mr. Speaker: The Standing Order indicates that if 20 or more Members rise, consent is automatic. If more than five but fewer than twenty Members rise, I am required to call in the Members.

Therefore, call in the Members.

Before the taking of the vote:

Mr. Speaker: On a point of order, the President of the Privy Council.

Mr. Hnatyshyn: Mr. Speaker, the rules provide that if 20 Opposition Members do not rise then you have no alternative in this instance but to call in the Members. I have had an opportunity of discussing with the Opposition Leaders the motion with respect to the adjournment of the House. I think you will find that there is a disposition by all Parties to have a debate on this matter commencing at eight o'clock tonight, and I would think under those circumstances we are quite prepared to proceed with the debate. If there is a disposition, since there is agreement to proceed with debate on this matter—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: If the Liberals insist on having a vote, that is fine, we are prepared to vote for the debate. Otherwise we can save the time of the House and get on with the business without a vote. If the Opposition wants a vote, Mr. Speaker, you may as well go ahead and call the question.

Mr. Speaker: On the same point of order, the Right Hon. Leader of the Opposition (Mr. Turner).

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Hon. Member for Hamilton Mountain presented his motion with proper notice to Your Honour. After having properly considered the matter within the perview of Standing Order No. 31 of the Rules of the House of Commons you allowed him to seek leave.

The Hon. Member then rose to seek leave by unanimous consent which was refused by a voice from the Government side. That is the reason Your Honour rang the bells to convene the Hon. Members for a vote. That is perfectly clear. In other words, the Government side of the House by voice, requiring calling in of the Members, refused debate and in effect were overruling Your Honour allowing this emergency debate. If we want to talk about wasting the time of the House, the Hon. Members opposite and the House Leader brought it upon themselves by refusing the Hon. Member for Hamilton Mountain to present his motion for leave. We take the position, and since this goes to your authority in this House, we want a recorded vote to assure you that from all sides of the House you have the authority of the House and this debate should be allowed.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Order. I fully appreciate the continuing devotion and support of the Right Hon. Leader of the Opposition. I take it that the President of the Privy Council is seeking to revert to the calling by the Chair as to whether there is consent that leave—order, please—I take it that that is what he was doing. I did not call for yeas and nays. I called for those who were in favour to rise, and fewer than 20 Members rose. That therefore precipitated the need for calling in the Members.

If the President of the Privy Council is suggesting that he is seeking that the House revert unanimously to calling verbally for those who support granting leave, I take it that consent for reversion has been refused. Is that correct?

Mr. Turner (Vancouver Quadra): You asked me a question, Mr. Speaker. I want to say that the Government side forced this vote which would have put the authority of the Speaker in jeopardy. We will not consent and we want—

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Such an interpretation is not consistent with our traditions.

Mr. Hnatyshyn: Mr. Speaker, I think that the way in which you articulated the circumstances is clearly the way things transpired. Unfortunately, there were not enough Members to rise in their places in order to have the vote. We are prepared to go ahead. We have been prepared to go ahead with the reference and with this matter for some days now. We are prepared to have a reasoned debate on this issue and I assure you, Mr. Speaker, that the people of Canada will understand our position.

Mr. Speaker: Order. The Hon. Member for Hamilton Mountain does not need to indicate consent because it has been refused.

Mr. Deans: Mr. Speaker, I have two concerns. One is that never since 1931 has consent for the moving of such a motion been denied by a Government. Therefore, the red herring of the 20-Member stipulation is quite obviously a stalling tactic on the part of the Government in an attempt to make it look as if it were in favour of having such a debate.

More importantly, I hope that nothing which has transpired here will stop this debate. It is an emergency matter and one that should be debated in the House of Commons.

Mr. Speaker: Order, please. I understand that the Hon. Member was seeking consent and that that consent has been refused. The Hon. Member for Hamilton Mountain has requested leave to move the adjournment of the House for the purposes of discussing a specific matter requiring urgent consideration; namely, the financial difficulties of the Northland Bank. The question is that leave be given to the Hon. Member to move such motion.

The House divided on the request (Mr. Deans) which was acceded to on the following division:

(*Division No. 112*)

YEAS

Messrs.

Althouse
Andre
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand (Mrs.)
Binns
Bissonnette
Blackburn (Brant)
Blackburn (Jonquière)
Blaikie
Blais
Blenkarn
Blouin (Mrs.)
Bradley
Brightwell
Brisco
Broadbent
Browes (Mrs.)
Caccia
Caldwell
Cardiff
Cassidy
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Charest
Clark (Brandon-Souris)
Clifford
Coates
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
Deans
de Corneille
de Cotret
de Jong
Dick
Dingwall
Domm
Duplessis (Mrs.)
Ellis
Epp (Provencher)
Ferland
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Friesen
Frith
Gagnon
Gass
Gauthier
Gervais
Gottselig
Graham
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hawkes
Heap
Henderson
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Horner
Hovdebo
Howie
Hudon
Isabelle
Jardine
Jelinek
Jepson
Jewett (Ms.)
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Killens (Mrs.)
Kindy
King
Ladouceur
Langdon
Lanthier
Lapierre
Lawrence
Layton
Leblanc
Lewis
Lopez
MacDougall (Timiskaming)
MacKay
MacLellan
Mailly (Mrs.)
Malone
Manly
Mantha
Marchi
Mayer
Mazankowski
McCrossan
McCurdy
McDermid
McDougall (Mrs.) (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Minaker
Mitchell (Ms.)
Mitges
Moore
Murphy
Nicholson (Miss) (Trinity)
Nicholson (Niagara Falls)
Nielsen
Nowlan
Nunziata
Nystrom
Oberle
Oostrom
Orlikow
Ouellet
Paproski
Penner
Pépin (Mrs.)
Peterson
Pietz
Plourde
Porter
Price
Prud'homme
Ravis
Redway
Riis
Robichaud
Rodriguez
Rossi
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Skelly
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Tobin
Toupin
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Turner (Vancouver Quadra)
Vankoughnet
Vincent
Waddell
Warner
Wenman
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer
Young—189.

NAYS

Messrs.

nil

Mr. Speaker: I was hoping for a tie. Accordingly, debate on the proposed motion will stand over until eight o'clock p.m. this day.

• (1640)

MOTIONS FOR PAPERS

AGREEMENT BETWEEN GOVERNMENT AND BELL HELICOPTER TEXTRON INC.

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, would you be so kind as to call Motion for the Production of Papers No. 4 in the name of the Hon. Member for Mississauga South (Mr. Blenkarn)?

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House a copy of any agreement signed between the Government and Bell Helicopter Textron Inc. of Fort Worth, Texas with respect to the Government's investment with Bell Helicopter Textron Inc.

An Hon. Member: Transfer.

Mr. Speaker: Given the comment of the Hon. Member, the matter will be transferred for debate.

Mr. Dick: Mr. Speaker, I ask that the other notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all other notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

Mr. Speaker: I must inform the House that because of the ministerial statement earlier today consideration of Government Orders will be extended by 30 minutes this day.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

House in Committee on Bill C-71, an Act to amend the Customs Tariff—Mr. Epp (Provencher) (for the Minister of Finance)—Mr. Paproski in the chair.

The Deputy Chairman: Order, please. House in Committee of the Whole on Bill C-71, an Act to amend the Customs Tariff.

Clause 1 to 7 inclusive agreed to.

On Clause 8—

Mr. Baker: Mr. Chairman, with respect to Clause 8, I would like to ask the Government representative the purpose of this Clause.

Mr. Nunziata: On a point of order, Mr. Chairman. My colleague, the Hon. Member for Gander-Twillingate, has asked the Government to provide an explanation with respect to Clause 8. We have been waiting patiently for someone on the Government side to explain what Clause 8 is all about.

The Deputy Chairman: Order, please. That is not a point of order.

Will Hon. Members wait until the chair and table is put in place for the officials of the Department?

[*Translation*]

Mr. Lanthier: If I understand well, it is a general matter. You want to know what the purpose of section 8 is. Well, excuse me then.

As stated in the speech delivered yesterday, Mr. Chairman, it is meant to update the French text in which there were a few inaccuracies. Now it is a technical clause which will make the French text more acceptable and more consistent with universal French usage.

[*English*]

Mr. Baker: Mr. Chairman, I asked what the purpose of Clause 8 is.

Mr. Chairman, I wonder if the hon. gentleman can tell us what the purpose of changing the wording in Clause 8(1) was?

[*Translation*]

Mr. Lanthier: Mr. Chairman, it is so obvious that it is almost funny. For a change in this House! We had the words *combiné d'arrosage* in the singular as against *combini d'arrosage*. Is that it? Yes. It is merely a technical matter. Note that it is an "é" rather than an "i".

Now we have *batterie d'arrosage* instead of *combiné d'arrosage*. That is all.

Mr. Gauthier: Mr. Chairman, the last explanation given by the Parliamentary Secretary answers the question. However I would like to know what the difference is between a *combiné d'arrosage* and a *batterie d'arrosage*?

Mr. Chairman, to gain time and avoid further delay, the Parliamentary Secretary could perhaps send me in writing the definition or the difference between both terms.

Mr. Lanthier: I have to answer that I studied the legislation in depth. I even learned about terms I had never seen in my life, but these never caught my eye. However, we will be pleased, as a Government, to send him that technical definition.

Again, I repeat that the term and the Bill itself are of a technical nature. Therefore, this is a technical definition which we failed to notice, I am sorry. But it certainly will be sent to you.

• (1650)

[*English*]

Clauses 8 to 11 inclusive agreed to.

The Deputy Chairman: Shall Clause 12 carry?

On Clause 12—

Mr. Baker: Mr. Chairman, on Clause 12, this section will come into effect on January 1, 1986. We just passed a clause in which certain sections of the Act came into effect May 24, 1985. Can I ask very simply and to the point why there is such a distinction between the dates? Was it because of the Budget date and the effectiveness of the Budget measures?

When one dates back an item such as this, it leads to a lot of problems. Perhaps the Parliamentary Secretary could supply us with the answer in writing as to why there is such a difference between the sections coming into force in Clauses 11 and 12?

The Deputy Chairman: Will the Parliamentary Secretary undertake to give the reply in writing?

[*Translation*]

Mr. Lanthier: Very well, we will provide that reply also in writing, you may be sure.

[*English*]

Clauses 12 and 13 agreed to.

The Deputy Chairman: Shall Schedule 1 carry?

[*Translation*]

Mr. Gauthier: Mr. Chairman, this is for my information.

In the Ways and Means Motion, there was reference to a change in the amount of goods Canadians may bring back when they go abroad. I think the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) should tell us without making a long speech, with respect to this $100 change in goods which we will now be allowed to bring back with us each time we go abroad, whether the $300 cumulative total is to disappear or whether it will simply be $100 per visit for tourists or other persons travelling—

Mr. Lanthier: As I said in my statement, Mr. Chairman, one can now use a $100 exemption for a two-day stay abroad. In theory, one could now use 182 exemptions a year, but the $300 amount remains. It is not cumulative, of course. The $300 amount in any year remains in force. It is not changed. It is only the $100 amount for a 48-hour stay abroad, which was formerly allowed every three months and that now becomes unlimited, within the limit of the number of days in a year.

Mr. Gauthier: I would like to be very clear on that, because this is of interest to Canadians in general. A Canadian tourist coming back from a visit abroad is allowed to bring back one hundred Canadian dollars' worth of goods every 48 hours, without affecting the $300 he is entitled to once a year when travelling abroad. Therefore, we would be allowed, in principle, to bring in from abroad $300s' worth of goods and, 48 hours later, go back and return with $100s' worth of goods again. Did I understand correctly?

Mr. Lanthier: Yes. Of course there is a difference, in that for the $300 amount, one must be away for seven days, while for the $100 amount one must be away for two days. Therefore, if we want to figure it out, if one goes abroad on three two-day trips, one still has the $300 but has three trips to make. What you said is perfectly right.

Mr. Ouellet: Mr. Chairman, I have a question for the Parliamentary Secretary. Since we allow people who re-enter Canada after spending seven days abroad to bring back only for $300 of goods, would it not be more logical to allow people to bring back a lot more once a year since, as my colleague has just said, we are about to allow someone who leaves Canada for two days to bring back for $100 in goods? There is no limit to this allowance. Theoretically, someone could therefore go abroad every two or three days and bring back for thousands of dollars in foreign goods. If the Government is willing to make this concession to Canadian workers, and as the Government is always promoting free trade these days, it should understand that it would be appropriate to allow people who are away for seven days once a year to bring back for many hundreds of dollars in goods because what is permitted for someone who is away for only two days is not permitted for someone who is away seven days. I would like the regulations to be fair to those who travel abroad only once a year and I would like them to be allowed to bring back for a higher amount because this discriminates against those who are not that well-off. Not everyone has the opportunity or the means to travel abroad two or three times a week. It is only businessmen or people with lots of money who can travel abroad several times a year. Those who go on holidays once a year and who travel abroad, whether to the United States or to Europe, are penalized because they can only bring back for $300 in goods. I find this unfair and I would like the Parliamentary Secretary to correct this situation.

Mr. Lanthier: That is debatable. I see here in my notes, Mr. Chairman, that the amount was adjusted in 1983 to compensate for inflation. Naturally, the amount was adjusted. However, I question the distinction made between the wealthy and the not so wealthy travellers. People who can afford to take holidays of seven days or more can naturally spend more than those who take only one-day trips. We could debate this issue, but as it was pointed out earlier, the law reflects an effort to dip one toe in what will be the great sea of free trade. In fact, I think this measure is a boon for people with modest incomes who make short trips outside the country and cannot afford to go very far. For instance, they might be going from my hon. colleague's riding or my own to Plattsburgh or Burlington. On the other hand, they should not be encouraged to do all their shopping down there. Nor should they be encouraged to go and buy a colour TV or a bedroom set, for instance, across the border.

Obviously, the Government's purpose in proposing this measure was to make things easier for the travelling public. In fact, such trips are becoming increasingly common, not necessarily among the rich and unfortunately not among the poor, but they are common among people with average incomes. People can take advantage of these exemptions without seeing them as some kind of complex problem. It used to be that when you went on a two-day trip, you would try to remember whether it was three months ago or two and a half months, and so forth. I think this is going to simplify things. A seven-day trip is a holiday, it is something you remember, and I believe it will add fairness and consistency to the new measure.

The Deputy Chairman: The Hon. Member for Papineau (Mr. Ouellet).

Mr. Ouellet: Mr. Chairman, I thank the Hon. Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) for his excellent reply. I think he provided us with a sound and defensible explanation. But I should like to push him a little further in his reasoning. If it is, as he stated, in order to promote free trade, he must be aware that some countries, especially in Europe, have eliminated all these custom barriers. People travelling within countries of the European Common Market no longer have to make declarations when they return to their respective countries.

Would it be possible for his Government to consider the possibility of fully eliminating the obligation for Canadians to report their purchases when they return from abroad? I think that customs officers would still have a part to play in controlling the incoming of drugs and goods deemed unacceptable. But in the case of souvenirs, pieces of clothing, etc., things that tourists normally buy and bring back with them, could his Government consider the possibility of sparing Canadian tourists upon their return to this country the aggravation of submitting a report and being searched and auscultated by our custom officers?

• (1700)

Mr. Lanthier: I am sorry, Mr. Chairman, but let there be no misunderstanding. We are not trying to encourage free trade. I said that we were trying out a series of measures that seem to be popular throughout the world.

My hon. colleague referred to the Common Market. Heaven knows that we have not reached that point yet! We are still at the very beginning. And, as I said, it is nothing more than a little bit of toe dipping in the sea of free trade.

Also, the European countries have achieved their free trade after considerable negotiations and time. We have not reached the starting line yet. That is for the first part.

Second, the whole point of our Customs and Excise system is not to catch the person who crosses the border with $110 or $90 worth of goods or to find out whether he spent 48 hours or 47 and a half hours away from home. The point is to intercept certain people and goods at the border.

In this country we have a relatively simple situation, since we have only one neighbour and only one border, with the United States, so it is easy to establish rules, and of course we also have airports where people and goods can be intercepted.

In Europe, they had to compromise, because they have borders everywhere. A European country may have common borders with three or four other countries, cutting through areas where people can swim across or walk across on mountain paths. They had to cut down on all kinds of administrative formalities because they just could not cope.

However, in our case I do not think we should remove these controls. We must not go to protectionist extremes, but I think we have the right kind of controls here in Canada and we should enforce them. Of course, we want to get rid of administrative red tape. Now, if a person has nothing to declare over $100, no declaration is necessary.

Personally, I believe that our Government's policy favours some kind of control. We are not about to open the borders. People who think that free trade would mean opening the borders must be daydreaming. I believe that free trade must be controlled. Now controls may be mitigated or they can be very elaborate.

[*English*]

Mr. Redway: Mr. Chairman, as I understand it, the purpose of this particular clause is to provide that someone returning to Canada after an absence of 48 hours will have a $100 exemption. This is in addition to the existing exemption of $300 once a year if you are out of the country for seven days. Can the Parliamentary Secretary tell me if it is possible to have a cumulative exemption? In other words, once a year, if you are out of the country for seven days, can you combine the $300 exemption and the $100 exemption and have a $400 exemption once a year?

[*Translation*]

Mr. Lanthier: Mr. Chairman, the answer to that is a short and sweet no. These things cannot be combined. If a person wants a $400 exemption, that person has to make four two-day trips. He has to take the trouble to make four two-day trips if he wants to get an exemption of more than $300, and he can do so 182 times a year, theoretically speaking. However, exemptions cannot be combined. Each exemption is separate.

Mr. Lapierre: Mr. Chairman, I see that the Parliamentary Secretary is giving all kinds of explanations. I was looking at Schedule I, and I would like to ask the Parliamentary Secretary why, under item 49105-1, bolted steel tanks would enter this country duty free?

Mr. Lanthier: Could the Hon. Member please repeat the number? He said it so fast I did not quite catch it.

Mr. Lapierre: It is tariff item number 49105-1 on page 21.

Mr. Lanthier: I am delighted, Mr. Chairman. This is the first time I have been asked a question about engineering in the House. I feel right at home.

This item belongs to the broad class of goods that are either manufactured or not manufactured in Canada. This particular item is considered not to be manufactured in Canada.

I might add, in passing, that as far as the engineering aspect is concerned, steel tanks now tend to be welded instead of bolted.

This is an item that existed previously and it has now been included in the class of goods either manufactured or not manufactured in Canada.

Mr. Lapierre: About the same item, I was wondering whether there is any connection with the kind of containers required for heavy water, for instance? Is this technology used for heavy water containers?

Mr. Lanthier: Though I cannot vouch for it, and as I said before, it is more a matter of engineering than anything else.

According to my knowledge of engineering, all heavy water containers are usually welded. Now, with due respect, the Hon. Member is asking me about a very specific question. If he is agreeable, I shall make enquiries at Customs and Excise and give the Hon. Member his answer in writing in due time.

Mr. Lapierre: I think the Parliamentary Secretary is asking me to buy a pig in a poke. If this is passed and I get a written reply in two months, the Bill will have become law by then, Mr. Chairman.

Mr. Chairman, I notice quite a few items and that surprises me. You say that no company in Canada makes surveying instruments, among other things. Your argument would also apply to instruments, hearing aids and similar items, yet as far as I know I thought Bell Canada for instance was also a leader in hearing aids technology. I would like to follow your line of reasoning.

Mr. Lanthier: Mr. Chairman, all tariff items listed here have been reduced after inquiries and consultations with the private sector. Canada's entire private sector has been made aware of the fact that we were about to establish new tariff item numbers or to adapt the new numbers to current conditions. So if you have cases which were not considered by the technical or consultation committees that had been established I would suggest it is a bit late to raise the matter. There have been specific consultations, ongoing consultations with respect to the questions I examined in the Bill and those people who had representations to make were welcome. But now we have to make a decision today.

• (1710)

The Deputy Chairman: The Hon. Member for Papineau.

Mr. Ouellet: Thank you, Mr. Speaker. I read with care the speech delivered the day before yesterday by the Parliamentary Secretary to the Minister of Finance in his opening comments on the Bill. He referred particularly to the Quebec Summit where the Prime Minister was very chummy with the President of the United States. I refer more specifically to page 6868 of *Hansard* where he said: "The Prime Minister of Canada and the President of the United States decided among other trading initiatives to put an end to protectionism in the exchange of goods and services between our two countries."

Does that mean that from now on large American engineering firms may compete on the Canadian market against Canadian companies? We know, Mr. Speaker, that Canada is very much at the forefront as far as engineering is concerned. Our prominent Canadian architects and engineers have no lessons to learn from any other firm.

Of course, our large firms do not have the financial resources nor the organization of some large American engineering firms and I am somewhat concerned following the speech made last Monday by the Parliamentary Secretary to the Minister of Finance, because indeed I am wondering whether his Prime Minister did not sell himself off bound hand and foot not only in areas such as Star Wars but also in one area which was then overlooked, yet is most important, namely Canadian technology as developed by large firms of architects and engineers in Canada.

Mr. Lanthier: Mr. Speaker, first, I would like to put things in the proper context. It is not necessarily my Prime Minister, but the Prime Minister of all Canadians as well as your own, my Hon. friend. He is everyone's Prime Minister.

Second, I would have liked him to have quoted my words properly. I said "our valiant Prime Minister". I do not know if this was heard, but I said "our valiant Prime Minister".

To come back to the essence of this question, without speaking about free trade, but only about the issue under consideration, the agreements which have been concluded have not been blank checks, to use an expression that is very dear to Members Opposite. These are agreements in principle which will be phased in and include terms that take into account the production of goods and services in both countries.

You mentioned a specific issue. There are much more vulnerable areas in Canada than our engineering firms which have competed throughout the world. In this sector, Canada has proportionately the largest and best established firms there are. In fact, I believe that we shall now have to get ready to compete against the major American firms. As for not having

the necessary financial means, I believe that our major engineering firms can be compared with and do compete against firms in other countries, whether the United States or even Germany, and that they have already been successful on the international market. I must point out incidentally that the American firms are not the ones we fear the most in Canada.

As for the architectural or engineering firms, I believe that there are much more vulnerable economic sectors in Canada and that Canadians will eventually have to do like almost everyone else in the world and try to find the markets where they are. I believe that our Canadian firms will benefit from the opening up of the American markets much more than the American firms will benefit from a freer access to ours.

[*English*]

Mr. de Jong: Mr. Chairman, would the section that allows a person to bring in $100 worth of goods every 48 hours allow a farmer to haul a tank down to the United States and get $100 worth of gasoline every 48 hours?

Mr. Lanthier: If he stays outside Canada 48 hours, yes.

Mr. de Jong: Does that mean that if he stays out for seven days he is able to bring back $300 worth?

Mr. Lanthier: Yes, once a year.

Mr. de Jong: Mr. Chairman, if he brings his whole family over he will be able to get his year's supply of gasoline in the United States, if he has three or four sons above a certain age. What is the age limit here?

Mr. Lanthier: Mr. Chairman, I can answer that question with ease due to the fact that I am a fourteenth child. If my father had had a car, which unfortunately he did not, he would have been able to do such a thing.

Mr. de Jong: Mr. Chairman, I have one more question. What is the age of eligibility for the $100 every 48 hours and for the $300 once a year? Is there any age requirement?

Mr. Lanthier: Aside from the restrictions on alcohol and cigarettes, there is no age limit. If you bring your baby with you, he is allowed his $100 every 48 hours.

[*Translation*]

Mr. Ouellet: I would like to go back to the remarks made a few minutes ago by the Parliamentary Secretary. He is quite right. In the remarks he made on Monday, he called his Prime Minister a valiant Prime Minister. I realize that the way vacancies are coming up in the Cabinet, the Parliamentary Secretary has to be most polite and kind to his Prime Minister. That might prove to be in his interest sooner or later, and he has my best wishes in any case. However, his statement is very disturbing in my view, because if indeed the Prime Minister of Canada and the President of the United States agreed to allow free trade in goods and services, as he stated in his speech, unless his words went beyond his thoughts or beyond the facts, if indeed the Prime Minister of Canada and the President of the United States agreed to end protectionism in the trading of goods and services, the example I gave him earlier, Mr. Chairman, concerning engineering firms, the example I used because knowingly the Parliamentary Secretary until very recently belonged to a large Montreal engineering firm, and that example would strike his imagination more than others. But I must say, Mr. Speaker, that services are not exclusive to engineering firms.

I used that example because it was an easy one to understand for the Parliamentary Secretary, but there is a whole range of services which are offered by Canadian firms to Canadians that could be jeopardized by such a decision to end protectionism which benefits small Canadian entrepreneurs performing important services for the Canadian people. I agree with the Parliamentary Secretary that there are three, four, or five large engineering firms in Canada that are capable of measuring up easily to any big firm in the world. But apart from those few larger ones, there is a considerable number of medium-sized and small firms that could lose important contracts to American firms under too harsh a competition. What I am concerned with, and I would like the Parliamentary Secretary to not only alleviate my fears but send a very clear message to all small entrepreneurs who provide Canadians with services and who might be forced into bankruptcy by too harsh competition from the United States.

Mr. Lanthier: Mr. Chairman, there was no reference to free trade in the speech. The reference was to put an end to protectionism. Speaking of protectionism, very seldom do countries have laws to promote protectionism as such. Protectionism has a bad connotation. Whether one is for or against protectionism, the connotation is always bad.

So, I did not say that the two heads of state agreed on free trade. They agreed to end protectionism in both our countries. And I added: given time and the right circumstances. Understood? The idea is to put an end to protectionism in the exchange of goods and services between our two countries. So, there is a difference between putting an end to protectionism and establishing free trade. This is my first point.

Second, I must discuss market principles from a standpoint I am especially familiar with. I would remind my hon. colleague that the smaller firms which are now enjoying a high level of technology in Quebec and more generally in Canada are already competing against bigger firms. And I would point out that small engineering firms do not use the words big or small firms. They use the words large and small firms. There is a difference.

In that sense, of course competition is already there. It is not a matter of looking at the existing market, but of asking ourselves whether we will have another market. The larger and bigger engineering firms in Canada—and smaller ones too, and let me point out that there are engineering firms with no more than ten people which are now operating in Africa, Europe and the United States. It is a matter of opening up to markets. Then when we talk about ending protectionism with

regard to goods and services, we mean that markets have to be opened. When you tell me that you are worried about too much open-mindedness in protectionism, I do not think that small firms would be threatened in Canada. You would have to find another issue, because we are surprisingly well equipped from a technological viewpoint to compete anywhere in the world. If markets are opened, our Canadian technicians will be competing for them.

[*English*]

Mr. Redway: Mr. Chairman, could you help me on a point of procedure in connection with this discussion? It seems to me that we are no longer on first or second reading nor are we any longer discussing general principles. We are into specifics in Committee of the Whole and we are into a clause by clause debate. My understanding is we have already passed, in discussions, up to Clause 12 and we are now looking at Schedule 1. Surely the remarks of Hon. Members should be relevant strictly to the matters set out in Schedule 1, which are particular tariff items setting out particular tariffs. There is nothing in there as far as I can see, Mr. Chairman, that indicates we are now going to be in a period of free trade. There are a great number of tariffs set out in that Schedule. I would hope all of the remarks will be relevant to that Schedule, which is the matter we are now discussing.

The Deputy Chairman: I agree with the Hon. Member. The Chair has been very lenient concerning the debate. I felt we should have some debate in this regard.

Mr. Ouellet: We appreciate it.

The Deputy Chairman: I agree with the Hon. Member's comment. I will allow the Hon. Member for Shefford another question.

• (1720)

[*Translation*]

Mr. Lapierre: Mr. Chairman, my concern . . . and I readily agree with my colleague that Schedule 1 is important, but there are underlying principles to the schedule which have to be discussed. I think it is important for our Parliamentary Secretary to give us the opportunity to benefit from his great learning.

And, as it happened, he made that speech on Monday last and the following day, the President of the United States (Mr. Reagan) announced a war chest of some $300 million.

I would like to ask the Parliamentary Secretary whether that is some sort of protectionism according to his definitions?

[*English*]

The Deputy Chairman: It is a general question. I would hope the Parliamentary Secretary would just answer it.

[*Translation*]

Mr. Lanthier: Mr. Chairman, I believe that you have already ruled on this point. This is a general question and we are now having an item-by-item discussion. Once more, I do not want to get into general discussions. I believe that the call to order of my colleague earlier was quite appropriate and we should follow his advice if we want to get anywhere.

[*English*]

Schedules 1 and 2 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? Pursuant to an order made earlier this day, now?

Some Hon. Members: Agreed.

Mr. Hnatyshyn (for the Minister of Finance) moved that Bill C-71, an Act to amend the Customs Tariff Act be read the third time and passed.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am very happy to take part in this important debate, especially as the Government House Leader is here.

Mr. Speaker, we have tried to obtain explanations from the Parliamentary Secretary about the Customs Tariff, and instead of answering, he simply said that the industry had been consulted.

However, Mr. Speaker, I am certainly convinced that all industries were not consulted. For years, Mr. Speaker, this department has had problems setting tariffs, and it is not because we have a new Parliamentary Secretary that the department has changed. What we have found is that the tariffs are set by a small group of initiates.

My colleague for Papineau (Mr. Ouellet) mentioned small engineering firms. The situation is exactly the same as concerns the setting of tariffs.

I can see the Minister of State for Small Businesses (Mr. Bissonnette), who used to be a prosperous businessman. I would like this Minister to tell me later when he speaks on this bill whether or not he was consulted about various tariffs when he was in business. Did the officials in the Department of Finance or the Department of Industry, Trade and Commerce call the Minister to ask him: What do you think of this? Do you find this reasonable or not? I would like to know how many calls he received during his brilliant career as a businessman.

That is a fact and I am sure Hon. Members will agree with me it looks as if some insider groups are being consulted and often on issues which directly concern us.

The third reading stage affords us an ideal opportunity to review the remarks of the Parliamentary Secretary who got sidetracked in a lengthy explanation on the merits of free trade, or rather on the disadvantages of protectionism. The Parliamentary Secretary had his say against protectionism but I would like to know whether he thinks that, in some cases, Canadians simply have to protect their industries.

I have two industries in mind, the footwear industry, for example, which at this very moment is trying to convince the Government to take a protectionist approach to save jobs in that sector. I regret having to say this, Mr. Speaker, but I have the impression that the Parliamentary Secretary had his speech drafted by officials of the Department of Finance who live in a world of their own. In today's real world thousands of jobs are on the line in the footwear industry. The Hon. Member for Saint-Jean (Mr. Bissonnette) knows full well that the textile industry employs thousands of workers in his own riding. That is why I find it hard to believe that the Parliamentary Secretary—presumably a Member who remains true to his origins—does not know the real situation in Quebec and in Canada, and I think he should not rise in the House to deliver speeches written for him by public servants who have lost touch with reality.

Mr. Speaker, I am convinced that the people from LaSalle, many of whom I know are employed in the textile and footwear industries, would not support the position of their elected representative who has stated that we should fight against protectionism at all cost. Even at the cost of many jobs in the Saint-Jean riding? I am sure that the Minister of State for Small Businesses (Mr. Bissonnette) would not accept that. I hope he will succeed in the representations which he is making and which I support, because that would also mean jobs for my own riding, as well as the whole textile, clothing and footwear industries in the Eastern Townships. It is all very well for the Parliamentary Secretary to introduce a bill and praise the virtues not only of free trade, but especially of the Prime Minister. We understand why he is praising the virtues of the Prime Minister.

Mr. Speaker, I suggest that, as an elected member of Parliament, the first and foremost duty of the Parliamentary Secretary is to protect his constituents, and he should place the interests of his constituents above the advancement of his own career. He should not take everything the Prime Minister says as Gospel truth. That is a mistake on the part of the Parliamentary Secretary. He should not let his desire for a ministerial appointment blind him, Mr. Speaker.

Over the past few weeks, we have had the opportunity to hear debates concerning matters of which the Parliamentary Secretary was perfectly aware. For instance, the Commercial Bank of Canada fiasco. Mr. Speaker, I just cannot understand how the Parliamentary Secretary can accept without flinching to share the responsibilities in this matter.

• (1730)

Mr. Speaker, I wonder to what extent, in the current debate ... and I regret the Minister's decision to entrust his second-in-command with the responsibility to explain to us not only the details of this important legislation, but the whole philosophy behind it. That is an aspect of this Government which I find somewhat disquieting. A while ago, there were hardly any Ministers in the House; now, there are a few of them, but they do not appear to be too concerned about the consequences of the Parliamentary Secretary's statement. I can see the Minister of State for Small Businesses and, because he is a very realistic man, I know that he did not agree with the Parliamentary Secretary when he said that we have to fight against protectionism at all cost. Over the next few weeks and months, Mr. Speaker, we are going to—

I think the Minister would like to rise on a point of order. Please.

Mr. Bissonnette: Mr. Speaker, when the Hon. Member for Shefford (Mr. Lapierre) says and makes the assumption that I do not agree with the Bill, I would like to have some explanation as to why the Hon. Member for Shefford thinks I do not agree with this legislation.

[*English*]

The Acting Speaker (Mr. Paproski): We are not in the period provided for questions and answers, and that is not a point of order. The Hon. Member for Shefford (Mr. Lapierre) has the floor; the Hon. Minister can reply later.

[*Translation*]

Mr. Lapierre: To accommodate the Minister, who is not acquainted with our Standing Orders, I certainly will answer him, and I hope he will soon be on this side of the House so he can ask more questions and we will be able to answer them in greater detail.

Meanwhile, Mr. Speaker, let me explain what the real situation is. This Bill, and especially the speech made by the Parliamentary Secretary to introduce the Bill ... The Parliamentary Secretary said we had to fight protectionism at any cost. Now, on the assumption that the Minister of State for Small Businesses (Mr. Bissonnette) is an intelligent man who protects the interests of his constituents, I also assumed that he could not go along with the statement that protectionism had to be controlled at any cost.

Mr. Speaker, I know the Hon. Member for Saint-Jean and Minister of State for Small Businesses is concerned about the well-being of his constituents, and if that were not the case I would be terribly disappointed. I am sure that in the months to come, his constituents will be able to test him and find out to what extent he is prepared to defend their interests. Then we will know whether the Minister of State for Small Businesses is Quebec's spokesman in Ottawa or whether he is now, as he

told the press, Ottawa's spokesman in Quebec. Mr. Speaker, I would ask him quite frankly to come right out and talk about the virtues of protectionism. I ask him to give us his perception of the future of the shoe industry. I invite him to give us his perception of the future of the textiles industry. The Minister knows all about the industry.

If he agrees with every single word the Parliamentary Secretary has said, this means that the Minister is prepared to let a vital sector of the economy in his riding go down the drain. I cannot believe a Minister could be so irresponsible, and that is why I assumed the Minister did not agree with his colleague for LaSalle (Mr. Lanthier) on protectionism and probably a host of other subjects as well.

Now to get back to the substance of the Bill, I believe that where certain items have been removed or tariffs have been substantially reduced, in some cases this will be very useful, and I am thinking for instance of hearing aids for the deaf and safety face-shields for workers. However, what I really hope is that instead of saying: We are going to allow greater penetration of the Canadian market by imported products, the Minister of State for Small Businesses, and others with him, will encourage the manufacture in Canada of most of the items we have here. Before opening up our markets, I wish the Government would take a look at appliances that are not manufactured in Canada,—and I hope the Minister has looked at everyone of them,—and let us know which products we are now importing duty free cannot be made here in Canada. I am thinking, for instance, of earthenware and other clay tiles and a lot of other items for which I am sure Canadian manufacturers could be found.

All this means that in the coming months we will have a chance to start a real debate on free trade.

Beyond the amendments to the Customs Tariff, we are going to talk about principles and, in that respect, I think it will be very important for all Hon. Members to realize how serious the decision of the Prime Minister might be when his only concern is to please his American big brother. I think everyone will have to realize how dangerous it is to have a Prime Minister who is used to taking his orders from the States. And you know, that's the way things worked in his professional career. Besides, we notice that since coming into office he has been following the very same pattern. Therefore, you cannot blame the Opposition for wondering how sound is this Bill and how sound are the remarks of Hon. Members opposite. That is why I believe it is our role to make sure that their rhetoric is not detrimental to our Canadian workers.

Mr. Speaker, Canadian workers will never accept to lose their jobs for the sake of the so-called friendship with the American big brother, which is what the Government here is prepared to do. Therefore I invite them to be careful and moderate in their remarks, because I think that an over-all move towards free trade might be detrimental to the future of Canadian workers and of Canada as a whole.

In conclusion, Mr. Chairman, I know that this Bill is of minor importance in relation to this whole debate, and I am sure that in the months ahead we will have the opportunity to further discuss it at length together.

[*English*]

Mr. Alan Redway (York East): Mr. Speaker, I listened with great interest to the comments of my hon. friend. They were most surprising to me. He spoke as if we were debating a Bill which would do away with all the tariffs of this country. In fact, we are dealing with a Customs Bill which will put in place some modest changes to some of those tariffs. It is not a revolutionary Bill at all. It is in many respects a housekeeping Bill. In fact, I suppose the most significant feature of the Bill is to increase the dollar amount of exemptions that a visitor coming back from the United States to Canada within 48 hours can bring with him which, after this Bill is passed, will be $100. That seems to me to be something that my friend should be applauding.

• (1740)

In addition to that he singles out the fact that tariffs are being removed on hearing aids and protective equipment for workmen as something that is frightening and that the Canadian public should shrink with fear when they hear about it. Surely my hon. friend cannot object to providing hearing aids at the lowest cost possible for those who have problems hearing and surely my hon. friend cannot object to providing protective equipment at the lowest possible cost.

The other item that he mentioned had to do with footwear. In fact there is nothing in this Bill at all that affects footwear. It does not change the situation one iota. There continues to be a tariff; there continues to be a quota.

My hon. friend seems to have missed the point of what we are talking about here and I hope that in future he will listen a little more carefully to the debate on the Bill in principle.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I am pleased to take part in this debate on Bill C-71 and I will take this opportunity first of all to remind the previous speaker that he has misunderstood the statements of the Hon. Member for Shefford (Mr. Lapierre). Obviously, the Hon. Member for Shefford does not take exception to some clauses of Bill C-71 but to the general principle of the Act to amend the Customs Tariff. The purpose of this Act to amend the Customs Tariff is to show once more to the Canadian people that the Conservative Government is kowtowing to important American interests. This legislation is simply unveiling another aspect of the total abdication of authority of our Prime Minister to the President of the United States.

One remembers the *Polar Sea* incident, when the Secretary of State for External Affairs (Mr. Clark (Yellowhead)) rose at the beginning of the sitting of the House and made great statements of policy, telling us that this time, he was decided to act, while the American ship crossed our borders without

our permission and nothing was done over the whole summer to advise American authorities of our deep concern.

Secondly, Star Wars. One has the feeling that the Conservative Government, under the pressure of public opinion, said "Nyes" to the President of the United States, that is a private yes and a public no in order to save its neck because the Canadian people do not want the Canadian Government to take part in Star Wars.

Since a statement was made on this matter, we now know that some Crown corporations and the National Research Centre might take part in Star Wars with the blessing of the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen), when the Prime Minister said to us in the House that the Government would not be involved.

Thanks to Bill C-71, we now know where the Conservative Party really stands as shown in the statements made by the Parliamentary Secretary to Minister of Finance (Mr. Lanthier) himself. Mr. Speaker, I want to quote from the speech made in the House by the Parliamentary Secretary during the debate on second reading of Bill C-71. He said that at the Quebec Summit, and I quote the Parliamentary Secretary to Minister of Finance:

> At the Quebec summit, our valiant Prime Minister of Canada (Mr. Mulroney) and the President of the United States (Mr. Reagan) decided, among other trading initiatives, to put an end to protectionism in the exchange of goods and services between our two countries.

The Parliamentary Secretary, with his close relationship with the Minister of Finance, must know what he is talking about. Something certainly happened at the Quebec Economic Summit. What happened is that once again the Prime Minister of Canada abdicated his responsibilities as the Prime Minister of a sovereign state before the President of the United States. Mr. Speaker, the Americans now consider us as a 51st State much more than as an independent and autonomous neighbouring country, and we cannot accept this situation.

The Minister of State for Small Businesses, who is in this House today, knows very well what that means: the abolition of protectionist measures. A decision will have to be made very soon by the Cabinet whether the Government of Canada will maintain the quotas imposed by the previous Liberal Government, with special protective measures in the textile, footwear and garment industries. A number of the decisions made by the previous Government are coming to an end, and I do not have to remind the Minister of State for Small Businesses that Dominion Textile has just closed its plant not only in the most important town in his constituency, Saint-Jean, but also in the most important town of the neighbouring constituency, Valleyfield. Hundreds of workers were laid-off because of that decision by Dominion Textile, and why? Because that company is in a difficult position, because it has to face very tough competition from abroad.

The Parliamentary Secretary to the Minister of Finance tells us that the Prime Minister of Canada and the President of the United States embraced in Quebec City, and that they decided to put an end to protectionist measures. Well, I cannot support Bill C-71 which amends, which reduces certain customs tariffs to let Canadian products compete with American or foreign products; that is what will happen. What will the passing of that bill bring? The possibility that Canadian manufacturers will lose jobs. All these liberalizing, free trade measures, all those measures putting an end to the protectionism put in place by the previous Government, will jeopardize job security directly for hundreds of Canadian workers.

I hope the Parliamentary Secretary to the Minister of Finance when he spoke on Bill C-71 was wrong, that he did not say precisely what happened behind closed doors during the discussions held between the Prime Minister of Canada and the President of the United States and that this Progressive Conservative Government will continue to accept its responsibilities and protect thousands of jobs in the Canadian textile, footwear and clothing sectors.

[*English*]

Motion agreed to and Bill read the third time and passed.

* * *

● (1750)

TAX COURT OF CANADA ACT

MEASURE TO AMEND

The House resumed from Monday, September 24, consideration of the Motion of Mr. MacKay (for the Minister of State (Finance)) that Bill C-72, an Act to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act, be read the second time and referred to a legislative committee.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, as I was about to point out yesterday, this particular Bill before the House includes some minor changes to the Federal Tax Court of Canada Act. It does not really make an amendment of any substance but it does provide that someone must justify a request for an *in camera* proceeding before the Tax Court. The Bill also makes amendments to other Acts including an Act to amend the statutory law relating to income tax and to make related amendments to the Canadian Pension Plan and the Unemployment Insurance Act, 1971.

I believe a problem will arise with the overload of cases that will appear before the Federal Tax Court of Canada as a consequence of the actions of the Government which decided to cut back in various government Departments. When the unemployment insurance scheme is cut back by $250 million, for example, more cases end up before the Federal Tax Court of Canada.

Why do they end up there? When people are judged ineligible for unemployment insurance, they appeal that decision

and a determination of the question is made by the Department of National Revenue. If that decision is appealed, it is appealed to the Minister of National Revenue (Mr. MacKay). The Minister of National Revenue, 99.9 per cent of the time, agrees with the Departmental ruling and then the only recourse people have is to the Federal Tax Court of Canada.

When looking at extreme cases of hardship created by laws that we have on our books, one need not look any further than the cases that go before the Federal Tax Court of Canada relating to the determination of a question of eligibility. Let me give a few examples of this so that the record will show exactly what I mean.

When the Unemployment Insurance Commission is given orders to cut down on the numbers of people drawing unemployment insurance, all unemployment insurance applications are automatically reviewed. Take for instance the case of a student who is attending school in the day time and had worked during the evenings prior to going to school. Say that student felt as though he had a case in favour of drawing unemployment insurance because he was looking for work in the evenings. Say that that application was turned down by the Commission on a determination of eligibility made by the Department of National Revenue. That student would then carry that application through to the Minister of National Revenue and then to the Federal Tax Court of Canada.

Sometimes it is very difficult to try to figure out what is wrong with our system. People who collected unemployment insurance for working certain hours doing certain jobs are not allowed to collect benefits if they are not available between nine and noon. That kind of a case would go to the Federal Tax Court of Canada.

As another example, say there was an employer who was in the wholesale business and had an employer's number with the Department of National Revenue. Say he hires someone to do some building. Under the present system within the Government of Canada, there are 700 employees in the unemployment insurance trying to knock people off the unemployment insurance rolls. Therefore, a case like the one to which I just referred would be sent to the Department of National Revenue to determine whether or not that person is eligible. We will see more and more of those kinds of cases. What happens when a case goes to the Department of National Revenue? A person who received unemployment insurance benefits from doing building for an employer whose business is not normally building things will be judged to owe the Government of Canada all the money he received from the fund.

There are a great many cases like the one to which I just referred before the Federal Tax Court of Canada today. People are getting stuck having to pay back $10,000, $15,000 or $20,000. Whether it is right or wrong—and it is wrong—it is the law. That is the way the judge will interpret the law when cases come before the Federal Tax Court of Canada.

Cases will now be referred to the Federal Tax Court of Canada because of the policy of the Government to cut back. People will be judged ineligible because they are not available for work. What does that mean? If a person was receiving unemployment insurance benefits and helped someone build a barn or a house, he is judged by the law not to be eligible for unemployment insurance and this case would go to the Minister of National Revenue who would make a judgement which, if appealed, would go to the Federal Tax Court of Canada. Because of the policies of this heartless Government many cases that never before would have been referred to the Federal Tax Court of Canada will now be referred there.

A great many cases that will be referred to the Federal Tax Court of Canada will involve women. Women who work in non-traditional occupations are usually ruled ineligible by the Department of National Revenue when it comes to collecting unemployment insurance. There will also be an over-abundance of cases before the Federal Tax Court relating to women and men in the fishery industry because of mistakes that are made by employers. These are mistakes with which employees have absolutely nothing to do.

Instead of amending this Bill to deal with *in camera* proceedings at the Tax Court of Canada, it would be more worth while if the Government were to do one of two things. First, it should take that responsibility away from the Federal Tax Court of Canada because it does not belong there. The Minister of National Revenue should have nothing to do with the determination of questions of eligibility for unemployment insurance. This is the first action the Government should take. The second action would be that all such cases be simply referred to an umpire, as is the case with most questions concerning unemployment insurance. The same situation would occur, that is, a Federal Court judge would be the umpire. In both cases, they are Federal Court judges and must be addressed as "My Lord". The point is that they are two completely different courtroom situations. When something is referred to the Tax Court of Canada not only is the judge referred to as "My Lord" but a statement of fact must be prepared by the Attorney General's office. This is a statement of fact which is used in the determination of the question for the Minister of National Revenue. Therefore, what is being done when one appears before the federal tax court is proving, by additional evidence, that the determination was incorrect.

• (1800)

A great many of the cases which I have outlined cannot be disproven on the basis of additional information. Nor can they be disproven on the basis of additional witnesses. A great many people who are faced with this situation cannot afford to hire a lawyer. Some 90 per cent of them do not know the courtroom situation. However, if the Federal Court judge is looked at as an appeal judge, say, an umpire for the determination of Unemployment Insurance Act issues, then the normal courtroom situation does not prevail. It is not necessary to prove on the basis of new evidence that the determination made by the Attorney General's office was wrong. The case can be argued before the Federal Court judge and a fair hearing could be held.

Basically, what I have stated is what we wish to put on the record. We wish to put it on the record because of the changes

made by the Government of Canada and because we now now that there will be hundreds and hundreds of cases which will clog the system because of what the Minister of Employment and Immigration (Miss MacDonald) has had to do because of here being forced by the President of the Treasury Board (Mr. de Cotret) to cut $250 million from her Department's budget. We recommend and encourage all these people who will be latched on to by the Unemployment Insurance Commission to appeal to the federal tax court. If representatives of the Unemployment Insurance Commission say to these people: "You are not eligible because it has been determined by the Department of National Revenue that you are not eligibile," what I say to those people is: "Appeal your case to the Minister of National Revenue. If the Minister says that you do not qualify, you have 90 days in which to appeal to the federal Tax Court of Canada." That is what will happen because of the cuts to the budget of the Department of Employment and Immigration. When that happens the system will become clogged and there will be just too many cases before the federal Tax Court of Canada. Too many people will be receiving a statement in the mail which reads: "In the Tax Court of Canada pursuant to—" and then there will be the appellant's name and the respondant will appear as the Minister of National Revenue. Following that will be the statement of fact. The poor person receiving this document will wonder what it is all about and how on earth he will defend himself. He will say: "I know that I am right and that the Government is wrong." What can a person do in that situation? Most Members of Parliament have appeared before the federal Tax Court of Canada. I am sure they have appeared before it in order to fight for their constituents because their constitutents cannot afford a lawyer. It is quite a different thing to go before the federal Tax Court of Canada with respect to a case which is similar to another case which is simply a hearing by an umpire. Both situations involve Federal Court judges but in different courtroom situations.

I see that the time is passing quickly and that we have to go through all the clauses of the Bill, as I understand it, as well as third reading, before we conclude today's sitting, which will be at 6.30 p.m. I hope that if we conclude by 6.20 p.m., the Government House Leader will call it 6.30 p.m.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have this opportunity to say a few words with respect to Bill C-72, a 239-page Bill, inclusive of 150 amendments in an effort to simplify the Tax Court of Canada Act.

This is something which actually happens two or three times a year when Members of Parliament are faced with 200 or 300 pages including somewhere between 125 and 175 amendments to the Income Tax Act in an attempt to simplify and clarify the existing Act. When one begins talking to an average citizen about tax provisions, or changes to the Income Tax Act, there is about the same amount of clarity as there is with Egyptian hieroglyphics. Believe me, what we have before us is no Rosetta Stone. In looking at Bill C-72 we see that it is simply one more step in the march toward complexity, misunderstanding and baffle-gab. I do not think it is the intention of anyone here to create a more confusing tax system. However, that is the process in which we find ourselves today.

Mr. Blaikie: Just another job-creation project for lawyers.

Mr. Riis: As the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) says, it is just another job-creation project for lawyers, tax accountants and all those folks who live in the backrooms drafting this type of legislation.

If there is one thing which has become clear in the last while it is that the tax system of the country is too complex for virtually anyone to comprehend. I can remember distinctly a year and half ago when the Minister of Finance (Mr. Wilson) stood up in the House and said: "Listen, I have just an average income. I have no complex financial affairs and I have to go to the tax adviser at the corner in order to have my tax return filled out at the end of the year." If the Minister of Finance cannot do his own income tax return, then I think it is indicative of the point we find ourselves in today in terms of a document which is impossible for any ordinary Canadian citizen to comprehend, let alone fill out and submit.

Perhaps there is a more important aspect to this issue. When one looks carefully at the Bill before us, as I am sure all Members in the House have, and when one tries to understand each of the amendments put forward, what becomes clear is that our tax system is geared in favour of certain groups within our society and, in a sense, it acts against other groups. To be more blunt, it is an unfair tax system. It tends to be biased in favour of upper income earners at the expense of ordinary Canadians. It tends to be biased in favour of the large corporate sector at the expense of the small business sector. That is one of the reasons we in the New Democratic Party have decided it is time to take the matter seriously—to take the bull by the horns. That is why we have indicated we plan to spend the next number of months criss-crossing the country in order to hold public hearings. We intend to talk with tax experts and those who understand the tax implications of their sectors of the economy. We intend to do this in an effort to find ways and means of making the tax system not only more fair but more simple, so that people do not have to hire a contingent of legal experts and tax accountants to fill out some of the most simple business forms when it comes to taxation.

We are anxious to get out into the countryside. We will be sending out something in the neighbourhood of 2,000 questionnaires to ordinary Canadian citizens. We want them to indicate to us in these questionnaires how the tax system in their particular line of work could be made more fair, more simplified and how it could reflect the concerns of the average working man and woman in our country. One of the concerns our Party has is that more and more of the economy of Canada is moving underground. One of the reasons it is moving underground is because of the feeling that the system is unjust. The average earner hears about all those wealthy, or perhaps not wealthy, but upper income earners who pay no income tax at all year after year. The average earners out there paying his or her taxes each year faithfully and not being able to take advantage of the avalanche of loopholes and

concessions the Tax Act provides for certain upper income earners, get the impression that it is an unfair system. The owners of those small business enterprises who file their tax returns are well aware that Shell Oil and the Royal Bank of Canada, just to name two large corporations within the Canadian context, and international corporations in their scope of involvement, pay no income tax at all in some years, not a single cent. When Shell Oil does not pay any income tax and when the Royal Bank of Canada does not pay any income tax in a certain year, we know who is paying more than they should be paying, and that is the small business sector and the ordinary working Canadian. This is something which has worked its way into this system so that people now feel it is time to be a little less than honest. As a result, much of the economy of Canada, something in the neighbourhood of $30 billion and $50 billion each year, is driven underground and no taxes, of course, are paid on those transactions. The barter system is taken advantage of or cash is used instead of cheques so there is no record of the transaction. This just gets worse every year and the result, of course, is that the taxes which ought to be flowing into the federal Government's coffers from sales tax, personal tax and corporate tax, simply are not there. That is one of the reasons we have a large and growing deficit. It is because the tax flow simply is not there any longer. Part of the reason that tax flow is not there is because people have lost faith in the system. They have lost any faith that the Government is interested in a fair and equitable tax system and I would challenge anyone, particularly those from the Government benches, to stand and tell us our tax system in this country treats all Canadians and all types of businesses fairly. I do not believe anyone can make that claim any longer.

• (1810)

There is a positive aspect to Bill C-72, and it is a refreshing change. Over the years, I recall whenever we were dealing with a number of very technical amendments, the Liberal administration would always include them with controversial legislation. They would bring in technical amendments with some very controversial aspects in an attempt to bury the controversial tax amendments in amongst all sorts of technical rather minor bookkeeping changes. It would take a lot of ferreting to find out exactly what was going on. To give the Government credit when it is due, I would say, having gone carefully through 150 items in Bill C-72, that I found they are by and large an attempt to clarify various issues and update practices which have been in place for some time. It is a new approach, Mr. Speaker, and I do hope we see this on an ongoing basis in the years in which we are forced to have a Conservative Government.

There is one aspect of this Bill which I would like to point out as being of particular importance to the taxpayer. That is the change in the statutory provisions regarding the payment of those taxes which are in dispute. In the past, when a taxpayer wanted to dispute the tax assessment made against him or her by Revenue Canada, they first had to pay the taxes allegedly owing to the Government of Canada and only then could they begin proceedings in the Tax Court of Canada to have a judicial reassessment. We are told and there is adequate information to believe that this practice has been discontinued. I think that is appropriate. Now Revenue Canada will await the outcome of the judicial proceedings before requesting payment of tax owing.

This is a welcome reform. I am sure all Hon. Members have been urged to work toward its implementation. Many of us are only too familiar with those constituents from our own ridings, or from elsewhere in the country, who have been before the courts and have had to pay up in some cases vast sums of money, particularly in the corporate and small business sector, only to find that Revenue Canada has made an error and there might have been $2,000, $20,000, $50,000 taken out of the accounts of those small businesses which the Government held over a period of time. No longer will this be the case, Mr. Speaker, and it is a welcome reform. We welcome this change of heart. Bill C-72 will simply implement into law what is now being practised by Revenue Canada.

On the other hand, Mr. Speaker, without getting too excited about accolades or recognition of positive changes, I think there is a bit of a myth in the land that now things have changed in terms of the attitude of Revenue Canada toward the taxpayer, that there is a change in practice in terms of dealing with the taxpayer. We on this side are still receiving too many letters and representations, too many briefs, too many telexes and communications from people who are still being harassed by officers of Revenue Canada. I do not know if Hon. Members opposite are receiving the same types of communication, but people are still concerned about the attitude of Revenue Canada toward the hard-pressed Canadian taxpayer. It is out there still, if I can use the term, using "jack-boot" tactics on innocent taxpayers.

Let us recognize, Mr. Speaker, that while there might have been some progress made toward an attitudinal change in some parts of the country with some Revenue Canada officers, it has certainly not been universal. There are still serious attitudinal problems and practices in terms of how Revenue Canada is behaving these days.

We have an understanding that we are going to deal with this Bill today. This is basically a technical Bill. As I said, there is nothing particularly controversial. However, there are many things which still have to be done in terms of improving the tax system, for example, the quarterly income tax payment system for seniors who now have to pay in the first quarter tax on bonds and so on, when they do not really receive the money until the end of the year. That is blatantly unfair and it punishes unfairly vast numbers of senior citizens in this country.

Mr. Blaikie: They are taxed on money they don't have.

Mr. Riis: As my colleague, the Hon. Member for Winnipeg-Birds Hill indicates, they are taxed on money they do not have.

Mr. Blaikie: The Conservatives promised to do something about it.

Mr. Riis: No one says that is an appropriate practice. The Conservatives promised the seniors that this would be a priority when they became Government. A year has passed and it is a simple item. It would require five minutes of the time of the House of Commons because I know there would be no opposition to such a progressive element. However, here we are today debating a tax Bill which could have included such a measure.

Again, I urge Hon. Members opposite, including the Minister of Transport (Mr. Mazankowski) who I know is concerned about these kinds of issues, to use his good office and his voice within Cabinet to ensure that a Bill bringing fairness to the taxpayers as it pertains to senior citizens is brought forward as quickly as possible. I believe I have said what I wish to say about this particular Bill. Bill C-72 is welcome. It is not very exciting. It is 239 pages of attempts to simplify the tax system which somehow to me seems to be a contradiction. Nevertheless, Mr. Speaker, we will do what we can to facilitate as a New Democratic Party the passage of this Bill through all stages today.

● (1820)

Mr. Alan Redway (York East): Mr. Speaker, I want to make three brief comments about Bill C-72. The first is to comment on the remarks of the Hon. Member for Kamloops-Shuswap (Mr. Riis) relating to the main change contained in this Bill with respect to the Income Tax Act. That, of course, is the whole concept of making sure that the taxpayer is considered to be innocent and not guilty from the outset. In the past our tax laws and the Income Tax Act assumed that the taxpayer, once the assessment was made, was guilty and had to pay the tax bill before appealing the matter. This has now been changed and there is a presumption of innocence, not guilt. However, Mr. Speaker, I was most disturbed by the remarks of the Hon. Member for Gander-Twillingate (Mr. Baker) because he made no reference to this aspect of the Bill. That is remarkable because when the Ways and Means motion relating to this Bill was introduced, his Party actually voted against the motion and opposed the concept that the taxpayer should be assumed innocent rather than guilty from the outset. That, of course, was the system under the previous Liberal Government of which the Hon. Member was a part. Apparently he and his Party want to see that continue because they opposed the change and called for a recorded vote when the Ways and Means motion was before the House. I hope he and his Party are going to change their attitude when this Bill comes to a vote today.

There are two other points I want to make which were raised by my friend from British Columbia. They have to do first of all with the simplifying of the tax system and, secondly, with the question of fairness of the tax system. As far as simplification is concerned, my hon. friend is quite aware that there were discussion papers released with the Budget which provide for discussion this whole issue. We now have that opportunity, it is out there for discussion, and I hope he and his Party will be commenting on it. The second question is that of fairness. Once again, the Budget indicated we were going to be bringing in legislation regarding a minimum tax effective January 1, 1986. It provided for the elimination of tax shelters and income splitting. All those things will be contained in legislation to be brought forward shortly to implement the Budget. This Bill is strictly a housekeeping measure, as my hon. friend points out, with the exception of that very important principle that a taxpayer is considered innocent from the outset. I trust, having said all that, that there will be unanimous agreement by all Parties very quicly on this Bill.

Mr. Baker: Mr. Speaker, just a very short comment. I just wanted to say that if the principle of being innocent until proven guilty were applied to all cases before the Federal Tax Court of Canada, it would indeed be a very good Bill. As I pointed out in my remarks, the point is that most of the cases before that court really do not relate to taxes at all; they relate to other matters which the Minsiter of National Revenue is responsible for such as the Unemployment Insurance Act and other Acts. Certainly this principle is not carried through.

As far as the Liberal Party being against the Bill is concerned, I think I pointed out why we wanted more changes in this Bill. The fact is that we are really objecting to the fact that this Government got elected on a lot more promises than that simple change to the Income Tax Act.

Mr. Mazankowski: And we are fulfilling them one by one, and you know it.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Accordingly, pursuant to an order made earlier this day, the Bill stands referred to Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-72, An Act to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act.

Shall Clause 1 carry?

On Clause 1—

Mr. Riis: Mr. Chairman, the Parliamentary Secretary will probably be well aware of the points raised at second reading concerning the quarterly payments seniors are prepared to pay and the problems associated with that. Are we going to be seeing some rapid legislation brought forward on that matter in order to bring some relief to those hard-pressed seniors?

[*Translation*]

Mr. Lanthier: Mr. Chairman, we consider that it is a matter of policy and as we already said in our statement on second reading, it is a rather technical bill which deals with a special political aspect. My colleague's proposal is now under consideration.

[*English*]

Mr. Riis: Mr. Chairman, I hate to say this but I switched all the dials and I could not pick up the translation. Is it my problem or is it the system's problem?

Mr. Lanthier: Again, this is a more technical Bill aiming toward a principal item and we considered that the point raised by the Hon. Member is a point of policy and that will be discussed eventually. The Department is studying this matter right now.

Clause 1 agreed to.

Clauses 2 to 150 inclusive agreed to.

Schedules 1 to 3 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

The Acting Speaker (Mr. Paproski): It being 6.30 p.m., I do now leave the chair until eight o'clock p.m., at which time the House will proceed to the question of the financial difficulties of the Northland Bank.

At 6.30 p.m. the House took recess.

[*Editor's Note: For continuation of proceedings see Part II.*]

HOUSE OF COMMONS

Wednesday, September 25, 1985

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

MOTION TO ADJOURN UNDER S.O. 31

FINANCIAL DIFFICULTY OF NORTHLAND BANK

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) has been authorized to move the adjournment of the House pursuant to S.O. 31 for the purpose of discussing a specific and important matter requiring urgent consideration, that is the financial difficulties of the Northland Bank. Therefore the motion is as follows:

Mr. Ian Deans (Hamilton Mountain) moved:

That this House do now adjourn.

[*English*]

He said: Mr. Speaker, I have for some time been contemplating the possibility of a debate such as this, especially over the last two or three days. I want to put it into a somewhat different perspective from that which might be expected. This is indeed a crisis, but the crisis confronting the banking system is equalled, I would offer, by the crisis confronting the parliamentary system as we try to find a way to deal with the problems.

There is no doubt, and I think the majority of those who have viewed the events of the last month or more, that there is a problem not only with the Northland Bank—the Northland Bank is unique but nevertheless not a single situation, unique in its own right—but also with the Canadian Commercial Bank. Our problem is that while we get hints of the difficulties of both of those institutions, the House of Commons, ultimately charged with the responsibility of approving, if not deciding upon a solution to the problem, receives very little information. We are being asked to make decisions on a day-to-day basis about events occurring in the banking system, and, in particular, within the two banks we are talking about, without sufficient knowledge of what is taking place.

I want to begin by saying to the Minister of State for Finance (Mrs. McDougall) that not all of the problem is hers, not all of the difficulties that we have confronted rest solely with her. I do not deny for the moment that certain of the information we have sought could well and legitimately be claimed to be outside of her responsibility. I do want to say that certain of the information that has been sought with regard to these two institutions is within her responsibility to provide. As a result of decisions that she has made that information is not forthcoming, will not be forthcoming, as we understand it. Yet we, as a House of Commons, and the committee that will be struck as an arm of the House of Commons, will have to make some kind of decision based on that scanty information currently available. It is that we want to concentrate on tonight, Mr. Speaker.

We read in the newspapers from a variety of different sources the concerns of those who are most expert in the field about the information flow currently available. We hear from the President of Northland, for example, that the Government, together with others, has not provided the necessary support to enable that institution to become more viable and, in the process, to become capable of operating within the normal business practices.

When we ask questions about the appropriateness of those comments we are given information from the ministries that serves no useful purpose in our search for the truth. For example, last weekend we suggested that it would be appropriate in the light of the circumstances that had come before us as a result of a statement made by the President of Northland, that the Finance Committee of Parliament be asked to sit during the weekend in order to come to grips with what was the truth.

We agree that this is an extraordinary request, that this is not the way we normally deal with things, yet the Government's response was "We do not have to do that. If you just accept the committee everything will be fine. If you just accept the reference presently on the Notice Paper then the Finance Committee could get on with its job and look into these things."

The problem is, and the Minister well knows, that the information being sought by the Opposition in particular, and I suspect by many back-benchers in the Government, is not forthcoming. Therefore, to approve of the terms of reference as they presently exist would be to hamstring that committee in its efforts to get to the bottom of what is a very serious problem. We recognized that, and we understood the ongoing nature of the discussions that were under way. We were sensitive to the problems confronting not only the Government but confronting the banks in question and others who have associated with the banks over many years. We decided that rather than press on with the reference to the committee of both CCB and Northland it would be appropriate taking into consideration the President's own concern, that an extraordinary session of the parliamentary committee ought to be undertaken.

What did the Government do? It said no. It was not prepared to do that. It was not necessary. It was not a crisis. But what in heavens name is a crisis, Mr. Speaker?

Mrs. McDougall: I am.

Mr. Deans: The Minister says "I am". Let me put to the Minister as she quietly mumbles under her breath, the crisis, my dear lady, was created by you, not by me. I sat with you during the deliberations on CCB in the early going.

Mr. Towers: Order.

Mr. Deans: Through you, Mr. Speaker, I sat with the Minister during those deliberations and made very effort to facilitate the requests made by the Government at the time. I defy her to deny that. We made every effort to accommodate what the Government wanted to see done, albeit we were opposed to the measure, but we still recognized that the crisis in the CCB was serious enough that we ought to prolong the debate.

We said we were opposed. We said we thought the measures offered were wrong. We said that what the Government was doing could not possibly bring about the result which the Government, through the Minister, was claiming would happen. Nevertheless, acting responsibly in the case, we said we would not delay it. We would allow it to happen though we opposed it. Unlike the Official Opposition, as its Leader said, we were not misled. We understood the consequences of the Government's actions and what would happen. For the Minister to suggest that somehow or other, or in one way or another, we are involved in the crisis is not true.

● (2010)

The difficulty has been, from that day to this, that although we set up a committee to look into the problem the committee was not given the information it needed in order to come to some reasonable conclusions about the problem. Our fear now is that the same kind of situation will pertain to the committee which is about to be structured for the purpose of looking into CCB and Northland.

What is it that we are asking? What is it that we would like to see which is so difficult to produce? We suggest, for example, that the information available to the Government, upon which it is basing its decisions, must be made available to the members of the committee in order that they too can look at it, deliberate upon it and make reasonable decisions about it. We are not suggesting that it be made public in the sense that everyone has to know everything about what is going on.

We appreciate the sensitivity of certain aspects of the banking industry and the sensitivity of certain matters within those institutions. However, there is no effort on the part of the Government to guarantee that the Members of the House of Commons, who ultimately will have to vote on the bail-out package, will have available to them, in the kind of detail that the Government has, all available information. That is the crux of the cricis in a parliamentary sense. That was what was wrong with the original review of the CCB situation. That is what is wrong with what is being offered now. That is why we believe that the Parliament of Canada is being bypassed, ignored and snubbed by the Government. We are not asking for more than is reasonable to expect. We are saying to the Government that if it is necessary for it to act in order to save the financial institutions of Canada, it is equally necessary that the Parliament of Canada be taken into the confidence of the Government. Unfortunately that has not been the case.

What did we ask for? We asked to be given the information which the Inspector General of Banks had available to him. We suggested that it was not unreasonable that we should know about the cash flow of both banks, about the loan portfolios of both banks and about the auditors' conclusions about both banks. If we are to pay out nearly $1 billion in one case and, hopefully not, but nevertheless perhaps, some half a billion dollars in the other case at some point, it is not unreasonable to ask that the people who are to receive the taxpayers' dollars be identified. Why? Because it is unreasonable to suggest to the public of Canada that we can find $1 billion to hand over to unnamed individuals.

We say to the Minister that we should deal with this bankruptcy as we deal with all other bankruptcies. Those who are creditors, depositors in this case but nevertheless creditors, and are to share in the assets of the institution, remembering that the assets in this case will be made up by the Government to 100 cents on the dollar for those who are depositors, should have to go through the same process as all other people in similar circumstances who are faced with having an asset claim against any other bankrupt institution. We are saying that banks are no different in this instance.

We are suggesting that there is in place now protection to the level of $60,000 for those who had deposits with either of the banks. We are saying more than that. If people put in more than that amount, and if it is deemed advisable by the House of Commons—and at this point we are not sure whether or not that might be true—to pay them more than the insured value, a value which they well knew was the insured level, then the taxpayers who have to foot the bill are entitled to know who is to get the money.

We cannot solve this problem, this crisis, and we cannot maintain or redevelop the confidence of the people of Canada in this system which we now have unless they feel that the Parliament of Canada has a handle on it, unless they feel that the Parliament of Canada understands what caused the problem, understands how the problem is to be solved now and what changes will be made to ensure that these kinds of things will not occur in the future. That confidence cannot possibly be gained from the public unless it knows that its parliamen-

tarians have been given all information upon which to base their decisions.

I put to the Minister that it is not good enough to hide behind sections of the Bank Act. When it was drafted and considered by Parliament, the Bank Act was never considered in the light of a collapse of a major institution. It was written for the ongoing operations of the Banking system. It was written to protect people from prying during the ongoing and normal operations of banks as they had operated in Canada for some 10 years, 50 years or more. This is a different situation and must be seen as such because it is the first bank collapse in 60 years.

The problem is that when the Bank Act was written, modified and reconsidered, no one thought for one minute that there would be a collapse of a bank or a near collapse of a bank, as may well be the case in Northland. No one thought that that secrecy provision in the Bank Act would ever be applied when the assets, deposits or otherwise of a bank were to be distributed among those who were entitled to claim.

In order that this crisis situation can be resolved, we require the Government to be more forthcoming and more straightforward. When we ask questions in the House of Commons—and there is no other place which can claim precedence over the House of Commons regarding the right to ask questions and to receive answers to questions—we do not appreciate for one moment that the Minister would hide behind the possibility that some phony inquiry might take place. If the Government had dealt openly, honestly and fairly with the House of Commons in the first place the crisis we now face could have been avoided.

Some Hon. Members: Hear, hear!

Mr. Deans: If we had received straightforward answers from the Minister of Finance (Mr. Wilson) or from the Minister of State for Finance, rather than vague references, I doubt very much if the situation that now pertains in the country with regard to both of these institutions would have created the sense of crisis in the country or the sense of crisis in the House of Commons which is now felt.

● (2020)

I say to the Minister on behalf of my colleagues that our requests are not unreasonable. What we are saying in essence is that if, as a country, the taxpayers are to be asked to bail out institutions in this country, financial or otherwise, it is the responsibility of the Government to make sure that those who are asked to vote the money are given all the information. That is the key to it, that those who are being asked to vote on it are given all the information.

I apologize to the Minister. I cannot take just on faith that she and the Minister of Finance know what they are doing. I would like to do that.

Mr. Broadbent: You can take on faith the opposite.

Mr. Deans: I would like to be able to take it on faith like Tory back-benchers that somehow or other the Government knows exactly what it is about and everything is working exactly as it should.

Some Hon. Members: Oh, oh!

Mr. Broadbent: You are the only people in Canada who believe it.

Mr. Deans: I would be delighted to stand here and say that I have so much confidence in those two Ministers that they will always make the right decisions that I am prepared to place my entire trust in their abilities to both understand the problem and to seek the solutions. To be quite honest with you, Mr. Speaker, reluctant though I am to say it, the events of the last few months have led me to believe that that would be asking too much.

So what I am saying now on our behalf is that this crisis was brought on by this Government's neglect; this crisis is the result of this Government's inability to see beyond a few advisers who were ill advised; this Government asked for the Parliament of Canada to assist it in finding solutions to problems without making available the necessary information upon which to base decisions. We are saying that that is not good enough and we are saying to the Government if you want Parliament to operate effectively, if you want to be able to deal with the problems then bring us the information.

Some Hon. Members: Hear, hear!

An Hon. Member: All 12 applauded.

Miss Aideen Nicholson (Trinity): On Sunday, September 1, the Minister of State for Finance (Mrs. McDougall) announced that the Canadian Commercial Bank and the Northland Bank were no longer viable, that curators had been appointed at 7 p.m. that day to take over the bank's affairs. The Canadian Commercial Bank would be wound up but Northland would be given, "a limited time period to reorganize its affairs or amalgamate with another financial institution".

At this point the first question that comes to mind is about the wisdom of the Government's actions in this matter. By dealing in one press release with both institutions, one of which was being wound up immediately, the other which was being given a certain time limit to arrange a merger, did the Minister imply doubts that Northland would survive? Did she or her officials, by dealing with both institutions together, help create a climate in which Northland would not be a welcome partner in a merger? Was the language of the press release such as to imply that Northland too would close?

S.O. 31

For example, on page 3 of the press release, we read:

It is legally necessary to launch immediately a winding up application for each bank. In the case of Canadian Commercial Bank, it will be proceeded with as quickly as possible. In the case of Northland Bank the court will be asked to postpone the appointment of a provisional liquidator to allow time to work out a reorganization or amalgamation. The legal requirements necessary to allow CDIC to make payments to insured depositors will, however, be taken as quickly as possible.

This may all be factually correct but does it enhance confidence? Would this be reassuring to any institution considering an amalgamation with Northland?

The Department of Finance backgrounder which was attached to the same press release also uses language which, although technically correct, would certainly not encourage confidence or does not give the impression that the Government had any great confidence in the ability of Northland Bank to find a solution.

I think we must ask the question then, if the Government had doubts about the ability of Northland to survive, on what were these doubts based? The Canadian Commercial Bank bail-out in March from the non-answers we get in the House looks more and more like a political decision made without any rational economic analysis. We have heard now from three banks that they offered personnel to do a full appraisal of the loan assets of the Canadian Commercial Bank before the bail-out was done but that their offer was refused. We hear that the banks were prepared to offer as many as 50 experienced personnel from each bank to go in and examine all the loan assets and their offer was refused for two reasons: one, that the Government representatives at the meeting, and neither the Minister of State nor the Minister of Finance were at that meeting but one of the Government officials who was there said there was not enough time as the decision had to be made by Monday morning. The Minister of Finance (Mr. Wilson) confirmed that he had presigned the winding up order.

The other reason that we were given in committee was that the Canadian Commercial Bank said they did not want their competitors looking at their books. I find it almost unbelievable that a bank which has come to Ottawa asking for a bail-out of $255 million, was in a position to dictate terms and that those terms would be accepted by the Government; but quite clearly the decision to go ahead with that bail-out was made on the basis of the figures provided by the Canadian Commercial Bank itself on a segment of its bad loans, not on the total picture. So that decision was clearly taken without full knowledge and we have to ask, was the decision about the Northland Bank taken on the basis of any fuller knowledge or was this another leap of faith?

In the September 1 release the Minister stated:

The conditions of these banks—

Again joining together the bank which was being wound up immediately and the other which we were told might have a chance, the Minister continued:

—are unique and reflect the unusual concentration of business in the commercial real estate market in Alberta which continues to be depressed.

At different times in the House and in committee other reasons have been given for the failure of the Canadian Commercial Bank or for the difficulties prior to the March bail-out. We have heard that the difficulties were due to the California energy situation and certainly in committee we had a lot of information about the lending practices of the bank and the management of the bank, which were certainly a factor.

• (2030)

In the case of Northland, what does the Minister know? Is its circumstances entirely different from the circumstances of the Canadian Commercial Bank? The treatment of those two banks, of course, has been quite different. The Government bailed out the Canadian Commercial Bank in March and gave many assurances that it would then be viable. The Canadian Commercial Bank operated for five months thereafter in the glare of publicity which may very well have hurt Northland. However, in the case of Northland, there was no bail-out; it was simply a period of time. One must ask why the treatment was different.

The Department of Finance background paper which was attached to the Minister's press release referred to loss of depositor confidence in both banks following the bail-out. One must ask if government actions contributed to the loss of confidence in the case of Northland. The question of dealing with the two banks together in the Minister's press release is, I think, very important and that is why I have mentioned it more than once. Surely the comparison must inhibit any organization considering a merger.

The Minister held a press conference in early September, perhaps September 1 or September 4, and again it was interesting to note that in the press conference, the Minister dealt with both banks but the journalists' questions for most of that press conference dealt with the CCB's lending practices and its bad loans. When questions about Northland came at the end of that session, surely a certain implication was drawn that must have made it difficult for Northland to continue.

In fact, Northland has been in limbo since September 1. Last week the president met with the Minister of State for Finance and was obviously unhappy with that meeting because after the meeting he called a press conference to express his unhappiness with the situation. He said that in his view, the Government was not seriously trying to assist the bank in finding a merger or a reorganization. I think we should know why the president had such a lack of confidence in the Government and what had led up to that lack of confidence.

I do not want to point a finger at the Minister of State for Finance alone because she has often said here in the House that this was a decision taken jointly by her, the Minister of Finance and the Prime Minister (Mr. Mulroney). However,

quite clearly the decision to bail out the bank that was taken during the weekend of March 22 to March 25 was taken without full information. I think we are entitled to know whether or not the Minister had better information on September 1 and whether or not she has full information now. Should the Canadian Commercial Bank rescue have been attempted in the first place?

The Official Opposition was asked and agreed to let the resolution and the legislation authorizing the bail-out go through the House with minimum debate. We agreed with that because we accepted the word of the Government that it was important to take these steps in order to restore confidence or to avoid a crisis of confidence in our financial institutions and that given this amount of help the bank would be viable. We accepted this because we thought the Government was speaking with knowledge. We later discovered that the Government had not done a full examination of assets and that this decision was not soundly based.

The Minister has repeatedly said in the House that the decision was made on the best advice available at the time. Unless the Ministers have information that they have not given us, there was very little soundly based advice on which to make the decision because the books had not been examined.

Let us look at what happened after the bail-out. The Minister of State for Finance and the Minister of Finance both referred to monitoring the situation during the summer. Of what did this monitoring consist? The Inspector General has also referred to some kind of supervision or monitoring occurring during the summer.

It seems as though it was not until mid-August that the Government knew that the Canadian Commercial Bank's loan assets were really very much lower than the figure originally given. While the bail-out was based on a worth of approximately 55 cents on the dollar, when it came time to dispose of those assets, 30 cents on the dollar seemed to be the working figure.

What was happening throughout the summer? Although a proper asset evaluation would surely have given the Government the correct figures in March, that was not done. Looking at the kinds of loans the CCB was making during the summer, with the limited amount of information available to us, we find that some very high loans at very high interest rates were being made. Was anyone monitoring that? Was anyone checking to see that the loans made after the bail-out were sound?

An interesting article entitled "Did the Northland fall or was it pushed?" appeared in an Alberta paper. While the writer of that article has a particular bias that I would not share, some interesting facts are raised. For example, the writer of the article said that the highly publicized rescue of the CCB had shaken faith in other western-based lenders, notably the Northland in Calgary, and that it too began losing large corporate depositors who reckoned that the Northland might be floundering. In August the Northland denied press reports of a run on deposits but somehow on September 1 we learned from the Minister's press release that the Northland too was about to be closed down.

Traditionally, of course, banks have operated as much on confidence as on capital. Can confidence be maintained by stonewalling? This surely is the issue that is facing us now. We have heard very few straight answers in the House since this entire issue came up. There was a referral to the Standing Committee on Finance, Trade and Economic Affairs where we were refused access to a number of essential documents. Conflicting statements have been made in the House. The Minister of State for Finance has said that there was no indication the Canadian Commercial Bank was in trouble before March 14. On another occasion, the Minister of Finance said that the Inspector General of Banks consulted with him last September. We know that there were reports from the U.S. regulatory authorities in mid-February which triggered a great deal of activity, such as telephone calls and visits between the Inspector General and the American regulators.

• (2040)

All this evasion does not enhance confidence; it merely sets off more and more speculation. In refusing to answer questions, the Minister has often suggested that we wait for the committee to convene. However, what guarantee have we that we will receive any better answers in committee?

This is an important matter and perhaps it is time to recognize that confidence will have to be based on disclosure and knowledge; it cannot be based on secrecy. Both the Minister of State for Finance and the Minister of Finance have often spoken about the need to be responsible in relation to depositors. We can accept this, provided we know who the depositors are. For instance, if the Province of Alberta is one of the main depositors and if, as has been rumoured, it has deposits amounting to $10 million, is the Minister seriously suggesting that the taxpayers of Canada should make up that amount of money? To ask Canadians to give a blank cheque with respect to the reimbursement of uninsured depositors without knowing the circumstances, even in a broad brush sense, is surely unreasonable.

The other matter on which we will need more information or discussion concerns shareholders.

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member but her time has expired.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the House Leader of the New Democratic Party has indicated that the current situation is one of crisis. The critic for the Liberal Party has indicated that the situation is one of crisis. I would not deny in any sense whatsoever that we face a very difficult situation in the House on an issue which

we have tried to bring before committee where it can be discussed with some sort of calmness and rationale. However, the crisis is not as described. The crisis has to do with the regulatory environment in which we live. The crisis was not created by this Government, it was created by the former Government, which ignored, ignored and ignored the problems which arose.

Some Hon. Members: Hear, hear!

Mr. Deans: That is a compelling argument!

Mrs. McDougall: Our laws regarding financial institutions are antiquated, particularly the federal laws in this country. Despite many proposals for reform and modernization many key federal statutes, such as the Trust Companies Act, the Canadian and British Insurance Companies Act, the Loan Companies Act, the Foreign Insurance Companies Act, and others, have not been reviewed in any significant respect for decades. We have too long relied on overburdened regulators to use the limited tools available to them so imaginatively as to remedy the defects in the existing system. In order to remedy the defects some action is required.

Even the Bank Act is outdated despite its decennial revisions. The last revision unleashed fundamental changes in the Canadian financial system. I am speaking of new Canadian banks, subsidiaries of foreign banks and new definitions of their authority. This involved substantial new responsibilities for the Inspector General of Banks. However, the implications of those changes were not thought through and adequate regulatory authority and staff were not provided. In fact, they were treated in a totally desultory and offhand manner.

In Ontario the Crown Trust-Greymac-Seaway Affair clearly demonstrated problems with the regulatory system. Ontario faced up to its responsibilities under the Progressive Conservative Government of the day. It produced two major reports, a discussion draft of an entire new law and a restructuring of the supervisory system. Until the advent in Ottawa of the present Government nothing was done, despite the obvious relevance to Ottawa of the happenings in Ontario and even apart from the fact that they cost the Canada Deposit Insurance Corporation, a federal institution, hundreds of millions of dollars.

In the meantime, there were changes in the market-place. A review and change of our institutions and our supervisory structure would be necessitated in any event by those very vast and profound changes, not just in Canada but changes around the world. Technological change is reshaping how the markets operate. However, our regulators are prevented from reacting flexibly and quickly because they are restricted by rules written in the age of the quill pen. Futures instruments, options and other new trading vehicles can vastly increase risk; but properly used they can aid the conservative investment manager. Internationalization of the trading markets is steadily increasing. All these fundamental changes have been largely ignored by our laws by that Government.

The CDIC developments since 1982 abundantly demonstrate the need for action to decrease the risk involved in its further exposure, the exposure of other institutions and of Canadian depositors.

There is additional competition through smaller entrants into the business. No one is more committed than we are to the importance or regional banking and the need for greater competition in the financial services market when business conditions warrant and when they can be made within a suitable regulatory competitive environment.

The prior Government accepted the constraints of ownership restrictions and therefore tried to meet the need for competition through the admission of foreign-controlled and free-standing Canadian corporations which tended to be small because they could not have major investors. Some fine companies have entered the market under this approach but the desirable level of competition has not been reached. A new approach is needed because that competition was achieved without proper regulatory supervision.

For the first time this Government has attempted to take some action around this regulatory environment. We have a Green Paper which proposes a new regulatory pattern which would meet the need for more effective competition by permitting greater flexibility in organizational arrangements. However, regulatory concerns are at the forefront. In the principles laid out in the Green Paper, consumer protection is at the top of the list.

The Green Paper proposes a modernization of all federal statutes in this area. We produced this paper as a priority item. We have moved ahead with it and we are prepared to proceed as quickly as possible after the conclusions of the parliamentary committee have been made known. We have attempted, for supervisory purposes, for the first time in Canadian history, to deal with the financial services industry, as an industry in which all depositors have an interest. And we have attempted for the first time in Canadian history to harmonize our policies with those of the provinces in a responsible way so that our regulatory and supervisory capability is enhanced across this country and under every jurisdiction.

● (2050)

This Government also commissioned Mr. Robert Wyman and his colleagues to produce a far-ranging report on the Canadian Deposit Insurance Corporation. I have already announced that I will be implementing important aspects of their report in the very near future. I have also announced my intention to appoint a private sector advisory panel to recommend improvements to the federal financial institution regulation system so that we can go down a little deeper. This committee will concentrate on operational details, staffing, procedure, co-ordination and the use of technology.

Hon. Members may be interested in some of the issues I would like to place before a committee. There are many issues to be explored. As I have said, they relate to operational arrangements as well as to broad structural issues, and as such are meant to round out the matters dealt with by the Green Paper and the Wyman Committee.

We want to co-operate with the provinces. They carry, and will continue to carry, major responsibilities for regulation. Co-operation exists now but it must be constant and instantaneous if the public, the depositors of this country—my responsibility for whom I take very seriously—are to be protected. How can this be done? Should they be co-ordinated through data banks and computer links for regulatory and examination purposes? What other steps can we take? Parliament can help me reach those decisions.

With respect to co-operation amongst federal agencies, the Green Paper recommends that the office of the Inspector General of Banks be combined with that of the Superintendent of Insurance to improve co-ordination at the federal level. Close links are also needed with the director under the Corporations Act, and perhaps also with the director under the Combines Investigation Act. I am looking for guidance from the committee as to what is necessary here and how it can be put in place with maximum efficiency and minimum cost. These are issues, Mr. Speaker, that I would very much like to bring before committee so that Parliament will have a chance to comment on those aspects of our regulatory system. These are some of the thoughtful things to which we think Parliament should make a contribution.

There should be some early warning signals, some red flags, to identify at an early date when a financial institution may be encountering problems. Low earnings are one signal, obviously, but may not be serious from the depositor's standpoint. Above market interest rates on deposits can be more troubling. Mismatched maturities on assets and liabilities, speculative investment activities and unusually rapid growth are other signs.

What I am not interested in this evening, Mr. Speaker, is that while I am speaking, the people on the other side of the House who want to discuss this issue have taken it upon themselves not to listen.

Mr. Deans: I have listened to every word. The question I have for you is when do we get involved in the process?

Some Hon. Members: Order.

Mrs. McDougall: I am involving you right now.

In the United States there has been much work done on how these signs can be studied to determine when problems are on the horizon. I know Canadian regulators have also worked on the problem. But I will ask the committee to guide me as to whether more can be done, and should be done. I am interested in the use of technology. I mentioned two or three ways in which technology can help regulators, improving the quality of supervision. This seems to be an area of great promise to which I hope the committee will give particular attention. Technology has reshaped financial institutions and it should now reshape the regulators.

We must always remember, Mr. Speaker, that while the current problems are serious, they effect only a small portion of financial institutions and their assets in Canada. The system is a healthy one and it is our job to ensure that it continues to serve Canadians well. This Government has demonstrated its commitment to improving the system further by removing some of the constraints, by giving the regulators the access they need to take a more pro-active role, and everything that we have done, and will continue to do on behalf of the depositors, will be in the context of effective supervision and regulations in the public interest.

Mr. Waddell: Mr. Speaker, I seek leave of the Minister and the House to put a short question to the Minister.

Some Hon. Members: No.

Some Hon. Members: Agreed.

Mr. Riis: Mr. Speaker, it is quite incredible to think of what is happening tonight.

Some Hon. Members: Agreed.

Mr. Nelson A. Riis (Kamloops-Shuswap): Let me remind you, you were forced into this debate tonight. This was not your choice. We are not here discussing this crisis because you thought it was appropriate. It is because of the responsibility of the New Democratic Party that this discussion is taking place.

I simply want to point out that the Speaker has indicated this is a crisis situation. It was called to the Speaker's attention by the Hon. Leader of the New Democratic Party (Mr. Broadbent), and subsequently by our House Leader, the Hon. Member for Hamilton Mountain (Mr. Deans). The Speaker agreed that this was in fact a crisis and today we have an opportunity, for the first time, to debate the collapse of two banks in Canada, the first in 62 years, because the Opposition Parties thought it was an appropriate thing to do, not the Government. And I want to make the point that when we discussed this in the House the last time it was the New Democratic Party which said at that time that we do not believe we have adequate information to bail out the Canadian Commercial Bank with $60 million—

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. This debate is in connection with the Northland Bank. It has nothing to do with the Canadian Commercial Bank.

Some Hon. Members: Oh, oh!

S.O. 31

Mr. Blenkarn: The Hon. Member for Kamloops-Shuswap (Mr. Riis) knows that. He and his Party proposed this motion. It has to do with the Northland Bank. It has to do, then, with information to do with the Northland Bank—

Mr. Gauthier: Tell the Minister that.

Mr. Blenkarn: —and with administration of banks and the inspection of banks. I say to you, Mr. Speaker, that any reference to the Canadian Commercial Bank is totally out of order.

The Acting Speaker (Mr. Charest): I think the Hon. Member for Mississauga South (Mr. Blenkarn) did make his point. In his last phrase the Hon. Member for Kamloops-Shuswap (Mr. Riis) did refer specifically to the Canadian Commercial Bank. I would like to remind all Hon. Members of the House, in case there may be any confusion, because it would be quite—

Mr. Gauthier: How about the Minister?

The Acting Speaker (Mr. Charest): Order, please. It is quite easy to confuse the two issues but the motion is on the Northland Bank.

The Hon. Member for Kamloops-Shuswap.

Mr. Riis: Thank you, Mr. Speaker. The point I was getting to before I was rudely interrupted by the Hon. Member for Mississauga South (Mr. Blenkarn) was that the reason there is a problem with the Northland Bank today is because the Government mismanaged, mishandled and misdealt with the Canadian Commercial Bank. Had the Government dealt with that bank failure appropriately from the beginning, the Leader of my Party would not have called for an emergency debate.

• (2100)

The President of the Northland Bank precipitated this discussion tonight. A few days ago he decided to break an oath that he and his colleagues had with the Government of Canada because in their minds the Government had cut loose the bank. It was their impression that the Government had turned its back on western Canada. In the President's opinion the Government had turned its back on western financial institutions. He said that the Government of Canada was scuttling, sabotaging their efforts to make that bank viable. Without debating the merits of those comments, we felt they were serious enough allegations to call for an emergency debate. We thought it was important enough to hold a special session of the Standing Committee on Finance, Trade and Economic Affairs last weekend in order to hear the President of the Northland Bank, the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) to get to the bottom of this. However, the Minister of Finance said that is not necessary. The Minister of State for Finance said that is not necessary, "trust us". These are the same two people who, along with the Governor of the Bank of Canada and the Inspector General of Banks, repeatedly said over the summer that the banking system in western Canada is safe, there are no banks in trouble, the Canadian Commercial Bank is viable and there are no serious difficulties in western Canadian banking. We know those statements were absolutely false. I am not suggesting for a moment that they were purposely misleading people. Either they did not know what was going on with those two banks or they did. I will give them the benefit of the doubt and suggest at this point that all the information we have indicates that all those people did not have a clue what was going on with those two banks in western Canada. Not a clue. I am not convinced by anything we have heard in the last few days that things have changed much.

A few weeks ago the Minister of State for Finance said there will be no more trust company bail-outs in Canada. A few days later she said, "except for Pioneer Trust. We are going to bail out that company". Then she said in the latter part of August that there would be no more bank bail-outs in this country, we are finished. A few days later she said there was at least one exception, possibly two. They decided to bail out the CCB, including all of the uninsured depositors, and if need be they would do the same for the Northland Bank. Mr. Speaker, when you have one opinion one week and exactly the opposite opinion the next week, does that build confidence in the ability of this Government to properly manage the financial institutions of this country? Absolutely not!

When the original bail-out request first came to this House we said we did not have enough information. We were asked to provide $60 million of taxpayers' money and we felt we did not have enough information. However, we had faith at that time in the Minister's suggestion that this had to be done. We said we will not support it because we do not believe in principle that this is the right thing to be doing to ensure a stable banking system and maintain the confidence of domestic and foreign investors in Canada. We said it was not an appropriate thing to do but we would take her word for it. In retrospect, God knows why we did it, but we did it. In return for our co-operation we demanded an inquiry take place. This was putting the cart before the horse just a little bit, but we took her word this had to be done. She said if we take this step the bank will be viable. That is what she said. She said to the people of Canada, the depositors, the shareholders, debenture holders, and everyone else, that the bank would be viable. We said this at least merits a full-scale inquiry by the Standing Committee on Finance, Trade and Economic Affairs. Thanks to the NDP we got that inquiry, albeit after the fact.

During that inquiry, as we peeled off the layers of the banking system, what emerged was a financial horror show in the CCB. Loan officers were being financially rewarded; the more loans they wrote, the more chances they would get on a condominium in Maui. Commissioned loan officers! This is unheard of in prudent banking practices. During that inquiry

we had people lie to us and provide incomplete and inadequate information. People refused to provide information; for example, the Inspector General of Banks. In other words, it turned out to be a bit of a sham.

We wrote a report that pointed out to the best of our knowledge these were the problems in the banking system and there were many, many more but we could not get any co-operation from the people appearing before the committee. Then the Government comes along and says it is going to cost the taxpayers $1 billion but don't worry, it is going to carry out an inquiry where the witnesses can mislead Members of Parliament, lie to us, leave out information and refuse to answer questions. We have asked for documentation we feel is appropriate to carry out a decent, responsible inquiry and the Government says no, we cannot have that information.

Mr. Holtmann: You just don't have any clout, that is all.

Mr. Blenkarn: On a point of order, Mr. Speaker. Will the Hon. Member table in the House or tell us the exact information and the exact documentation he believes the Government ought to supply in the proposed motion the Government has before the House?

The Acting Speaker (Mr. Charest): The Hon. Member knows full well that is not a point of order.

Mr. Riis: Mr. Speaker, the Chairman of the Standing Committee on Finance, Trade and Economic Affairs ought to know because what he has requested is public information. What he is asking for has been filed and if he does now know that, he should bloody well know it.

Mr. Blenkarn: Tell us. Put it on the record right now.

Mr. Riis: We asked for details of the loan portfolios but Price-Waterhouse said they would not provide that to the committee.

Mr. Holtmann: They don't trust you with it.

Mr. Riis: They said that publicly. They don't trust us with it?

Mr. Deans: They trust the Minister.

Mr. Riis: Mr. Speaker, if that is the attitude of Government Members toward that committee, then they better have a discussion with the chairman. They have no faith in the ability of this committee to carry out this inquiry properly.

Mr. Blenkarn: Mr. Speaker, I want to make it very clear that I am asking the NDP to outline in detail in this House what they insist be made available to the committee because I think it is important that it be on the record.

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

Mr. Blenkarn: Everything will be made available if at all possible.

The Acting Speaker (Mr. Charest): Order, please. Once again, that is not a point of order.

Mr. Riis: Mr. Speaker, it is not a question of whether Government Members trust what is going on in the committee. It is a question of whether the people of Canada have the right to know what has been going on.

Some Hon. Members: Hear, hear!

Mr. Riis: At the moment the Government has refused to provide what it says is reasonable and responsible information.

Mr. Blenkarn: We agree.

Mr. Riis: I want to mention one critical point, Mr. Speaker.

Mr. Blenkarn: I want to know what you want.

Mr. Riis: It is the list of the uninsured depositors who the Government says will be receiving about $1 billion of taxpayers' money. These are phantom depositors. Faceless! Nameless! They have only $200,000 on deposit or maybe $10 million. They may be the Bank of Hong Kong, the Bank of Singapore, the Bank of America or Wells Fargo. We do not know who these people are and the Government refuses to provide the list. The chairman of the committee has said that in his opinion that list should be provided. The Chairman of the Toronto-Dominion Bank, who was a participant in the original bail-out of the CCB, says that list should be provided. No way should we be taking taxpayers' money, writing out cheques to nameless depositors who had their money in the bank knowing full well it was not secure at all. It was not insured. But that is all we are asking. We are asking for a list of depositors.

Mr. Blenkarn: Is that all?

• (2110)

Mr. Riis: The Minister of State for Finance has indicated that this will not be forthcoming and neither will other pieces of information such as the details of the loan portfolio. We are concerned about the Hitchman report. We recognize that it may be beyond the ability of the Minister to provide the report of the United States Reserve Board, yet, based on all the other items which the Government says it cannot provide, we wonder how hard it tried to get that report which describes the problems of the Canadian Commercial Bank's subsidiary in California.

Mr. Benjamin: Pick up the phone to Ronnie.

Mr. Riis: We, as responsible parliamentarians, are being asked to carry out an inquiry into the collapse of the Canadian Commercial Bank and the problems associated with the

Northland Bank knowing full well that nothing has changed since the last committee, the work of which was incomplete.

We are dealing with a unique situation in this country, Mr. Speaker. There has never been a bank failure like this in Canadian history. I know it is easy for the Government to tell us not to worry and to have faith because it is going to take care of things by shovelling taxpayers' money into the sacks of the uninsured depositors. We are concerned about the banking system of the country. We are concerned that the right steps be taken. The Minister of State for Finance is somewhat correct when she says that we would not have got into this problem so deeply if we had decent regulatory and supervisory powers. Because for years and years the previous administration did not bother to do anything about this, a very serious situation has developed in our country. However, the Minister of State for Finance refused to act when she had the opportunity.

Mr. Blenkarn: I have a point of order.

Mr. Waddell: Sit down.

Mr. Riis: Mr. Speaker, we have heard on a number of occasions—

Mr. Benjamin: Don't see him.

The Acting Speaker (Mr. Charest): The Hon. Member for Mississauga South (Mr. Blenkarn), I presume on a point of order.

Mr. Blenkarn: Mr. Speaker, it is clear that it is a point of order. The Minister of State for Finance has said she was prepared to act and go to the committee. The question is—

Mr. Waddell: You can't ask a question.

The Acting Speaker (Mr. Charest): No, no.

Mr. Heap: Sit down.

The Acting Speaker (Mr. Charest): May I point out for the benefit of all Members of the House that in this debate they will all have an opportunity to rise and debate the issue. It is the sincere hope of the Chair that they will rise when their turn comes, rather than on points of order. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I suggest that the Hon. Member is making these interventions because he is afraid to speak his mind. I would like to conclude my remarks by suggesting that the Minister of State for Finance had an opportunity to act at the very beginning. The banks tell us that they were prepared to provide experienced bankers, with considerable expertise, to evaluate the situation in the Canadian Commercial Bank. They knew that their information was incomplete. The Minister of State for Finance and the Minister of Finance took the material presented by the management of the CCB as fact.

Mr. Blenkarn: But not the Northland.

Mr. Riis: It was perfectly clear to any prudent banker that these individuals had carried on imprudent banking practices, but the Minister of State for Finance said that that was good enough for her, that she had full faith in these characters. Mr. Speaker, the bankers involved did not and they offered to send in SWAT teams of sophisticated bankers to examine the Canadian Commercial Bank. The Minister of State and the Minister of Finance did not take advantage of that offer. They said that they had all the faith in the world in the ability of the Inspector General of Banks and of our old friend, the Governor of the Bank of Canada. They obviously did not know what was going on but they did not need that information.

We found out today that all summer long the bankers were saying that they thought there was a real problem in the bank and were prepared to send in expertise to assist. They asked to be allowed to participate. They were told no, no, no. Mr. Speaker, that tells me that the Minister of State for Finance and the Minister of Finance have not carried out their responsibility to protect Canadian citizens who invest, deposit money, or do business through our banking system. To ask us now to have faith in their ability to deal with the situation any further, or to deal with the financial management of this country after they have failed so abysmally, is asking too much. We in the New Democratic Party no longer have faith in the two senior Ministers with regard to banking, and I do not think the people of Canada have faith in them either.

If we ever get this whole affair into the open, Mr. Speaker, I suspect we are going to be smelling an awful lot of tuna. An awful lot of messy material will come to the surface. We will open up a hornet's nest with regard to what the Government, its senior Ministers, and the senior officials in the office of the Inspector General of Banks have failed to do. Mr. Speaker, that is why we, as responsible parliamentarians, plead for an opportunity to do the job that we were elected to do, that is to ensure that every dollar of taxpayers' money is wisely spent. To ask us to buy a pig in a poke, to shovel a thousand million dollars of taxpayers' money into sacks of uninsured depositors who remain faceless, is something that we in this Party simply cannot accept.

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, in his opening remarks the House Leader of the New Democratic Party (Mr. Deans) said something to the effect—and I paraphrase, but I think not inaccurately—that what we are talking about tonight is not a banking crisis but a parliamentary crisis.

Mr. Deans: I said it was both.

Mr. Andre: Well both, okay, a banking crisis and a parliamentary crisis.

Mr. Deans: Right.

Mr. Andre: Mr. Speaker, I have to agree with the latter part of that because for years and years he and I, on that side of the House—unfortunately I spent a lot of time over there, but not as much time as he is spending—spent our time fighting with the then Liberal Government to please allow Parliament to work, to please allow committees of Parliament to look into issues that came up from time to time. We fought and fought but that was not the practice of the Liberal Government. It was only in 1979, during the short Conservative Government, that we had freedom of information legislation. With the new Conservative Government, we now have committees that can set their own references. However, the pattern of Mr. MacEachen, the denizen of the other place, was to stonewall by keeping everything on the floor of the House of Commons where he knew full well that an issue could only last a few days then would disappear from the psyche of the angels up on high in the press gallery, and therefore the public.

That is not our pattern. There was a change of Government last year which the House Leader of the New Democratic Party apparently does not recognize. Right from the start the Minister of State for Finance (Mrs. McDougall)—

Mr. Waddell: It doesn't seem any different.

Mr. Heap: We can't see any difference.

Mr. Andre: —said that we want Parliament to look into the banking crisis of western institutions. We want Parliament to study why it happened and how it happened and to make recommendations on what can be done to ensure that it does not happen again. That was the position of the Minister of State for Finance and it is still her position. Several times in this House the Minister of State said that she would provide every bit of information that she is legally allowed to provide. The NDP say, "Stonewall, you are trying to cover up". We want Parliament to study all aspects and we will provide all the information that can legally be provided.

• (2120)

That is not good enough. "We want you to provide information that is illegal. We want you to break the law. Furthermore, we are not going to let Parliament work. We are not going to let committees of Parliament meet until you agree to break the law and provide us the information that you are not allowed to provide by law." That is the position of the House Leader of the New Democratic Party, Mr. Speaker. He says we have a parliamentary crisis. You are darn right we have, as long as we have Members like him espousing such absurdities as we have heard here tonight.

The NDP Member says, "Do the people have a right to know?" The question answers itself. Of course they do. We believe the people have a right to know. That is why we have changed the rules of Parliament to allow committees to meet at any time. That is why the Minister of State for Finance said that we want a committee in this House to look into all aspects of this question. That is why she said that we will provide all the information we can legally provide because Parliament, in that proper forum of a committee, can look at and study the figures. The NDP says no. Why does the NDP say no, Mr. Speaker?

Mr. Young: Why?

Mr. Althouse: You won't find the answers.

Mr. Andre: You know and I know, Mr. Speaker, because the New Democratic Party is not interested in getting to the bottom of the matter. The New Democrats are not interested in doing good, honest work in committee. They want scandal.

Mr. Althouse: We want answers.

Mr. Andre: They want hints of impropriety. They want to try and create some evidence of wrongdoing—

Mr. Axworthy: We keep finding it every day. We find more and more.

Mr. Andre: —so the House Leader of the New Democratic Party can get red in the face in righteous indignation and say that he is concerned about the people.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Axworthy: Take a look at your own face.

Mr. Andre: Yes, the House Leader of the New Democratic Party says "I am defending the people. I am concerned about the taxpayer." What absurdity. If he and his colleagues in the New Democratic Party were responsible parliamentarians they would not have been stonewalling and preventing the Government House Leader from getting this committee established. That committee would be meeting tonight.

Some Hon. Members: Hear, hear!

Mr. Andre: Instead we are sitting here tonight engaged in this debate where we are not getting at the facts. The New Democratic Party Member over there says he is interested in getting at the facts. But that committee could be sitting tonight looking at all the information. If Members of the New Democratic Party were responsible parliamentarians, which they are not, that is what we would be doing tonight.

Mr. Althouse: The committee can get no more facts than we are getting tonight.

Mr. Young: Resign.

Mr. Andre: Every single person in the Province of Alberta, at least, and I would not be far wrong if I said western Canada knows what the fundamental problem is.

Mr. Lapierre: The Government.

Mr. Andre: Yes. It was the Government, the Liberal Government in 1980 that brought in the National Energy Program. There is no question about that.

This is a good opportunity, Mr. Speaker, to remind those of short memory what that National Energy Program did.

Mr. Lapierre: U.S. loans.

Mr. Axworthy: Where did you get your lobotomy?

Mr. Andre: On October 28, 1980, applauded by the Hon. Member for Vancouver Kingsway (Mr. Waddell) and the New Democratic Party, the Hon. Marc Lalonde brought in this document which put western Canada on its knees.

Mr. Gauthier: Baloney.

Mr. Andre: If the New Democratic Party is interested in facts, let them bring out the documents and look at the facts. Let them look at the Budget of November 1981 when the NEP was in place and let them look at the taxes that were being collected.

An Hon. Member: What has this got to do with the Northland Bank?

Mr. Andre: It has everything to do with the Northland Bank.

In fiscal year 1980-81, the Government of Canada collected about $2.3 billion in taxes from the oil and gas industry, representing about 10 per cent of corporate taxation. The oil and gas industry was about 10 per cent of Canadian industry.

Mr. Young: What about the companies you were involved with?

Mr. Andre: The next year under the the National Energy Program the taxes doubled. The next year the taxes doubled again. In the course of four years, the NEP took out $20 billion from the western Canadian economy. Let me repeat that. the NEP took out $20 billion. That is not the complete story, Mr. Speaker.

Mr. Young: Poor Rosenberg and Eaton. Those are the boys you are protecting.

The Acting Speaker (Mr. Charest): Order.

Mr. Andre: As I indicated, the New Democratic Party is not interested in facts. Facts have a way of destroying a good issue, I agree. I understand their fear because facts are not of interest to them over there.

The National Energy Program introduced on one industry, not corporate income taxes which apply evenly and equally across the country—

Mr. Waddell: To oil companies.

Mr. Andre: —but the Liberal Government introduced in addition the Petroleum and Gas Revenue Tax. That only collected $82 billion, $83 billion, $84 billion.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. Some half an hour ago, Mr. Speaker, you brought to order a Member of the New Democratic Party because he was talking about the Canadian Commercial Bank. I wish you would bring it to the attention of the Minister that we are talking about the Northland crisis tonight and not about something that happened in 1981. Get back to the facts.

An Hon. Member: It is all relevant.

The Acting Speaker (Mr. Charest): An Hon. Member in the House says it is all relevant. It is relevant. I would like once again to invite all Members to keep in mind that the subject matter of debate tonight is a motion concerning the Northland Bank. The Hon. Minister is referring to the reasons that the Northland Bank is in difficulty now.

Mr. Axworthy: Alleged reasons.

Mr. Andre: The National Energy Program imposed on one industry, one sector of the country, Mr. Speaker, these extra taxes borne by no other industrial sector. The Petroleum and Gas Revenue Tax in 1982-83 raised $3.7 billion from one industry in extra taxes. The incremental oil revenue tax, the natural gas and gas liquid tax, the oil export tax, the Canadian ownership charge, only five separate different taxes to collect a total of $20 billion. Any economy, any nation, let alone a part of a nation, subject to that massive increase of exorbitant taxes will feel economic pain. In addition, the National Energy Program provided for confiscation of 25 per cent of oil and gas company assets offshore. It imposed a new regulatory regime, the Canadian Oil and Gas Lands Administration with a bunch of bureaucrats to look after the regulations and, FIRA was instructed to take a fine look at any transactions of oil companies.

What happened as a result of that, Mr. Speaker? According to estimates of, I believe, the Conference Board, something like $18 to $22 billion of Canadian capital left Canada. Let me emphasize that, $18 to $20 billion dollars. That translates at a bare minimum to 250,000 jobs that were poof, gone.

Mr. Axworthy: This is fantasyland.

Mr. Andre: It was because of that program. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) got jobs for half of those people in his office.

Some Hon. Members: Oh, oh!

Mr. Axworthy: That's right. Only half as many in your office now.

Mr. Andre: It took a quarter of that many to fly him around. There were pictures on television every day in western Canada. Admittedly people here in the east remained blissfully ignorant of drilling rigs lined up for miles at and above the border heading south. The Member for Winnipeg-Fort Garry laughs. That is why the Liberal Party did so well in western Canada in the last election.

Some Hon. Members: Hear, hear!

Mr. Andre: That is why the Liberals did so well because of the attitude of the Member for Winnipeg Fort Garry.

Mr. Axworthy: I just appreciate a good clown.

Mr. Andre: What happens when you lose $20 billion of capital in a short period of time? Your dollar plunges, interest rates shoot up, they were high generally but Canada's were five to six points higher than in the United States. That supposedly great national Liberal Government imposed an extra $20 billion of taxes on one region, and the predictable happened—property values sank and businesses went bankrupt. The economic carnage was tragic to everyone with any sense of concern for their fellow Canadians.

• (2130)

Mr. Axworthy: Is that what happened with your companies?

Mr. Andre: It happened to the companies with which your Leader was involved; I read that in the paper.

Mr. Axworthy: What about yours?

Mr. Andre: Not mine.

Mr. Axworthy: What about the ones which went bankrupt?

Mr. Andre: The Hon. Member does not have to seek advice across the aisle on bankrupt companies; he should ask his Leader who was the chairman—

Mr. Axworthy: You were under investigation.

Mr. Andre: I was not the chairman of any bankrupt companies as was your Leader.

Mr. Axworthy: Tell us about the investigations you were under.

Mr. Andre: Ask your brother.

Mr. Axworthy: I am asking you; it is your companies.

Mr. Andre: You will have a chance to speak.

Mr. Axworthy: Yes.

Mr. Andre: When that kind of massive damage is done by a federal Government, the inevitable happens. In Alberta or in western Canada we did not suffer a recession; it was a depression. Thousands of young families had to abandon their homes because they lost their jobs. The companies could not carry them. Interest rates were exorbitant. I should like to refer to the list of projects which were actively under way and were cancelled as a result of the NEP—the Syncrude expansion, the Cold Lake project, the Alsands project, the Petro-Canada/Nova oilsands project, the Saskatchewan heavy tertiary project and Judy Creek light tertiary project. As a result, tens of thousands of important high-tech jobs were wiped out. People without jobs cannot pay their mortgages. People without jobs do not buy, and businesses go bankrupt. That is what happened as a result of the National Energy Program. That was the carnage as a result of the Liberal Government. Any bank with a primary market in that area was bound to feel the consequences. That is what happened.

Some Hon. Members: Oh, oh!

Mr. Andre: Any responsible Member of Parliament will acknowledge that. I do not put members of the Liberal Party and the NDP into the category of responsible Members of Parliament.

Mr. Riis: You are a Minister now; you are above that.

Mr. Andre: Many of my friends were forced into bankruptcy, were forced out of Alberta and were forced into foreign countries. I doubt whether we could find a resident of Alberta who does not have a friend, acquaintance or family member that was not personally or financially devastated by the National Energy Program and the policies of the Liberal Government supported by the NDP. The fact that in the last year, because of the Western Accord and a change in attitude, I am happy to report to the House—

Some Hon. Members: Oh, oh!

Mr. Andre: I hope opposition Members will applaud the fact that things have changed and are changing. In fact, growth—

Mr. Waddell: What about the banks?

Mr. Axworthy: Tell us about the banks.

Mr. Andre: Members of the Liberal Party and the NDP find good news about the western economy to be atrocious. They become excited and upset when I tell them that things are looking up since the Western Accord.

Mr. Althouse: Why don't the banks believe that?

S.O. 31

Mr. Andre: Opposition Members think that is terrible. They were happier when the National Energy Program was destroying people; that made them happy. When the Western Accord is giving people hope again, they are upset. Dare this Government actually come to the aid of a western Canadian financial institution, my goodness! What a travesty! Dare this Government look beyond Ottawa and to western Canada! We are concerned about those who do business with the banks. We are concerned about depositors and the impact of these bank difficulties on the people and the economy of western Canada. The Opposition says: "That is terrible". We have nothing to hide. This is why the Minister of State for Finance said: "Let's take it to committee". She will provide all the information she can legally provide so that it can be studied, and the New Democratic Party does not want that. Its Members would rather stand in the House of Commons, look for scandal, look for misrepresentation and look for problems, so that they can sing in righteous indignation. They feel that that is more fun than getting to the truth and being responsible, worth-while Members of Parliament. We dismiss that, and the people of Canada dismiss that.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, this evening's debate falls within a very special context not only from a procedural standpoint but also with respect to the matter under consideration.

I do not think that the failure of a bank and the shutdown or eventual bankruptcy of another financial institution should be taken lightly. Quite a large number of our fellow citizens, as depositors, will be affected by these incidents. I have in my riding—as undoubtedly most Members have in theirs—borrowers, businessmen who provide work for hundreds and thousands of Canadians. This debate therefore is set in a context which I would describe as "the black years" or "the black days" of the administration of this country.

What is at stake here—and I want to look at it from that angle because we will eventually have an opportunity to dig deeper into this matter in committee—is a matter of credibility, the credibility of a Government, the credibility of a Minister of Finance (Mr. Wilson), and the credibility of a Minister of State for Finance (Mrs. McDougall).

If I may, I should like to go back in time, back to last March 25th when the Minister of State for Finance made a statement in the House, a statement I would like to quote, keeping in mind the remarks made by the previous speaker.

Here is what the Minister of State said, and this, Mr. Speaker, is the first time the House was officially told about the matter. I hope the Minister of State for Finance will listen to what she said, perhaps she might not repeat the nonsense we heard from her in the House today. I quote from *Hansard* of March 25th, 1985, page 3310:

HON. BARBARA MCDOUGALL (MINISTER OF STATE (FINANCE)): Mr. Speaker, I would like to advise the House that an agreement was reached this morning to provide the Canadian Commercial Bank with an infusion of capital which will ensure the long-term viability of this Edmonton-based bank. The agreement is a co-operative effort which brings together three Governments, six banks, and the Canada Deposit Insurance Corporation to provide a support package which will enable this bank to remain viable, thereby protecting the interests of small- and medium-sized business in western Canada.

The Minister went on to say in the House:

The bank—

—referring to the CCB—

The bank recently experienced a sharp deterioration in its U.S. loan portfolio, particularly as a result of lower oil prices. This situation significantly depressed the value of the Canadian Commercial Bank's loan portfolio. The management of the bank realized that they could not continue to operate a viable banking operation given the magnitude of the problem loans. While many of these loans had been considered manageable, it became evident in recent weeks, given the severity of the situation in the U.S., that a high proportion of them should be written off or significantly reduced on the books of the bank.

That is what the Minister of State for Finance (Mrs. McDougall) said in the House on March 25th of this year. Nowhere in her statement did she make a connection between the bankruptcy or financial difficulties of the Canadian Commercial Bank and the National Energy Program. I could go on to quote what the Minister had to say in answers she gave on March 29th of this year, in reply to questions by my hon. colleague, the Member for Ottawa-Vanier (Mr. Gauthier). This is what she said in answer to a question from the Hon. Member for Ottawa-Vanier: "Mr. Chairman, the Bank invested in California through an agency. It purchased a 40 per cent interest in the Westlands Bank. The Westlands Bank was involved in real estate. The agency was involved with oil rigs. I am trying to separate out a very complicated corporate structure". Those were the words of the Minister.

I wish she would stay in the House and listen and refrain from repeating the nonsense she uttered today. "The Westlands Bank", said the Minister, "went through some difficulties with its real estate. The agency, on the other hand . . . " The Hon. Member for Beauce (Mr. Bernier) will have time for a speech later on, if he wants to make one. He can tell us what he thinks of all this. "The agency, on the other hand, was involved with these oil rig loans. Those have become a problem really very recently. I want to read from something that appeared in the *New York Times* describing what had happened in a similar market in Texas". Mr. Speaker, I could go on reading passages from the Minister's statements in this House, clearly establishing that the root of the problems experienced by the Canadian Commercial Bank lay in its operations in the United States. At least, that is what she told us.

I would like to go back to what I said at the beginning of my remarks, when I suggested that today's issue revolves around credibility. I would like to quote from what the Minister said on March 25th. You heard what was said by the Hon. Member who spoke before me.

I would also like to raise another question, and this will bring me to the subject of my motion, the Northland Bank. On March 29th, in this House, an Opposition member from the NDP asked the Minister if other financial institutions might face difficulties. Referring to page 3513 of the Debates of March 29th, 1985, and I have here before me the English text, here is the answer given by the Minister of State for Finance:

• (2140)

[*English*]

Mr. Chairman, this situation was caused by an isolated incident. There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way.

[*Translation*]

This was on March 29th, 1985, the very day that Western Capital ended its operations.

At the time we were told, on March 29, that there were no . . . and here are the words used—

[*English*]

The words that are being used are pretty clear:

There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way.

[*Translation*]

And thus on the strength of the Minister's comments, having faith in the figures we were given concerning the Canadian Commercial Bank, accepting as true and verified the facts reported in this House, we supported the bail-out package on behalf of the Canadian Commercial Bank. But because of this Government's incompetence, we came to be faced on September 1st with another statement that flew in the face of what the Minister had told us. I am now referring to a press release issued on September 1st: "The Minister of State for Finance, the Hon. Barbara McDougall, today announced that the Inspector General of banks has informed her and the Minister of Finance that the Canadian Commercial Bank and the Northland Bank are no longer viable and cannot honour their commitments falling due".

Mr. Speaker, this is indeed a very serious situation when a Cabinet Minister rises from her seat and states that no other financial institution appears—let alone is—to be in difficulty, but a few months later, CCB and Northland are bundled up in the same basket. I submit that precisely by doing this, the Government of Canada, the Minister of Finance, the Minister of State for Finance had signed the death warrant of a financial institution. A financial institution, Mr. Speaker, for which, according to information published recently in the *Financial Post*, a trustee was appointed and a liquidation order applied for. That is what the press release told us on September 1st. We were told that an application had been filed for the liquidation of a financial institution about which the following figures were published in the *Financial Post*:

[*English*]

For the three months ended January 31, 1985, net income was up 24 per cent to $777,000 or 72 cents per share—

For the year ended October 31, 1984, net income rose to $3,347,000—

[*Translation*]

Mr. Speaker, putting in the same bag a financial institution called the CCB and the Northland Bank doomed the second institution. During the long debate which has taken place in this House throughout September on the banking affair and the tainted tuna affair, we always come back to the same issue, namely credibility. How can we believe a Minister who stated that the CCB would be saved with $255 million? How can we now believe a Minister who, a few days later, said that no financial institution seemed to be in trouble? How can we believe a Minister who tells us that the whole bail-out operation was effected in close co-operation with the banking sector when the newspapers are full of statements by bankers who appeared before the Finance Committee and said that they had accepted this operation only because their arm had been twisted nearly out of its socket?

We asked the Minister to examine the assets of the CCB. This was refused. We asked the Minister to appoint qualified administrators to replace a management who had lost the confidence of the financial sector. This was refused. Today, during the oral question period, my colleagues and myself were told that no one had been found. Yet, one after the other, the bankers informed us that they had provided the Minister with the names of qualified people, of respected retired bankers who would have accepted such responsibilities.

Mr. Speaker, how can we believe a Minister who says that she is working tirelessly to save the Northland Bank when, in Calgary, the president of this same institution gives a press conference to inform the public that, before it is too late, he wants to state publicly that he has taken position against a Government whose mismanagement will cause the bank to close?

Mr. Speaker, we are certainly faced with a question of credibility. When I look at this whole operation, I say to myself: Here are two institutions, one worth $3 billion, or $2.7 billion, and one worth $1 billion. The one with assets of $3 billion has already been loaned $1.3 billion by the Bank of Canada. However, we were told in committee, Mr. Speaker, that the $1.3 billion were guaranteed by assets worth $1.8 billion. In an institution worth $2.7 billion, this means a difference of $1 billion, I wonder how come, in view of the direction it took earlier, the Governement is now asking the taxpayers to pay out $1 billion when there will no longer be any bank in Western Canada. Borrowers will continue to have problems for months and even years before that problem is solved.

• (2150)

The depositors who have placed their savings . . . There is at least one of them in my riding who has been living in anguish since then because he deposited at this bank the $160,000 he had managed to save in his lifetime. Why waste the taxpayers' money, send it down the drain, for all practical purposes, because there will not be a single job left when the banks go. The problem is the same with the Northland Bank. How much money did it get from the Bank of Canada? What is the real value of its assets? We have no accurate and up-to-date figures. Those which are available date back to October 31, the end of the fiscal year for the banking institutions, and indicate $1 billion in assets. I checked . . . A major part consists in very worthwhile investments. I ask myself: If we are to use the taxpayers' money, is there no way we could save the Northland Bank?

The purpose of my remarks, Mr. Speaker . . . I returned from Quebec City to take part in this debate for one single reason. I suggest that we could save the Northland Bank if the Government withdrew . . . and found a way to get out of the unthinkable maze in which it got stuck by placing the CCB and the Northland Bank in the same bag. You can imagine the reaction of the depositors when they read in a press release from the Minister of State for Finance (Mrs. McDougall) that the Government was asking for the liquidation of the bank but was asking the court to postpone its decision on a liquidation application. If you had $100,000, Mr. Speaker, would you place it in a financial institution for which the Government of your country has sought a liquidation order? It does not make sense, and the whole operation, day after day, is a further demonstration of the incompetence of the Minister of Finance and the Minister of State for Finance.

My colleague the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) and I have often pointed out the empty seat across the floor that is reserved for the Prime Minister, and I urged very strongly my hon. friends to read from A to Z, as reported now by the Canadian Press, the various stages of this operation, and all evidence points in the same direction, the same as in the tuna fish disaster: The Office of the Prime Minister . . . As I said, I believe the Northland Bank could still be saved. It is a regional institution. Personally, as a Quebec Francophone, I would feel terribly humiliated if I heard that our "caisses populaires" were on the brink of bankruptcy. However, today, I feel that western Canadians have heard just about enough of the Prime Minister's statements.

But if I were a westerner, Mr. Speaker, I would be humiliated to see a regional bank go belly up, after years and years during which those people kept asking for their own financial institutions—two banks established during the 1970s. I will not launch into a political debate as did the Associate Minister of National Defence (Mr. Andre) earlier this evening. They were established under a Government and prospered for a while. Some errors were made. If on March 25th I had been told that nothing could be done, that the institution was bankrupt, but with no request for taxpayers' dollars to put it back on an even kneel, I would have understood, I would have accepted the situation, difficult though it would have been to do so. But in this case they asked for $225 million, not to save one or two individuals but to save a financial institution which was, in my judgment, the result of years of work and negotiations by the people of Western Canada to have their own financial institutions. So they are going to spend taxpayers' dollars to repay all depositors, they will clean up the whole mess. Perhaps it will end up costing $1 billion by the time this is over, but then when will the residents of Edmonton, Calgary, Winnipeg or Regina get back on their feet and try to get another regional bank going? I am saying that the full responsibility should be borne by the Prime Minister, the Minister of Finance and the Minister of State for Finance.

If the Government had been more serious and had taken the time it needed instead of panicking and trying to avoid the effects that such a decision could have had on the Summit organized by the Prime Minister, we might have been able to save some money in closing the CCB. With half these amounts, we would probably have been able to save Northland and to keep a regional bank in the Prairies to continue to serve the population, not only of Canada as a whole, but especially of the Western provinces.

In my opinion, it is a shame to have acted in this way and the debate this evening has at least had the advantage of clearly showing the incompetence of the Minister of State for Finance and the Minister of Finance who both washed their hands of the whole business and let the Prime Minister make the political decision.

In all the issues that are being raised one after the other, we see how badly the credibility of this Government is affected and how the Western provinces and financial institutions will have to pay for it.

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, before I begin my remarks, I would like to say to my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau) who just spoke, that when we talk about credibility, we talk about being here for the beginning of the debate.

Mr. Gauthier: You've got to be kidding.

Mr. Lewis: I welcome him back to the House. I am pleased to have this opportunity to enter the debate with the perspective of a Member of Parliament from central Canada. This matter goes to the very heart of what this country is all about. It goes to the very fact that this is a country of various regions which is tied together by a common bond and that common bond is the fact that when one region encounters difficulty, the other regions pitch in to help out.

For most of the past 20 years, the help in this country was distributed to Liberal ridings. That is all finished because we are distributing the help in this country right across the country.

Mr. Garneau: You killed two banks and you're happy with that?

Mr. Lewis: You were not here but you know darn well that that is what your colleagues did. That is why there is only 40 of you in the House. There are only three here now but 40 all told. For years the Liberal Party either ravaged the West or ignored it depending on its whim. It is necessary to know the background to realize why we are having this debate tonight.

During the 1980s, under the Liberal Government, we saw the worst recession since the 1930s. This recession was visited upon most of the world but only in Canada did we have a government that helped it along. As a result, we had high interest rates, high unemployment, plants closing down, foreclosures, housing starts plummeting and no action was taken by the Liberal Party.

What kind of action did the Liberal Party take? It did take some action and it was called the National Energy Program. The recession was complicated by a deliberate action on the part of the Liberal Party in the form of the National Energy Program. If the National Energy Program was the child of the Liberal Government, its godparents were the NDP. There is no question about that.

When the NEP came along, the economy of the West ground to a halt and that is not something that is known only by MPs from the West, it is known throughout the country. We know exactly who ground the economy of western Canada to a halt. It was the Liberal Party helped by the NDP.

Mr. Waddell: Why helped by us? We voted against the program more than you did.

Mr. Lewis: I want the House to know what happened. When the NDP and the Liberals shut down the economy of western Canada, do you know what it meant to eastern Canada, Mr. Speaker? Factories in my riding shut down and people were laid off. Do you know what that meant to the City of Orillia, Mr. Speaker? It meant that it became filled with cars with yellow licence plates. Young people from Orillia went out West to work, worked hard, had good jobs and then the Liberals and the NDP shut down the energy industry and they had to come back home. That is what my colleagues said.

During this time, new banks were established. I think we all agreed that some competition in the banking industry would not hurt so several new banks formed in Canada including several in the West. These banks took advantage of the opportunities that existed out West in the 1970s. However, the Liberal Government—there being no members of that Party in the House to refute this—failed completely to put in place a regulatory regime which would take care of the problems banks might encounter under the new legislation and which we might wish them to avoid. I will refer to that point in a minute.

• (2200)

As a result, we saw a concentration of loans in the energy industry. There was a concentration of loans in one region. The failure to put in place a regulatory regime by the Liberal Party, complicated by the recession and the National Energy Program, led to problems. We saw falling real estate prices and falling real estate values. We saw bankruptcies. As a result, banks could not collect on their loans. They could not collect the interest or the regular payments and more and more of their loans became non-current.

I appreciate this debate is about the Northland Bank. However, I think it fair to suggest that the Canadian Commercial Bank encountered the same problems as those encountered by the Northland Bank. The House knows that the Government, along with the banks, the provinces of Alberta and British Columbia, and the CDIC, moved in with a support package which was designed to restore depositor confidence and to assist a fledgling western bank maintain its confidence in the Canadian banking system. At the same time we all know that there were difficulties with the American banking system.

Our efforts were justified by our responsibility as a national Government to help all regions of this country. We felt the support package would rectify the problems of the Canadian Commercial Bank and that that would spill over and strengthen all banks regardless of location. We felt it would enable all banks in the West to remain as players in the game and to bring some competition into the system. We all know that the situation did not get better. We all regret that. I think all Members of the House share that point of view. We found that the loan portfolios were in more serious condition than we first felt. We found that the market confidence was not restored. Thus, the Minister, on September 1, moved to take over the CCB and put curators in place at the Northland Bank.

There was a feeling at that time, and there still is, that with the directors in management and with the Government that the bank could be preserved. We gave, have given and are giving the Northland Bank time to rearrange its affairs. I am sure all Members in the House want that to happen. We want the confidence in the banking system maintained. I am sure that on behalf of all depositors and shareholders we would like to see that the Northland Bank has an opportunity to survive.

What we should look at in this situation is what we have learned. First, we have learned there is a desperate need to examine and improve our regulatory regime. There is no question about that. It was left in chaos by the Liberal Party. I suggest to Hon. Members that any Government is entitled to rely on auditors and is entitled to rely on inspectors.

Mr. Dick: There is but one opposition Member in the House.

Mr. Lewis: I am addressing my remark to that one member of the Opposition who is in the House. I know him as a hardworking colleague and I am certain he is listening to my remarks.

We are entitled, as is any Government, to the best information possible. Thus, what we have done is set up a committee to investigate the regulatory reform situation. We have released discussion papers. We have had the benefit of a private sector task force report on the CDIC. We intend to introduce legislation which will strengthen the regulatory powers of the federal Government. We will demand that federal regulators place realistic values on real estate which is held by the institutions which we regulate. We will institute legislation to empower the Minister of Finance to prevent the transfer of ownership of federally-incorporated financial institutions in cases where we deem that transfer to be against the public interest. We will take action to enable the supervisors to fully examine all activities.

I commend to the House an article by Seymour Friendland of the *Financial Times* of Canada dated September, 16, 1985, wherein he goes a couple of steps further. He suggests that if we are to have regional banks and trust companies—and I think we are all in favour of that—that we force them to diversify their loans. I think that makes some sense. We should look at that situation in order that we do not have all of the loans in one industry and in one region. It is just the same old story of having all your eggs in one basket. Mr. Friedland suggests we take a look at that point when we put in place the regulatory reform regime. That makes sense.

What can we learn from this situation? We have learned that we need a new regulatory regime for federal financial institutions in this country.

Second, we have learned the real interest of the Official Opposition, none of whom are in the House to hear my remarks. I hope they will read them in *Hansard*. When the debate commenced there were two Members out of forty in the House. I commend my colleagues from the New Democratic Party. They were serious about this debate. They had people in the House to participate in it. We all listened to the well researched, several-page address, of my colleague from Hamilton Mountain.

Third, we heard unbased allegations made by both the Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Trinity (Miss Nicholson) with respect to what we will divulge to the House. They have asked for the following. They have asked for the auditor's letter to the Board of Directors. We have agreed that the letter shall be released to the committee. They have asked for the letter from the Inspector General of Banks to the Minister of Finance (Mr. Wilson) dated September 24, 1984. We have agreed that the committee shall receive that letter. They have asked for a copy of the participation agreement of the support package. We have canvassed permission from all parties involved and they have agreed to release it to the committee. They have asked for the report of the U.S. Federal Reserve Board. We have asked permission of the Federal Reserve Board, both through official channels and diplomatic channels. It is U.S. officials who refuse to release the document to us. However, we are still pursuing the matter. They have asked us to release the names of the uninsured depositors. Members of the House know that Section 251 of the Bank Act and that Section 24 of the Access to Information Act make this disclosure impossible. Those sections protect the privacy of individuals, which is fundamental to the banking system. It is fundamental to our beliefs.

What is ludicrous about this is that the Hon. Member for Hamilton Mountain has suggested that we put in place retroactive legislation. He suggests that since this was not thought of when the Bank Act was drafted and amended that we should think of it now, pass an amendment and have retroactive legislation. I can think of nothing more odious, nothing more undemocratic than the passing of retroactive legislation as the Hon. Member for Hamilton Mountain proposes.

It has been suggested we are stonewalling. I suggest to the House that the New Democrats and the Liberals are far more interested in television time than they are in the truth. They know they can stonewall this matter in negotiations between House Leaders and prevent the matter from going to committee. They know they can come back to the matter with question after question in Question Period, none of them making any sense. In this way they can have their cake and it too. I do not really think they will find that the Canadian people will believe them.

Perhaps the most important thing we have learned is that we have one of the best Ministers of State for Finance that this House has ever seen.

Some Hon. Members: Hear, hear!

Mr. Lewis: The Minister entered the house in 1984 after a varied career in financial circles. She had an excellent reputation in our Party as a political organizer and as a very competent person. I suggest to the House, Mr. Speaker, that since then she has been tested as no Minister of State for Finance, has been tested, in my experience, and perhaps as no Minister of this Government has been tested. At no time, Mr. Speaker, has she been found wanting either by our Party, by the Government, by the Cabinet or by the Opposition. She has made the difficult decisions and she has stood by the difficult decisions. She has answered the questions. She has made the statements. She has been the witness in committee. She has done everything and she has done it in a determined, forthright and convincing manner. As colleagues, we are all proud to serve with her. I suggest that that would include Hon. Members of the Opposition. I have watched their daily frustration because they have thrown their best questions at her and have not made a dint.

• (2210)

The best line the Opposition can take up is the $1 billion bail-out. I would like to specifically address that issue in this national House of Commons.

We, as a Party, campaigned on national reconciliation. We said that every region of this country is important, and it is important to us all. I suggest to the Liberals and I suggest to the New Democratic Party, that if we put $1 billion worth of transfer payments into the Atlantic region, we will bail out

that bank and the depositors in western Canada. If we put $1 billion into bailing the eastern banks out of the Dome situation, we will put $1 billion into trying to rescue this bank and these banks. If we put $1 billion into Canadair in Quebec so that we could maintain an aircraft industry in this country yes, we will put $1 billion into this effort on behalf of western Canada.

We make no apologies whatsoever for what we have done on behalf of western Canada. I say that as a proud Member of Parliament and especially as a Member of Parliament coming from Ontario. I want the entire House, especially the New Democratic Party and the Liberals, to understand that. I suggest to my colleagues who go back to towns and cities like Yorkton, Regina, Kamloops and Prince Albert, that on Saturday and Sunday they walk down the street and tell people that they were ridiculing what we were trying to do for western Canada. They should try that on for size when they go back home.

We have learned something else, Mr. Speaker. We have learned that the Liberals, bereft of policy, with their leadership problems, are fastening on to this issue as their only hope to divert attention. We have learned that the New Democratic Party, which does not have a leadership problem—yet—has western Members of Parliament from Manitoba, Saskatchewan—none from Alberta—and British Columbia, who ridicule our efforts to help western Canada.

We have learned most importantly, Mr. Speaker, that the Progressive Conservative Party is determined to make Canada work. We are determined to eliminate regional differences. We are determined to stand by our friends in all regions of this country.

I say to you, Mr. Speaker, that we support unequivocally the efforts of our colleague, the Minister of State for Finance (Mrs. McDougall), in the case of the Northland Bank.

Mr. Simon de Jong (Regina East): Mr. Speaker, the debate which is occurring tonight is a very important one. The stakes are high. In a period of economic restraints and contraction, the sums of moneys involved are indeed very significant. It is with some regret, Mr. Speaker, that I heard the Minister of State for Finance (Mrs. McDougall) deliver her speech this evening. It is unfortunate that she said very little about the state of the Northland Bank. I was hoping that the Minister would tell the House and the nation where things are with the Northland Bank in terms of the negotiations and trying to work out a financial package with some other financial institutions which would allow that financial institution in western Canada to survive. Unfortunately, she said absolutely nothing.

It would seem to me that this opportunity for a debate on the Northland Bank, in particular, would have been used by the Minister to explain to the House what the situation is, where things are right now and why she has committed herself and the Government to bail out all of the uninsured depositors if that institution should go into liquidation. Again, it is unfortunate, Mr. Speaker, that so far no member of the Government has risen in the House and really addressed this central question.

Something I find similar between the Canadian Commercial Bank and Pioneer Trust of Regina, Saskatchewan, is that in both places we have Conservative Governments who have the reputation of being business like and knowledgeable in the business world but which are making business decisions without knowing all the facts. They did not know what they were getting into when they made certain decisions. And when they made those decisions, Mr. Speaker, they committed their respective Governments and the taxpayers to millions of dollars.

In the case of the Province of Saskatchewan the Minister of Finance wrote a letter, which became public, stating that the Government of Saskatchewan would guarantee a preferred share issue which, in turn, would bail out Pioneer Trust. He did it without having a look at its books. What business person in his right mind would make a commitment of millions of dollars without having a look at the books? It's unimaginable. Of course, he did finally get around to looking at the books and discovered the true situation. In the words of the Minister of Finance of Saskatchewan, they discovered it was an endless pit and decided that they had better draw back from the brink. It has cost the Province of Saskatchewan some $24 million or $28 million. Who knows what the final number will be? In terms of our national Budget, that is not a great sum. To the people of Saskatchewan, that is a very great sum because the Government of the Province of Saskatchewan is cutting back on health care and road construction, on social assistance and on all sorts of important programs. But there is money for the banks.

On the federal level, we have the case of the Canadian Commercial Bank. The same mistake is made. A Tory Government, a Government of men and women who pride themselves on their business acumen, who stated in the last election campaign, "Elect us because we have a good business sense and we are going to restore sound business practices to Government", makes a commitment which is going to cost well over $1 billion without having a proper look at the books. The Minister of Finance (Mr. Wilson) and the Minister of State for Finance have told us they had the best information available. We must now, Mr. Speaker, as guardians of the public purse, ask that one central question: Was that good enough? Should they have known that that information was not sufficient? Were there enough indications, warnings and signals that the Government at that time should have realized that the information which was available was not good enough? I believe the answer is a resounding "yes".

One could stand here, Mr. Speaker, and speak for many hours on all the incidents and indications which showed that the Canadian Commercial Bank had some major problems. I understand that when the Minister took over there were warnings about CCB in her briefing book. The very fact that such financial actors as Rosenberg and Howard Eaton were involved in that bank should have been reason enough for the Government to know that things might not be all right. The

Government should have known that the figures the Inspector General of Banks had were not sufficient on which to base a sound economic decision.

• (2220)

Tonight the Minister of State for Finance lambasted the Liberals for leaving behind a regulatory regime which was inadequate and inefficient and I totally agree with her. But surely that should have been reason enough for her to mistrust the figures they were supplying her. She knew the regulators did not have the proper manpower or the mandate to get the proper figures. Why did she trust the figures they supplied to her? Therefore, there is every reason to believe that the Government should have rejected the figures that were available.

Those figures are important, Mr. Speaker, because an investment decision was based on whether the package was adequate to meet the needs. If the figures supplied by the management and auditors of the company, and by the Inspector General of Banks, were as accurate as they said they were, then the rescue package would have been adequate and it would have worked. But the fact is the figures were not adequate. They were not correct. The loan losses were much higher. The Government should have known that but it proceeded on the basis that those figures were accurate.

The bankers themselves warned the Government. Every banker we had in front of the committee stated, one after the other, that they warned the Government they did not trust the management of that company or those figures. They proposed to send in teams, sworn to secrecy, to bring back a more accurate picture on the state of that company and the Government refused. That was sin number one from people who pride themselves on having good business acumen.

Sin number two was that the Government did not seem to have any game plan. Once the Bank of Canada had been committed to opening its vaults and providing continuous liquidity to the CCB, which in the end came to around 1.3 billion, the Government did not have a game plan. These Ministers did not say they were going to supply the rescue package today; on day two they were going to change the board of directors; on day three they were going to start changing the management and management practices and get this institution back on track.

Well, Hon. Members opposite laugh and say this is a socialist scheme; Governments are not into banking. No, they are just into bailing out the banks. Yet in the United States, when the Continental Illinois Bank was going under, the U.S. regulators insisted that all the directors of the bank resign. A new management team was put in. Those regulators insisted on that before they put one cent into the bail-out of that bank. That is the U.S. experience. Had this Government, once it was committed, thought through the whole process to step number two in order to get the bank properly on track, meaning a new board of directors and new management, this package might have worked. We might still have had a viable bank in western Canada. But mistake number two was committed.

The Government had every reason to know the management of CCB was not adequate, and nor were the board of directors. The board was often totally out in the cold as to what management was doing at that bank. When the bail-out package was put together on that weekend, the bankers themselves warned the Government—and some of them were very insistent—that management changes should occur. Again, unfortunately, the Government chose to ignore that advice. The Minister has said she made some attempts to recruit some new people to the board of directors but she had some difficulty. We understand from testimony given by the other banks that they had nominated people, and certainly one thing we will want to look at with intense scrutiny is why the Government failed to immediately appoint a new board of directors and new management once this commitment was made. Again, mistake number two.

So we have two fatal mistakes: not knowing what the proper state of the bank is; and, having committed the Government of Canada, not having a game plan in place to make sure that this financial institution would remain a viable institution. With those two mistakes this Government did a tremendous disservice to western Canada. The Government greased the already deteriorating skids under that financial institution.

Why did the Government proceed with this bail-out, Mr. Speaker? I have to come to the conclusion that it was totally naive and believed the management of CCB, accepted it all in good faith despite the warnings of the bankers and—

The Acting Speaker (Mr. Charest): I have been listening very attentatively to the Hon. Member for Regina East. He has been referring for quite a while to the situation at the CCB and the whole subject matter of this motion concerns the Northland Bank.

Some Hon. Members: Oh, oh.

The Acting Speaker (Mr. Charest): Oh yes. I have been listening very carefully. In all fairness, I have been listening very attentatively for some time and I feel I may suggest to the Hon. Member that he should refer more specifically to the motion.

Mr. de Jong: Mr. Speaker, I would point out that I doubt if the Minister in her remarks once mentioend the Northland Bank.

Mr. Gauthier: She didn't.

Mr. Waddell: The Associate Minister of National Defence (Mr. Andre) spent all his time talking about the Bank of—

Mr. de Jong: All right. The point I am trying to make ties directly into the Northland Bank and whether it will become a viable operation or not. I used the experience of the CCB in order to show the mistakes this Government made, the mistakes it should avoid making with the Northland Bank.

I come back to the question of the bail-out. Why do we have a bail-out of the CCB? There was very indication that the support package was inadequate and a game plan for changing

management and so on did not exist. So I wonder whether this Government is capable of dealing with the situation of the Northland Bank. Why did we have this bail-out of uninsured depositors? The Government has given the reason as being the Governor of the Bank of Canada, the Inspector General of Banks, the Minister of Finance, and the Minister of State for Finance, have all made public statements as to the viability of the bank and, therefore, the Government has a moral responsibility to the uninsured depositors. But they never made that commitment to the Northland Bank.

• (2230)

Why bail out the uninsured depositors of the Northland Bank? In the past the Minister stated that she will not bail out any more banks but will let the discipline of the market take place. For example, before the collapse of the CCB and the reported demise of Northland on Labour Day a statement of the Minister was reported in *The Globe and Mail* as follows: "Henceforth, she declared, depositor insurance levels will be adhered to religiously". That was before the CCB bail-out, Mr. Speaker. There is a double standard here.

I stood in my place day after day and asked the Minister if she was going to enter into an agreement with the Province of Saskatchewan to bail out the uninsured depositors of Pioneer Trust. She played cat and mouse and said, "No, because we have to draw the line somewhere". Finally the Government admitted that it had some responsibility because Pioneer Trust had issued guaranteed income securities for longer than five years with the CDIC's stamp. The Government took responsibility for those depositors but not for the others. A group of small trust companies have gone under and uninsured depositors have lost their money.

There is a double standard in this country. If you are big, if you are a foreign bank, the Bank of Nova Scotia, or the Toronto Dominion Bank, and you have several million dollars on deposit you will be bailed out. But, if you are a retired farmer in Saskatchewan with life savings of $100,000 or $120,000 in a small institution, forget it. What a signal to send out to the Canadian people through the financial institutions of the country. The Government must become clear on when it will bail people out and when it will not. It must make some public statement as to what its policy is. So far the Minister has totally skirted that issue.

We are beginning to suspect that the reason for the bail-out is political. The Associate Minister of Defence and a fair number of his friends were probably applying pressure within Cabinet to have these people bailed out. I note an article in *The Toronto Star* today by Diane Francis in which she wonders about the political connections between the Northland Bank and the Conservative Party. It reads:

> Richey B. Love, Q.C., partner in one of Calgary's most respected law firms and a Tory bagman in Alberta, bailed out of Northland in August, selling about 550,000 shares. Did he sell on information other shareholders lacked? Love says he knew nothing about the impending receivership on Labour Day.

I suspect that the Government is afraid to let a committee of Parliament with the proper powers study this because some dirt will be uncovered. I suspect that the Northland Bank and the Canadian Commercial Bank, like Pioneer Trust in Saskatchewan, were known as the Tory Banks.

The Government has stated that the bail-out was to save the economy of western Canada. It can save the economy of western Canada by spending $1 billion helping the farmers who were hit by drought and rain in my province. However, helping foreign depositors and multinational banks with deposits in the Canadian Commercial Bank is not going to help western Canada. The Government has done a disservice to western Canada and the financial institutions there, and on that they will hang.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it may seem rather odd for a junior Member of the House to rise at this stage in the debate, before those Members who are particularly well versed in parliamentary procedure and who spoke previously to the subject of this special debate on the Northland Bank.

I believe, however, that as a new Member fresh from the business world, I could shed some light on this matter by removing it for a moment from the political subtleties of a debate that seems to be getting us nowhere and putting it in a more business-like perspective.

There were some allusions, and I am thinking more specifically of the Hon. Member for Laval-des-Rapides (Mr. Garneau), who said that he was going back to March 22nd of this year, when the whole affair started. Mr. Speaker, you do not have to be an experienced politician to realize that there was a very close connection, as the Hon. Member said, between the Northland affair and the Canadian Commercial Bank.

However, the problems of the Northland Bank did not start with the events of March 22nd. In fact, they started with the Liberal energy policy. If the Hon. Member for Laval-des-Rapides, and especially the old Liberal Opposition—I said the old Liberal Opposition to make myself perfectly clear—would have us govern by extrapolating the outdated methods of a party that had cost its vitality in recent years, I think they are mistaken.

The Liberal Party should have, as it has a right to do, delegated two of its Members to the Committee on Finance, Trade and Economic Affairs. They would have gone to Western Canada to see for themselves where the whole problem started. And it did not start on March 22nd It started as a result of the energy policy imposed by a Government, by an Old Opposition and a small Opposition.

Mr. Speaker, I would first like to inform the House of the circumstances that led to the problems experienced by the Northland Bank and a number of other financial institutions in Western Canada. The entire country was hard-hit by the recession in 1982. But as a junior Member and as a businessman who knows what it means to invest his own money in a

business, however small it may be, let me tell you that the trip made by the Standing Committee on Finance, Trade and Economic Affairs to western Canada, to Vancouver, Calgary and Winnipeg, opened up a whole new world to us. We found out how our brothers in western Canada had suffered, yes, just listen . . . Unfortunately, we were not altogether aware of this in Quebec, and I must admit that we were ignorant of the terrible impact of the energy policy of the old Liberal Government that was tottering towards the end of its reign.

Mr. Speaker, in 1982, as I said earlier, there was an economic recession everywhere in Canada. However, I believe, as a Francophone out there told us, that western Canada was literally paralyzed by the constraints imposed on its economic development, constraints that were imposed by the Old Opposition, the aging Government at the time, and by the small Opposition, who, as our valiant Prime Minister (Mr. Mulroney) said recently, "were holding hands behind the curtains".

Mr. Speaker, why did the Liberal Government's National Energy Program aggravate the recession in western Canada? Everyone knows, everyone has seen the exodus, as indicated a while ago by an experienced man who lived in his constituency when he was in the Opposition and I would say to the Members who are shouting on the other side that I may not have been a member of the Government like he was . . . Moreover, let me tell you that as a Canadian citizen, I was then a victim. And today this gives me the right not only to speak but also to complain officially during the time allotted to me in this House, and to tell once and for all the Members opposite that they are directly responsible for that crisis. It did not originate on March 22nd, Mr. Speaker. It all started with the energy policy: it is actually responsible for the financial problems in western Canada.

• (2240)

Mr. Lapierre: Why did you vote for the Liberal party then?

Mr. Lanthier: I make a distinction between the federal Liberal Party—

Mr. Speaker, the National Energy Program destroyed the drilling industry in the West. Indeed, how many times have we not heard about complete drilling rigs leaving Canada to settle definitely in the United States where they found better conditions for economic development? Almost 50 per cent of drilling rigs left us. Throughout the world, we were listed as a country ready for development which had fantastic energy resources. Unfortunately, our Canadians had to leave the country if they wanted to make some progress in that area. The real troubles of the Northland Bank, because we are dealing with that bank even if we are trying to relate the issue, as the member for Laval-des-Rapides (Mr. Garneau) said a while ago, to the Canadian Commercial Bank, originated with the energy policy of the old Liberal government.

Mr. Malépart: The Liberals are also responsible for the tuna problem—

Mr. Lanthier: But what is more serious, Mr. Speaker, the small Canadian businessmen who were part of a secondary or ancillary industry revolving around a major industry in a given area . . . I come from the great constituency of LaSalle where the people of Ville-Emard and Ville-LaSalle work in co-operation with large basic industries and I would have been worried that perhaps one day a Liberal Government could have prevented the growth of our industries thus giving rise to the bankruptcy of all those small surrounding industries.

When we were travelling, and especially in Calgary, we had the opportunity to see what trouble can result from ill-conceived policies.

Mr. Lapierre: You should have stayed there!

Mr. Lanthier: I believe that what we saw in western Canada during our trip was that the Liberal delegation could have been more important. They had one worthy representative in the Hon. Member for Trinity (Miss Nicholson). She did her duty, but, in the first place, she was chosen at the last minute, and second, she was alone in her group. I must here pay tribute to the New Democratic Party which had permanently delegated two Members of Parliament who were familiar with this issue. There were two of them to defend at least the interests of their own party.

What is still more serious, Mr. Speaker, is that the small Canadian businessmen in the support or secondary industries, such as small suppliers, were even more affected than the large oil companies. Naturally, the major oil companies had branches throughout Canada and they were able to absorb these disastrous losses by distributing them throughout the country. However, what do you think happened to the small industries in Western Canada, to the small businesses which are so dear to our hearts in Quebec? Those which got their money from financial institutions—

Mr. Lapierre: That was not where they did business.

Mr. Lanthier: —what do you think happened to them in Western Canada? Well, I can give you my word about this. I am sorry, but I believe that with assets of at least $60,000, you qualify as a small business.

Mr. Malépart: Business was good.

Mr. Lapierre: He does not know anything.

Mr. Lanthier: The Opposition Members have not been in business for a long time, Mr. Speaker, if they do not know that you are still a small business with assets of $60,000 or more. The Western economic infrastructure based on energy was destroyed by the Liberals, by the Federal Whigs. The ones that

suffered the most were the construction, service and maintenance companies and the small manufacturers. All the financial institutions which operate in western Canada must act in consequence. The financial institutions which supported these companies were naturally affected too. The true story of the financial trouble of the Northland Bank does not therefore begin on March 22, but with the energy policy of the former Government. The same is not true of financial institutions which have their main office in western Canada. Indeed, the great majority of loans granted by these institutions are directly or indirectly related to the energy industry. If this industry has problems, the financial institutions suffer the consequences.

Mr. Lapierre: What about the United States? Tell us about the American loans.

Mr. Lanthier: Mr. Speaker, something was mentioned earlier and I think it is unfair. I am not too familiar with Parliamentary procedure, but I thought that a debate was an opportunity for us to have an exchange. However, it is somewhat unfair because the last ones to talk can speak about the first speakers, but the reverse is not possible.

Mr. Lapierre: The last ones will always be first.

Mr. Lanthier: There was a reference to twisted arms earlier. It was mentioned a while ago that certain bankers are supposed to have said that their arms were twisted. For my part, I can say that I was there, which is not the case for all the Liberal Members, as we saw at the Committee on Finance, Trade and Economic Affairs that the Liberal Party was absent when we were interviewing those who appeared before us.

However, having heard all the bank presidents, especially the president of the Bankers' Association, Mr. Speaker . . .

Mr. Lapierre: Guilty!

Mr. Lanthier: . . . who said that all the banks supported . . . the Bankers' Association . . . was asked by a New Democratic Party member whether his arm was being twisted by the Minister.

Mr. Lapierre: Were you there?

Mr. Lanthier: They answered with a formal no. First, these were concerned people who were directly involved in the negotiations, when those people formally stated and directly answered questions, the same questions that were raised in this House earlier. Second, we asked them: Did you feel forced to endorse such a bail-out package? The answer was yes. But forced by whom? The Government? Again the answer was no, by the events themselves. Everyone was convinced there was nothing else to do at that point.

Mr. Malépart: He meant the Government.

Mr. Lanthier: You can rest assured that these events did not originate with this Government. If ever they were created, it was by the previous Government.

Mr. Malépart: So, the bank president issued the list.

Mr. Lanthier: Second, I would like, Mr. Speaker, to take up something the Hon. Member for Laval-des-Rapides (Mr. Garneau) said earlier, namely that there were anxious people in his constituency.

Mr. Speaker, we cannot be blamed for having done two things. If this Government decided to assume its responsibilities and compensate everybody, even people with more than $60,000, they cannot blame us on the one hand for compensating people with over $60,000 and on the other for getting people anxious. There is no anxiety, the Government discharges its responsibilities. All depositors are insured, on the one hand, by the Federal Deposit Insurance up to $60,000, and over and above that, following the joint commitment entered upon by the Government with its associates at the time of the bail-out, the major Canadian banks, everybody came aboard to say we were compensating everyone. The Government is assuming its responsibilities.

Therefore, the anxiety which the old Liberal Opposition is trying to stir up has no hold on people, in my view, Mr. Speaker.

Mr. Malépart: You are taking money away from families to give it to the rich!

Mr. Lanthier: Everyone will be compensated. That is clear. There is no doubt about that, everyone will be compensated as soon as the Opposition understands that this Government's responsibility is to make full payment.

Now, they referred earlier to the Caisses populaires. Last night, Mr. Speaker, we heard in the Standing Committee on Finance, Trade and Economic Matters representatives of the Caisses populaires Desjardins from Quebec, a group that is given as an example both of financial solidity and citizen involvement in their banking institutions, not only in Quebec but all across Canada.

Mr. Lapierre: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Shefford (Mr. Lapierre) on a point of order.

Mr. Lapierre: Mr. Speaker, the Hon. Member is referring to what goes on in committee. Can the issues debated in committee be debated in the House as well? Would you explain to me what the Standing Orders are?

Mr. Speaker: Hon. Members know very well that committee proceedings cannot be discussed in the House but from what I heard I wonder whether the Hon. Member used committee

evidence to shore up his argument here? He may do that. Hon. Members know that very well.

Mr. Lanthier: Mr. Speaker, you are right if you assume that the only source of my remarks, irrelevant though they may appear, are arguments which have already been made.

Last night the Caisses populaires—represented not by one individual or only by the president but by the entire board of directors—stated formally that they supported the Minister. We did not have any choice, it was our moral and contractual responsibility to do what we are doing now, it was quite clear. The people were disappointed when they asked that question. Their answer was unequivocal and there was no arm twisting, Mr. Speaker.

Those people support the Government. The National Bank which had been accused of being a regional institution but has branches in five Canadian provinces where it is strongly represented said the same thing last night: those people fully support the Government in this operation, not only the rescue operation but the other operation whereby all depositors will get their money back.

So if I may, Mr. Speaker, I think those things need to be said if we want to set the record straight. If anything at all has been twisted, it was not the arms of bankers but rather the truth as the tired Liberal Opposition sees it.

Mr. Speaker, I think reference was then made to decisions taken without full knowledge of the facts. Earlier someone said something about remarks allegedly made by some bankers who apparently offered the services of their staff to make an audit. What they omit to say, Mr. Speaker, is that the offer was accepted. The books were audited by the Inspector General of Banks with the help of experts sent by the banks.

Of course, we were under pressure. But the banks . . . the Canadian Bankers' Association said that it had been involved in the study. The Bankers' Association was invited. All the big bankers, that weekend, were not on holiday but on duty. And the bail-out of the Canadian Commercial Bank was endorsed by all and they all had the choice to open or not to open the bank on Monday morning. Everybody decided to open the bank. It was a common decision, a joint venture, a partnership. This decision was not imposed by the Government.

Therefore, Mr. Speaker, the decision regarding both banks that some tried to lump together in the debate tonight, in particular the Northland Bank, was I believe a difficult one to take. I am proud that it was taken by such a responsible and able person as our Minister of State for Finance (Mrs. McDougall). Her integrity is unquestionable and her decisions have been endorsed by all the leading experts on banking institutions in Canada. I wish I had been there when they took the reverse position and when the Opposition Leader was called to order by our valiant Prime Minister (Mr. Mulroney) when they said to him: Bring out the real facts or, if you are unable to prove them, say it outside the House, and then we will be armed to ask you questions.

As I said before, Mr. Speaker, this institution was endorsed by the leading banking institutions. We have taken our contractual and moral responsibilities towards all Canadian citizens and the decision was not only made by an honest and able person but also with full knowledge of the facts . . . I am happy not to have been cornered into taking that decision and I am proud as a Canadian that it was taken by such an able person.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to ask the House whether we could let our pages go, as well as some of those who work for members of Parliament in the lobbies, before we go on with the debate. I wish to thank them and if there is unanimous consent, we might let the pages go home.

An Hon. Member: This is very kind of you.

• (2250)

[*English*]

Mr. Speaker: I am sure the Pages also appreciate, as I do, the suggestion of the Hon. Member. That possibility has been investigated. As you can imagine, I was interested in that subject a little while ago, and I am told by the Pages that, this being such a rare experience, they would be interested in staying.

However, what I am going to do is to advise the Clerks in charge of the system that those Pages who wish to stay may stay and those Pages who wish to go may go.

Some Hon. Members: Hear, hear!

Mr. Speaker: Except for the two right in front of me. I am not put into a difficulty, but I think rotation will solve that problem.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I think your comment—

An Hon. Member: Let's hear the truth now.

Mr. Axworthy: Mr. Speaker, I think your comment is an opportune introduction to my remarks, when you say that the Pages would be most reluctant to leave as this is such a rare opportunity.

There is no question that Canadians would have found in these days in Ottawa an incredibly rare and rich opportunity to tune up on one of the most bizzarre and incredible occurences in the history of the Government of this Canada. I am sure that Canadians tuning in on their television sets mistakingly thought that they had found a new comedy series calles "Amateur Night on the Rideau". When trying to look at their new Government, they are seeing perhaps one of the most incredible records of bumbling and fumbling and stumbling that has ever been accomplished in so short a period by so many people at this time. Really, we do not have to go through the events of the last 48 or 64 hours, because each day and

each hour adds one more illustration of a group of people who lurch from lamp post to lamp post trying to find some support for something they know nothing about. It looks like a delegation of drunken sailors have arrived en masse here in Ottawa, simply to find themselves—

An Hon. Member: Tell us more!

Mr. Axworthy: —simply to find themselves without any direction, any development, any way of knowing what they are doing.

An Hon. Member: We will listen to your comedy routine. I can bet you know what you are talking about.

Mr. Axworthy: And Mr. Speaker, for all of the mistakes that have been made, for all of the errors that have been committed, for all of the droppings and fumblings and misinterpretations, nothing was more incredible than the performance tonight of the Minister of State for Finance (Mrs. McDougall).

We have watched that Minister for the past two or three weeks adopt the fetal defensive posture trying to defend the indefensible. But tonight was the most incredible performance, because here we are having an emergency debate on the future of the Northland Bank, a very valuable institution in western Canada, an institution which those on the Tory benches have said is their sacred trust to try to defend. And, Mr. Speaker, not once did she mention the Northland Bank!

An Hon. Member: That is true.

Mr. Axworthy: Not once did she ever give any evidence that she knew it existed; not once did she even show that she cared in the slightest for the thousands of depositors in that bank who live day by day in a state of limbo, not knowing whether they will be secured, protected; not once did she show that she even understood the kind of predicament in which she and the Minister of Finance (Mr. Wilson) and her Government have put the people of that bank, the depositors and investors in that bank, by simply not being able to make a decision.

There is an old phrase that they used to use in sociology classes talking about academics, that they lecture on navigation while the ship is going down! What a prime example of that was the Minister of State (Finance) tonight, coming to this House to lecture the Members of the House of Commons on the need for "regulatory reform" in our financial system when a ship called the Northland Bank was going down.

Some Hon. Members: Hear, hear!

Mr. Axworthy: What an incredibly incompetent performance, and it only indicates—

Mr. Speaker: A point of order, the honourable Parliamentary Secretary.

Mr. Towers: Thank you, Mr. Speaker. The Hon. Member (Mr. Axworthy) should be known as the last Liberal west of Ontario when he makes these comments.

Mr. Axworthy: What a truly pertinent observation to make! The Conservative backbenchers are showing such great acumen in parliamentary procedure!

An Hon. Member: Get the wind out of your sails or you will not be here next time.

Mr. Axworthy: They are showing us that they are able to strike so incisively to the point. We stand in awe of the parliamentary skill and dexterity of the Members opposite. If that is the best they can do, it is no wonder they are in trouble. Believe me, it is no wonder they are in trouble!

An Hon. Member: We couldn't find a good cartoon so we came here to listen to you.

Mr. Axworthy: Mr. Speaker, let's get back to the point. We are talking about the responsibility of the Minister of State (Finance) and her colleague the Minister of Finance for the banking system, and in particular in this case the fact that the Northland Bank has been hung on the peg and is still left dangling day after day with no resolution. We have to ask ourselves why.

The first reason, Mr. Speaker, is the incredible state of the illusion that exists in the Progressive Conservative Government as to what the problem is. We saw it tonight in the incredible performance of the Associate Minister of Defence (Mr. Andre). I was reminded, listening to him speak, of a news item I reads in a magazine a couple of weeks back about a new defence acquisition by the United States called the "Sergeant York gun," a weapon on which they spent about $1.5 billion. After all that investment of time and money it was found that it made a lot of noise but did not function.

Well, Mr. Speaker, we have our own "Sergeant York gun" right here in the House of Commons in the person of the associate Minister of Defence. Our new acquisition! We didn't invest $1 billion in him. One couldn't even begin to get that price. One couldn'teven get $1 for him. But he certainly is the Canadian equivalent of a "Sergeant York gun": a lot of noise, a big bang—but it doesn't work. It can't hit the target; it has no ammunition. The Secretary of State of the United States junked the Sergeant York gun and I suspect, from what we have seen in the last several days, that it will soon be the turn of the Associate Minister of National Defence to be junked by his Prime Minister (Mr. Mulroney), just like he is junking everyone else as he proceeds down the pathway of glory. He used the argument that somehow, in the convoluted sense of logic across the way, everything was a result of the National Energy Program, that the real cause was the NEP. That is fantasyland. I do not ask you, Mr. Speaker, to take my word for it. You should take the word of the Minister of State for Finance. What did she say in her September 2 statement as to why they had to take action against the Canadian Commercial Bank and Northland? It was because of the bad U.S. loans they had made and because of the bad management of those loans. It had nothing to do with the nonsense and fiction which we are hearing from other Hon. Members. At least the Minister of State for Finance, probably reading from a press

release of her officials, got that one straight. There were $300 million, or whatever is the figure, of bad loans in energy development in southern California and in bad real estate speculation on the West Coast. They were a large part of the problems of those western banks.

● (2300)

Hon. Members opposite became involved in a debate about the NEP. Obviously I am a great servant of the Speaker of the House and would not want to deviate from the rules.

Mr. Towers: Oh, oh!

Mr. Axworthy: I know the Hon. Member opposite does not read much, so I will draw to his attention something which came out on the wire today concerning the great energy policies of his own Government. A Canadian Press report today indicated how the Conservative Government, this so-called great Government based upon wise business experience, has just lost another $1 billion of taxpayers' money by making a ruling on the Gulf take-over which allowed the particular company involved to find a loophole in the tax system so that it would not have to pay $1 billion in taxes on that particular energy deal. Let us see all those Members rising in their places and cheering, as they did five times during Question Period, for that particular piece of brilliance on the part of their Government in its energy policy. It only lost $1 billion on the banks and another $1 billion this week on the Gulf take-over! We are reaching the point where "what's a billion" is the label of this Government. It just does not care. It does not even understand it any more. The fact of the matter is that that financial institution overextended its capacity and, when it came time to make a judgment on what to do about it, the problems began. In that event a Minister of the Crown must be held accountable.

Let us look at the record of what took place. The auditors for Canadian Commercial Bank were not even asked for their opinion on that weekend. In a statement before the Finance Committee, representatives of Clarkson Gordon, the auditors, said that they were not even asked for their advice. These were the people who were looking after the financial affairs. The bankers who were invited to come in—and they said so in very clear terms—had their own misgivings. The Royal inspection team which was asked to inspect it indicated that it made no recommendation because it could not uncover enough information. Also, according to the CP story, the fact that the bankers could not do a detailed analysis of the Commercial's books was making them nervous during the meetings that weekend. One banker complained that when additional information was requested, the Government handed out the same quarterly statements which were given to shareholders. A decision of incredible and major proportions was being made by the Government and the people who were asked to investigate could not get the information they requested. Then, these so-called brave guardians of the new economic order, the Minister of State for Finance and the Minister of Finance, were not even at the meetings. They could not be bothered. I suppose there was a party down in the annex which they had to attend. They could not get around to going to the meetings when $1 billion was at stake. The Minister of State for Finance said: "That is not my responsibility; it is that of the officials".

Just this week a Minister resigned because he overruled his officials and stepped in on the tuna fish case. Now we have the Minister of State for Finance saying that it is only $1 billion and that it is only the first failure of a bank since 1923. She had something else to do that weekend and could not be bothered to attend. The Minister of Finance, the Minister who is ultimately accountable, could not be found either. Is that ministerial accountability?

They want to know why Canadians were worried and were asking who was in charge, when the two accountable Ministers were nowhere to be found on a weekend when $1 billion was going down the drain. Perhaps we should ask where the Minister of Energy, Mines and Resources (Miss Carney) was at the time of the Gulf deal. We know that she was on an island somewhere in the Straits of Georgia. She was not around when these rulings were made, either. Yet, they want to know why Canadians are concerned and why we are having an emergency debate. The fact of the matter is that that serious misstep, that incredible lack of accountability displayed by the Ministers of the Government on that March weekend, set in motion the sequence of events which is now putting the Northland Bank in jeopardy. It is an incredible fallacy for the Prime Minister, the Minister of Finance and other Ministers to rise and say that they are defending western Canada. They are the ones who started to put the Northland Bank down the drain on March 22. Rather than taking the action they should have taken on that weekend, they began to pull the plug. As the officials of that bank said, they were going through their own rescue operations beginning in the summer. At the very time when they were getting their line of credit reduced down to zero and beginning to reorganize their portfolio, the Government stepped in on the September weekend, tied the two banks together and said that Northland was in the same predicament as CCB. Suddenly they want to know why people get nervous and start pulling out their deposits and why Northland is in trouble. Is this the saviour of western Canada? Is this a Government which stands up for the West? It had the opportunity to provide major support for at least one of those institutions and, instead, we will lose both of them. That is the simple equation, that is the simple result. Because of a serious lack of judgment and a serious lack of responsibility on the part of the two Ministers responsible for our financial arrangements, we are not only in the position of losing one major financial institution in the west; we are in danger of losing both.

As one of my colleagues said earlier in the debate, the reason for this emergency debate is to say that we still do not believe that it has to happen. We still believe that Northland might be saved, if only the Government would start exercising its responsibility, acting like a Government and making decisions, rather than dodging, weaving, defending, protesting and misinterpreting day after day in the House of Commons. We

have heard the Minister of State for Finance and the Minister of Finance plead: "Oh, if you only understood" and say that if the Opposition acted as their spiritual counsellor, everythig would be all right. We ask them to stand up and act like Ministers. We ask them to do their duty and to live up to their responsibilities. They are not doing these things. As each day goes by, the situation becomes more perilous and the future of Northland Bank looks more dim. That is why this emergency debate was called. I pay my respects to the members of the New Democratic Party for putting forward the motion against the opposition of the Government.

I know that I am not supposed to say that there is a distinct lack of ministerial representation in the House. We are talking about hundreds of millions of dollars of Canadian money in the bank and about a potential $500 million bail-out. Mr. Speaker, look at how much care and concern there is on the part of Members of the Government, especially the Ministers responsible. Ask yourself whether that is the way to behave. Is that the way the Government will win plaudits, justify its mandate and go on to the new millennium which has been promised? It is hardly likely. I know that it has been a tough day, a tough week, a tough month and a tough year for Government Members. It is going to get a lot tougher because the track record up to now simply shows that they are becoming confused and immobilized, and there is a wonderful word "immobiliser" that was attached to all the French Governments during the 1950s and 1960s. It described a state of mind of members of the Government at that time in the French Fourth Republic which was an incapacity, an inability to decide, to know what they wanted to do, to give direction. That is the problem that we see prevalent. That is the disease that is spreading day by day on the government side of this House.

● (2310)

We can go to the sources. I do not necessarily want to start saying who is to blame although in our system there is only one person to blame and that is the person who forms the Government, sets the tone, sets the framework. What we are seeing in this financial institution is that very same state of paralysis. My colleague tonight laid out some steps that should be taken to come to grips with the Northland situation, to try to deal with that bank's problems and responding to them. Instead we have, in hockey terms, a team that only knows how to play defence and doesn't know how to shoot the puck any more, it doesn't know to go on offence. It simply does not any longer know how to mount a well co-ordinated attack upon a problem.

I stand here as a westerner who has managed to survive there. I fully agree, a mandate was given, but mandates can be burned out. I only remind the House of the wonderful mandate that was given to the Diefenbaker Government back in 1957-1958. They burned that out in four years and wore out their welcome very quickly for exactly the same reason, confusion, indecision and lack of direction. If there is any lesson in history it should be that lesson how a strong mandate given by the Canadian people was frittered and flustered away by a Government that did not know what it wanted to do or how to get there.

History is repeating itself day by day. That is what we are seeing taking place. The tragedy is that a lot more was expected. There was a lot more benefit of doubt being offered and it is still there but the fact of the matter is that it is not being earned.

I believe that if the Minister of State for Finance could somehow forget the posturing, get away from the excuses, get away from trying to defend what is indefensible and begin zeroing in on the problem we could still have a Northland Bank working in western Canada, as a viable institution, but I do not think there is much time left for her and her colleague, the Minister of Finance to take that action.

If there is any message that should come out of this debate tonight it is that the clock is ticking, the time is short and a lot of Canadians are looking to them for some decisions very soon.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we called for this emergency debate because we are not satisfied that the Government is prepared to give all the information which is required by the people of Canada through their Members of Parliament who represent them, to know what ought to be done with the Northland Bank. Indeed, Mr. Speaker, we have every reason, based on past experience, to believe that not only is the Government not prepared to give us all the information but the fact is that the Government does not have all of the information. I say that because when we ask questions about the Northland Bank we are not talking about one isolated case of a financial institution which is in trouble. We have had a whole series first of financial institutions and trust companies and now banks which are in trouble.

How did the Minister try to deal with our criticisms, with the questions we asked tonight? She had two arguments. First of all, she blamed the difficulties of the financial institutions on the former Government. She said quite properly and correctly that the former Government had not passed the necessary legislation, did not have the adequate monitoring or supervisory system to deal with the kinds of problems that have arisen in recent years.

She was correct, and for that the former Liberal Government needs to be criticized in the strongest terms. But we have had three very serious financial situations, two failures and one probable failure, the one we are discussing tonight, since this Government took office. We had the Pioneer Trust problem; we had the Canadian Commercial Bank problem and now we are dealing with the Northland. When this Government took office it knew that there were tremendous problems. We have been accused by members on the Government side of using scare tactics. We have been told that we do not know anything about business. It is as if, Mr. Speaker, because we are frequently critical of the way the so-called free enterprise system works that therefore we cannot contribute anything useful.

We are not the only ones saying these things. A recent issue of *The Globe and Mail* "Report On Business" lists 17 finan-

cial institutions, trust companies and banks, which have gone sour, which in fact have gone bankrupt since 1980. According to Arthur Johnson who started one of these articles in this "Report On Business", the headline on his story is "A Billion-Dollar Bailout":

Belying its pinstripe image, Canada's bank, trust and loan industry is in a mess. The cost of cleaning things up: $1.2 billion of public money.

Mr. Speaker, I believe Arthur Johnson underestimated the cost because what he did not include there was the money which the Canada Deposit Insurance Corporation is going to have to put in. I understand that they will be required to put in $1.5 billion and that they have more than $1 billion in property which they took over as a result of the collapse of the Rosenberg trust company. That money which the CDIC will be putting in comes through premiums paid by the banks but we ought to be under no illusions, the premiums paid by the banks have become part of the cost of the banks' operation and will be paid for by the banks' customers, by the people of Canada, so we are talking about billions of dollars of public money.

I say, Mr. Speaker, yes, the seeds of the difficulties were created by the failure of the former Liberal Government to put into place the kinds of laws and the kind of monitoring and regulatory system that would have obviated the difficulties, but this Government had enough time to learn the facts of life so that we should not be in the situation which we are at the present time with the Northland Bank.

I was asked by my colleagues to be a member of the finance committee last May and June when we were looking at the Canadian Commercial Bank. The committee held a great many meetings. We heard evidence from officials of the banks, from the Inspector General, from the Governor of the Bank of Canada and from representatives of two of the largest auditing firms in this country. We heard one story of disaster after another. We heard one story of misrepresentation and failure to act after another. When it was all over, the Government did not listen to the evidence or realize that the system was not working. It did not realize that the Inspector General had neither the ability nor the desire to do the job he should have been doing and that the Governor of the Bank of Canada vouched for the Canadian Commercial Bank without any information at all. After all the evidence had been given, he still maintained that in his view the officers of that bank were still capable of managing the bank.

● (2320)

At that time, we said that the Inspector General of Banks had been derelict in his duties. At that time, we said that the Governor of the Bank had vouched for the bank without having any knowledge on which to base that kind of statement. We did not have all the evidence before us and as has already been pointed out by some of my colleagues, the Inspector General, who we thought worked for the Government and people of Canada although his salary is paid by the banks, refused to give us this very important evidence that was required.

Did the Inspector General learn of the difficulties of the Canadian Commercial Bank only a few weeks before the crisis came up? I say that if he did, he is totally incompetent. About two years before the bank got into the difficulties which became known by everyone, the Superintendent of Insurance became aware that Leonard Rosenberg of whom we now know a great deal had become involved with the Canadian Commercial Bank. The Superintendent became aware that either he himself or other members of his family had control not of 10 per cent of the bank's shares, the limit permitted by the Bank Act, but that he controlled more than 20 per cent of the shares. He became aware as well that Mr. Rosenberg was involved in some very fancy financial deals with the then President of the Canadian Commercial Bank, Mr. Eaton.

We never learned whether or not the Superintendent of Insurance contacted the Inspector General of Banks to tell him about these things. Surely that was the point at which the Inspector General should have known that he ought to keep a very close eye on the operations of the Canadian Commercial Bank. However, he did not do so.

There was another point at which the Inspector General would have heard a warning bell if he were listening. That was when the regulatory agency in the United States which monitors bank operations took a look at the Westland Bank which was 100 per cent owned by the Canadian Commercial Bank. At that time, the regulatory agency in the United States put the Westland Bank on notice that it was operating contrary to the rules and regulations of the policies of the American banking system. What happened then? The Directors of the Canadian Commercial Bank proceeded to buy, rather than a minority part of the Westland Bank, 100 per cent of it.

The Acting Speaker (Mr. Paproski): Order, please. I would like to know when the Hon. Member for Winnipeg North (Mr. Orlikow) will deal with the Northland Bank. He has a few minutes left. I hate to call anyone to order on relevancy and particularly a senior Member of the House. However, I would hope that he would deal with the Northland Bank.

Mr. Orlikow: As I indicated at the beginning of my speech, Mr. Speaker, we are not merely dealing with the Northland Bank. Unfortunately, this is not an isolated case. It is one more illustration of the failure of our system to see that these kinds of things do not happen.

I cannot deal in detail with the Northland Bank as I can with the Canadian Commercial Bank because we have not yet held hearings. We do not know about all the things which happened at the Northland Bank. However, we do know some of what happened at the Canadian Commercial Bank. I am saying that the Government should have learned a lesson and it did not. That is the point which I am trying to make.

The Inspector General was derelict in his duties. If he did not have the staff or the authority—both of which are possible—then he could have come to Parliament to say that he could not do his job because he did not have the staff or authority and I would not have been critical of the Inspector General. However, he did not do any of those things.

Let us take a look at the Governor of the Bank of Canada. When the financial sections of newspapers began to report that there was trouble at the Canadian Commercial Bank, the Governor of the Bank of Canada did something which was unprecedented. One evening he called *The Globe and Mail* to say that he vouched for the Canadian Commercial Bank as a viable operation. How could the Governor of the Bank of Canada have said that? That was when the Canadian Commercial Bank was in trouble.

A couple of days ago, the Governor of the Bank of Canada made a speech in Toronto. Let me read part of what the Governor of the Bank of Canada said as reported by *The Globe and Mail* of September 25, 1985:

"The Bank of Canada," ... "is not involved in monitoring the financial soundness of individual banks and supervising their behaviour. Parliament has not given us that responsibility or the powers that would enable us to fulfil that function. The Bank of Canada has no bank auditors, no bank examiners, no power to require details of individual loans, deposits or any other kind of private transaction."

The Governor of the Bank of Canada has condemned himself with his own words. If that is true, and of course it is true, then the Governor of the Bank of Canada had no business vouching for the Canadian Commercial Bank. Not only did he vouch for the Canadian Commercial Bank before it became obvious that its survival was very unlikely but he came before the committee of which I was a member in June after we heard evidence from the bank officials, the Inspector General and the auditors to say that he still had confidence that the officers of the bank could do an adequate job. The mistake this Government made was to take the advice of the Inspector General of Banks and the Governor of the Bank of Canada.

• (2330)

I wish to say something about the auditors as well. I hope that the organization of auditors will take a serious look at what happened at the Canadian Commercial Bank and at the responsibility of the auditors, not just to their customers who pay their auditing accounts, but to the people of Canada. What did these auditors do? They reported to the directors of the bank that the bank had serious problems. They did that, I presume, after a fairly careful examination of the bank's business operation. However, that was in a report given to the directors of the bank, a report which was never made public. What they provided to the bank was a statement which was made public that the bank was a viable operation. I say there is something seriously wrong with a situation in which auditors would carry out that type of action. They helped in misleading the people of Canada. They put the depositors in great trouble.

I would like to conclude my remarks by saying to the Minister, and to the Government, that we accept her criticisms of the former Government. We accept her promises that there will be better regulations in upcoming legislation. If we had not looked at the record of this Government since it took office and how it has failed to look at the realities of the situation, and how it has failed to take the advice of the top officers in Government service, we would have reason to believe that something better would come about in the future. When the Minister promises she will encourage more companies to get into the financial services field and when she promises more competition, I ask: How many regulators? How many monitors will we have? What more competition will mean is more failures and hundreds of millions of dollars more down the drain.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, for all Hon. Members to have to sit in the House at 11.30 p.m. is a sign that the situation is very serious, that hardly one year after assuming power, this Government, which had been in the Opposition for sixteen years and which, during the last election campaign, had promised the moon to the Canadian people claiming that it would know what to do once in power, Mr. Speaker, we have reached the point where, because of incompetence—

Mr. Speaker, the impossible situation in which the Government and especially the Prime Minister (Mr. Mulroney) have placed Canadian men and women, the disastrous failure of these two western banks and the absence of satisfactory explanations concerning the decision made by the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) and the Prime Minister to save these two banks—

Mr. Speaker, when the Minister of State for Finance introduced a Bill for the purpose of spending $250 million of the taxpayers' money to try and save this bank, I must say I left the House because I would not vote on it.

Some people told me: Claude, you do not trust the Prime Minister enough. Perhaps they were right, but I do not want to be stuck and to have to vote with him to help these banks, because at the same time he was seeking to de-index the Old Age Security Pension and the family allowances, while taxing sick people. Today, the time has proved me right! I would not vote because I did not want to be an embarrassment for my party. I would rather leave than vote with the current Prime Minister.

At the time, Mr. Speaker, we were going to spend $250 million of the taxpayers' money; today, because of the Government's incompetence, it is $1 billion we will have to spend to try to help the individuals and corporations who have accounts of over $60,000 with these banks.

This afternoon, I was in my riding visiting a number of mothers from the Montreal region, and I can tell you that none of them had a bank account of over $60,000. The challenge, Mr. Speaker ... In front of the media, these mothers were begging the Prime Minister not to de-index the family allowances. These mothers had to submit to the humiliation of coming before the media and explaining how they use their monthly family allowance cheques and tax credit.

But despite that, since they could not make themselves heard by the Conservative members from around my riding, they came before the television cameras and told the Prime Minister: "Do you know how we spend our family allowance cheques every month? We use them to make both ends meet in the middle of the month so that we can buy food. Do you know, Mr. Mulroney, what we do with our family allowance cheques? We use them to buy boots and winter shoes for our children. We use them to buy school supplies."

And this Government, this Prime Minister would have us give a blank cheque to the investors, the depositors in that banking institution for the over $60,000 accounts.

But this Government, this Prime Minister do not even want to give us a list of the names of those people who are going to dig in the pockets of the taxpayers in my riding, in the riding of Valleyfield, and in the riding of Lévis, to give it to those people when we do not even know who they are. Why should the taxpayers pay for the mistake—

Mr. Fontaine: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order! The Hon. Member for Lévis on a point of order.

Mr. Fontaine: Mr. Speaker, I was referring to Standing Order 39 because we feel that the Hon. Member is totally off topic. This is called "irrelevance and repetition". I just wanted to raise that point, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Paproski): I have made a note of the Hon. Member's remarks. I realize he will be coming to the financial difficulties of the Northland Bank very shortly.

[*Translation*]

The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Yes, Mr. Speaker, I have a point of order.

If the Hon. Member would go on to read the appropriate citation in Beauchesne's, Fifth Edition, he would see under *relevance* that a Member may be given the benefit of the doubt, and in this case I think the Hon. Member is addressing himself to the subject before the House.

• (2340)

[*English*]

The Acting Speaker (Mr. Paproski): I appreciate the Hon. Member for Ottawa-Vanier (Mr. Gauthier) bringing that to my attention.

[*Translation*]

Mr. Malépart: Mr. Speaker, the comments made by the Hon. Member for Lévis (Mr. Fontaine) reflect the ignorance and incompetence of the Progressive Conservative team. Mr. Speaker, this insignificant gentleman has just made it clear he did not know it was going to cost Canadian taxpayers one billion dollars to make amends for the mistake made by his Prime Minister—his and not mine—to compensate depositors with deposits of over $60,000. He did not know that. The Hon. Member for Lévis is ignorant of that fact and I think that is absolutely shocking!

Mr. Speaker, just think what we could have done with one billion dollars. Just think what the Canadian taxpayers could have done with that money. Here, not a word about the deficit, Mr. Speaker. Well, they will not be able to use Brian's deficit to play on the public's emotions anymore, because we remember the $56 million wasted on changing our military uniforms. We remember the party they had with the President of the United States. The honeymoon is over now and this kind of show certainly must not go on.

If we think of the excess staff in the Ministers' offices, it is easy to see why things are such a mess with all those scandals. There are just too many employees, and nobody knows who is running the show. Mr. Speaker, with all the scandals around us, Ministers resigning . . . actually, they should schedule these events because we are running out of time to discuss them and the newspapers are running out of pages to print the news about the scandals cropping up in this Government. How can Opposition Members, Members who are responsible, and certainly not incompetent, be expected to give the Minister of State for Finance a blank cheque for one billion dollars, without blinking an eye, and it does not matter who is getting the money?

Mr. Speaker, I am a factory worker, I belong to a union and I am still paying into a company pension fund. I would like to know who they are talking about when they refer to small pension funds. I would like to know who is administering my pension fund and whether he was gambling with my money by investing it in a bank that was not very reliable, Mr. Speaker. The pension fund administrator will have to answer for his actions, because these people knew that all amounts exceeding $60,000 were not insured. These people gambled with the money and savings of the average taxpayer. They went to the races and bet on the nose, and now these incompetent administrators whom we do not know, have lost their shirt, and the Progressive Conservative Government wants to sign a cheque for a billion dollars and give the money to God knows who.

Mr. Speaker, I find it intolerable that Members of this House who are supposed to be responsible people should ask the Government to do this, while at the same time, the Minister of National Health and Welfare (Mr. Epp), the Minister of social injustice, the first one in the history of Canada and this Government, are proposing a motion of closure in order to cut $55 million—not one billion, but $55 million.

The Acting Speaker (Mr. Paproski): Order, please. From the family allowance program.

Mr. Malépart: Mr. Speaker, $55 million, you are right, from the family allowance program. If they had not goofed . . . If the Government had not made this mistake and had listened to the bank presidents, it would have said: Just a second! Before advancing $250 million, we are going to retain the services of banking experts and we are going to check the situation. If that had been the case, today the Minister would not be obliged to table a motion of closure to keep us from talking about this subject as well, because we have two scandals. One billion dollars for the rich, and they are taking away $55 million from families on modest and low incomes, Mr. Speaker.

Mr. Speaker, there was a newspaper article—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I believe I have been very patient. I am sure the Hon. Member realizes and I know that the whip of the Liberal Party and the Acting House Leader understands what relevancy is. I feel the Chair has been very kind and I would like the Hon. Member to get into the difficulties with respect to the banking institution, particularly the Northland Bank. I hope he will take my words into consideration.

Mr. Cassidy: Mr. Speaker, I rise on a point of order. I was listening to the Hon. Member with attentiveness. He was talking about the spending priorities of the Government—

The Acting Speaker (Mr. Paproski): Order, please. I think the Chair will decide that, and if the Hon. Member for Ottawa Centre (Mr. Cassidy) would like to speak, I will listen to him also.

[*Translation*]

Mr. Malépart: Indeed, Mr. Speaker, I was just wondering how much it is going to cost taxpayers. The money belongs to the taxpayers, Mr. Speaker, not to the Conservative Party, and it will be spent on two financial institutions, the Northland Bank and the other one in Western Canada. This money will come from the pockets of the taxpayers in my riding and in your riding and they have absolutely nothing to do with that banking institution, yet the Government would rather we did not talk about that and focus the debate only on the mismanagement of those financial institutions.

Will the presidents of the Northland Bank and of the other western financial institution which has failed, explain to the people why they are in this mess? The Toronto-Dominion Bank president made a suggestion which ought to be kept in mind, I think. He said that the names of any individual or corporation, or anyone else for that matter, that will accept the grant—it is a grant, money from the taxpayers—to bail out those depositors who stand to lose more than $60,000, ought to be made public. Anyone who would rather not have his or her name made public has one simple way out—turn down the Government grant.

Mr. Speaker, we are talking about $1 billion provided by all taxpayers throughout Canada for the select few whose deposits exceed $60,000.

Although there are probably very few people watching the debate tonight, I think it is important to let Canadians know what is going on. It is amazing what we could have done with this $1 billion if we did not let the Government throw it down the drain. It will be a total loss resulting from mismanagement on the part of this Conservative Government, notwithstanding the claim of my colleague for LaSalle (Mr. Lanthier) who has been trying to make us believe that the whole mess can be traced back to the energy policy.

Mr. Speaker, the mistake was made when the Government did not come clean and failed to tell everything it knew; things simply got worse when this inept and incompetent Government decided to go ahead without even knowing whether those two banking institutions would be able to pull through. Without knowing the actual figures the Government put up $250 million and forced the other banks to be party to this so-called rescue operation.

We Quebecers know all about such shenanigans, Mr. Speaker. We had our *caisses d'entraide*, but at least the Quebec Government was a responsible administration—it was the PQ Government for which I hold no brief. Then Quebec Finance Minister Parizeau was involved in a similar situation. Having called in the management of the banking institution, the Minister of Finance acted openly instead of attempting to sweep everything under the carpet to save the face of the premier. He did not want to have anything to do with the likes of our camera-conscious prima donna, no Sir, he brought in responsible people and laid all the cards on the table because his only aim was to make it as easy as possible for the depositors. They did not simply appropriate the taxpayer's money without having a clear financial picture of the situation. That is what I call responsible people.

Mr. Speaker, I am not afraid to say that it was a party I fought against, the Parti québécois. However, I tip my hat to them because they have shown what they could do. Now, without knowing what is going on, the Federal Government decides to come in and organize a bail-out by using the taxpayers' money. Mr. Speaker, we have to say who will pay for all this. I said that it would be families with children. It is my duty to say so. I understand . . . there is not a single Conservative Member left in the House, Mr. Speaker! They have all gone. They are all absent.

Mr. Speaker, I understand that these people would not want to hear about it. If I were in their place, I would be ashamed because it is a scandal. It is our duty to denounce it. If we look at all that has happened, when it comes to the point when a Government accepts, to save its so-called friends and help a certain company, to put on the market tainted fish, we have to be twice as careful because we can expect nearly anything

from this Government. How many times . . . I woke one up, Mr. Speaker.

● (2350)

The Acting Speaker (Mr. Paproski): The Hon. Member for Lévis (Mr. Fontaine) on a point of order.

Mr. Fontaine: Mr. Speaker, I see here in Section 2 of Standing Order 39 that the Speaker, if a Member

—persists in irrelevance, or repetition, may direct the Member to discontinue his or her speech.

[*English*]

The Acting Speaker (Mr. Paproski): Thank you for bringing that to my attention. I appreciate that. The Hon. Member still has two minutes to go.

Mr. Nunziata: Mr. Speaker, we are debating an issue which has been deemed by you, Sir, to be an emergency issue and we in Her Majesty's Loyal Opposition agree. I am somewhat shocked by the fact that—

The Acting Speaker (Mr. Paproski): Order, please. I do not find that to be a point of order, I find it to be a point of debate.

[*Translation*]

Mr. Malépart: Mr. Speaker, there are two Conservative Members in the House, including the most incompetent of the lot.

Mr. Speaker, . . .

[*English*]

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of Members the fact that it is getting quite late in the evening. There are some Members outside the curtain, and whether they are in the House or not, I do not want to see a Member saying there are Members in or outside the House. It is not up to the Member to do that, please.

[*Translation*]

Mr. Malépart: Mr. Speaker, this is the second time but I shall continue my speech. I shall not rise on a point of order, but it is the second time that the Hon. Member for Lévis (Mr. Fontaine) has risen on a point of order. As usual, he is beside the point. As responsible people, I believe that we should . . . When you do not know what you are talking about, you remain seated and stay quiet instead of talking nonsense.

Mr. Speaker, I would like to come back to the issue under discussion. Mr. Speaker, the Hon. Member will rise for a third time. Our Lord said: "You will disown me three times before you understand." There he is again!

The Acting Speaker (Mr. Paproski): The Hon. Member for Lévis (Mr. Fontaine) on a point of order.

Mr. Fontaine: Mr. Speaker, Standing Order 40 deals with "disrespectful or offensive language". In my opinion, the Hon. Member should use a somewhat more reasonable vocabulary in this House and show his own awareness of the facts instead of repeating himself for 20 minutes.

[*English*]

The Acting Speaker (Mr. Paproski): That is a point of debate.

[*Translation*]

Mr. Malépart: Mr. Speaker, I am quite willing to pay compliments to those who deserve them, but I have to speak the truth about the calibre of the Hon. Member.

To come back to the subject under discussion, Mr. Speaker, I believe that it is very important, even though the Hon. Member for Lévis does not want me to repeat myself: I understand his point and his desire to prevent us from speaking about the serious situation of the Northland Bank because, if I were in his place, I would be ashamed.

However, Mr. Speaker, he will have to live with it. I shall conclude with that comment.

[*English*]

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, there are as many Members on the Government side for this important debate this evening as there are inspectors in the Department of the Inspector General of Banks. Actually, there is one more.

Mr. Hnatyshyn: There are more people on the Government side than there are people watching you on television.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member is a very senior Member and he knows that one is not to comment on the presence or absence of Members in the House. He knows what is happening behind the curtain this evening. There are other functions. I am sure that Members are listening to the Hon. Member for Nickel Belt.

Mr. Rodriguez: I must confess, Mr. Speaker, I am not aware of what is happening behind the curtains but I suspect we can nose it out, as Shakespeare said.

I wanted to participate in this debate and not be long because I want my comments to be very precise and exact.

Mr. Nunziata: As they always are.

Mr. Rodriguez: As they always are, correct.

One of the sacred cows in our society is, of course, the banking system. In fact, we were told that banks never go bankrupt because we Canadians have done it better than the Americans have done it. We have a Bank Act and we have not had a bank go belly-up for 62 years, until the Canadian Commercial Bank, of course, and the spin-off effect on the Northland Bank. Everyone has come to think of banks as pillars of strength in the economy. Somehow or other these

banks are the pillars of Canadian society. They are symbols of stability and continuity. Indeed, last spring I suggested that the Minister of State for Finance was launching a new bank when she came in here and said they were going to rescue this bank and restore the confidence of Canadians in the banking system. We will not let them down! She called on Members of Parliament to support her in this bail-out effort, this rescue attempt. But we on this side of the House recognized what was happening; that the Minister of State for Finance and the Minister of Finance were like the Captain on the deck of the *Titanic* rearranging the deck chairs as the ship was going down.

As we have witnessed over the last few weeks, this thing has become more an more curious. It has unfolded in strange and bewildering ways. Let us look at how this thing has happened. You have to imagine this. We have a Bank Act and an Inspector General of Banks. You do not get a title like a general unless you can give some orders. So they have nice titles such as the Inspector General of Banks. I will bet you always thought this chap investigated banks. I bet you think and the public always thought that the Inspector General had an army of inspectors; that they would march up to the great columns, to the very stability of the capitalists in this country, to the very halls, to their Valhallas and knock on their doors and say: We have come to inspect your bank!

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I thought that. In my naivité I thought that was the way it worked.

Mr. Riis: A lot of people did.

Mr. Rodriguez: But I found out since this episode that that ain't the way it is. It ain't the way it is!

Mr. Riis: How is it?

Mr. Rodriguez: Well, you see, the banks inspect themselves.

Mr. Nunziata: No.

Mr. Rodriguez: Yes! That is like putting Count Dracula in charge of the Red Cross Blood Bank.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Mr. Speaker, someone said that was like asking Evel Knievel to park your car!

Some Hon. Members: Oh, oh!

Mr. Rodriguez: This thing is laughable, it really is. But when these chaps come and knock on the doors and say they have come to inspect, it is actually Royal Bank employees coming to inspect the Royal Bank's books. They will check everything and report back to head office that the branch is fine. Head office then sends this report to the Inspector General of Banks. One would think that he would send out his inspectors, but he only has seven inspectors. I always thought that the Inspector General was paid with taxpayers' money. I thought that we allotted a sum of money to the Minister of Finance (Mr. Wilson) to pay the Inspector General and his army of seven inspectors and 42 stenographers and filing clerks.

● (0000)

Mr. Riis: Who pays them?

Mr. Rodriguez: That is a good question. I found out that they are paid for by the commercial banks. They put money in a pot.

Mr. Riis: The bank inspector is paid by the banks?

Mr. Rodriguez: Yes, that's it. You got it. Mr. Speaker, he's got it. In that way you can be assured that you are getting a real tough inspection. The poor chap does not know what the devil is happening in the branches. He is sequestered in the basement of the Bank of Canada building with a few pictures on the wall. He sits there stamping documents thinking he is working hard.

I thought that the Bank of Canada had a role to play in this. What role does the Governor of the Bank of Canada have? We all thought this guy spoke with some knowledge of what was going on in the bank, but he said:

> The Bank of Canada is not involved in monitoring the financial soundness of individual banks and supervising their behaviour. Parliament has not given us that responsibility or the powers that would enable us to fulfil that function. The Bank of Canada has no bank auditors, no bank examiners, no power to require details of individual loans, deposits or any other kind of private transaction.

Mr. Riis: How does he know what's going on?

Mr. Rodriguez: That is the thing, he doesn't know. The Minister of Finance and his sidekick, "Billion Dollar Barbara", are sitting over there and they have a problem. They wonder from whom they should seek advice. They ask advice of the Governor of the Bank who doesn't know a bloody thing about the loan. They also ask the Inspector General of Banks, the minion of the dominion banks. Can you imagine that, Mr. Speaker? That reminds me of the story of the fellow who brought an elephant to two blind fellows and asked if they could feel the animal and tell what it was. One of them felt it and said that he thought it was a camel because it had a hump. The other one said he thought it was a coyote, but they were both wrong. That is the same problem we have here.

Mr. Riis: Who is in charge?

Mr. Rodriguez: Well, that is a good question. No one is in charge.

Mr. Nunziata: Who's supposed to be in charge?

Mr. Rodriguez: The Government has the responsibility.

There are no regulations enforcing how the banks operate. I want to put on record a case history of how they do operate.

I received a letter from the firm of Pharand Kuyek, Barristers. That firm appeared for a poor fellow by the name of Robert Newcombe in a bankruptcy trial involving the Nation-

al Bank of Canada. I will read the relevant parts. This is a public document so I am not revealing anything that is secret. The letter reads in part:

I acted for Mr. Robert Newcombe who was involved in an action with Mr. Tom Leroy and Leroy Trucking Limited. Mr. Newcombe had gone to the bank, purchased trailers and financed those through the bank and entered into an oral agreement with Mr. Leroy to the effect that Mr. Leroy would make all bank payments, maintain the trailers and that those sums paid and the maintenance of the trailers would be equivalent of lease payments to Mr. Newcombe who was leasing the trailers to Mr. Leroy.

Of course, Leroy went belly-up and they came against Mr. Newcombe. The evidence disclosed that the bank loaned the sum of $60,000 to Tom Leroy and a second amount of $60,000 to Leroy Trucking Limited. They could not lend any further moneys to Mr. Leroy or his company because the supervisors in Toronto would learn that the second loan to the trucking company in the amount of $60,000 was contrary to the rules and regulations of the bank. That is why they set Mr. Newcombe up as the strawman in that loan. It was interesting when they go to the bankruptcy hearing and put one of the bank agents on the witness stand. The court transcript reads in part as follows:

Q. I see. So, what you're really saying is that you were working for the Bank and you were preparing false reports, is that what you're telling us?

A. Not on my own accord.

Q. But you were doing it?

A. Well, under supervision, yes.

Q. You were all doing it?

A. Yes.

Q. So the employees at the Bank were actually creating false reports, credit reports, so that people could borrow money?

And the answer, Mr. Speaker, was "yes". That is just one small example of how the regulations governing the Bank were never enforced. In the same way, the Canadian Commercial Bank made loans that were not secured and the regulations that should govern those transactions were never enforced.

It is not only this Government that is responsible for not putting the proper mechanisms in place to enable the banks to live up to the regulations Parliament set out in the Bank Act. The responsibility has to be shared by the previous governments which, from 1968 to 1984, with the exception of the nine-month Clark fiasco, were all Liberal. The previous Government must take responsibility for the fact that it never lived up to its responsibility to ensure that the proper procedures were put in place. With these two fiascos on the horizon the present Government is running for cover. It will not produce this document and that document and the big cover-up is on. It did not even want this debate to take place tonight. It wants the matter to go before a committee, but there is no point in having a parliamentary committee if the conclusions of the committee are already ordained. If the committee cannot have all the necessary documents, it obviously cannot come to any conclusions that would give confidence to the Canadian people again.

When the Minister brought forward the Bill to save the bank in the spring I remember telling her that she was launching a bank. We were told that everything would be fine now and that they would never have to come back to Parliament again. Considering she was depending on Bouey XIV and the other fellow, the Inspector General of Banks for advice—two peas in a pod who knew as much about the banking system as the Minister of State for Finance (Mrs. McDougall)—they blindly led the blind and all four fell into the pit. Now they are asking the taxpayers of Canada to bail them out.

● (0010)

This deposit insurance covers people with deposits up to $60,000. It is great for those folks, the ordinary Canadians. But the Government wants to go beyond that. It is talking about picking up people with deposits of over $60,000. If people have more than $60,000 to invest, they ought to have more brains than to put their money in that institution.

Furthermore, I can say it bluntly, one has to question that if it was not a matter of good old-fashioned greed trying to grab for greater interest rates on their deposits, then they went for what might only be called rather questionable investments that promised higher rates than they could get at the other domestic banks. One has to wonder about that.

Mrs. McDougall: This is also a domestic bank. It shows how little you know.

Mr. Rodriguez: You knew a lot. That is how much I know. I am not the Minister of State for Finance.

Mrs. McDougall: At least I know it is a bank.

Mr. Rodriguez: You are the Minister. You made the boo-boos. Who is bailing out the bank? I am not. I could not bail out my friend the Hon. Member for Windsor-Walkerville (Mr. McCurdy). She is the Minister of State for Finance. She says to me "That is how much you know about banks". She knows a lot about banks.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I just wish she knew more about banks, Mr. Speaker. Then we could save the taxpayers $1 billion.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: There is "Billion Dollar Barbara". She earned that name. She did not inherit it.

I heard this Government talk about fighting the deficit. I cannot disagree. We did not start with this $1 billion. Now we have another $1 billion. I do not know what we will deindex next. I think we have to have a few more Cabinet Ministers—

Mr. Speaker: Order, please. Could I, in the interests perhaps of the rule of relevancy, ask the Hon. Member every 30 seconds or minute or two simply to say Northland Bank?

Mr. Rodriguez: Mr. Speaker, as I was saying, the Northland Bank is connected to the Canadian Commercial Bank which is connected to the other domestic banks which are connected to the Government.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I do not want to introduce a tone of levity into the proceedings this evening. I do not mind that the banks put their money up to save the Commercial Bank which ultimately, hopefully, would save the Northland Bank.

Incidentally, I see that there is a Northland Bank over on the plaza. I did not see any lineups there today.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I did happen to see one person standing at the Northland Bank at, believe it or not, the withdrawal booth. It was the Minister of State for Finance.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I understand the bank chairman of—they do not call it Imperial Bank for nothing—the Canadian Imperial Bank of Commerce said that he will consider legal action if Ottawa does not repay the bank's contribution to the bail-out of the Canadian Commercial Bank. I think that guy deserves to get his $22 million back if everyone else can get back their $60,000. We do not want the Canadian Imperial Bank of Commerce to be out of pocket $22 million. One of the bank presidents was laughing. Thank you, Mr. Speaker. I see the time is drawing to a close. I wish I could go on.

Some Hon. Members: You can have unanimous consent.

Mr. Rodriguez: I have the unanimous consent of my colleagues on this side of the House, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: It is early in the morning. Frankly it has been a delight to expose the intricacies and the machinations of the banking system in this country. I would be prepared to carry on and do an examination of the way they operate.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am both very happy and very disappointed to take part in this special debate which has no precedent in the history of this Parliament. In fact, the last time Parliament was faced with a similar situation was in 1923. Mr. Speaker, it is late for everyone, especially for my neighbors, but to have to sit so late to discuss such a fundamental issue, an issue which goes to the heart of the credibility of the Government, the credibility of financial institutions, certainly the credibility of the Minister of Finance (Mr. Wilson) and his Minister of State for Finance (Mrs. McDougall), as well as the credibility of the Prime Minister (Mr. Mulroney), and naturally, I was going to forget it, the credibility, such as it is, of the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

On March 25, 1985, you heard the Minister of State for Finance announce officially that this Government was committed to bail out a Canadian financial institution faced with bankruptcy, by way of a $200 million plus package. The Minister assured the House that the bank would be safe and viable. But to our surprise and yours certainly, a few months later we saw that this Government's great promises and the word of the Prime Minister and his Ministers were not worth more than the bank's own assets. We found out that this Government had miserably failed on the whole issue. And this became more serious still when we learned that not only did the Government make a disastrous blunder but that the taxpayers would be called upon to foot the bill. In that sense, Mr. Speaker, at a time when money is so hard to earn, so hard to get by for Governments, so scarce, seeing that a Government which claims to save on expenses, which claims to be sparing of its money, can afford to spend $1 billion simply to save, first, the Prime Minister's ego, second, the Minister of Finance's ego, and third, the Minister of State for Finance's ego, to name but a few. This is because I am also making fun of the Hon. Member's ego. Mr. Speaker, after rigging that huge historic fiasco, because they like the term "historic", I say this is a historic fiasco. And then, to save their skins, these great champions of national unity claimed they had goofed all the way simply to save an institution that was highly popular in western Canada.

Mr. Speaker, I took it upon myself to call friends of mine living in western Canada and enquired as to how much that institution was basic and important in the minds of our westerners.

Let me tell you about their experience, their experience as ordinary westerners. You know, Mr. Speaker, that if you were applying for a loan of less than $1 million and were told to get lost . . . Those who would compare that kind of bank with the *caisses populaires* are way off, because that institution was strictly reserved for very, very, very large borrowers and the ordinary John Doe had no access to their golden room. So, trying to have us believe here in this House that such an institution was close to the hearts of westerners is sheer fabrication. That institution only served the interests of the richest people, especially friends of the Government.

• (0020)

[*English*]

Mr. McDermid: Now I know why you have trouble in the west.

[*Translation*]

Mr. Lapierre: The nitwit on the other side, Mr. Speaker, does not understand anything and will never understand anything.

[*English*]

Mr. McDermid: I know how many seats we have in the west and why you don't have any.

An Hon. Member: Why don't you go back to bed?

Mr. Lapierre: Why don't you go back to bed? That is a good suggestion for you. You have lost your head already.

Some Hon. Members: Hear, hear!

Mr. McDermid: I know who wins in the west. It is obvious why you don't.

[*Translation*]

Mr. Lapierre: Mr. Speaker, you know the Hon. Member always speaks from his seat but seldom rises. I would like him to speak more often from the floor, because it would be a tribute to everything that can—

But I would rather not comment, Mr. Speaker, lest I use unparliamentary terms, and rouse your displeasure.

What I can tell you is that they are just dragging a red herring when they claim now that Central Canada was against Western Canada, suggesting that because we were concerned about $1 billion of the taxpayers' money, we were against Western Canada. This, Mr. Speaker, is a novel argument. Because in March when the Minister of State for Finance (Mrs. McDougall) rose to explain the situation in which those famous banks were caught, she never referred to western problems; she merely referred to the problems those banks were facing with respect to their loans in the United States. This is the funny thing about their elastic conscience. They have now decided it is no longer a matter of American loans defaulting but, for obvious political reasons, this has become western loans, in an attempt at covering up a major scandal. Coming from people who say they speak for national unity, they should be ashamed of trying to divide the country simply to cover up their own mismanagement.

Never have we seen such a flop in the history of Canadian banks, never have we seen such incompetent Ministers buying what we call in the Magdalen Islands a pig in a poke. The Minister of State for Finance decided that she would do the utmost to rescue that bank without even looking at its assets. Have you ever seen such a thing, Mr. Speaker? I am sure that as an experienced business man you would never have purchased a business without at least looking at its financial statements and assets. There is no so-called businessman on the other side of the House who would have been naive enough to buy a company without looking at its assets. However, this is what the Government did with regard to those two banks and it is absolutely aberrant.

I refer to the testimonies made during the past few weeks, of which that some chartered banks offered to send inspectors.

But no, it was too urgent! But, why the rush to attempt a rescue when everything was coming out in the open? It was urgent because it happened the same weekend that the Prime Minister (Mr. Mulroney) was performing on his televised show. It did not coincide with the Prime Minister's public relations plan for that weekend.

[*English*]

Mr. McDermid: A point of order.

Mr. Speaker: A point of order, the Hon. Member for Brampton-Georgetown.

Mr. McDermid: Thank you, Mr. Speaker. I hate to interrupt my hon. friend, because I always enjoy his discourses here in the House—

An Hon. Member: That does not show from your comments.

Mr. McDermid: I have been listening now for exactly 11 minutes. I understand that this debate is on the Northland Bank and its trials and tribulations and what it is going through at the present time. For the last 11 minutes I have listened to this speech and I have heard no reference to the Northland Bank or the problems it is experiencing. The Hon. Member is discussing another bank and another issue entirely. I feel we should get back to the subject matter of this debate or else adjourn the House.

Mr. de Corneille: A point of order.

Mr. Speaker: A point of order, the Hon. Member for Eglinton-Lawrence.

Mr. de Corneille: Mr. Speaker—

Mr. Speaker: Is the Hon. Member in his seat.

An Hon. Member: No.

Mr. Speaker: Then, the Hon. Member cannot raise a point of order.

The Hon. Member for Shefford.

[*Translation*]

Mr. Lapierre: Mr. Speaker, the futility of the point of order raised by my colleague shows to what extent he does not see the relation between the status of the Canadian Commercial Bank and that of the Northlands Bank.

Is the Hon. Member now suggesting that the two are entirely different?

Mr. Speaker, we all know that since March the survival of those two banks has been closely related. And I think that the Hon. Member, rather than trying to raise futile points of order, should listen and learn something from what the members of the Opposition are telling him. If he were to make a self-examination, he would perhaps feel guilty.

Mr. Speaker, not only—

[*English*]

Mr. McDermid: I haven't heard a thing about the Northland Bank yet. What is your solution to the problem. Come on!

[*Translation*]

Mr. Lapierre: Mr. Speaker, my colleague a while ago offered his apologies for interrupting me but he is still doing it.

I should like—

Mr. Speaker: With due respect, the speaker who now has the floor does the same thing during other debates. The Hon. Member for Shefford (Mr. Lapierre) did the same thing an hour or so ago.

Mr. Lapierre: Mr. Speaker, I could not have interrupted my colleague because he did not speak. I agree with your comment. It is sweet of you to try and generalize the rule, Mr. Speaker—

Mr. Speaker, to come back to that very important issue, that dark spot in the history of Canada which is the Northland Bank affair, whether my poor friend likes it or not, I am thinking of the Hon. Member for Portneuf (Mr. Ferland) who does not understand anything about banks or any other political issues, because as the president of his association told us on television, the Hon. Member for Portneuf is ignorant but I urge him to continue with his English lessons.

In my opinion, Mr. Speaker, the incompetence of the Government and the Prime Minister is obvious to any objective observer. The Government Member will surely tell us that there is nothing there, that the Prime Minister is a great one, as the Hon. Member for LaSalle (Mr. Lanthier) was saying a while ago. I understand the eagerness of the Hon. Member for LaSalle to praise the Prime Minister. He is so anxious to get a ministerial appointment that his nose is turning brown.

But, beside that . . . The reason I want to take part in this debate in the wee hours of the morning, Mr. Speaker, is to tell you just how concerned I am to see how easy it is to find $1 billion overnight and to spend it to bail out big depositors. In fact, it is not your ordinary Joe Blow in Calgary who is a depositor of $60,000 and over. It is not your ordinary Joe Blow in Edmonton either.

I find it strange that the Government would want to rescue these depositors, while refusing to provide us with their names, Mr. Speaker. They insist that we should not debate this issue in the House, claiming that a committee would be a more proper forum. Mr. Speaker, why is it that the Minister of State for Finance is not in the House? Why is it that the Minister of Finance is not in the House either?

An Hon. Member: He is nowhere to be found.

Mr. Lapierre: I think it is against the rule to mention the absence of Hon. Members, and I can see in your eyes that you were about to remind me of that. However, I can tell you, Mr. Speaker, without mentioning any names, that there are only four or five Government Members present in the House, which worries me no end because this is a major debate, $1 billion being at stake. Although this is an item of over $1 billion, the Progressive Conservative Members behave like so many Pontius Pilates, they wash their hands off the whole mess, preferring to follow blindly the Cabinet Members who have disappointed them so much over the past couple of weeks. My only hope, Mr. Speaker, is that tonight's debate will at least give them a little guilty conscience, because if all Parliamentarians did wash their hands of such an important matter, how could we convince the Canadian people that we are not operating under a double standard in the House?

When large sums of money are involved, the Government reacts immediately; however, when ordinary citizens are faced with difficulties which are enormous in their eyes, it is always very slow to react, claiming that we are stuck with the deficit.

That is double standards, and I hope that my Progressive Conservative friends, who visit their ridings to praise the Government and complain about the deficit, will remember that the night the House dealt with this $1 billion of our taxpayers' money, they were safely tucked away in bed.

• (0030)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I should like to begin my remarks with a reference to Jesus Christ. Jesus Christ threw the money-changers out of the temple; the Conservatives bail them out. That is what we are talking about in the debate tonight. We are talking about a $1 billion bail-out of two banks—the Northland Bank and the Canadian Commercial Bank. I regret the fact that the Hon. Member of State for Finance (Mrs. McDougall) hardly talked about that during the course of her remarks. In fact, during the last 4.5 hours, Progressive Conservative Members talked about the national energy policy and how they think the NDP has been delaying matters. However, they did not come up with cogent reasons why the Government got us into the present mess with regard to the Northland Bank and CCB.

Mr. McDermid: To whom are you referring?

Mr. Cassidy: I am referring to the Party of the Hon. Member for Brampton-Georgetown (Mr. McDermid). His Party is the Party which is bailing out the money-changers.

Mr. McDermid: Who made a derogatory remark about you? Name them.

Mr. Cassidy: I am referring to all members of the Conservative Party. The Conservative Party is bailing out the money-changers at very great expense to the people of Canada. That is what is happening right now.

In this emergency debate we are talking about the competence of a Government which was elected just over a year ago today. Many Canadians may still be watching the debate tonight. It is surprising the number of people who watch us on television. Ever since we returned on September 9 they have been wondering what on earth is going on in Ottawa. First they hear about "Billion Dollar Barbara" and her blank

cheque to the banks. They wonder how on earth we can get out of such a mess. They know about the CCB perhaps vaguely, because of a bail-out which took place six months ago. They know that over Labour Day weekend the Government said there was another bank in which there were $470 million of uninsured deposits and that it would pay those off as well, to bring the total up to $1 billion. Then the Minister of State for Finance assured the House that we were not losing any money at all because they knew back in March that they would have to pay that much, or words to that effect. She turned around and said: "Of course I was acting on the best judgment I could act on". Also she repeatedly told the House that they were acting because the bankers told them that it was okay to act.

I took the opportunity to participate in the hearings before the Finance Committee. I listened to some of the bankers over the course of the last week and a half. They were quite consistent in saying that they felt that the CCB was a can of worms. If they had been asked back in the spring, I suspect they would have said the same thing about the Northland Bank. However, they were being asked then for a judgment on the Canadian Commercial Bank.

Let us face it, the CCB and the Northland Bank are inextricably intertwined and the money which we will have to pay for the two of them is inextricably intertwined as well. The bankers said that they only went in because they were told that the CCB was viable by the Inspector General of Banks and by the Government of the Bank of Canada. They went in, not because they were able to make an independent judgment, but because they were told to go in by the Government or perhaps by a Prime Minister determined to do something for western Canada.

The questions of competence which have arisen boggle the mind. Suppose, Mr. Speaker, that you had not been elected to the House of Commons. In fact, you were in business in Toronto before coming to Parliament. Suppose your business considered the take-over of a substantial operation, some business that was up for sale. Would you have put a downpayment on that particular concern and made an irrevocable commitment without looking at the books of that particular company? Would you have looked at its receivables, its credit rating, its accounting system, its management or at its track record over the course of the previous few years? The answer is that if you were a competent businessman, of course you would have done all those things. However, in the case of CCB, none of those things were done.

Mr. Speaker: Order, please. I do not like interrupting Hon. Members on the question of relevancy. At one point I was asked to rule whether the Canadian Commercial Bank was the subject of discussion, and I said that it was not. Therefore, I invite the Hon. Member to restrict his comments to the matter before the House under an emergency debate, the Northland Bank.

Mr. Cassidy: I would point out, Mr. Speaker, that during the course of the speech of the Hon. Minister of State for Finance, as I recall it, the Northland Bank was not mentioned once, and she was not called to order. Just because I happen to be the final speaker in this debate—

Mr. Speaker: Order, please.

Mr. Cassidy: I suggest to you, Mr. Speaker, that it is extremely relevant because the two banks are closely intertwined I am talking about the Northland Bank—

Mr. Speaker: Order. The Hon. Member is coming awfully close to challenging a comment of the Chair. Therefore, I simply make the point to the Hon. Member which I have made to other Hon. Members tonight. The Hon. Member may not have been here to hear it, because all Hon. Members have not remained throughout the entire debate; I accept that fact. Whenever I have felt that someone was departing from the relevancy rule, I have tried to return the Member to the relevancy of the debate. I have some difficulty with the Hon. Member's suggestion that I am acting differently as between Members. I choose deliberately never to do that.

Mr. Cassidy: I accept your judgment, Mr. Speaker. Of course several officers were in the chair, and possibly there may have been some discrepancy there as well.

I have spoken to Canadians who wonder what has happened to $1 billion of their money, particularly at a time of deficits. They know that the Government is in serious financial difficulty and that that difficulty has been greatly worsened by actions over the last few weeks.

Over the course of the spring a run took place in which a great amount of liquidity was withdrawn from the Northland Bank as well as from the CCB. The money was taken from Northland Bank as a consequence of questions about the viability of two western banks, both of which shared a number of things in common. It is difficult to comment fully about the Northland Bank because that we do not have as much information as was made public about the CCB.

In commenting upon the Northland Bank and in calling for this emergency debate, we were moved to do so because of unprecedented actions last week. After being taken into trusteeship, and after the Government said that it would seek new management or some form of maintenance of the Northland Bank, the President of the Northland Bank—and that was approximately 18 days after it had been put into curatorship—said that contrary to the assurances of the Government on September 3, the Government appeared to be doing everything possible to put it under.

I should like to raise the following question of competence. If the Government was wrong about the one bank, then in fact it may well be wrong about the other. If the Government was wrong in failing to look at the assets of one bank, it seems to me that it may well have failed in looking at the assets of the other. If the Government was wrong because it failed to send in anyone to look at what was happening in the one bank where we had the details, it seems to me that it was wrong in failing to find out what the devil was happening with the Northland Bank. If the Government was wrong in saying that

the one bank was viable, as was said by the Minister of State for Finance, the Inspector General of Banks and the Governor of the Bank of Canada, one has to believe that it was wrong as well in stating that the Northland Bank was viable. If the Government was wrong in permitting or telling Mr. Bouey of the Bank of Canada to pour billions of dollars into the Canadian Commercial Bank, one has to say that it was likely wrong in putting large amounts of liquidity into the Northland Bank as well.

● (0040)

Now I admit that we are talking about far more questions than we are answers. We have heard repeatedly, as these two subjects, which are intertwined, have come up in the House over the course of the last couple of weeks, the Government say let us get it off to a committee and the committee can decide. I am sure there are some people watching this debate who have heard members of the Government say that and then suggest that it is our Party which has prevented this matter from going to committee.

I would point out to you, Mr. Speaker, that the Government has the carriage of the business of this House in their hands. They could very easily have brought forward their motion and simply pushed it through. They have the numbers to enable them to pass the motion if they had chosen to send the matter out to committee regardless of the fact that there was disagreement over the terms of reference to the particular committee.

I would point out as well, Mr. Speaker, that we in the New Democratic Party wanted to avoid having a committee that would simply serve as a whitewash for the waste of $1 billion of taxpayers' money on the Northland Bank and on the Canadian Commercial Bank. We felt that at the very least the people of Canada were entitled to some basic information and that we had to have some assurance that the committee could do an effective job.

We asked for the report that was prepared on the one bank that was investigated. We were not assured we could get it. We sought auditors' reports. We were told that they would be barred. We sought material from California. We were told that the Americans would not give it up. We sought the list of depositors who were going to be bailed out regardless of the fact that the depositors in the Northland Bank and the CCB were uninsured and had absolutely no legal claim on the Government of Canada or the Bank of Canada, and finally the Minister of State for Finance told us unequivocally in response to a question of mine the other day, "No, you will not have that information".

It was not just the Hon. Member for Ottawa Centre speaking when I put that particular question; it was not just me as a spokesperson for my Party. I was speaking on behalf of taxpayers across Canada from Vancouver Island to St. John's who were saying, if we are going to spend $1 billion we want to know who is going to get that particular money. What I was hearing from the Minister of State for Finance was that not only was she refusing to make that list of depositors available so that we could judge about the bank itself, so that people would know where the money was going, but I think the Government was going a step further.

I think that the Government is saying that when the Public Accounts come out in a year or two years time the whitewash job will have been applied to the statements about spending of the Government of Canada to the point where it will be impossible to know to whom payments have been made in the light of the failure of the Northland Bank and the Canadian Commercial Bank. The Government is so intent on protecting the interests of the financial community, the large investors and depositors who will stand to get the largest amount from this particular bail-out, they are prepared to distort the Public Accounts of Canada in order to keep that material away from the people of Canada, even though it is a year or two years hence.

Mr. McDermid: I thought you defended individual's rights.

Mr. Cassidy: That is why when a company does business with Canada and when it enters into a contract with more than $5,000 or $10,000—I am not sure what the figure is—the sums paid to that company are identified and the company is identified by name.

All we have said is that if a company does not choose to take the money for the bail-out then it can keep its confidentiality. But if it wants to receive a cheque that I am paying for, and the Hon. Member for Brampton-Georgetown (Mr. McDermid) is paying for, as well as all of our constituents, surely we should know. But no, the coverup is a coverup of incompetence of the Government in handling this banking situation. We may never know for sure exactly why it got that bad.

It is fair to say that the problem began with the former Liberal Government. They failed to put into place an adequate system of bank regulations. Six months after the new Government took office they cannot claim that this was something that was simply inherited. They cannot claim irrelevantly, as one of the Ministers claimed in this debate, that it was the national energy policy that "made us do it".

I remember the Prime Minister (Mr. Mulroney) making cracks about patronage and suggesting "It was the devil that made John Turner do it," and it was very funny during the course of the election campaign, Mr. Speaker. But a year after they took power, almost on the anniversary of September 4, 1984, Mr. Speaker, the new Government cannot claim that they were simply landed with a mess from the previous Government and that they can abdicate responsibility.

I commend the Minister of State for Finance for the coolness with which she has faced the situation, but I cannot commend her for the competence she has shown in this particular affair. She worked in the financial industry. She was a consultant and a former vice-president of an investment firm. She was in a position, as was the Minister of Finance who was in fact a president, I believe, of a financial firm on Bay Street, to know that no one loans money without first checking out the recipient. No one loans billions of dollars without looking at credit ratings, or buys a pig in a poke

without checking to see if the things that they have been told are true. We cannot allow ourselves to be stonewalled, Mr. Speaker, as has happened with the banks in question by managements which have proven themselves to be questionable, whose credibility is at stake and whose stewardship in terms of their responsibility to the public was seriously in question.

This debate is coming to a close. The matters we have raised are going to continue to be matters of debate. I want to say to all Hon. Members of this House that we in the New Democratic Party are going to continue with every device at our disposal to find out who is getting that money from the taxpayers and why $1 billion of taxpayers' money is being wasted on these bank bail-outs when that money need not have been spent.

Mr. George Baker (Gander-Twillingate): Thank you, Mr. Speaker. Perhaps I could conclude what most people have observed here this evening and all through the day and over the last month.

An Hon. Member: That is a Tory plot.

Mr. Baker: That is a Tory plot—a serious problem of contradictions, of absolute and incredible contradictions. If someone watched this debate or read the debates afterwards, they would see incredible contradictions, particularly if they knew what happened in the Standing Committees and in the House of Commons the last several weeks.

Members stand up here tonight in this debate and claim that the bankruptcies of the banks in western Canada were due to the Liberal policies of years ago. Then we had, as anybody knowledgeable on this subject would know, the Minister of State for Finance (Mrs. McDougall) stand in this chamber and say that the problems of these banks were created in recent months. In fact she even said to the Liberal Opposition "I have never said that the problens of the western banks were ever created by the national energy policy". Those are the exact words of the Minister of State for Finance. She went further and said in this chamber on March 29:

—how recently this had bubbled up from underneath.

Quoting figures from the United States she said:

—2,175 drilling rigs are operating in U.S., down 612 from December . . . 299 from last February.

The problem really came out of nowhere. . . . how recently this had bubbled up from underneath.

Then we had the incredible statement by the Minister of State for Finance when she even said, as has been mentioned in this debate:

There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way.

Then she went on to say "the bank is a solvent bank", referring to the CCB. She said "that the bank is not failing," and "could we please make that very clear. I find the vocabulary somewhat hysterical", and "this is not a failing bank". The Minister of State for Finance made those statements yet Conservative Members stand up in this chamber and claim that the responsibility lies with the previous Government because of the national energy policy. We have the Minister of State for Finance contradicting that clearly. Even their own Minister contradicted what those Members have been saying. Even a Cabinet Minister from western Canada made a statement totally contradictory to what the Minister of State for Finance said.

• (0050)

The other main point that was missed must be put on the record. Here is a good question. Who was it who said, "We looked at a number of possibilities and we came up with what we felt was the most attractive solution for everyone. If a bank gets into trouble and gets merged into one of the "Big-Five" banks, we could end up with no regional banks. We indicated that we felt it was responsible for the Government to get involved."

Is this the Government of Canada not wanting a bank to merge with another bank when it was in trouble?

What happened with Northland? When the Bank of Canada cut off its deposits, the curator was brought in and the Minister of State for Finance said, "You go ahead and merge. We will even give you a bank that wants to merge with you". That particular bank did not know what she was talking about. It was a complete reversal of the policy stated by the Minister herself in this Chamber. It was the Minister of State for Finance who said the words to which I referred earlier. The contradictions are amazing. If I were outside of this Chamber, I could use another word which I am not allowed to use in the Chamber. It is absolutely incredible.

With what are we left? A Member of the New Democratic Party rose to make fun of the Inspector General of Banks. He said that the Inspector General of Banks is paid by the banks. That is not exactly correct, Mr. Speaker. The Inspector General of Banks is paid by the depositors to the extent of one-tenth of 1 per cent of depositors' money. That is the way it was until this Minister came along and tripled that amount. Why did she do that? Because the Canada Deposit Insurance Corporation brought in about $37 million last year and about $125 million this year. The Canada Deposit Insurance Corporation is broke and owes over $1 billion. What does it have to do to fulfil the commitment in the legislation and pay the insured depositors? It has to borrow money. From where does it borrow that money? It borrows it from the Government of Canada. From where does the Government of Canada get the money? It borrows it and increases its own deficit. That is very interesting, Mr. Speaker.

That borrowed money covers the $420-million worth of insured depositors. From where does the money come for the $900-million worth of uninsured depositors? Does that come from the Government of Canada? Yes. Why does it come from the Government of Canada? Because this Government made an error. The Government made a moral and legal commitment to guarantee a return on the money of the depositors of that bank. It was a $900-million error.

Add that error to the money that has been borrowed to cover the Canada Deposit Insurance Corporation funds, another $420 million. Let us not forget the $255 million used for this infamous bail-out which will supposedly be recovered on the sale of the assets for which the Government may only receive 50 cents on the dollar.

Who made the error? We can talk about the Inspector General of Banks who is indirectly paid by the banks through the depositors. Who is responsible for the state of Northland today? Who took this action? The banks said that they did not want to have anything to do with this. If they did want to have something to do with it, they should all be fired. What bank manager would give the ordinary man on the street $60 million with no evidence at all? However, that is what these bank executives did. Surely they had something upon which to base their decision.

Was it the Inspector General of Banks who made the error? No, because let us not forget that he was not allowed to look at the figures. He was allowed to look at an American report for a moment but he was not allowed to take a photocopy of it.

Was the error made by General Bouey, as some people refer to him? No, it was not his responsibility. He does not know anything about the banks. Who was at fault? Who was responsible for making this commitment? I will tell you who was responsible, Mr. Speaker. I am going to make a guess because nothing else makes sense.

On the one hand there is the Government of Alberta and on the other there is the Government of British Columbia which dealt with subordinate debentures. The Government of Canada shared equally with the Government of Alberta. Then the banks came in with money. Surely someone somewhere made the decision to put it all together. Who made that decision? The only conclusion to which I could come is that this happened as a result of a phone call from a provincial premier. Perhaps that is the answer. Perhaps a provincial premier, in this new spirit of federal co-operation, phoned the Government. It was not a premier from New Brunswick this time but probably the Premier of Alberta.

The taxpayers of Canada were committed to something through a political judgment which influenced the banks. Why else would the banks have loaned this money? The banks would only give the money if they got certain guarantees. They wanted to be able to write this money off on their bottom lines and they wanted to be recognized as depositors so that they would be covered if this thing did not work out. However, they really did not think that this was a good deal.

After all of this occurred, the Minister of State for Finance rose in the House to say the following, as reported on page 3518 of *Hansard*:

> Mr. Chairman, I have tried to explain to the House that this solution was arrived at because, in the judgment of knowledgeable people—including the Governor of the Bank of Canada, a group of six chartered banks, the Inspector General and the Province of Alberta—the bank would have been a viable operation if the capital was provided to resolve its loan problems.

Who made the judgment relating to Northland? Again it must have been a political judgment. It was made because the CCB bail-out did not work out. The Bank of Canada froze its assets as deposits. The curator went in and ordered that this bank would merge with that bank and that bank did not know what they were talking about. However, the Minister of State for Finance has made it pretty clear. She said that the previous judgment was made on the recommendation of the six banks, the Governor of the Bank of Canada and the Inspector General of Banks.

The evidence before the committee indicates that the banks say that they did not recommend this. The hon. gentleman who sits behind me has just said that someone is not telling the truth. As Hon. Members know, I cannot say that someone is not telling the truth here in this Chamber. In fact, I cannot even say it in such a way as to even suggest it. I wonder what the people of Canada are saying? We have heard nothing but absolute and total contradictions beyond any scope of the imagination. How can the Minister of State for Finance make a statement one day and then make a different statement the next? How can the bank make differing statements? How can the Inspector General of Banks make differing statements? Now, every single one of the presidents and chairmen of the boards of six banks are making statements contradicting each other. The conclusion one has to come to is that the aftermath of all this is an awfully big bill.

• (0100)

We now have two banks involved in similar situations. We have uninsured depositors being paid by a deposit insurance corporation which is almost broke. That corporation is borrowing from the Government of Canada to the tune of $1.4 billion. The Government is borrowing money when its policy is to not increase the deficit. Thus, our taxes have got to go up. Then there are the uninsured depositors. They are the ones who are being paid directly by the Government. Then there is the Government of Canada adding on to the deficit and having to borrow to make up the difference. It is pretty clear to an ordinary person like myself from Newfoundland that this is a bloody disaster. It is a scandal of the first order.

Some Hon. Members: Hear, hear!

Mr. Baker: It is an absolute political scandal of the largest magnitude that one can imagine. It is one which involves a couple of billion dollars. It also involves unfair treatment to the Northland Bank. To put it more succinctly, it involves contradictory statements. It involves the contradiction of other statements. It involves statements made by the participants which are completely opposite to what the Minister of Finance (Mr. Wilson) has said. The Minister of State for Finance says one thing one week and another thing the next. Where has that got us? The Minister of State for Finance, like a great many Ministers in this Chamber, was simply following the orders given to her by the Government. She was following the orders of the chairman of the board. The chairman of the board is the Prime Minister (Mr. Mulroney).

Can anyone figure out why the decisions which have been made regarding the two banks have been made? No one who is

a rational person can come to the conclusions which these Ministers have come to—no one. It could not be concluded that it was the Inspector General of Banks who was definitely responsible. It could not be concluded that it was the Governor of the Bank of Canada who was definitely responsible. Nor can it be concluded that it was the six banks which were responsible. The administrations of the two banks we are talking about were not responsible for this $2 billion bail-out. It was a political decision. Sometimes people do not believe how much influence a Government can have, even on financiers and on experts in banks who should know better to sit down in a room and commit $60 million.

I am glad to see that the Conservatives voted in favour of the motion which is before us.

Mr. McDermid: Why did you vote for it?

Mr. Baker: The Hon. Member asks me why I voted in favour of the motion. I will tell him why, Mr. Speaker.

Mr. Gauthier: What a fool you are. Listen to him, fool.

Mr. Baker: The Minister of State for Finance said in the House that she had the backing of two provincial Governments and six banks. She told us that a vote against this measure would be a vote against western Canada. She told us there was an emergency which had been checked out, double checked and triple checked and that the measure would save the bank. "This is a solvent bank," said the Minister. Who are we not to believe a Minister of the Cabinet who come to the Chamber with a rescue package on behalf of western Canada? After all, that is the way the Minister put it. I can guarantee Hon. Members that never again will we ever take the word of this Government with respect to any emergency Bill which involves money.

I note that you are indicating, Mr. Speaker, that I should conclude my remarks.

In conclusion, I would like to say that the aftermath involves $2 billion. That is the aftermath. The conclusion we come to from the Statements of the Minister of State for Finance is that she makes statements at any time depending upon the mood she is in. That depends on what she says, which determines exactly what the policy of her Department will be. The statements do not make any sense.

Who is responsible? None of the participants are responsible. As I mentioned before, the responsibility goes back to a political decision made between a provincial Premier and the Prime Minister of Canada. As we all know, those telephone calls have got this Government into one heck of an amount of trouble.

Some Hon. Members: Hear, hear!

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, thank you for giving me this opportunity to speak. I wish to be brief, unless, of course, I am provoked into being expansive. I wish to say that I came here to this Chamber after having spent hours preparing my contribution to this debate. However, having heard the words of wisdom and having been witness to the skill and the powers of persuasion of the Hon. Member for Gander-Twillingate (Mr. Baker) I have come to realize that anything I could possibly add would be mere trinkets lost in the hurricane of logic which has been put before the Members of the House this evening.

Having said that, I simply wish to say to the Hon. Member for Gander-Twillingate *touché* and *touché* again. May God bless you and may you continue these contributions.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Just a brief interjection, Mr. Speaker.

Mr. Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I know we are all impatient to bring a close to this debate.

Mr. Speaker: We can stay here all night if you like.

Mr. Gauthier: I will be brief and tell the House that, indeed, there are still some members of my Party who would like to participate in this important debate because there is a crisis which preoccupies Canadians and which has preoccupied our thoughts. I was perplexed today to see how reactionary this Government can be. What we have today in Canada is a Government which reacts. It does not lead anything; it reacts to events, whether it be fish or banks or something which happens to a member of its Party. By God, this Government reacts. My second point, Mr. Speaker, is that the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) showed us how logical one can get in this House. They voted in their places today that, indeed, they wanted this debate. They wanted this emergency debate. They voted with the opposition and said, yes, there is an urgent, pressing emergency in the banking business of this country.

• (0110)

The Minister of State for Finance made a very partisan speech. She never mentioned the Northland Bank once. The Minister of Finance we did not see. Yet he voted in this House with all of us that there was an emergency. In protest against his absence, Mr. Speaker, and in his neglect and lack of understanding of how serious this question is, we are trying to make an issue of this crisis. We are trying to make you, Mr. Speaker, and the people of Canada, understand that, indeed, we are preoccupied with this problem. As the Hon. Member for Gander-Twillingate (Mr. Baker), and other Members of my Party have said today, we are, indeed, very preoccupied with this problem.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I will be very brief. Hon. Members opposite know my style.

Mr. McDermid: That's what I'm afraid of.

Mr. Prud'homme: I will be brief, but if otherwise provoked, Mr. Speaker, I will deliver as violent and as partisan a speech as the Minister of State for Finance (Mrs. McDougall). She did not address herself to the question. She only wanted to play politics. I can tell you, Mr. Speaker, that nothing would please me more, even at this late hour, to do the same.

The point I want to raise, Mr. Speaker, is of great concern to me as an Hon. Member who has been here for many years. We will come back to it because I know this is not the end. My concern is this new approach that the Government seems to be developing as it tries to say that we on this side, we in this Party, do not care about what is going on in western Canada. If that is to be the approach and the defence of the Government, it is an immense mistake as was so well described by my colleague, the Hon. Member from Newfoundland, who spoke prior to me. I think we will have to object. I think we will have to prolong the debate. I think we will have to ask for a new debate on the same issue.

It is my view, Mr. Speaker, and also those of us who read very attentively the mood of the country—which is well expressed by various editorialists from western Canada as well as from central Canada and the Maritimes—that the attitude that seems to be developing here will be very bad for the unity of this country. It is an attitude that the New Democratic Party or what is more important to us, the Official Opposition, which governed for so long—perhaps too long, and that is what Canadians decided—are not concerned about western Canada. The Canadian people decided to give the new Government a chance to show what it could do but if that new Government is going to pretend again and again, either directly or indirectly, that this debate, which was suggested by us, means that we do not care about western Canada, I believe we will play into the hands of those who believe in the division of this country. It is not healthy and I do not beg of my colleagues but I certainly urge my colleagues to tackle this very immense difficulty. We see the credibility of the banking system in this country being attacked and that is very serious.

I come from a province where the people are very conservative minded when it comes to the question of money. Many do not have the same faith in the banking system as some of my colleagues opposite. It is traditional. It is historical. It is well known that—

[*Translation*]

In French, we refer to this as *la politique du bas de laine*.

[*English*]

They prefer to keep their money at home instead of putting it into the system. If there would be no more confidence in the banking system of our country, it would be disastrous economically for those who want to invest and for those who want to borrow money in order to create employment, because people will say, "We will invest somewhere else and not in Canada's banking system."

I was very saddened and upset and so were a lot of people when I, as well as the country as a whole, heard the Righ Hon. Prime Minister of Canada (Mr. Mulroney) say, "This country is bankrupt". Let us analyse this phrase, "the country is bankrupt". What is the meaning of that phrase outside of Canada? I just happen to have been to a banquet tonight given by Her Excellency the Governor General, for the President of Tanzania. I was asked by one of the guests who sat not far from me to try to explain to him what the effect on foreign aid would be if a country as wealthy as Canada, so well respected as Canada, so generous in external aid as Canada, was to be known as bankrupt. I must admit I forgot partisanship. When we talk to outsiders, we have to defend the country as a whole and not as a representative of a political Party. I had to agonize to find a good argument. I did not say the country was bankrupt. I was trying to explain that it is a phrase and did not mean exactly what it inferred.

For that person, however, it meant exactly that. For the people in my province it means it is a terrible situation, that the banking system does not work. If we are going to go on and on pretending that the banking system in this country is going down the drain, I can imagine where the people who have some wealth—I am not talking about those people who have $60, but those people who have more than $60,000—are going to recoup their money. I am in agreement with the President of the Bank who said, "Tough luck. If the workers of this country, the little people, through their tax, are going to bail out a lot of people, we want to know who is going to be bailed out. We want to know how much it will cost and what kind of money those people will receive". I am in agreement with that.

I could go on, as I said, Mr. Speaker. It was because of the tone of the Minister of State for Finance that I felt I must speak. The Minister made a very partisan speech and tried again to sneak into the debate the question that this Party does not care about the interests of western Canada. That is the reason I rose to speak tonight. I want to put on record that we in this Party try to the best of our ability to give fair treatment to all parts of this country. To try to make Canadians believe that we are debating the issue because we do not care for western Canada would only be divisive and anything which would be divisive is not good for the country. Therefore, I would like to bring to the attention of my colleagues who like to participate again and again in this debate not to use that kind of argument. If they were to do so—which is their right because, after all, we live in a democracy—I can assure them that in a much better prepared way, we would tackle any Hon. Member who would like to use that as an argument. I repeat, and I conclude, Mr. Speaker, that any Hon. Member who uses that kind of argument will find us standing and answering tit for tat any insinuation that we are going to divide this country, that we do not care for western Canada and that these people of this new Government care more than we do.

• (0120)

[*Translation*]

Some Hon. Members: Say it in French!

Mr. Prud'homme: My colleagues are asking me to repeat the same thing in French. Although we have an excellent

interpretation system, I will say that this is an argument which my hon. friends should not use, to wit, that the Party of the Official Opposition does not give a darn about Western interests, because the history of our party is there as evidence to the contrary, and that if they did continue to use these arguments, they would play right into the hands of those who want to divide Canada, something which would not be healthy for the unity of our country. This is not a matter of partisan politics, but a matter of saving our institutions throughout Canada.

An Hon. Member: Excellent!

[*English*]

Mr. Speaker: Pursuant to Section 13 of Standing Order 31, I am satisfied that the debate has now been concluded and I therefore declare the motion carried.

Prior to adjourning the House, may I thank the pages, the clerks, the translators, the Journals Branch, and all of the rest of the staff who have had to stay late tonight. I think they understand as well that this was important.

The House stands adjourned until this morning at 11.00 a.m., pursuant to Standing Order 3(1).

The House adjourned at 1.22 a.m.

HOUSE OF COMMONS

Thursday, September 26, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-70

The House resumed from Tuesday, September 24, consideration of the motion of Mr. Epp (Provencher):

That, in relation to Bill C-70, an Act to amend the Family Allowances Act, 1973, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

That 15 minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the motion to limit debate on Bill C-70 which will deindex family allowances by 3 per cent is a cheap attempt by the Government to suppress debate and keep the following facts from the public. A 3 per cent deindexation of family allowances is an unfair attack on children, families and women and particularly on single-parent mothers. Family allowance deindexing will not be offset by changes to the child tax credit and even the poorest families will be worse off by 1990. Cut-backs to children will amount to $600 million by 1990 which can be added to the increased sales taxes, excise taxes and income taxes already imposed on families by this Budget. This places an extraordinary burden on middle and low-income families.

While cutting the family allowance to save for the deficit and increasing taxes on families as well, the Government at the same time somehow finds $8 billion to give to the oil companies, $1 billion to bail out the banks and has increased tax loopholes for the rich. We believe that this is immoral, inequitable and unfair.

In closing, I say again on behalf of the New Democratic Party that we call on the Government, in the name of fairness, to reverse its position on Bill C-70. We call on the Government to index family allowances fully and to show that it cares for Canada's children, women and families.

Just this morning I came from a very large gathering of labour delegates to an Affirmative Action conference sponsored by the Canadian Labour Congress. It was attended by 550 women and a few men from across Canada. These delegates were very concerned about the impact this Bill will have on family allowances. It is just the beginning of an erosion of programs and services for families which must be stopped. We cannot have our universal family allowance eroded.

Mr. Speaker: It being 11.06 a.m., the two hours provided for the consideration of the motion now before the House, under the provisions of Standing Order 84, have expired. Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Epp (Provencher)), which was agreed to on the following division:

(*Division No. 113*)

YEAS

Messrs.

Andre	Charest	Dantzer
Attewell	Clark (Brandon-Souris)	Darling
Belsher	Clifford	Daubney
Bernier	Coates	Desjardins
Bertrand (Mrs.)	Collins (Mrs.)	Dick
Binns	Comeau	Domm
Bissonnette	Cook	Duplessis (Mrs.)
Blackburn (Jonquière)	Cooper	Edwards
Blais	Corbett	Ellis
Blais-Grenier (Mrs.)	Côté (Lac-Saint-Jean)	Epp (Provencher)
Blenkarn	Côté (Langelier)	Ferland
Blouin (Mrs.)	Crofton	Fontaine
Bouchard	Crombie	Forrestall
Bourgault (Mrs.)	Crosbie (St. John's West)	Fraleigh
Bradley	Crouse	Fretz
Brightwell		Friesen
Caldwell		Gagnon
Cardiff		

Messrs.

Gervais
Gormley
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
(Mrs.)
Jardine
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Landry (Mrs.)
Lanthier
Lawrence
Layton
Leblanc
Lewis
Lopez
MacDougall
(Timiskaming)
MacKay
Mantha
Mazankowski
McCrossan
McDermid
McGrath
McInnes
McKenzie
McKnight
McLean
Minaker
Moore
Murta
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Oostrom
Paproski
Pennock
Peterson
Plourde
Porter
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Hamilton-Wentworth)
Scowen
Sparrow
(Mrs.)
Stackhouse
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—136.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Benjamin
Berger
Blaikie
Broadbent
Caccia
Cassidy
Deans
de Corneille
de Jong
Foster
Frith
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Hovdebo
Isabelle
Jewett (Ms.)
Kaplan
Killens (Mrs.)
Langdon
Lapierre
MacLellan
Malépart
Manly
Marchi
McCurdy
Mitchell (Ms.)
Murphy
Nunziata
Nystrom
Orlikow
Ouellet
Pépin (Mrs.)
Riis
Robichaud
Rodriguez
Skelly
Tobin
Turner
(Vancouver Quadra)
Waddell—45.

Mr. Speaker: I declare the motion carried.

* * *

CONDOMINIUM ORDINANCE VALIDATION ACT

MEASURE TO ENACT

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved that Bill C-73, an Act to validate certain ordinances of the Yukon Territory and the Northwest Territories, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, this morning I ask Hon. Members to turn their attention to a matter concerning residents of Yukon and the Northwest Territories. I am introducing new legislation, the Condominium Ordinance Validation Act, which will remove a conflict between territorial and federal laws that has held back the construction of new condominium housing in the North.

It is a pleasure to note that all Parties in the House, through a unanimous resolution of the Standing Committee on Indian Affairs and Northern Development, have already given their support to this Bill which validates territorial ordinances. I might say, parenthetically, that I received a telephone call from the Hon. Member for Spadina (Mr. Heap) on the weekend who has a concern, which may be peripheral to the Bill, that he would like to raise in committee. Aside from that, we have had excellent co-operation, which speaks well for all those people involved, particularly the Hon. Member for Western Arctic (Mr. Nickerson) who spearheaded the effort to resolve the matter.

The federal legislation with which the existing territorial condominium ordinances are in conflict is the Land Titles Act of 1894. It is long forgotten in most of Canada. It applied to northern and western territories which Canada acquired after Confederation. As the western provinces came into being, they passed their own legislation dealing with land ownership and real estate. However, the old law, amended from time to time, that is to say, the law of 1894, remained in force for Canada's northern territories. Unfortunately, the technicalities of the old law no longer fit today's circumstances. In fact, they hold back the introduction of new kinds of home building and home ownership.

Today, Yellowknife and other northern communities face severe housing problems. Mr. Speaker, you may have seen press reports on the special committee which the Northwest Territories Legislative Assembly set up on housing indicating that the committee found the situation in the Northwest Territories to be no less than a crisis. A few months ago the Mayor of Yellowknife, His Worship Mayor Don Sian, explained to the Standing Committee on Indian Affairs and Northern Development what the housing situation means in everyday life to northern people. Of the larger centres in the North, the City of Yellowknife has almost one-quarter the population of the Northwest Territories. Many more people are moving there to work at mining and exploration, at new head offices, in the Government, in the new regional hospital and so on. However, when it comes to finding a place to rent, they can almost forget it. The vacancy rate in Yellowknife is zero. I have heard that a single apartment will often have a waiting list of over 100 people.

As for buying a house, Mayor Sian estimated a housing shortfall in the immediate future of at least 250 units. He explained that available housing falls into two ranges, both of which are expensive compared with the South because of transportation costs for materials and other difficulties of building in the North, particularly as a consequence of the climate. A trailer on a privately owned lot will set one back $75,000 to $95,000, and a new single family housing unit of modest size will cost $160,000.

The Mayor added:

> Yellowknife is a fairly young community and for a young family to get together the down payment to move into a single family home of . . . $160,000 is quite simply beyond their means.

Obviously condominiums do not provide all the answers. However, they will probably help fill the gap between the trailer and the single family house and provide private housing

at a relatively reasonable cost. Condominiums would seem to make especially good sense in places like Yellowknife, where the rocky Canadian shield makes it difficult to run in services such as water and sewage. When multiple units can share services, it cuts down the costs.

The legislators who wrote the Land Titles Act dealt only with conditions which they saw in their own time, in the 1890s—an owner had a piece of land with a building on it, and that was how land titles worked. The Act made no provisions for title to condominiums. In 1969 in the Legislative Assembly of the Northwest Territories, and in 1968 in Yukon, ordinances were passed respecting condominiums. A later opinion by the federal Department of Justice found that the ordinances could not be fully effective because of the deficiency in the Land Titles Act respecting title registration. This put the legal registration of titles to condominiums in doubt. The result was and is that no condominiums have been built in the Northwest Territories. Some buildings built with that intention ended up as regular rental units. Developers who would otherwise build condominiums today, and their financial backers, are reluctant because of the uncertainty surrounding the security of condominium titles.

The territorial and federal Governments have been concerned with this problem for several years. The previous federal Government twice tried to pass Bills addressing the issue, but they fell by the wayside. That delay in addressing the matter has made it all the more urgent. The Hon. Member for Western Arctic highlighted the matter by putting forward a Private Member's Bill, Bill C-214, affecting the Northwest Territories only. I am pleased, after discussions with him, the Deputy Prime Minister (Mr. Nielsen), who is also the Hon. Member for Yukon, and the Member for Nunatsiaq (Mr. Suluk), to build on his initiative. Therefore, I offer a Government Bill which will resolve the matter for both the Northwest Territories and Yukon.

● (1140)

On May 28 of this year the Standing Committee on Indian Affairs and Northern Development offered its unanimous support for such legislation in these words:

> In accordance with its Order of Reference of Friday, December 21, 1984, in relation to the subject matter of Bill C-214, an Act to validate the Northwest Territories Condominium Ordinance, your committee has held one meeting and has heard the testimony of Gary MacDougall, Registrar of Land Titles, Don Sian, Mayor of the City of Yellowknife and Dave Nickerson, M.P. and has agreed to recommend the following:
>
> That the House of Commons support the early enactment of legislation which would have the effect of deeming valid for all purposes the territorial ordinances dealing with condominiums and of making valid everything that has been done to date under the territorial ordinances.

The legislation I propose to you will do exactly what the standing committee recommended. And besides the support of the standing committee, this action has the support of the City of Yellowknife, of the N.W.T. Association of Municipalities, of the Yellowknife Chamber of Commerce, and of MLA's and the Territorial Governments themselves. This is one of those rare Bills that everyone supports. It will not cost the federal Government a penny. It has no effect on native land claims or Crown lands; it only deals with property already privately owned, making it possible to put up condominiums rather than single-owner buildings.

It is a Bill that will bring more affordable houses to many families. It will protect the interest of condominium owners and it will help the northern economy. It will not solve all the housing problems overnight, but it should be a big help.

Some Hon. Members: Hear, hear!

Mr. Crombie: Therefore, Mr. Speaker, I recommend consideration of the Bill to all Hon. Members.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I am pleased to rise in my seat today and give support to this legislation which should help to resolve the urgent needs for affordable housing in many northern communities.

I want to indicate to the Minister of Indian Affairs and Northern Development (Mr. Crombie) that this Bill being presented in the House of Commons today is a reflection of a process of devolution that began years ago. I am glad to see the Minister of Indian Affairs and Northern Development is following through with that same process of devolution to give to the Northwest Territories and the Yukon more and more power given more priority to local input that to central agencies, such as the federal Government.

My personal thanks goes to Members, on behalf of the Hon. Member for Cochrane-Superior (Mr. Penner), who unfortunately is unable to be here and whose notes I am using. I acknowledge the work he has done on the Standing Committee of Indian Affairs and Northern Development, as well the work which the standing committee did to facilitate the passage of this legislation we see here today.

I have some general comments on the thrust of the Bill. While this Bill deals with what might be considered a relatively small issue on the national agenda, I wish to draw to the attention of the House the significance of what we are actually doing. The Bill before us should give us cause to reflect on the nature between the Territorial Governments and the federal Government. The Governments of the Northwest Territories and the Yukon are still, even today, subject to much federal dominance, and I think the process that began in the last several years and is speeding up will go a long way toward giving them more and more powers.

This Bill itself resolves a conflict in jurisdiction. It will allow the Territorial Governments to proceed with legislation legally which they enacted over 15 years ago. We are dealing here with an outdated federal Act conflicting with modern reality.

Parliament is being called upon to deal with condominiums in the Territories because Parliament has an overriding jurisdiction over the Territories. Territorial ordinances are subject to overriding federal legislation. I hope the Minister can bring forward legislation that will allow the Territorial Governments to establish their own Acts for Land Titles and enable those same Territorial Governments to repeal the Land Titles Act themselves.

Devolution seems to be a very arduous task. Many interests have to be taken into account. I presume that lack of consensus probably inhibited the implementation of old Bill C-52, which supposedly was going to deal with this problem of housing in the Northwest Territories and the Yukon.

However, I urge the Government to proceed expeditiously where there is agreement among northerners to transfer more and more responsibilities to the Territorial Governments.

In addition, I want to pay tribute not only to members of that committee but to a number of other individuals who, I believe, were instrumental in assisting in obtaining quick passage of this Bill. Some Members, among whom I am sure is the Minister of Indian Affairs and Northern Development (Mr. Crombie), would agree with me that even in as small a Bill as this, because of the way in which the complexities of government machinery work here in Ottawa, we lost this season's building time. It is unfortunate that this Bill could not have been passed, for instance, in May, allowing the Territorial Governments to go ahead with construction this season. That is no fault of the Minister, Mr. Speaker. It is the fault, basically, of the machinery of Government in getting Bills onto the floor of the House of Commons.

The Minister has outlined the specifics of the Bill. Let me point out that the Mayor of the City of Yellowknife appeared before the committee and testified, for example, that his city has a zero per cent vacancy rate. A trailer on a privately owned lot costs from $75,000 to $95,000. A newer single family unit costs between $140,000 to $160,000. Very few Canadians understand the cost of doing business in the Northwest Territories and the Yukon. Things that we take for granted in the southern part of Canada are not taken for granted by the residents of the two territorial areas. Believe me, one can understand why special tax considerations have to be given to people living in the Territories. Without special tax concessions, it is beyond me how they could make ends meet.

Housing is clearly out of reach for most of the people in the territorial areas. Condominiums could fill a very important but intermediate gap in the housing market. I want to pay some tribute to the Hon. Member for the Western Arctic (Mr. Nickerson) who was instrumental in bringing this problem before the committee.

Without taking up the time of the House, the Bill, its intent and its direction have the full support of the Liberal Party. I welcome the fact that we are finally able to deal with this legislation in such an expeditious manner.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on behalf of the New Democratic Party, I am pleased to indicate that we are prepared to deal with this Bill in a expeditious manner.

As has been pointed out, Bill C-73 is designed to enable condominiums to be built, sold and owned in the Northwest Territories and the Yukon. Basically it is a technical Bill, but it is a technicality we should not be dealing with in this House. The Northwest Territories and the Yukon should have full power to deal with this matter in their own Legislatures. Amending the Land Titles Act will authorize the condominium Acts in the Northwest Territories and the Yukon.

While we are glad to give our consent to the speedy passage of this Bill, we also want to emphasize that housing is in crisis across Canada and particularly in the Northwest Territories, the Yukon and in Indian communities across Canada, the areas for which the Minister has responsibility.

It is interesting that this past spring a Northwest Territories housing study pointed out that lack of housing was so severe throughout the North that up to 18 people are having to share three bedroom homes in some Inuit communities. Many of the Government's 4,000 rental units did not meet health and safety standards. People in more affluent communities, such as Yellowknife, are forced to camp out in shacks, tents or in the backs of tractor trailers during the long winters owing to the lack of rental units. The few two bedroom apartments that occasionally become available cost up to $1,100 a month.

It is especially important to note that the committee has warned that the desperate housing problem is most likely related to the dramatic increase in spousal assaults, family breakdowns and the dropping out of high school students throughout the North. In other words, when we look at the question of housing we are not simply dealing with an isolated physical situation. We are dealing with a dimension of the total situation facing people in the north. The crisis in housing stimulates crises in other areas of social life there as well. The possibility of condominiums may open the way for some people. Others, however, may need rental accommodation, and a 1983-1984 survey in Yellowknife by the Government of the Northwest Territories Bureau of Statistics indicated that of 1208 rental units 703 were leased by the Government of the Northwest Territories and 505 were leased privately. There is a vacancy rate of zero. The average rent in December of 1984 for a one-bedroom apartment was $613 and for a two-bedroom apartment was $773. This represented a 10 per cent increase from December of 1983.

• (1150)

The Hon. Member for Spadina (Mr. Heap), the housing critic for the New Democratic Party, pointed out that there is one concern that he has with this Bill as it stands, and that is, that it may endanger the 505 private rental units in Yellowknife. As alderman in Toronto when he worked with the present Minister of Indian Affairs and Northern Development (Mr. Crombie) when that Minister was the Mayor of Toronto, he and the Minister became very concerned that a number of rental units were converted to condominiums, which forced people out of rental units and so they had nowhere to go.

Between 1969 and 1985, 1799 rental units were converted to condominiums in the City of Toronto. The present Minister, as Mayor of Toronto, led the City Council in establishing a policy which blocked conversion as long as vacancy was less than 2 per cent. The Hon. Member for Spadina suggests that the Condominium Acts of the Northwest Territories and Yukon should be amended so as to prohibit the conversion of rental units to condominium so long as there is a rental shortage.

Referral of this to committee will, of course, give the opportunity for the committee to discuss this with the Governments of the Yukon and of the Northwest Territories.

I would like to make just a few comments about the situation on native housing across Canada. This is a longstanding problem, one that the Minister inherited from previous Governments and which has been increasing over a number of years. The backlog of new houses required has been estimated at a conservative figure of between 10,000 and 11,000. That has been the same for a number of years. Some other estimates state that that backlog is as high as 17,000.

The last federal census had some interesting figures on native housing across Canada. It pointed out that nearly one-quarter of Indian dwellings have more than one person per room and that the percentage of Indian dwellings which had more than one person per room was just over nine times that of all other dwellings in Canada. Nearly one-half of Indian dwellings in the Northwest Territories had more than one person per room. It pointed out that nearly one-fifth of all Indian dwellings need major repairs, almost three times that of all other dwellings in Canada. Among Indian dwellings, the Northwest Territories had the highest percentage, 28 per cent, in need of major repairs. The census also pointed out that one-third of Indian homes lacked a central heating system. The percentage of Indian dwellings which lacked a central heating system was almost four times that of all other dwellings in Canada. Just over one-half of Indian dwellings in Yukon had no central heating. Close to one-half of Indian dwellings in Saskatchewan and the Northwest Territories did not have central heating. Nearly one-fifth of Indian dwellings lacked a bathroom and the percentage of Indian dwellings which had no bathroom was just over 15 times that of all other dwellings in Canada.

Mr. Speaker, these figures from the latest census indicate that Indian housing is a national disgrace and I urge the Minister to make strong representation to his Cabinet to ensure that attention is focused on this issue this coming year. We cannot allow this kind of disgraceful situation to continue in a country that prides itself, as Canada does, as being a modern and a progressive nation.

We have had continued representation from Indian communities about the lack of proper infrastructure. The Indian community of Tyendinaga in southern Ontario has for years been waging a battle to try to get decent water and sewage in a new subdivision area that they have because they fear that the present arrangements are very likely to lead to a serious health risk. It is interesting that when the present Minister was the Minister responsible for health and welfare in 1979 in the Clark Government he appointed Chief Justice Berger to look at the whole question of Indian health at the time. One of the recommendations of Chief Justice Berger pointed to this central situation of Indian housing and said that that was absolutely crucial in terms of Indian health and that when people are crowded together there is no possibility of their having a decent life or a decent community life.

This again goes back to the findings of the Northwest Territories housing situation, that when you have bad housing you have an increase in family violence, an increase in a great many social problems. Yet this summer we saw a cut-back of $455,000 to Operations Beaver, a co-operative project of Canadian churches for the past number of years which has a very good track record of working with Indian communities, working with Indian young people and young people from other parts of Canada and indeed other parts of the world in constructing housing on Indian reserves and also some off-reserve housing. Yet this group was cut back by $455,000.

Also this summer the Ekos study was released, which had been commissioned by the Department of Indian Affairs, and it confirmed the sort of statistics that I read from the latest census. It said that 47 per cent of all Indian housing is substandard. It indicated that our past mistakes are coming home to roost and I regret that the present Minister is having to pick up the pieces from mistakes that have been made by past Governments. I want to emphasize that he has that responsibility to pick up those pieces and to make sure that something is done. The Ekos study pointed out that 15 per cent of the houses built as late as 1983, two years ago, are substandard simply because the financing for those houses was substandard. Indian people have repeatedly raised problems with the whole question of funding, and the funding delays often mean that it is impossible for them to get their programs in place, to get their material in place in time to meet the short construction season. This summer the Minister promised some $600,000 to the Dene people for housing. The Dene are now being told that this $600,000 is being given for more general purposes. I urge the Minister to make that $600,000 available specifically for housing so that the Dene people in the Northwest Territories can meet their housing needs.

● (1200)

I wanted to lay all of these concerns before the House of Commons because I think it is very important that we be aware of this disgraceful and tragic situation. I know the Minister is aware of the situation. I hope that he will fight with all his strengh to get a decent program from the Cabinet so that one year from now, we will be able to report substantial progress in this situation.

Mr. Crombie: Mr. Speaker, I wonder if I might have the consent of the House to put a question to the Hon. Member who just spoke? I recognize that it is not normal procedure, but there are two matters of fact which were raised on which I simply wanted to ask a question and seek the Hon. Member's views.

The Acting Speaker (Mr. Charest): Is there unanimous consent for the Hon. Minister to put a question to the Hon. Member?

Some Hon. Members: Agreed.

Mr. Crombie: Mr. Speaker, I would associate myself with many of the remarks made by the Hon. Member with respect

to the standard of housing in Canada and with respect to the report which he discussed at length, a report with which I am intimately familiar. I am looking forward to making some changes in it this year which I will be presenting to the Cabinet and the standing committee of the House.

There were two matters that the Hon. Member raised. I think it is important to understand the way we are approaching housing which is that Indian communities are now able to determine on their own how money ought to be spent. The Hon. Member's first point dealt with Operation Beaver and his second one with money flowing to the Dene.

I will put a question to the Hon. Member and ask him to offer his views. Does the Hon. Member appreciate that housing selections are done through the community or the band itself? In the past, the federal Government gave money to organizations, which then took the money to Indian communities. I want to know whether or not the Hon. Member feels that the process by which housing operates according to the choice of the community is, in his view, an appropriate way of doing things.

Mr. Manly: Yes, Mr. Speaker, certainly the communities themselves should make the basic determination of the way in which they will do things. However, the fact is that some $455,000 was cut from the housing allocation to Operation Beaver. I would be interested to know where the money cut from Operation Beaver went.

Mr. Crombie: Mr. Speaker, having understood that point of view, I would ask the Hon. Member if he is aware that the only reason the allocation did not go to Operation Beaver was that it went elsewhere. There was no general cut made. The money did not go to Operation Beaver because, at that point, Operation Beaver did not have sufficient requests from Indian communities.

Mr. Manly: Mr. Speaker, I was not aware of that particular problem but I appreciate the Minister's assurance that no absolute cut was made. In fact, I hope that there has been an addition to the budget.

The Minister also raised the question of funding to the Dene. My understanding is that the Minister made a direct commitment of $600,000 to the Dene for housing needs, but instead that money is now being made available under the recently announced Human Resource Development Strategy Program rather than specifically for housing.

Mr. Crombie: Mr. Speaker, could I ask a further question? Is the Hon. Member aware that housing for the Dene in the Northwest Territories is primarily a responsibility of the Government of the Northwest Territories and that in housing matters we deal through that particular Government? Second, would it not be in line with his own views that when giving money to communities, it is much better for them to have the choice as to how the money is spent rather than having the federal Government directing them?

Mr. Manly: Mr. Speaker, again the Minister might be quite right in saying that housing is the specific responsibility of the Government of the Northwest Territories. However, I am under the impression, and the Minister can deny this if he wants, that the Minister made a specific commitment of $600,000 to the Dene people for housing, money which is not forthcoming at the present time. Rather, $600,000 has been made available for other purposes.

The Minister knows that Indian communities across Canada have a large agenda of needs and that the needs are many, varied and serious. Housing is one of those needs, but it is only one of those needs. Promising $600,000 specifically for housing and then making it available for a more general economic development program means that the specific housing needs in the Dene communities, needs which the Minister acknowledges are very serious, will not necessarily be met. Again I urge the Minister to make at least $600,000 available specifically for Dene housing.

Mr. Crombie: Mr. Speaker, this is my last question. I appreciate the patience of Members of the House. Would the Hon. Member not agree that the most appropriate way for the federal Government to deal with housing in the North is in conjunction with the Territorial Government? Second, is he not aware that our particular role in these matters is one of providing funding for Indian communities but allowing them to choose where they would like to put the money?

Mr. Manly: Mr. Speaker, the points the Minister makes are quite valid. In the Northwest Territories it is appropriate for housing programs to be designed through the Government of the Northwest Territories. The point is that when the Minister was speaking to the Dene Assembly, he made a commitment of $600,000. The Minister shakes his head and denies that he made that commitment.

Mr. Crombie: Not for housing, for housing-related matters.

Mr. Manly: The point is that quite apart from the best way in which funds should be allocated, when a specific commitment is made, I believe that that specific commitment should be followed through.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a pleasant duty for me to speak to Bill C-73 today, a Bill which the Standing Committee on Indian Affairs and Northern Development requested us to put forward. As most Hon. Members may be aware, one of the first things that the Minister of Indian Affairs and Northern Development (Mr. Crombie) did was to travel north to meet with and listen to northerners. I would like to take a few moments to pay tribute to the Minister.

The Minister is a person who listens. He is someone who gets right into the fray and wants to see firsthand the experiences of the people for whom he is responsible. He wants to see how they are living and the conditions under which they live. He wants to see what he can do to change those conditions.

The Minister is a people person, one who cares and has seen firsthand the problems that native people are experiencing.

I will continue in this brief tribute to the Minister by saying that he is a Minister who is acquiring a knowledge and expertise of our vast North not only in a formal way through books and meetings but by getting out and meeting with the people and learning from firsthand experience. I think it important that the House know about it and that the people of Canada are made aware of this extraordinary Minister who has these extra-curricular activities. I wish to pay tribute to him. He is a person who listens to the northerners. Not only does he listen to them, he acts. It is one thing to listen but another to act. He does both.

● (1210)

My Minister found that all the people of the North are very much aware that they are on the verge of an exciting moment, a moment in which history and destiny will meet. The people with whom he met are, in a very sophisticated and politically mature fashion, trying to deal with a number of needs. Housing was identified as an area which required immediate attention. At the urging of my colleague, the Hon. Member for Western Arctic (Mr. Nickerson), the Mayor of Yellowknife told the standing committee what the situation means in human terms. When we talk about legislation in the House, or when we talk about it anywhere, it should be in human terms, in terms of how if affects people. His Worship Mayor Sian estimated that there is a housing shortfall in the immediate future of at least 250 units. If we said that there was a housing shortfall in Metropolitan Toronto of some 250 units, that would not bother us too much. However, when we speak about a housing shortage in the City of Yellowknife, a comparatively small city, then we are talking about a very serious matter.

On May 28, 1985, members of the committee unanimously requested that the House take early action on a Bill to amend the Land Titles Act, the purpose being to allow construction of condominiums in Yukon and the Northwest Territories. What has been introduced is legislation which will do just that. In pushing for change, Hon. Members had in mind at that time that condominiums could provide reasonably priced housing to ease this terrible shortage in the North.

In our own time, condominiums have, of course, become popular. They are popular in southern Canada because of their cost. The tremendous cost of servicing land today has continued to sky-rocket. If we think the cost of servicing land in southern Canada is expensive, then we should go to the North and see what it is like there. By sharing costs and services among all the owners in a multiple unit, builders can provide private ownership, generally speaking, at a lower cost. Condominiums make particularly good sense in northern centres, in places such as Yellowknife.

I am perhaps one of the privileged people in Canada since I have had an opportunity to visit our Far North on a number of occasions. I travelled this summer with a colleague of mine and we spent some time in the North. I have been in Yellowknife on a number of occasions. I have seen firsthand the rocky Canadian Shield where it is much more expensive to provide a building lot with water, sewerage and other services. Condominiums allow builders to cut down the costs by sharing them among a number of buyers. Developers and their financial backers who would otherwise have built condominiums have held back. They have done this because of the technicality which prevents a condominium owner from registering his or her title.

In the Northwest Territories, a few builders who started to put up condominiums ended by using them as rental units because of the problems with titles. I know this has caused some concern. In the Yukon, 200 condominiums were built anyway but, given the legal situation, some uncertainty hangs over the owners' titles.

Last year, the Legislative Assembly of the Northwest Territories set up a special committee on housing, which found no less than a crisis. The special committee put forward 82 specific recommendations with respect to housing which gives Hon. Members an idea of the amount of concern regarding northern housing. As for opposition, we have heard none so far. The proposal will only affect property which is already in private hands. It will have no effects on Crown lands or native land claims.

Besides his other energetic work to bring this matter to parliamentary attention, my colleague, the Hon. Member for Western Arctic, put forward a Private Member's Bill, Bill C-214, to amend the law for the Northwest Territories only. In discussion with the Hon. Member, and others, the Government put its weight behind a similar but broader Bill for both the Northwest Territories and Yukon. It was to speed up passage of that Bill that the standing committee gave its unanimous support for early action. Today, the Bill is in our hands.

Perhaps it is unnecessary to say more except to thank all Members from each side of the House, those Members who have spoken today, as well as those Members who worked in committee, for moving this matter along so quickly.

In the future, the federal Government will play what I think will be a diminishing role in the administration of northern affairs. We are prepared to give the Territories more responsibility. The Minister has committed himself to giving them more responsibility, as has the Prime Minister (Mr. Mulroney). How quickly, though, depends in part on the wishes of the Territorial Governments themselves.

The Minister of Indian Affairs and Northern Development has spoken often of his desire to see northerners, through their Territorial Governments, take on greater responsibilities for the decisions which affect their daily lives. This stems from a genuine belief that the role of Government can often be most effectively carried out when it is closest to those most affected by its decisions. It recognizes that the federal Government in Ottawa, however well intentioned, cannot be as sensitive to many of the needs and priorities of northerners as are their own Territorial and local Governments. In many areas, the federal Government is anxious to see a devolution, with which the Minister agrees, toward more participation and a greater degree of responsibility at the territorial level.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to say a few words in response to the remarks made by the Minister of Indian Affairs and Northern Development (Mr. Crombie) who is one of the Ministers I most admire in the Cabinet—

Some Hon. Members: Hear, hear!

Mr. Waddell: —if he is still in the Cabinet. According to *The Globe and Mail* of today, all the Ministers in Cabinet will be gone by certain dates and only the Prime Minister (Mr. Mulroney) will be left if the Government continues to receive ministerial resignations.

I note it is this Minister who is bringing forward this Bill with respect to condominiums. I know he is the one Yuppie Minister in the House, a young urban professional—maybe not so young anymore. Perhaps we should call him a Muppie. He is from Rosedale where there are a great many condominiums. It is somewhat ironic that he brings forward a Bill to aid in condominium construction in the North.

I understand why the Bill is being brought forward. It has to do with the technicalities of the law in the territories and the difficulties with respect to condominium development. The reason I rise today is not to tackle my friend and get into debate with him, as I like to do, or even to talk about Rosedale. The fact is that I happen to have lived in Yellowknife for a couple of years. It did not stunt my growth—I can see the Minister smiling. At least, it did not stunt my physical growth. My spiritual growth was enhanced by living in Yellowknife for a couple of years and by being a member of the bar of the Northwest Territories. That entitles me, I suppose, to practise law from Yellowknife right up to Eureka.

● (1220)

I would like to say a couple of things so the Minister and his Department can flag them, although I may be a bit out of date and perhaps the Minister will dismiss the suggestion. When I was in Yellowknife, housing was also difficult to obtain. I heard my colleague, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), speak about the scarcity of native housing and the fact that the scarcity of non-native housing was quite incredible. There is a lot of Government housing in Yellowknife. When I was there, that was what most of the housing was. There was always the feeling around town that there were a lot of Government houses standing empty at a time when people were trying to get housing. Five and six people were living in a two-bedroom house which they rented at an exhorbitant price and there was a lot of Government housing just sitting around empty. So I ask the Minister to talk to his bureaucrats. The bureaucrats in Yellowknife were very helpful and I am not criticizing them, but it is easy to get into a situation where a Government just leaves houses empty. I would ask the Minister to take a look at the possibility of providing some of that Government housing on a lease basis to non-government people. I know there have to be some houses empty because people rotate in Yellowknife. They usually stay up there for a couple of years and then return home. But the native people are there permanently.

The other thing I would like to mention in the debate is the nature of cost in the North as compared to the South. It may be that southern Canadians should be subsidizing northern Canadians for two reasons; first, we are all part of the North. We feel like northerners even though 90 per cent of us live along or near the borders of the United States. But we all have this kind of northern feeling that this is Canada and we are a northern country. We are quite proud of the pioneers in the North and we have a great deal of respect for the survival of our native people both Indian and Inuit in the North. So I feel we should be thinking about the cost of living in the north, not just in housing but in energy as well.

People in the North pay 80 cents a litre for gasoline. People in Toronto pay 40 cents a litre. Compare the price of gasoline and housing in Rosedale with the price of gasoline and housing in Yellowknife. It may be that if people in the South pay one tenth of a cent a litre more for gasoline there will be a sort of postage stamp price for gasoline in the North so that people pay the same price. A postage stamp costs the same in Yellowknife as it does in Rosedale or in Vancouver-Kingsway. Perhaps gasoline should be treated like that, and perhaps housing should as well.

We want to see our North developed in good ways. We can look at how the Soviets have developed their North. I am not suggesting we follow along in their way. I do not like the way they deal with culture and so on. However, if we compare the number of people the Soviets have living in their North to the number of people we have living in our North—a much lesser amount—the Soviet way could be instructive. This, of course, fits in as well with the Government's wish, which we support, to proclaim in the loudest possible terms Canadian sovereignty in that area.

We support the Bill, Mr. Speaker. We understand the technical principles of what has to be condominium development. There are other housing problems in the North which the Minister should look at, and perhaps we should look at, and that is, the broad picture of some sort of northern subsidies so that people can live in the North at a cost equal to the cost of living in the South. I said that my remarks would be brief, so I had better sit down.

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

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Mr. Crombie, seconded by Mr. Epp (Provencher), moved that Bill C-73, an Act to validate certain ordinances of the Yukon Territory and Northwest Territories, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

IMMIGRATION ACT, 1976

MEASURE TO AMEND

The Acting Speaker (Mr. Charest): Mr. McLean, for Miss MacDonald, the Hon. Member for Kingston and The Islands, seconded by Mr. Crombie, moves that Bill C-55, an Act to amend the Immigration Act, 1976, be now read a second time and, by unanimous consent, referred to Committee of the Whole.

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, first of all I wish to indicate my pleasure at speaking to this Bill and the important matters relating to immigration for which the Prime Minister (Mr. Mulroney) has asked me to assume responsibility along with my colleague.

As Hon. Members of the House will be aware, Bill C-55 proposes several amendments to our present Immigration Act. These amendments, Mr. Speaker, are minor in nature. They are designed to increase the flexibility and capacity of the Immigration Appeal Board to deal with a greater number of cases.

Under the current Act, the maximum number of board members is restricted to 18. Bill C-55 would increase this number to a maximum of 50. The Immigration Appeal Board reviews appeals of family class applications which have been refused abroad. It hears appeals against deportation orders by certain people who have come to Canada and have not been admitted or who, having been admitted, have run afoul of the Immigration Act. The Board also makes a redetermination of refugee claims which have been evaluated by the Refugee Status Advisory Committee but subsequently rejected by the Minister. All of these categories of cases are important, but the Board has far more work at present than it can do. Hence, the urgency to pass this legislation.

Bill C-55 will permit the appointment over time of new members to cope with the workload. In addition, the number of vice-chairs will be increased from five to 13, giving the Board even greater flexibility. The Bill would also require that not fewer than half of the vice-chairs be members of a provincial bar for at least five years.

To ensure that board members are used effectively, the Bill would permit the chairman to delegate responsibility on technical matters to one-member panels. In previous committee discussion there were some concerns expressed regarding the matter of one-member panels. I have had an opportunity to talk with the spokespersons for the opposition Parties and we are agreed that it would be in the interest of all that a three-person panel be maintained. We will encourage the adoption of an amendment in committee in this regard.

• (1230)

There are two distinct reasons for the Immigration Appeal Board requesting expansion over the last two years. The first is the increasing volume of appeal cases in such matters as family class applications, deportation orders and other rulings by the independent immigration adjudicators. At present the Board has a backlog of some 1,400 of those cases. The load is growing at the rate of over 140 per month. These appeals usually require at least half a day for disposition, and some can take as long as two weeks or more. In addition to that burden, the IAB is also responsible for hearings regarding redetermination of refugee status. The Board has faced an increasing number of cases concerning refugees in the past few years. The rate of increase exceeded the Board's ability to respond and this has created a backlog in refugee matters as well. This backlog increased dramatically as a result of the Supreme Court of Canada's ruling in the Singh case. Prior to that, the IAB dealt only with refugee redetermination. That is, the Board heard appeals from the Refugee Status Advisory Committee. The Singh case has changed the procedure and requires that the Board hold an oral hearing for every person who wishes a redetermination of his or her claim to refugee status. Thus the IAB now faces a backlog of some 14,000 refugee cases. This extraordinary backlog has also limited the Board's ability to deal with the backlog of other appeals. Clearly it is important that we respond to the Supreme Court of Canada decision and do it quickly and not appear in any way to be questioning the validity of that decision. This is the aim of the Government in introducing this legislation.

Before returning to the workload of the Board, I should mention briefly the work of Rabbi Gunther Plaut. As Members of the House will know, for the past year Rabbi Plaut has been studying the Board and the delicate question of refugee determination. His report, which was tabled in the House by my colleague, the Minister of Employment and Immigration (Miss MacDonald), last June, treats this problem in a sensitive and thorough manner. Later this fall legislation will be introduced stemming from both a review of Rabbi Plaut's report and the views of interested Canadians. This legislation will form the basis of a new refugee determination system, a new commitment to those in need. What I should like to make clear at this point to all Members of the House and the public is that the legislation we are discussing today is in no way connected to this larger legislative reform which will be proposed later in the year. What we seek to do now is to equip the IAB to deal with its immediate and pressing needs. Hence, the proposal to increase the membership of the Board to a maximum of 50 members. Because there have been some concerns expressed that this adjustment might in some way affect the commitment regarding the refugee redetermination review and proposed legislation, I have agreed, in discussion with concerned members and the opposition critics, that it may be important to accept an amendment regarding the length of time new members will serve in order to indicate clearly that this is an emergency reaction to a specific situation.

In addition to the refugee claims' backlog there are also more than 1,000 family sponsorship appeals pending. Families which cannot be reunited because of a legal prohibition must now wait for more than a year to determine whether relief may be possible. I do not need to remind Members of this House that family reunification is a corner-stone of the Immigration Act and Canadians are confused as to why, if this is so, we cannot act on family reunification. I know, from my contact with Members of Parliament that their constituency offices are inundated with questions about the time taken up by these procedures. Therefore, it will be important that we move quickly to have these amendments made in committee and have the Bill completed.

Some of these cases, of course, involve the parents of Canadians for whom long delays cannot be sustained. Bill C-55 goes further than simply reducing the delay for these people. It extends the right of appeal to permanent residents, that is, those whom we refer to as landed immigrants, as well as to Canadian citizens. At present, the right of appeal is available only to sponsors who are Canadian citizens. It is the Government's view that this is not consistent with the Canadian Charter of Rights and Freedoms, and therefore we wish to act and act quickly on this matter. Hence, Bill C-55 will grant the right of appeal to landed immigrants who are permanent residents as well as to Canadian citizens.

The amendments to the Immigration Act contained in this Bill are the result of careful consideration and our desire to meet the requirements not only of Canadians but also of the Supreme Court ruling. I believe these amendments will address the serious backlog and other operational issues now hampering the process. I am happy to seek an accommodation of concerns, as I have already mentioned, regarding the size of the panels, and to answer that concern. I am also prepared to recognize the importance of a stated time period for appointments which will indicate that this is an emergency measure and not a long-term permanent arrangement that would in any way threaten the present discussions about refugee determination.

This House knows that Canada has long extended a hand to those suffering repression or displacement. We have offered countless thousands of people an opportunity to start new lives here. We have also shown compassion and sensitivity regarding the desire of families to be reunited. This Bill will retain our humanitarian traditions in these areas and I ask all Members of the House to give it their support so that we can move speedily on this issue in order to begin to alleviate the present backlog and with it the human hardship and agony that is involved.

I thank you, Mr. Speaker, and Hon. Members for your attention to this important matter.

The Acting Speaker (Mr. Charest): I must bring to the attention of the House that in my reading of the motion I made an error and I am very disappointed that no one in the House brought it to my attention. To make things clear the motion should be:

• (1240)

The Hon. Walter McLean (for the Minister of Employment and Immigration) moved that Bill C-55, an Act to amend the Immigration Act, 1976, be read the second time and referred to a legislative committee.

That is how the motion should read. The Bill is referred to a legislative committee rather than to a committee of the whole. I am very disappointed in all Members.

Mr. Gauthier: Mr. Speaker, on that same point of order, we on this side were polite and did not want to bring it to your attention, but we are happy that you corrected the record.

Mr. Waddell: Mr. Speaker, I apologize to the Minister and to the House, but I missed the first part of the Minister's speech. I have a question that is important for our position on this Bill. I would like to seek unanimous consent of the House to put a question to the Minister. I know questions come later, but I would like to get unanimous consent.

The Acting Speaker (Mr. Charest): Is there unanimous consent for the Hon. Member to put a question?

Some Hon. Members: Agreed.

Mr. Waddell: I thank you and the Members of the House.

First, the Minister has announced some changes to the original Bill. Would he confirm that the change is that the Immigration Appeal Board remains at a quorum of three members to hear sponsorship appeals?

Second, did the Minister mention in his speech any reduction in the number of board members? The Bill proposes to increase the board members from 18 to 50. Is he staying with the number of 50 or going to a smaller number? Those are my questions.

Mr. McLean: Mr. Speaker, I want to thank the Hon. Member for his question of clarification. On the first point, I have heard representations with regard to the three-person panels and I am prepared to accept that. However, three-person panels require more person-power. It would defeat the purpose to insist upon a lower number. You cannot have it both ways. If you are going to have increased panels, then you need the capacity. The Bill specifies a maximum of up to 50 members and, in concert with the chairman of the IAB, these members have to be found, trained, and phased in. There is some flexibility to allow for greater sensitivity in carrying out this work, but I will be open to a definition of the term of office of these new appointees which will indicate that they are not intended to provide long-term solutions.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to speak to Bill C-55, introduced in the House today by the Minister of State for Immigration.

Although we have had several meetings with the Minister, I have a few comments and observations regarding this Bill, whose purpose is to amend the Immigration Act.

I hope, in my comments, to clarify the motives of the Liberal Party for objecting to its passage. Bill C-55 would increase the maximum number of members of the Immigration Appeal Board to 50 and the maximum number of vice-chairmen to thirteen, and would permit the Immigration Appeal Board to hold hearings.

On April 4 of this year, in its ruling in the Singh case, as the Minister mentioned earlier, the Supreme Court of Canada ruled that the Immigration Appeal Board had to hold oral hearings of claimants seeking refugee status. The present procedure does not provide for oral hearings. At the first level, the Advisory Committee on the Status of Refugees, a decision whether or not to grant refugee status is made on the basis of the transcript of an interview conducted by an immigration officer upon the claimant's arrival in this country.

At the second level, that is, the Immigration Appeal Board, the same transcript serves as the documentary basis for the appeal decision.

I would now like to speak more specifically to Bill C-55. One of the reasons I am opposed to the Bill is that legislation that is supposed to be a provisional measure will probably become the cornerstone of the future process for determining refugee status. The Minister is giving us the assurance that it is a temporary measure, but we all know that when the Government says temporary, a measure may be temporary for as long as five or ten years.

As the House is aware, a new Bill to reform the entire procedure is to be tabled shortly. The Minister of Employment and Immigration (Miss MacDonald) has started a series of consultations on the subject which are to be concluded shortly, as soon as the Standing Committee on Labour, Employment and Immigration has heard a series of witnesses. In fact, I know the Minister will be in Montreal next Saturday. We can therefore expect a new Bill very shortly, and I think adopting Bill C-55 at this stage would be prejudicial to future reform. One of my reasons for making this assumption, Mr. Speaker, is based on the selection and mandate of Immigration Appeal Board members.

At a hearing held by the Standing Committee in February of this year, it became clear that to attract competent and committed members to the Immigration Appeal Board, it was advisable to provide for terms of as long as five and even ten years. The reasoning behind this position was that a person could not be asked to give up a career temporarily to work on the Board. The Minister told us today that they are perhaps willing in committee . . . the Government would therefore be willing to change and we would have terms varying from three to five years instead of ten years. Last February, no one challenged this reasoning and I believe the Members of all three parties were in agreement.

But to get back to Bill C-55, I would like to point out to my colleagues opposite that the Bill is proposing the exact opposite. It is suggesting an increase in the number of members, which would be a temporary way of dealing with the painful problem of case backlogs at the Immigration Appeal Board.

However, quite frankly, how can we expect to attract competent people if they are told their services will no longer be required in another six months or a year, that is, when the new determination process will be implemented?

Mr. Speaker, despite the reform, I believe the Minister of Employment and Immigration has already decided on the structure and membership of the Immigration Appeal Board, and has done so while ignoring the suggestions made in the Plaut Report and the many critical comments regarding the Board made by the Supreme Court.

The Plaut Report does not really allow much room for the Immigration Appeal Board. To be more specific, I would say there is no mention of the Board in any of the three models proposed by Rabbi Plaut. Appeals are included in the models, but their exact form is not clearly defined.

I think it is rather significant that the Appeal Board was not even considered as a possible alternate solution in the Plaut Report. Incidentally, I might point out that the Minister of Manpower and Immigration released the report exactly ten weeks after she received it, and seven weeks after she announced that it would be made public in a matter of days.

The Board's adversary system has been challenged by many lawyers and organizations which look after refugees. A colleague reminded the parliamentary committee of some cases where the Board insisted that an applicant for refugee status prove that he would be subject to persecution. Well, that is not what the Act provides, it does not require applicants to prove that they would be subject to persecution in their country of origin, but only that they are afraid of being persecuted, and that is altogether different.

Some people believe that the backlog of cases would melt away if Bill C-55 were to be adopted. Unfortunately this suggestion does not take into account the fact that cases now before the High Court—the Federal Court—will go back to appeal where the backlog will swell beyond limits. The main objective of Bill C-55 is therefore unattainable the way things are now. This fact was emphasized during a standing committee hearing last June and I am surprised that the Conservative Government still wants to steer this course to nowhere.

The whole exercise is off on a tangent and badly documented because the initial proceedings do not include a hearing with refugee status applicants, and it is sheer aberration to believe that increasing the number of commissioners will guarantee better equity. When the first stage of a proceeding is marred by injustices, the situation will not be redressed at the second stage of the proceeding, no matter how extraordinary it may be.

Bill C-55 is an attempt to restore some form of equity in a process which we all know cannot possibly accomplish what it is supposed to do in the first place. Consequently, Bill C-55 is useless.

I would also like to point out that during a parliamentary committee hearing in June we learned that, besides reducing the backlog of refugee cases, increasing the number of Immigration Appeal Board members would also expedite the settlement of cases of sponsored immigrants and of deported immigrants.

● (1250)

There is nothing untoward in that, Mr. Speaker, but then nobody should pretend that refugee status applicants will be denied justice if we prevent the passage of Bill C-55.

That was the main argument of the Conservative Government in June when it attempted to get a consensus from all three parties to adopt the Bill. In that respect, allow me to quote the remarks of a lawyer who appeared before the standing committee in June:

> As a lawyer I have the clear impression that, from September to December when hundreds of cases will be brought back to the Appeal Board, those people will have to be represented by counsel. The lawyers will have to work with files full of shortcomings with respect to the presentation of the cases themselves. I therefore have the impression that a new backlog will be created at the Appeal Board. There are so many outstanding cases at this stage that we have a feeling in Montreal that the middle-term temporary solution being considered by the Appeal Board could not sufficiently reduce the backlog of refugee cases that justice would be done and that we could look to a reform in due time.

The Liberal Party is opposed to Bill C-55 because it contains the basis for part of a new process to grant refugee status and because this does not take into account the Plaut Report and all the requests which have been made by the organizations dealing with refugees.

If the Progressive Conservative Government is serious and honest when it consults these organizations before any reform of the process for granting refugee status, it should not try to pass a bill which contains the basis for the future process.

This view is largely shared by immigration lawyers and many humanitarian organizations. They include the *Table de concertation auprès des réfugiés, SOS-Réfugiés*, the Civil Liberties Union, the *Société québécoise de la solidarité internationale*, the Immigration Lawyers Association, the *Association des Juristes québécois*, the Inter-Church Committee for Refugees, the Standing Conference of Canadian Organizations concerned for refugees, Amnesty International and the Inland Refugee Society of British Columbia.

As you can see, Mr. Speaker, the Liberal Party is not opposing Bill C-55 simply for the sake of it. This is not a partisan issue, but a question of common sense.

It is time to reform the process for granting refugee status and to undertake a comprehensive information compaign on refugees. The very great majority of Canadian men and women do not differentiate between a refugee and an immigrant.

In the case of the immigrant, the host country has the right to set criteria and to accept only those who meet them. It is quite different for the refugee. Indeed, Canada has international obligations. According to the Geneva Convention, the applicant for refugee status is entitled to get help; this is not a privilege, but a right.

Most of our fellow citizens and many Members of Parliament are not aware of this. Many forget about the difficult political situations which exist throughout the world. When we are familiar with the international situation of apartheid in South Africa, of the military dictatorships and police repressions in many Latin American countries, of the religious intolerance in Iran, of the invasion of Afghanistan and so on, we are more willing to welcome those who are afraid of persecutions in their own country and who seek refuge in Canada.

As Rabbi Plaut emphasizes, compared with the scope of the worldwide refugee problem, the task of recognizing the status of people who apply for refugee status here in Canada is relatively small.

In addition to establishing the difference between immigrants and refugees, the information campaign that we need should emphasize the economic contribution of the new-comers. We have to eliminate the myth that foreigners steal jobs from Canadian men and women.

Many economic studies on immigrants show that it is impossible to establish a cause and effect relationship between the number of foreigners admitted to the country and the economic situation. However, some economists state that by increasing the number of potential consumers in a market, the immigrants make a positive contribution to the economy.

In other words, it is our entire approach to immigration which must be improved as we must become more open-minded while maintaining the generous attitude which has long been the characteristic of Canadian men and women.

This urgently needed change in attitudes should go hand in hand with the reform of the process for granting refugee status. It seems to me that the implementation of this new process gives us an ideal opportunity to initiate a nationwide debate on the refugee issue.

The band-aid solution now proposed by the Conservative Government in Bill C-55 therefore seems to me both useless and harmful. If the bill is passed, I believe that it would unfortunately take a lot of time for the Government to reform the whole process for granting refugee status, contrary to the wishes of a great many organizations working with refugees.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am somewhat concerned that the Government, on such an

important matter as immigration, did not give immigration critics, in particular the critic for our Party, very much notice of its intention. Unfortunately our critic was unable to be present because of that fact. I feel it is a disservice to immigrants to be dealing with Bills in this *ad hoc* manner.

However, because I represent the riding of Vancouver East, which has a very high proportion of immigrants, both landed immigrants and their families and refugees from many countries of the world, I am pleased to have an opportunity to speak on their behalf. There are a number of reasons for our being concerned about the Bill. We are very concerned, as is the Government, about the backlog of cases. Many immigrants who have been trying to get their families into Canada have been waiting, in some cases, for years. It has been very difficult for them when they are refused a proper hearing. The change in procedure to allow oral hearings—and certainly it is a change in the right direction—has increased this backlog. I understand that there is something like 20,000 cases in total in the backlog; perhaps it is even more than that at this time. Some 13,800 of these cases are refugee cases. I can imagine the concern of these people who are desperate to remain in Canada or to have their relatives come to this country.

We agree completely that the situation is very critical, but our real concern is about the ad hockery of this legislation which deals with only a small aspect of the problem.

[*Translation*]

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

WOMEN

APPORTIONMENT OF FUNDS TO CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the Conservative Government's announcement that it would allocate all funds for defending victims of discrimination to a single agency was a mistake. I believe that funds earmarked for defending women should have been allocated to the Women's Legal Education and Action Fund, and I deplore the fact that

the Government put all its eggs in one basket by directing all funds for defending victims of discrimination to a single agency.

Mr. Speaker, I have absolutely nothing against the Canadian Council of Social Development, but it is not the ideal vehicle for women to organize and take significant action to defend their rights.

[*English*]

If the Government had given the Legal Education and Action Fund the money to defend women, it would have permitted them to set their own priorities. Now with the Canadian Council on Social Development, the money will be given on a case by case basis. The same work will be done twice and we will lose time and money.

My enthusiasm is squarely blasted when I think of the bureaucratic process and the delays women will have to face with the new program of legal contestation established yesterday by the Tories.

* * *

NATIVE PEOPLES

ESTABLISHMENT OF NATIONAL POLAR INSTITUTE—LACK OF INUIT REPRESENTATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last week the Minister of Indian and Northern Affairs (Mr. Crombie) appointed a three member committee to make recommendations for the establishment of a National Polar Institute for Canada. Unfortunately the Inuit are not represented on this committee. Inuit people will not be involved in making basic recommendations for an institute dealing with their home territory.

It is important for southern Canadians to remember that when it comes to dealing with the Arctic, Inuit people have expertise which cannot be duplicated by academic degrees or scientific and organizational know-how.

In any future development in the Arctic, the Inuit are the people most directly affected. Surely the Minister must know that the time has passed when southern based academics and bureaucrats can make basis decisions affecting Inuit people without their involvement. Time for their involvement is at the beginning of the process, not halfway down the line. I urge the Minister to remember his responsibilities and to add at least one Inuit to the committee.

* * *

[*Translation*]

NUCLEAR ARMAMENTS

DANGER CREATED BY FRENCH NUCLEAR TESTS IN THE PACIFIC

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I read in the press that the French Prime Minister was to attend

underground nuclear tests of neutron bombs to be conducted on an atoll in the Pacific Ocean.

As a Member of Parliament and as a Canadian, I find it intolerable that any country on this planet should continue to conduct nuclear tests without knowing the possible impact on the earth's crust and without advising other countries.

I therefore urge the Right Hon. Secretary of State for External Affairs (Mr. Clark) in my Government to enquire about the exact date of the last nuclear tests conducted in the Pacific by the French. There is no doubt in my mind that all Canadians and the various peace movements in Canada are opposed to the conducting of any tests of this kind.

* * *

[*English*]

AGRICULTURE

GRAIN ELEVATOR IN BIG RIVER, SASK.—LOCAL FARMERS' SUCCESS STORY

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, the House of Commons should be aware of the efforts of some innovative farmers in north central Saskatchewan.

One year ago the Saskatchewan Wheat Pool announced it would be closing the grain elevator in Big River. Farmers in the surrounding area, after protesting the closure in vain, formed a co-operative to explore some possibilities on their own. As their member of Parliament, I worked closely with these farmers and met with them on several occasions.

The farmers were also successfully helped by their MLA, the Hon. Colin Maxwell, and on one occasion we met with Canadian Transport Commissioner Jim McDonough, who provided technical advice. The farmers were able to purchase the Big River elevator from the Saskatchewan Wheat Pool, sign a lease with CN Rail and enlist the assistance of Pioneer Grain to help them manage the elevator. Special thanks should be directed to a former Member of this House, the Hon. Otto Lang, now of Pioneer Grain. Mr. Lang was instrumental in aiding the farmers' cause.

I would like to pay tribute to all the farmers who made this venture possible, particularly Big River farmer Eugene Swanson. At a time when there are many problems in Canadian agriculture, it is reassuring to hear a farming success story.

* * *

CHARTER OF RIGHTS

COURT CHALLENGES PROGRAM

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, while it was very good news to learn on September 25, 1985, from the Secretary of State (Mr. Bouchard) that the federaL Government has finally committed itself to providing funds to assist with legal expenses for those seeking their rights to equality in accordance with the Charter of Rights and Freedoms, my colleagues and I are greatly concerned about the way in which the Government proposes to administer and allocate these funds.

These funds are needed to pay for the cost of challenges in court. They are needed by many groups which have been disadvantaged until now by unequal treatment, namely, the women of Canada, the native people, the handicapped, and members of various multicultural groups. These groups constitute a huge majority of the people of Canada who, until now, have been denied equal rights.

Why does the Government seem to insist on giving all these important funds on a case by case basis through the Canadian Council on Social Development? In asking this, I want to affirm my respect for the outstanding work of the Canadian Council on Social Development, which has been entrusted with responsibility for assigning financial support for court challenges.

It is how these funds are assigned that is of critical importance. The principle of the Government being at arms length is also important. But why does the Government not guarantee, as these constituent groups have demanded, that adequate funds be given to the organizations responsible for an over-all approach? They are the groups affected, and they are the ones who are qualified to decide the priorities, timing, and issues that are appropriate. Women understand the issues of women. Canadian natives understand those that concern natives, and the handicapped know what their approach must be. Each of these major groups has its views—

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

CANADIAN PACIFIC RAILWAY

ELIMINATION OF PENSIONERS' TRAVEL PASSES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the year 1985 marks the one-hundredth anniversary of the Canadian Pacific Railway. It is unfortunate that this anniversary also marks the rescinding of an historic right for railway employees, namely, the suspension of all CP Railway travel passes for retired employees.

Railway employees have had travel privileges on Canadian railways since 1856. Canadian National continues to honour this right of retirees.

The CPR has given no reason for this mean treatment of those who have given the railway so many years of faithful service. The only explanation offered has been that it is a matter of "principle". It is apparently a CPR principle to cut off this small concession to retired workers at the same time it is celebrating 100 years of successful operation made possible by the work of its employees.

It is apparently a CPR principle to stop any rail travel by over 65s at the same time that it is paying salaries to senior executives well in excess of $500,000 annually.

This display of unparallelled meanness and lack of understanding leads me to bestow on the CPR the title of "Corporate Scrooge of the Year" for its failure to keep faith with its former employees.

As part of this award, I wish that all CP executives and board members be forced to watch repeated showings of their own television advertisements which proclaim that an employee "is never just a number with CP". This, of course, is true. The CPR continues to show by its actions—

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

WORLD MARITIME DAY

MARITIME SEARCH AND RESCUE WORK

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, it is with great honour that I bring to the attention of this House the celebrations today throughout the world of World Maritime Day.

On behalf of Canada, I would like to offer congratulations on this occasion to the International Maritime Organization based in London, England, and to its esteemed Secretary General, Mr. C.P. Srivastava for a very successful year.

During its 26 years of existence, IMO has been instrumental in improving maritime safety. Canada was a founding member and has played a significant role in the development of IMO. At present, Mr. W. A. O'Neil, president of the St. Lawrence Seaway Authority, is Chairman of IMO Council.

The theme of World Maritime Day for 1985 is Maritime Search and Rescue. The survival of persons in distress at sea depends ultimately on the speed with which they are located and rescued. The most important provisions on global search and rescue are embodied in the International Convention on Maritime Search and Rescue adopted by IMO in 1979. The Convention adopts improvements to existing procedures and introduces new requirements in order to facilitate speedy and effective action at both national and international levels.

It is with great honour and personal pleasure that I commend the convention and its objectives to the Canadian maritime community on this occasion. May I, on behalf of this House, convey to the International Maritime Organization, to seafarers in Canada and throughout the world, our greetings and good wishes on their continuing efforts—

• (1410)

Mr. Speaker: Order. Order, please. I take it that is in effect a message of congratulations, which is out of order.

S.O. 22

FISHERIES

CALL FOR CANADIAN OWNERSHIP OF FACTORY FREEZER TRAWLERS

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, at the present time the Canadian Government does not permit the ownership of factory freezer trawlers by Canadian companies. The international market, however, recognizes that supply of fresh product is assured from freezer trawlers, as the appropriate technology has proven.

The nations that operate FFTs are benefiting from this market preference at the expense of Canadian companies. The ability of National Sea Products to remain competitive in the world market is therefore limited unless it is granted the requested licence to avail itself of FFT technology.

There are some people in Atlantic Canada who are saying that one freezer trawler will affect the supplies of northern cod. This statement is not in line with the facts since we presently have operating within our 200-mile-zone a total of 74 factory freezer trawlers: eight from Cuba; eight from West Germany; nine from France; one from East Germany; seven from Japan; one from Poland; eight from Portugal, and 32 from the U.S.S.R.

I believe that the time has arrived when we must reassess our priorities as they relate to quotas for foreign and Canadian fishermen within our 200-mile zone. FFTs will enable Canadians to find new job opportunities and open up markets now lost to foreign competition. Seventy-four factory ships for foreigners in Canadian waters and none for Canadians is no longer acceptable. It is time that we got on with the job.

* * *

SCIENCE AND TECHNOLOGY

CRITICISM OF GOVERNMENT POLICY

Mr. David Berger (Laurier): Mr. Speaker, Canada is on a disastrous course:

> This Government has embarked upon a course which could propel Canadian scientific inquiry backward and leave the country far behind other countries in scientific achievement.

These are the words of Nobel prize winner Gerhard Herzberg. And what is the Government doing about this situation which threatens Canada's future?

At a meeting with his provincial counterparts recently the Minister for Science and Technology said: "Canada faces strong international economic challenges". But this sober assessment is betrayed by his cowardly conclusion: "We have recognized the vital importance of science and technology to meeting these challenges".

This is not good enough. Canadians will not accept that the Government completely ignore their future. Time after time, blunder after blunder, the Government has shown that it cannot recognize a problem until it is too late. Mr. Speaker, this stinks.

S.O. 22

It is time that the Government do something about Canada's future and chart a course for Canada's science community. Unless more resources are allocated to this important sector, it will take a miracle for this country ever again to have a Nobel prize winner.

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[*Translation*]

CANADA POST CORPORATION

STANDARDIZATION OF SERVICES

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, according to Canada Post official statements published recently in the newspapers, not only must the corporation reduce its deficit, but it has to show a profit as well.

Though I agree with that statement, I want to warn the corporation that it should not be done at the expense of the Canadian people for it might unnecessarily create a new category of second class citizens.

Unfortunate though it may be, Mr. Speaker, I have to say that an ever growing number of my constituents keep complaining and asking for improved postal services.

We all agree on the need for new rationalization standards, but we have to keep in mind that the ridings are not all the same, that most of them are located in rural or semi-urban areas. Perhaps it would be better to make those standards reflect the reality of such ridings so that highly urbanized ridings will not get better services at the expense of other ridings.

Mr. Speaker, I respectfully urge the Minister responsible for Canada Post to pay particular attention to the situation and keep a close watch on the development of the Crown corporation with a view to making appropriate changes and restoring a fair balance.

* * *

[*English*]

NUCLEAR ARMAMENTS

URANIUM EXPORTS—DISPOSAL OF RADIOACTIVE WASTES—SALE OF TRITIUM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the concern expressed yesterday by my Leader about the possibility of Canadian uranium being used for nuclear weapons should cause all of us to pay more attention not just to that but to nuclear issues in general. I would like to bring three of them to the attention of the Government.

There is a conference in London this week having to do with the disposal of pollutants at sea and I would like to encourage the Government not to support the American position that the two-year moratorium on the disposal of radioactive wastes in the ocean should be discontinued. I would encourage the Government to support the extension of the moratorium.

I would also encourage the Government to take a serious look at whether or not the sale of tritium could be included in the agreements which now exist with respect to prohibiting the use of Canadian uranium for the development of nuclear weapons.

Finally, I would like to encourage the Government to remember the promise of the Conservatives in 1979 that they would set up an inquiry into the whole nuclear fuel cycle in this country, from uranium mining to radioactive waste disposal, and cause that inquiry to begin so that Canadians can have a say, for a change, in the nuclear future that was imposed on them by the Liberals and seems to be business as usual by the Conservatives. We would like to see an opportunity for Canadians to have a say.

ORAL QUESTION PERIOD

[*English*]

Mr. Speaker: The Right Hon. Leader of the Opposition.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question or two to put to the Prime Minister who will be appearing here at three o'clock, I am sure, to read his statement. Is he coming in?

Mr. Hnatyshyn: I expect so.

Mr. Turner (Vancouver Quadra): I would prefer to put the questions directly to the Prime Minister.

Mr. Speaker: The Hon. Member for Egmont.

* * *

THE MINISTRY

EXPRESSION OF OPINIONS

Mr. George Henderson (Egmont): Mr. Speaker, in the absence of the Prime Minister I will address my question to the Deputy Prime Minister.

When a Minister contradicts the Prime Minister, he is fired. When a member of caucus contradicts the Prime Minister, he is asked to withdraw those comments or resign. I ask the Deputy Prime Minister, is this new jackboot mentality the way the Prime Minister is going to deal with every member of his caucus who may have a legitimate difference of opinion with the Prime Minister or with the Deputy Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the jackboot mentality in government ceased last September.

Some Hon. Members: Hear, hear!

INQUIRY OF THE GOVERNMENT

Mr. George Henderson (Egmont): Mr. Speaker, my supplementary is also to the Deputy Prime Minister. I would like to know what kind of atmosphere exists on the Government side. Is it fear, and I want to emphasize the word fear? The Hon. Member for Carleton-Charlotte, having repeated a statement five times, asked: "Am I contradicting the Prime Minister?" What kind of bunker mentality exists in your Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I as most Canadians deplore the atmosphere of any cesspool but I can assure you that that atmosphere exists on the other side of the House and not this side.

Some Hon. Members: Hear, hear!

* * *

APARTHEID

SOUTH AFRICA—RECOMMENDED SANCTIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, in the absence of the Prime Minister I address my question to the Secretary of State for External Affairs. Last week South Africa once again invaded Angola to protect its continued occupation of Namibia. There was a new threat to displace 42,000 blacks from their homes, and there were further arrests of UDF leaders, one of whom, Mr. Mbotya, died mysteriously in police custody. Finally, President Nyerere has urged the Prime Minister to impose stronger sanctions against South Africa.

What will Canada's response be to Mr. Nyerere's specific recommendations to ban interline ticketing to South Africa by Canadian airlines and to impose an embargo on South African agricultural products?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am pleased to report that the Government of Canada not only had very useful conversations with President Nyerere yesterday but I was able in New York to have meetings during the deliberations of the United Nations General Assembly with other Foreign Ministers of other Commonwealth countries and, indeed, with Foreign Ministers of the summit countries, at all of which, not only did the question of South Africa come up, but at all of which Canada indicated the leadership we have shown and the leadership we intend to show.

With regard to specific proposals that President Nyerere might have made we invited him here to have the benefit of his advice. We are going to be considering very seriously the recommendations that he made to us.

● (1420)

[*Translation*]

REQUEST FOR ARMS EMBARGO

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have a supplementary for the same Minister. Does the Prime Minister of the Government of Canada intend to review the legislation, regulations and implementation mechanisms governing the embargo on arms sales to South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first of all, I would like to congratulate the Hon. Member, who, like me, is a "Francophone", on the ease with which he expressed himself today.

Second, I repeat that we are examining all avenues that are open to Canada. I believe that yesterday the House was informed that the Prime Minister has appointed Mr. Bernard Wood, a Canadian who commands respect on both sides of the House, as his special emissary for direct consultations with Africa countries and other members of the Commonwealth, in order to seek ways in which not only Canada but all other countries that are against apartheid can take joint action.

* * *

[*English*]

PETRO-CANADA

ACQUISITION OF GULF ASSETS—TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the absence of the Minister of Finance, I will direct my question to the Minister of State for Finance. All week we have been discussing how the Ministers in the Department of Finance have blown $1 billion by bungling the bank bail-out. Now we have learned that a ruling was issued with respect to the acquisition of Gulf assets in Canada, a ruling which will add perhaps another $1 billion to the deficit. Can the Minister tell us if that ruling was reviewed by officials of her Department, if the cost implications of that ruling were fully understood, and if she will undertake to table that ruling here in the House of Commons?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, perhaps I might respond to the Hon. Member. I realize that because of his experience in these matters he is well aware that the confidentiality provision, Section 241, of the Income Tax Act, specifically makes it impossible to give details of this. Unless the directors of the corporation involved want to divulge the information, the Government certainly cannot. I can assure the Hon. Member that whatever was done with respect to tax rulings was entirely within the provisions of the Income Tax Act and was proper.

REQUEST FOR COMMITTEE HEARING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am not satisfied with that response. Looking at the

provisions of the Income Tax Act with respect to the transaction, it seems to us that explanations are required. The Canadian public cannot be expected to accept this kind of story about hiding behind Section 241 of the Income Tax Act when $1 billion of the taxpayers' money is involved. Will the Minister be prepared to come before the committee with his officials to table that ruling and to explain the transaction to the Canadian public?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can say to my learned friend that, according to the information I have, the reaction to this particular ruling has been favourable and there will be an eventual recapture. As the Hon. Member knows, there is nothing more that I can add either here or before committee that would be held to be proper under the traditions of income tax jurisprudence.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY OF ENERGY OF ARGENTINA

Mr. Speaker: Before continuing, may I bring to the attention of Members the presence in our gallery of Senor Conrado Storani, Secretary of Energy and Chairman of the Radical Party Convention of Argentina.

Some Hon. Members: Hear, hear!

* * *

INVESTMENT CANADA

TAKEOVER OF CLASSIC BOOK STORES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion who is also responsible for Investment Canada. Hon. Members may know that today the Minister has approved the foreign takeover of Classic Book Stores despite the Government's announced policy that such businesses would only be permitted to be acquired through a Canadian-controlled joint venture. Why has the Government seen fit to abandon the policy of the former Minister of Communications just one day after he resigned?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member would realize if he had read the press release that we sent to his office, the decision regarding Classic was made in part by the former Minister of Communications. He was in complete agreement with the communication that was issued at noon today, and the hard fact is that, as a result of the merger between Classic and W. H. Smith, there has been an agreement that up to 49 per cent of the company will be offered to Canadians. This means that, for the first time, the interest of W. H. Smith in Canada will become partly owned by Canadians—another win for the people of Canada.

Some Hon. Members: Hear, hear!

APPROVAL OF TAKEOVER

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in fact it is another loss for the integrity of the Government which cannot even stick to its own guidelines on foreign policy. Why was this sale approved with so much celerity, to use the Prime Minister's favourite word, at a time when the Government has before it a rival offer from Canadians to take over this company for $5.6 million more than the purchase price offered by W. H. Smith?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, it would be so refreshing if the Hon. Member would do his homework.

An Hon. Member: He did. He read the paper.

Mr. Stevens: Mr. Speaker, the sum total of his research is spending 25 cents to buy *The Globe and Mail*.

Some Hon. Members: Hear, hear!

Mr. Stevens: In answer to the question, there is no alternative offer. There is the hope of an offer. The hard fact is that Classic, as is generally known, is facing severe financial circumstances. On September 30 its bankers may not be willing to extend credit. Various creditors of Classic are very anxious that they not be left in default. We felt in the interests of the Canadian book publishing industry that we had to take a step to make sure that these two enterprises carried on in a viable fashion.

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK—GOVERNMENT'S INFORMATION IN MARCH

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. The Minister has said that the decision to bail out the Canadian Commerical Bank last March was based on the best information available at the time. Did that information include the opinions of the external auditors and the minutes of the CCB's audit committee?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the information on which we based our judgment was based on regulatory reports which had been discussed by the auditors, as the Hon. Member well knows, and with the banking industry, officials of my Department, and officals of the Bank of Canada. All of those facts have been made clear. The decision was made after we asked ourselves some very tough questions. We came to what we felt was a decision that

was in the best interests of the depositors, the borrowers, western Canada, and the banking system.

● (1430)

RANGE OF INFORMATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question was very specific and the Minister has not answered it. I would appreciate it if she would give a direct answer. Were those two specific items available to those making the decisions?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it has been made very clear, I think, by the Inspector General, both in committee and in other statements he has made, that he is in touch with the auditors of banks on a continuing basis in his evaluations. To that extent the auditors' statements were taken into account. There were a number of items taken into account. I have made that very clear. I have not avoided the question at all.

* * *

THE MINISTRY

RESIGNATION OF FORMER MINISTER OF COMMUNICATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. The Canadian Press reported this morning, and I quote:

Prime Minister Brian Mulroney's office knew a few months ago that former Communications Minister Marcel Masse was being investigated by the RCMP.

Apparently Jerry Lampert, National Director of the Conservative Party, has admitted that he informed senior people in the Prime Minister's Office of the investigation so that, to use his words, "they were aware".

The Prime Minister will also know that Bill Fox, his Director of Communications, stated to members of the media that the Prime Minister only learned in general terms on Tuesday night of an investigation, and only learned the name of his Minister on Wednesday morning.

When did senior officials in the Prime Minister's Office first learn of the investigation involving the former Minister of Communications? Who was the senior official in his office who received the information? When did the Prime Minister himself first learn of the information?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, speaking for myself, I was advised on Tuesday evening through the Solicitor General and the Commissioner of the RCMP of the fact that a Minister would be under investigation and that search warrants would issue in regard thereto. When I was advised by the Solicitor General there was a meeting, which I was assured was pursuant to conventional criteria in such circumstances. The Commissioner of the RCMP and the Solicitor General officially advised me. I was advised of the identity of the Minister involved at about 11.30 a.m. the next day. I had no prior knowledge, prior to that moment in my office, when I was advised of the identity of the Minister.

ROLE OF PRIME MINISTER'S OFFICIALS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I accept that. I wish to put another question to the Prime Minister.

This is the second instance of a senior official in the Prime Minister's office concealing from the Prime Minister, or keeping the facts from him, respecting two Ministers who have had to successively resign because of those facts. I suggest to the Prime Minister that he has to accept responsibility for the omissions of members of his staff. Like every other Minister he, as First Minister, must take ministerial responsibility for omissions of his staff which affect the public administration of the country. What will the Prime Minister do about that?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no evidence that any senior member of my staff was involved in any improper way or had any knowledge improperly acquired or otherwise—

Mr. Deans: Nobody said that.

Mr. Mulroney: —to give the right hon. gentleman that conclusion. I am aware of the allegation, or the statement alleged to have been made by Mr. Lampert. I can tell my right hon. friend that I am aware of no one on my senior staff who had been so advised by Mr. Lampert. I can assure my right hon. friend, and the Leader of the New Democratic Party as well, that notwithstanding the fact that as Leaders of political parties they will be aware of the manner in which inquires are made and transmitted back and forth between political Parties in the event of suggestions of impropriety being filed with the office of Elections Canada—I can give my right hon. friend the assurance that, notwithstanding that, I received no advice from anyone at all prior to being so advised by the Clerk of the Council.

REQUEST THAT PRIME MINISTER REVIEW WORK OF OFFICIALS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister cannot escape responsibility from these matters by merely saying that he did not know. We accept his statements in this House. However, he has been shielded by members of his staff from serious facts and allegations which have resulted in two resignations. I am suggesting to the Prime Minister that his ministerial responsibility as First Minister is at stake here. He should have known precisely because he is Prime Minister. It will not do in this House to say that he does not know—his senior staff members knew and they should have told him.

Will the Prime Minister conduct a thorough review of the senior, non-elected officials in his office to assure this House, and thereby the country, that facts affecting the public

administration of Canada will not be concealed from the Prime Minister when he should be made aware of those facts?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the little time that was available to me I wish to assure my right hon. friend, and all Members of the House, that to the extent humanly possible I have already made inquiries of those people who were available. In all instances I have been informed by senior staff that they were not so advised under any circumstances.

I take seriously the view of my right hon. friend. However, I wish to assure him of two things. I had no prior knowledge of any kind; nor am I aware of anyone on my senior staff who might have had such knowledge. It is really to the contrary. Inasmuch as we operate, and I hope we continue to operate, with the presumption of innocence in this country, I hope that presumption applies to the House of Commons as well.

Mr. Gauthier: It is ignorance, not innocence.

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FISHERIES

SALE OF CANNED TUNA—REQUEST FOR COMMITTEE REFERRAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question on a related matter for the Prime Minister. As the Prime Minister and all Members of the House know, we have been preoccupied for many days now getting to the truth behind a series of contradictory statements which have used up the time of this House when other more important matters could have been dealt with.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Get down to business!

Mr. Broadbent: Conservative Members are laughing and telling me to get down to business. I have a proposal now which will allow us to get down to business. I wish to see how the Government will respond to it.

Considering that in the last week alone three important and fair-minded Canadians, as far as we know—I refer to the former Minister of Fisheries and Oceans, Pat MacAdam and, perhaps, in terms of its symbolism most important of all, the Hon. Member for Carleton-Charlotte—have completely contradicted themselves in regard to statements they have made with respect to the position taken by the Prime Minsiter, leaving us in the position of having to decide what is true, and leaving the House in a turmoil, and since the Prime Minister has indicated he wants to get to the truth of this whole messy affair, will he agree to have this subject matter referred to the Standing Committee on Privileges and Elections? In this way, these people, including the Prime Minister, could give their views and we would be allowed to get on with the other important business of the House.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know how much the events of the last few days have dismayed my hon. friend. All the attendant publicity has offended him. If there were contradictions, I think my hon. friend would agree that there have been no contradictions flowing from my mouth.

Mr. Nunziata: You are Snow White!

Mr. Mulroney: I have been asked specific questions and I have responded in a specific and honest manner, knowing full well the traditions and responsibilities of every Member of this House, which apply no less—indeed more—to the Prime Minister. I have indicated that if any Hon. Member of this House, from whatever Party, including the Leader of the New Democratic Party, has anything at variance with what I have just said, let him put his seat on the line, and I will mine.

• (1440)

Mr. Broadbent: Mr. Speaker, the Prime Minister said the last few days should have concerned me. I can tell him that it is not my integrity which has been called into question—

Mr. Hnatyshyn: Oh, yes, it has. You haven't been right once.

Mr. Broadbent: —in the last few days. I say that to him. Nor have I, Mr. Speaker, to this point questioned the integrity of the Prime Minister, including the last question.

Mr. Clark (Yellowhead): What was that last phrase? Where is your courage?

REQUEST FOR COMMITTEE EXAMINATION

Hon. Edward Broadbent (Oshawa): So the Prime Minister will understand it, my question is this. Given the fact that an Hon. Member of the House on his side has said one thing which contradicts the Prime Minister and another Cabinet Minister in the past has said something which contradicts the Prime Minister, as well as someone on his staff—not judging on the truth of the issue, and I say that genuinely—if the Prime Minister wants to get to the truth, why will he not refer this matter to a committee so that we can get to the bottom of it and go on with other business in the House? That is what it is about.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on all of these matters, on each and every single one of these matters, I have provided Hon. Members with complete and full and honest answers. That someone may inadvertently or otherwise have a recollection at variance with a dimension of another Member, I do not quarrel with that. I simply say that in regard to the important and fundamental issues which have been raised by Hon. Members of this House at any time involving the truthfulness of my position, I have stated it categorically, I repeat it today, and we all know the conse-

quences of anybody who can produce any evidence at variance therewith.

Some Hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER DISMISS OFFICIALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, all I can say is that Hon. Members on both sides of the House know that there are two other people, one a former Minister of the Crown and another a Conservative backbencher, who have said things completely different from the Prime Minister. What he is now saying is what they have said in the past is false, and we have to choose between the two.

Mr. Clark (Yellowhead): Where's your courage, Ed?

Mr. Broadbent: Simply to the Prime Minister, if we are not going to have some way of getting this issue out of the House, I want to get back to the ministerial responsibility issue. Independent of honesty, I want to ask—

Mr. Hnatyshyn: Order.

Mr. Speaker: Order, please. Would the Hon. Member please come directly to a question?

Mr. Broadbent: I ask the Prime Minister this. Considering that we now know that there have been at least two senior officials in his office—

Mr. Speaker: Order, please. I invite one more time a direct question, please. No more preamble.

Mr. Broadbent: Will the Prime Minister take steps to remove from his staff important functionaries who ought to have brought certain matters to his attention and who did not do so? Will he exercise his responsibility as Prime Minister and fire them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend I think would acknowledge, and those Hon. Members who have served in Government would acknowledge, the responsibilities inherent in ministerial resignation. It is not an easy thing. It is not something to which anyone at any time looks forward.

There were two incidents which occurred. For different reasons, the Ministers and I shared the view that resignations would be appropriate. That was an honourable, I think, and appropriate course. I realize the consequences of those resignations. I do not think any Prime Minister enjoys a resignation from his Ministry for whatever reason even though, for example, yesterday there was not even the hint of a charge. Indeed, the search warrants may of themselves completely exonerate—and hopefully they will—the Minister. But if my standards are such on behalf of Hon. Members that I believe that in those circumstances ministerial resignations were appropriate and needed, you can be absolutely certain that with regard to staff people who would not have fulfilled their responsibilities, I would dismiss them with absolute alacrity.

There is no evidence at all to prove that any staff member did anything wrong, illegal or improper.

Mr. Broadbent: They didn't do their job.

Mr. Mulroney: I think my hon. friend, if he views it in that perspective, will agree that I, as Prime Minister, and as leader of this Government, have acted properly at all times.

Mr. Broadbent: They didn't to their job.

RCMP INVESTIGATION

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I too have a question for the Prime Minister. I apologize that I have not been able to give him notice. It relates to the question from the Leader of the Opposition. I wonder if the Prime Minister would agree that in most circumstances it would be totally improper for the Prime Minister to know the details of an investigation before charges are laid by the RCMP against any Hon. Member in this House.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had no knowledge of this question. I had no knowledge of the question at all. I can tell my hon. friend this—I agree with the thrust of that question even to the extent that in the position of being in the presence of the Commissioner of the RCMP and the Solicitor General of Canada, in my residence, I told both of them—and I convened the Clerk of the Privy Council—when advised of the fact that the search warrants would issue: "I assume that you will proceed and when you have completed your work, you will advise me of the identity of the Minister against whom you propose to execute these search warrants. I don't want to know because even that knowledge might be construed as impeding or creating the possibility of impeding justice. I do not want to know, unless it is immediately within my purvue of responsibility, of charges being laid, which may be dismissed, against members of the Opposition or Members of this House.

I believe that that is an appropriate and honourable arm's length conduct in the administration of justice in this country.

Some Hon. Members: Hear, hear!

REPRESENTATIONS MADE BY MEMBER FOR CARLETON-CHARLOTTE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. Yesterday the Prime Minister scoffed at suggestions made by my colleague, the Hon. Member from Cape Breton, that the Hon. Member for Carleton-Charlotte had been making representations regarding Starkist tuna since last September. In fact, he said: "We were only elected last September". How can the Prime Minister expect Canadians to believe the Hon. Member for Carleton-Charlotte's memory was faulty with respect to raising this matter in his own Party's caucus when his memory with respect to making representations to the Minister of Fisheries and Oceans was dead on?

In hold in my hands a copy of the letter the Hon. Member wrote to the Minister last September 1984, 13 months ago, regarding the Starkist question and difficulties.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I see nothing at all inconsistent with that. I did not scoff at anyone, not my hon. friend, nor the Hon. Member to whom he referred. I think my hon. friend asked me a question and that was whether I had any prior knowledge, or if this matter had been raised in my caucus in my presence, and I said "at no time".

Mr. Tobin: That is an interesting qualifier "in my presence".

Some Hon. Members: Oh, oh!

Mr. Crosbie: If he wasn't there, how the hell would he know?

DEPUTY MINISTER'S CONFIDENTIAL MEMORANDUM

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): The Prime Minister has stated in the House that Mr. MacAdam of his office investigated this matter and was assured by Fisheries officials that there was no problem last July. Is the Prime Minister aware that in a confidential memo from the Deputy Minister of Fisheries and Oceans to the Minister of Fisheries and Oceans, dated January 14, 1985, the Deputy Minister says the following: "Rejection of Starkist product has been because of rancidity, decomposition, style of pack, short weight, wrong colour, wrong texture, processed defects"; in short, unfit form human consumption. What would the Prime Minister say would represent no problem or a problem to Mr. MacAdam and to the Prime Minister with respect to this matter last summer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member says that I said that Mr. MacAdam investigated this matter and arrived at a value judgment. I said no such thing. I said that in the first week of July Mr. MacAdam picked up some scuttlebut in regard to a television program, which he conveyed to the Department of Fisheries and Oceans. He was advised by a member of the staff of the Minister of Fisheries at that time that there was no problem.

● (1450)

Mr. Tobin: MacAdam denies it.

Mr. Mulroney: He does not deny that he conveyed that information at all. The information circulated in Ottawa, he conveyed it, and he was advised there was no problem.

Inasmuch as Mr. MacAdam's name has been mentioned by others in this House, here is a perfect illustration. I know my hon. friends would not want me to act arbitrarily and unfairly. Here is a staff member who hears of something, advises the Department in question of what he has heard, and is advised there is no difficulty. He initiates the matter. He has more than fulfilled his responsibility. That indicates competence of a Prime Minister's staff. He is doing the right thing.

The consequence of it, ultimately, is again, while difficult but proper, that there is a divergence of view. The Minister of Fisheries accepts responsibility. That is proper British parliamentary practice, and respect for the House of Commons and the people of Canada.

Some Hon. Members: Hear, hear!

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CANADIAN ARMED FORCES

ACQUISITION OF CANNED TUNA

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Deputy Prime Minister. Would he care to speculate on how—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Order!

Mr. Skelly: Pardon me, would he please indicate to this House how $103,000 worth of rancid and decomposing tuna wound up in the Department of National Defence, circulated to 32 Armed Forces bases in Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure that Hon. Members would not expect a Minister of Defence to have his or her finger on the pulse of every single product that was distributed to 83,000 troops throughout this country and our Forces based in Europe. But I can assure the Hon. Member that the standards adopted in the procurement of foodstuffs for the Department are of the highest, indeed a good deal higher than the quality of the questions coming from Hon. Members opposite.

Some Hon. Members: Hear, hear!

ISSUANCE OF CONTRACT

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, would the Minister confirm for us that a member of the Prime Minister's Office did not co-ordinate this particular contract between his Department and the Department of Supply and Services to ensure that members of the Armed Forces were not used as guinea-pigs—

Some Hon. Members: Oh, oh!

Mr. Skelly: —for rancid and decomposing tuna?

Some Hon. Members: Oh, oh!

An Hon. Member: Get out of here!

Mr. Andre: Make that charge.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would like the Hon. Member, in keeping with the usual quality of the standards of conduct in this House, which seems to have been forgotten by himself and his colleagues, to adhere to those standards—

An Hon. Member: That coming from you, Erik?

Mr. Nielsen: —to adhere to those standards and make a charge to that effect, which is precisely what I did when I had that kind of subject to raise in this House of Commons.

Some Hon. Members: Hear, hear!

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PUBLIC SERVICE

INDEXATION OF SUPERANNUATES' PENSIONS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, my question is directed to the President of the Treasury Board and concerns the approximately 200,000 federal retirees, or superannuates as they are commonly called, including members of the Armed Forces, the RCMP, and widowers and dependent children in some cases, who are receiving federal Government pension income. Will the Minister please explain to the House what the current state of negotiations is concerning the indexation of these pensions for those who rightfully paid for them?

Mr. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to say first of all that I very much share the concerns raised by my hon. colleague and by many other hon. colleagues in this House about this situation. We are attempting at the moment to put the pension funds on a sound financial management basis. There are actuarial studies under way, we are awaiting their completion, and I can only say, to reassure those who may have concerns, that we are proceeding in a fair and equitable manner and that the commitments of this Party and this Government will be respected in any final agreement reached between the parties concerned, including the superannuates and the active employees.

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FISHERIES

SALE OF CANNED TUNA—REQUEST FOR APOLOGY

Mr. George Baker (Gander-Twillingate): Mr. Speaker, this Government is being stymied—

Some Hon. Members: Question!

Mr. Baker: —unable to address the important problems facing this nation because it is caught in a maze of its own errors which cannot be chalked up to a plain and simple lack of experience. My question is directed to the Prime Minister, and I was waiting for him to sit down.

Mr. Hnatyshyn: We are waiting for you to sit down.

Mr. Crosbie: We are waiting for you to shut up.

Mr. Baker: Does the Prime Minister realize that Canadians are totally dissatisfied with his actions in the tuna affair? Regardless of who bungled it, does not my hon. friend agree—

Some Hon. Members: Order!

Mr. Baker: —that he as Leader owes Canadians an apology?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Mr. Nielsen: They are the ones who owe the apology.

Mr. Mulroney: —I think it would be agreed that Canadians are properly demanding in their standards of their political leaders, but fair. They are demanding but fair. They fully expect in the event of any controversy to have their Prime Minister, Leader of the Opposition, or Leader of any Party, be subject to interrogation, and then listen with care to the responses. They fully expect that at all times their elected leaders will respond with honesty and integrity. I have done that in every question put to me.

I think the fairness of Canadians is based on what we have always been taught, that we are presumed, all of us in all circumstances, in the absence of proof to the contrary, to be innocent. We are presumed, all of us, in the absence of proof to the contrary, to be telling the truth out of respect for one another and out of respect for our country. That I have done in every situation, in every circumstance.

My hon. friend asks me the reaction of the Canadian people. I do not know what the reaction is, but I suspect that Canadians are sitting at home in cities, towns and hamlets across this country, and saying the Prime Minister has been seriously interrogated. He has responded fully and completely to every question, and the doctrine of fairness is now being violated by those who are indulging in character assassination. That is what is going on.

Some Hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER RESIGN

Mr. George Baker (Gander-Twillingate): Mr. Speaker, we have a Prime Minister whom nobody can believe in.

Some Hon. Members: Shame!

Mr. Baker: I ask the Prime Minister for a general apology.

Some Hon. Members: Question.

Mr. Baker: If he does not want to apologize, then why don't you resign?

Some Hon. Members: Oh, oh!

Mr. Andre: Why don't you resign?

Mr. Epp (Provencher): How stupid.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think any fair-minded person in this House, in the Opposition, or in the press, would agree that the suggestion of my hon. friend is most unworthy and improper. There have been many of those which have been made unfairly in the course of the last few days, but—

Mr. Nunziata: You are so perfect, you have a halo around your head.

Mr. Mulroney: —we are here to be examined and cross-examined, and on all of these items the questions put have been responded to fully. I have given my hon. friend complete and honest answers. I have no apologies to make to anyone, least of all him, in the area of integrity and honesty.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Hon. Member for Oshawa, one question.

* * *

● (1500)

NUCLEAR ARMAMENTS

URANIUM EXPORTS—CANADA-UNITED STATES TREATY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. As the Minister knows, Canada has an agreement with the United States which states that under no circumstances "shall Canadian uranium be used for any military purpose". Will the Minister explain to the House how it has come to be that depleted uranium from Canada is being used in the United States as an encasement surrounding nuclear warheads? Will he also tell the House what corrective steps are being taken by the Government of Canada to enforce this agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member raised a general question yesterday. He knows that our treaty provisions with the United States are similar to those which we have with Sweden and other countries. They are based upon the principle of fungibility. Over the last 20 years there has been no evidence of any breach of the language or obligations of that treaty.

I do not know of the particular case which the Hon. Member is alleging. I will look into it. If he has other instances of alleged breaches of treaty, rather than dangling them out a day at a time in the House of Commons I would ask him to bring them directly to my attention or that of the Prime Minister, and we will find out the facts and get back to him and Parliament in order that we will all know the degree to which a treaty brought in by the Right Hon. Lester Pearson in 1965 continues to be respected.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, September 25, 1985, meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader (Mr. Hnatyshyn) what business he intends to call for the remainder of this week and all of next week. I would ask him, in answering the question, to be as complete and detailed as possible in order to deal fairly with all Members of the House who want to be able to plan their activities and be ready to take part in debate. It is not consistent with the traditions of the House, nor fair to Hon. Members, to have the business changed, not only from day to day, but from hour to hour and minute to minute. We expect better of the Government House Leader.

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (President of the Privy Council): How short these memories are, Mr. Speaker. I have spent a lot of time in Opposition, Mr. Speaker—

Mr. Gauthier: You will be back.

Mr. Hnatyshyn: —and compared to what went on in years past, this is paradise for the Opposition.

If there is someone whom I see more frequently than even my wife, it is the Hon. House Leader of the Liberal Party (Mr. Gray) when I consult with him. I take that back, Mr. Speaker, my wife will kill me when she hears that.

I have been giving statements of House business as much as two weeks in advance. I have, indeed, consulted with the Opposition House Leaders, not for the purpose of making any changes, but rather to ensure that the appropriate spokespersons are present and to ensure that it meets the convenience of Hon. Members on the Opposition side as well as that of our own Members. I do not have to take a lecture from the Opposition House Leader in that regard.

With respect to the business of the House, we are now dealing with Bill C-55, an Act to amend the Immigration Act. I hope that we will progress to second reading of that Bill. It is my intention to call, as the next item of business, Bill C-42 which relates to the dissolution of Canagrex. I think Monday would be an appropriate day to have the last day of debate on Bill C-70, the Bill with respect to child allowances. That Bill will go to a legislative committee to permit examination by Members.

I have indicated the legislation for next week and I also intend to proceed with Bill C-74, the Act with respect to electoral redistribution and amendment to the Constitution. I

want to deal as well with the Bills relating to the Toronto Harbour Commission, to the Canada Shipping Act, and to amendments to the Criminal Code concerning pari mutuels.

As always, in order to accommodate the Opposition and all Members of the House, I will arrange the business in the presence of a spokesperson from the Opposition who can make whatever contribution is deemed appropriate.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I was wondering whether the Government House Leader (Mr. Hnatyshyn) might be able to tell us whether he has scheduled, for the next few days, any further discussions with regard to the reference to committee of the matter of the Canada Commercial Bank and the Northland Bank?

Mr. Hnatyshyn: Mr. Speaker, I am glad the Hon. Member raised that issue because I do not want him to have any misunderstanding about the setting forward of this particular motion. It is my intention to continue discussions. I am sorry that I was not present last Monday. We had agreed that the matter would go forward last Tuesday. I do not want the Hon. House Leader to have any misunderstanding with respect to the order of business. I will get together with the House Leaders at a mutually agreeable time to discuss these matters. I am sure that we can make progress.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PRESENTATION OF FIFTH REPORT OF STRIKING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour of tabling, in both official languages, the fifth report of the Striking Committee.

* * *

TRADE

TABLING OF REPORT OF HON. JAMES KELLEHER TO PRIME MINISTER OF CANADA

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, pursuant to the provisions of Standing Order 47(2) I have the honour to lay upon the table copies, in both official languages, of a document entitled *Report by the Hon. James Kelleher, P.C., M.P. to the Right Hon. Brian Mulroney, Prime Minister of Canada.*

Statements by Ministers

TRADE

CANADA-UNITED STATES NEGOTIATIONS—STATEMENT BY PRIME MINISTER

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise to inform the House and the country that I have today spoken to the President of the United States to express Canada's interests in pursuing a new trade agreement between our two countries.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We hope that this action will lead to negotiations for a new trade agreement between the United States and Canada. I have asked the President to explore with Congress their interest in pursuing these negotiations. Both sides recognize that the issues are complex. Both sides are determined to see the process moved as expeditiously as possible. The President and I will be meeting in the spring of 1986 to review progress and the prospects for a new agreement.

[*Translation*]

Hon. Members will recall that at Quebec City six months ago, President Reagan and I made a declaration on trade in goods and services. We pledged to explore all possible ways to reduce and eliminate existing barriers in our bilateral trade. We instructed the Minister of International Trade (Mr. Kelleher) and the President's Trade Representative to report on how trade could be enhanced between our two countries. Today I will table the Minister's report to me on this vitally important subject. Of course, we will make it public, Mr. Speaker.

[*English*]

Throughout our history trade has been critical to Canada's livelihood. Now, almost one-third of what we produce is exported. Few countries in the world are so dependent upon trade. Trade simply means jobs. Yet, our share of world trade has been declining. This trend ultimately threatens the jobs of many Canadians and the living standards of the nation as a whole. We must confront this threat. We must, as a nation, reverse this trend. To do so we need a better, a fairer, and more predictable trade relationship with the United States. At stake are more than two million jobs which depend directly on Canadian access to the U.S. market.

Five decades ago the world was in the midst of the great depression. Restrictive trade policies made things worse. Canada and the U.S. were the first to respond to the strong protectionist pressures of the time. They began the process of tearing down these obstacles to growth. Canada and the United States indeed concluded a bilateral trade agreement in 1935. More countries joined them in 1938. The principles underlying the Canadian-American bilateral agreement formed the foundation of the post-war multilateral trading system.

● (1510)

For half a century Canada has pursued consistently a policy of trade liberalization. Today, more than ever, our prosperity and that of our partners depend on an expanding world trade and a growing world economy. In all the forums where Canada is present, we are working to remove the impediments to trade, aid, investment and development on a global basis.

[*Translation*]

In particular we are playing a leading role in promoting and preparing for a new round of multilateral trade negotiations in the GATT. We are consulting the less developed countries on issues of common concern; and we emphatically support their participation in the negotiations.

No responsible person anywhere today advocates protectionism as a national economic strategy. Yet, sector by sector, region by region, country by country, Canada included, there persists the impulse to protectionism, whenever the going gets tough. Protectionist measures are always advocated as exceptional cases. But the barriers grow more numerous, more ingenious and more insidious all the time. Sometimes these measures are aimed directly at Canadian products or services; often they are aimed at others, but catch us in the process. The motive may be laudable. The effect may be incremental. But in any overall reckoning, protectionist mesures are always self-defeating. This impulse to protectionism is defensive and negative—yet entirely understandable in human terms. This is what we are up against, Mr. Speaker.

[*English*]

Economics, geography, common sense and the national interest dictate that we try to secure and expand our trade with our closest and largest trading partner. To do so is fully consistent with our commitment to freer trade on a multilateral basis. Of course, any new agreement between Canada and the United States would have to meet the test of our overriding obligations under the GATT.

Five decades ago, national Governments turned inward to shield their peoples from economic distress. Ultimately, protectionism proved suicidal. It brought on the great depression with all its attendant misery.

The Government will be pursuing clear goals in our talks with the United States. We are two sovereign democracies in every way, sharing the same continent. It seems to me that reaching out with our maturity and strengths to seek out ways of enhancing mutual beneficial trade goals is an honourable course of action.

The need to secure our access to the U.S. market was the dominant theme of representations made in all parts of the country to the Minister for International Trade (Mr. Kelleher) during his extensive consultations last spring and summer. The same message was heard by the Senate-House of Commons committee which reported in late August. Hon. Members will have taken note of the conclusions of the Macdonald Commission, together with its impressive analysis and documentation. Canadians will also be aware of the strong representations on trade which have been made by their provincial Premiers over the last several months. I have taken care, and shall continue to take special care, as I did this afternoon by speaking personally with all provincial Premiers in advance, to consult with my fellow First Ministers on an ongoing basis as the process unfolds. To that end, I have placed this major issue on the agenda at the meeting of First Ministers in November. The Government will also arrange, if possible, a full debate in the House on the subject at a time agreeable to Hon. Members.

We must all be aware that international negotiations are complex and extremely challenging. Success is not a sure thing, but the results of success are well worth the enormous effort and good faith required for these negotiations. Moreover, we have already agreed to establish a special mechanism with the provinces, to ensure their continuing involvement throughout the process. To support Canada's negotiating effort, the Minister of International Trade is creating a new consultative arrangement with business, labour and other groups.

I emphasize that we are beginning a process of purely commercial negotiations with the United States of America, the results of which would provide sufficient time for all Canadians to plan ahead to take advantage of new opportunities which come with enhanced access. We seek to negotiate the broadest possible package of mutually beneficial reductions in tariff and non-tariff barriers between our two countries. I accept the words of prudence coming to us from some quarters, indeed from some quarters of the House, on this subject. I accept those words and I respect them. We understand the natural concerns of various sectors and regions that their interests as well be recognized both in the negotiations and in any agreement. Of course, this shall be the case.

However, there is general consensus that we must seek to secure and improve our trade with the United States. To shrink from this challenge and opportunity would be an act of timidity unworthy of Canada. It would be contrary to our national interest. Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character—these are the essence of Canada. They are not at issue in these negotiations.

Some Hon. Members: Hear, hear!

Mr. Mulroney: They will be stronger at all times in a Canada made more confident and prosperous from a secure and dynamic trading relationship with our biggest customer, our close friend, and with all the world.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I received a copy of the statement of the Prime Minister (Mr. Mulroney) at 1.35 this afternoon, 25 minutes before Parliament assembled on a matter affecting the future of all Canadians. I consider that to be insufficient notice, and I do not consider it to be living up to the standards which he

promised for the House of civility in the treatment across the floor.

Mr. Mulroney: Mr. Speaker, with permission, may I apologize to my right hon. friend. I believed that it was delivered within the appropriate time frame. I convey sincere apologies to my right hon. friend; I thought it had been delivered on time.

Mr. Turner (Vancouver Quadra): Mr. Speaker, of course I accept the Prime Minister's apology. However, it is becoming a habit in ministerial statements to limit the Opposition's time to the minimum and to discourage free and good debate in the House.

I have not had the opportunity of reading or inspecting the report of the Minister of International Trade (Mr. Kelleher) to the Prime Minister and of course can make no comment on it. It must have some substance in it, because what the Prime Minister just said is very thin gruel indeed. If the country is to gain entry into the Prime Minister's mind on the collective direction of the Government on this issue from this particular speech, I venture to say that the country will not succeed. There is no blueprint in that speech. He does not set the parameters as to where he would like the negotiations to go. Frankly I say to him, not having read the fundamental document which he tabled, that the speech itself was not worthy of the importance of the subject to Canadians.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The issue of free trade is the most critical issue facing the Canadian economy. Our relationship with the United States has implications for all regions and all economic sectors of Canada. Negotiations will be vital for every business, for every working man and woman in the country.

[*Translation*]

Mr. Speaker, the question has been considered very closely. I know it was dealt with in a C.D. Howe Research Institute report and, quite recently, the Special Joint Committee of the Senate and of the House of Commons on Canada's International Relations has made a full examination of the issue. I take this opportunity to congratulate my colleagues, the Hon. Member for Saint-Maurice (Mr. Chrétien) and the Hon. for Winnipeg-Fort Garry (Mr. Axworthy), on their outstanding contribution to the proceedings and especially to the conclusions of the committee.

Mr. Speaker, the position of our Party is quite simply summed up in one of the committee's conclusions. I quote from page 38 of the parliamentary report:

> The Committee recommends that there be immediate bilateral trade discussions with the United States.
>
> The discussions should centre initially on resolving current trade irritants, especially the prevention of the imposition of additional non-tariff barriers to trade between the two countries. Issues such as the definition of the net effect of subsidies provided by both sides and the identification of the appropriate jurisdictional authority for implementing changes in non-tariff barriers should be dealt with explicitly. These discussions should be used to explore the potential for additional trade liberalization between the two countries and for securing and strengthening access to each other's markets. Issues such as trade in services, government procurement, and reducing remaining tariff barriers should be dealt with explicitly.

Now, the following passage is very important:

> The Committee views these discussions as the natural extension of a process begun by Prime Minister Mulroney and President Reagan at Quebec City. The Committee believes that it is premature for Canada to initiate formal bilateral negotiations but that it is necessary to initiate broad discussions with the United States to determine their receptivity to liberalizing bilateral trade. After a ministerial report to Parliament on the outcome of these discussions and on whether certain conditions have been met, the government should decide whether the prospects are sufficiently promising to continue on to detailed negotiations.

That, Mr. Speaker, is our position.

● (1520)

[*English*]

The Government, on the other hand, has moved a stage further than that and, we believe, prematurely. I cite what the Prime Minister said this afternoon. He said, "We hope that this action will lead to negotiations for a new trade agreement between the United States and Canada". He is asking the President to advise the Congress, which is the initial step into the initiation of such negotiations. This goes beyond what the parliamentary committee recommended and for good reasons.

We are concerned that before entering formal negotiations with the United States we, in Parliament, and the country as a whole should know the full parameters of the Canadian position. We want to know what the exemptions will be, what adjustments will be required and what assistance will be given to our working force. We will want to know how the country and how the United States will respond to non-tariff barriers. We would like a blueprint of the general tactic and the general scheme of the negotiations. We have not had that.

We consider that the Government is launching upon this exercise with the United States with inadequate prior discussion in Parliament and without revealing its negotiating position or the parameters of that position in any detail. Obviously there has to be give and take in the negotiations, but we would have preferred a more specific proposition presented to this Parliament.

I can understand and echo what the Prime Minister said; that this is a very crucial negotiation for this country. We have a huge market in the United States. It has 220 million people as against the Canadian population of 25 million. Seventy per cent of our exports go to the United States, representing some $80 billion in 1984.

What we are saying, Sir, is that we must have an honest and open debate on the parameters and on the cost of benefits of any arrangements with the United States. We must know what it is that the Government is trying to accomplish. We cannot go into this discussion without having a better idea of where the Government stands.

I noticed that the Prime Minister mentioned a parliamentary debate. I have it in his text, and he has repeated it here

this afternoon. On page 4 of his text we find that the Government would also arrange, if possible, a debate in this House on the subject of trade at a time agreeable to Hon. Members. Not "if possible", there must be a debate on this issue and it must be early and it must be full. We want a far better knowledge of the position which the Government intends to take and the full scope of the negotiations.

The Macdonald Commission, headed by Donald Macdonald, a former colleague of ours, of mine, and a good friend, suggested that we take what was termed "a leap of faith on free trade". But this is too big a jump. We must go into these negotiations with our eyes open. The Government is not telling us the whole story. In fact, we are not even sure which Minister is in charge.

Initially, at the time of the Quebec Summit, the Prime Minister reserved in his own office and to his own purview the subject of bilateral negotiations and bilateral relations with the United States. He delegated to the Minister for International Trade the preparation of a document of reference, which I have not had the opportunity of seeing. Two days ago he put some distance between himself and those negotiations with the President. He nominated his Secretary of State for External Affairs (Mr. Clark), the Right Hon. Member from High River, a former Prime Minister—

Mr. Clark (Yellowhead): Yellowhead.

Mr. Turner (Vancouver Quadra): Yellow River—Yellowhead.

Mr. Hnatyshyn: What about Vancouver Quadra?

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I can say to the hon. gentleman that that constituency is on the wrong side of the mountain, but it is a very beautiful one.

What has happened here is that the Prime Minister is starting to put some distance between himself and the negotiations. He has delegated it to a senior Minister, that is true, but he is putting a little distance between himself and those negotiations and getting himself a fall-back position. This would seem to indicate to me that he is not quite as gung-ho as he was when he met the President on St. Patrick's Day in Quebec City.

What we are concerned about is the split between the United States administration and the United States Congress. The Prime Minister has recited the growing protectionist sentiment around the world.

The United States Congress is in a particularly protectionist mood. Bills are being introduced to set forth import quotas against a whole variety of Canadian products, lumber and steel. The administration is even using the health code to impede the transfer of some of our products across the border, like pork. The President is preaching free trade, that is sure. But even as he speaks of free trade, he includes in his most recent declaration mention of a war chest, strike forces to ensure—Are you raising your finger, Mr. Speaker, to tell me that I have one more minute?

Mr. Speaker: Yes.

Mr. Turner (Vancouver Quadra): Then I will ask for unanimous consent of the House. This is a fundamental issue and it is the first opportunity we have had to respond to it.

Mr. Speaker: I do not disagree with the Right Hon. Member. I am perfectly willing to have that question put, but I do normally indicate to Members as their time is expiring.

Does the Right Hon. Member have the consent of the House to continue beyond his normal time?

Some Hon. Members: Agreed.

Mr. Turner (Vancouver Quadra): I want to thank Members from all sides of the House, Mr. Speaker. This is a fundamental issue affecting this country and we want to state our position as clearly as we can at this stage on the basis of the documentation we have.

The President speaks of free trade. He includes in that speech mention of strike forces and war chests to ensure that U.S. industry and business are protected and defended from outside competition. In other words, he is protecting himself and keeping his elbows very close to his ribs. The speech has a schizophrenic view, a protectionist underpinning to a vocabulary and to a rhetoric of free trade.

There are also increasing numbers of countervailing requests filed with the United States International Trade Commission and the U.S. Department of Commerce. This country is facing not only legislative barriers but we are also facing judicial barriers that the litigious process of the United States allows so freely.

I ask the Government, and I hope we will get an answer when we get an opportunity to debate this: how does the Government propose to deal with the conflicting approaches of the legislative and executive branches of the U.S. Government and the seeming inconsistency in the President's own statement?

Another important question in our mind: does the President of the United States have the power to deliver? It is quite clear that if the Prime Minister finally finds a direction, pursues it with some vigour, pursues it with some determination, he has the majority in the House of Commons to carry it. The President has no such power. The Prime Minister knows full well that there is a separation of powers under the U.S. constitution. With every month that passes, the President of the United States has less influence with that Congress, whether it be on tax reform, on the budgetary deficit and, I venture to say and suggest to the Prime Minister, on the question of free trade as well. With every month that passes he becomes more of a lame duck. The Prime Minister and his Government have already lost a valuable first year of their mandate and a valuable first year of the President's own

mandate in failing to bring this matter before the House and before the discussion process.

[*Translation*]

I think the Prime Minister is right to admit that the position of provincial governments will have a vital impact on the discussions or negotiations. How will purchasing policies, established in this country by the provinces, affect negotiations? How does the Government intend to respond to the needs of the provinces in trade negotiations?

● (1530)

[*English*]

What is the Prime Minister going to say to his provincial First Minister colleagues? Are the provinces going to believe in free trade? Is he going to move first to persuade the First Ministers of the provinces to eliminate some of the barriers between the free movement of people and goods across provincial borders? Is he going to suggest to them: "Buy Ontario, buy Alberta, *achetez Québec*". Is that the tenor and mood of what he is trying to suggest in our relationship with the United States?

He says that he is going to put this on the agenda at the next meeting of First Ministers with himself in the month of November.

What questions are you going to put, I say through you, Mr. Speaker, on the agenda? Are you going to be discussing provincial procurement policies? Are you going to be discussing provincial subsidies? Are you going to be suggesting and discussing provincial incentives? These are very important questions, I believe, because we would like to know how the Government intends to meet the needs of provincial Governments in the trade talks.

I think, Sir, too, it is time to end the myth that free trade means unrestricted and unfettered trade in absolutely all areas. That would be tantamount to joining some sort of economic union with the United States and I do not believe that that position is supported by a majority of Canadians.

Canadians are concerned, Sir, in these negotiations launched today by the Prime Minister and his Government about our political independence. We are concerned about our cultural integrity. We are concerned about the independence of the economic decision-making process. I do not know whether it was deliberate but on page 5 of the Prime Minister's statement he neglected to recite that in his presentation to the House, and I read that paragraph. In the text are the following words: "We are not negotiating a customs union, a common market or any other economic arrangement which would affect our own independence or our relations with the rest of the world". I take that to be his position but he did not bring it forth in his presentation to the House. We would certainly be very, very loath to be part of any such customs union arrangement.

It is time to end the myth that free trade means unrestricted and unfettered trade in absolutely all areas. Liberals have always supported freer trade.

[*Translation*]

The Liberals and the Liberal Party have always supported the liberalisation of trade relations, that is, a reduction in tariff and non-tariff barriers, but, as I have said many times before, never at the expense of our sovereignty, our cultural identity or our freedom of decision in economic matters. Any discussions on the subject must allow for the particular needs of our Canadian economy and society.

[*English*]

We will want to learn at the same time as the Government moves into these negotiations what its view is of some related questions. What will free trade or free trade arrangements or a freer trade arrangement mean in terms of the reconciliation of our stabilization policies? Our taxation policies? Our regional economic development policies? What will it mean in terms of the independence of the manoeuvres which the Canadian people have in living and governing themselves in their own way?

Mr. Speaker, there is a danger of being railroaded into a hasty decision which might later prove to be damaging to the Canadian interests. I must say that we on this side of the House or this quarter of the House, do not have much confidence in the Government's negotiating abilities. I watched the performance of the Prime Minister at the Quebec summit. The President wanted the abolition of the Foreign Investment Review Act. Yes, Sir, Mr. President, he got it. He wanted the elimination of the National Energy Program, yes, Sir, he got it.

Mr. Chrétien: What did he get in return?

Mr. Turner (Vancouver Quadra): He wanted support for star wars, yes, he got it until the Prime Minister started taking a few polls and recognized what the Canadian people were really thinking. He wanted the north warning system—in other words, the Prime Minister threw everything right on the table at those negotiations and the President walked off with the whole show. Time and again we have seen this Government cave in to the slightest pressure. How can we expect that suddenly Government Members will discover they have a backbone to stand up to the enormous pressure which will be brought by the United States to get an agreement more favourable to them than to us? How can we believe that they will stand up to that pressure when we saw the Prime Minister's response during the summer when the *Polar Sea* went through our Canadian waters and we get a very late—that was an excellent statement, but—

Mr. Chrétien: Too little too late.

Mr. Mulroney: Too little too late and probably—

Mr. Chrétien: We were never challened before.

Mr. Turner (Vancouver Quadra): Probably opening us up to a challenge in the World Court but—

Mr. Chrétien: They came and insulted you not us.

Mr. Turner (Vancouver Quadra): When that boat was entering Canadian waters there was no protest by the Prime Minister.

Mr. Chrétien: Not a word.

Mr. Turner (Vancouver Quadra): Or by the Secretary of State for External Affairs. They sat mute. That boat moved forward. The President did not yield. The President did not recognize those waters as being Canadian. The President did not ask the Prime Minister's Government's position. The President did not even require that American public boat to fly a Canadian courtesy flag going through Canadian waters. If it is that kind of negotiating skill and that kind of backbone we in this corner of the House really do not have much confidence in the negotiating team.

Perhaps even more disturbing to some of us are the revelations of a dirty tricks campaign to counteract any opposition. It was outlined in a leaked document, a communications paper on the issue. There is an assumption in this governmental document that Canadian people should be kept ignorant of the issue. Let me read what the document says on page 7, and I am quoting the document:

> The strategy should rely less on educating the general public than on getting across the message that the trade initiative is a good idea. In other words, a selling job.

Don't educate the public, don't sponsor a free debate, don't try to bring Canadians into your confidence. Try to sneak it by, do a selling job; in other words, image again before substance.

More specifically the document seeks in a sneaky underhanded way to discredit anyone whether it is Mr. McDermott of the Canadian Labour Congress or whether it is individual Members of Parliament, anyone who may not agree wholeheartedly with the initiative. I give another quote from this leaked document:

> With respect to individual members of the Liberal Party, a survey of key Members and constituencies will identify circumstances where non-support of the Government's initiative would be either difficult or hypocritical. As examples, the riding of the Leader of the Opposition, the Right Hon. John Turner, is in the Province of British Columbia—a province whose forest resource sector must ensure and enhance trade in the United States—

—and so on. Then my colleague, the Hon. Member for Hamilton East (Ms. Copps) is singled out and, then my colleague, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) is singled out. Surveys are to be taken in our ridings to find out what public opinion says on these issues, such as they are manipulated by the Government, trying to put pressure on individual Members of Parliament and we are going to have that issue hopefully analysed by the committee—

Mr. Chrétien: But we have backbone. We are not afraid.

Mr. Turner (Vancouver Quadra): That is a real technique. I can tell both right hon. gentlemen that they should know that I have always been in favour of freer trade. I understand the problems of British Columbia, of lumber getting into the American market, and how important it is to the province. I understand the difficulty that we have had on the coast with respect to our fishing rights. But I will tell the right hon. gentleman, as a Member for British Columbia, we are also interested not only in better penetration of the American market but in pursuing our advantages into the Pacific Rim, into the Far East, into the other parts of the world—

Mr. Hnatyshyn: Welcome aboard.

Mr. Clark (Yellowhead): Starting to come around.

Mr. Turner (Vancouver Quadra): That is it, just so long as you understand that.

Mr. Chrétien: There is a risk there, the independence of Canada.

Mr. Hnatyshyn: Who speaks for the Liberal Party?

Mr. Turner (Vancouver Quadra): To play games like this with public opinion on an issue so critical to the future of our country, a secret plan to try to discredit open and informed debate, a secret plan to try to put pressure on any Members of Parliament who individually may ask relevant questions or may even take a contrary position, as usual the Government puts public relations first, and pretty sleazy public relations at that—

Mr. Chrétien: Right on.

Mr. Turner (Vancouver Quadra): —before substantive economic matters and before intelligent public debate.

Mr. Chrétien: Right on.

Mr. Turner (Vancouver Quadra): It betrays the weakness and paranoia and the looking over one's shoulder of a scandal ridden Government with a bunker mentality. That is what it portrays, Mr. Speaker.

We are asking whether we have any confidence in this team. Just as disturbing is the revelation last weekend. The United States invited four major powers, a group of five they like to call themselves, the United Kingdom, France, West Germany and Japan to a meeting called quite clandestinely. As a result of that meeting, there was an agreement among those five economic powers to work out ways to devalue the U.S. dollar. Was our Government informed? Was the Minister of Finance (Mr. Wilson) informed in advance? Was the Minister of State for Finance (Mrs. McDougall) informed? I want to know whether or not the Prime Minister was informed.

● (1540)

Some Hon. Members: No.

Mr. Turner (Vancouver Quadra): At the Shamrock Summit, President Reagan said, "Brian, give me a call any time you have a problem". That has changed and is now, "Don't call me, we'll call you, Brian". He did not give us any warning at all.

There is no country more vulnerable to exchange movement in the American dollar than Canada. Billions of dollars cross our border every day. We have a mutual trade of $150 billion. Yet we were not informed of this. We are now entering a free trade negotiation with the United States while our potential partner did not have the decency or foresight to inform its future partner of an exchange rate movement, something which is frankly more important than the tariff levels to which I will turn in a moment. If that is the type of special relationship the Prime Minister now has with the President of the United States, it is certainly not the kind of special relationship that bears up in a matter of substance.

Tariff barriers have been reduced gradually and progressively throughout the negotiations on the General Agreement on Tariffs and Trade. By 1987, 80 per cent of our trade with the United States will be free of tariffs and 15 per cent of our trade will be subject to tariffs of 5 per cent or less. That means that 95 per cent of all Canadian goods moving across the American border is already subject to a maximum tariff of 5 per cent or is not subject to a tariff at all. Movements in the exchange rate are now more important than or equally as important as the remaining tariffs. It is the non-tariff barriers about which we must worry.

The key area for discussion and negotiation continues to be non-tariff barriers like subsidies, regulations and procurement policies. The non-tariff barriers in the United States are protected under a new guise. It is a political, economic and legal one. It can be harassment of all three kinds with the way the United States economy operates. We have to know the impact of these negotiations regarding non-tariff barriers on the various regions and sectors of Canada.

In order to eliminate those non-tariff barriers, procurement policies of the provinces and of the states and exports subsidies, only a new style of treaty will work. What will work is not an agreement but a treaty binding the federal and state Governments of the United States and the federal and provincial Governments of Canada. We should not allow pressure from the United States Government to force us to include certain items as non-tariff barriers in the discussions.

Washington has a new vocabulary. The people there like to call negotiations on trade negotiations for a level playing field. A level playing field is local vocabulary for a preoccupation with hidden and overt subsidies that foreign governments provide for exports. Americans and the Congress in particular equate subsidies to so-called unfair competition. There are a whole range of subsidies now subject to countervailing duties. Among those subsidies are subsidies that go right to the heart of the regional economic development policy of this country.

We want a full declaration from the Government indicating how it intends to treat the following items in its negotiations with the United States: social programs, health care, unemployment insurance, which has already been considered a subsidy by some in the United States, family allowances and pensions. What are we going to do about the independence and integrity of our cultural industries? What about the independence, strength and ownership of our financial industries? What about agricultural support? What about the Canadian Wheat Board? What about all the marketing boards? What about the initial payment under the Wheat Board, something which has been considered by the United States to be a hidden subsidy? What about the auto pact?

We take the view that the auto pact ought not to be included in these negotiations. We take the view that a special arrangement ought to be made for agriculture and that our cultural and financial industries should remain intact.

What about equalization payments? Those could be considered hidden subsidies open to countervail unless they are specifically included in an agreement. What about export incentives for industries in the provinces that have sales directed at the American market? There is a whole range of policies and programs which, in the words of the Parliamentary Committee, are of fundamental importance to the maintenance of a distinctive Canadian identity or to keeping solemn commitments made to significant elements of Canadian society.

The issues to which I have referred should be spelled out very clearly at the outset. The Macdonald Commission has calculated the benefits of free trade but to date the Government has not provided us with an assessment of the costs by sector, by region, by industry and by worker. What will Canadian businesses and invididuals be asked to give up?

What about the footwear industry and the clothing industry? We all know that we are not going to get something for nothing through these negotiations. Is Canada going to lose entire industries as a result of the shift in economic activity? If so, which ones and where? What sort of adjustments to the system does the Government propose?

Has the Government explored all the alternatives to enhancing our economic performance? Some argue that the GATT process has already liberalized trade and that due to the complexity of our trading relationship with the United States, that process is the most effective way to increase our trade levels with the United States and other countries. Should we not, as the committee recommends, be concentrating first on settling existing irritants to trade with the United States, opening up informal discussions and setting up the parameters of these discussions with the United States? Should we not be listing the elements affected? Interprovincial trade needs to be examined and impediments removed.

What would be the impact of these negotiations on our other trading partners? Have we explored how Japan, the Third World and the European Economic Community will react? What will be the impact on Canadian jobs, regions, transitional programs and the full-employment strategy of the Government?

We have always encouraged the Government of Canada to seek ways to enhance our trade, not only with the United States but with all countries, through an effective trade strategy. We have encouraged the Government to improve our access to foreign markets. However, a debate such as this must be an open and public one and, in our view, it must precede any formal negotiations with the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): So far, we have had nothing but secrecy. This Party will continue to demand a full debate in this House before negotiations are entered into. We want the parameters of Canada's position laid out. Vague phrases from the Prime Minister like, "We are going to get a better deal," just are not good enough.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think we might establish now that I assume that the House would show the same courtesy to the Hon. Member for Oshawa (Mr. Broadbent) as it did to the Leader of the Opposition (Mr. Turner) if he sought it.

Some Hon. Members: Agreed.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I appreciate the agreement to your suggestion that has come from both sides of the House but I will try to stick closer to what I understand the rules to be which is that I will make a statement of about the same length as the one made on the other side of the House.

Let me begin by saying, not entirely facetiously, that I found this nationalist-oriented speech coming from the Leader of the Opposition (Mr. Turner) to be very strange coming as it did from a man who not very many months ago attacked the National Energy Program. Having made that point, I would like to say that, as the Prime Minister (Mr. Mulroney) knows full well and as the Leader of the Opposition addressed in the substance of his comments, what we are talking about here is the very future of our nation. There can be nothing more important in the life of this Parliament than the subject matter the Prime Minister has introduced today.

I would say to the Prime Minister that when I read the brief document, I was alarmed, and I am speaking frankly. Knowing something about Canadian history, I know that it was the first Leader of the Conservative Party, the first Prime Minister of Canada, who gave this nation a national policy. With the advantage of 20/20 hindsight, I did not agree with all the details of that policy. However, with what I did agree as a Canadian was a sense of nationhood and a sense of commitment which went against the prevailing continentalism which existed south of the border and in parts of this land which said that we had to do certain things to build this nation on our own. He developed what he called a national policy which provided the foundation for this nation.

• (1550)

About three decades ago, another Conservative Leader, the Right Hon. John Diefenbaker, made one of the finest speeches I have ever read. As a matter of fact, it was a speech he gave in Saskatchewan where he spoke as a passionate Canadian nationalist and warned of the dangers of continentalism. It was not because he was anti-American. I hope in this debate we can avoid those caricature-type arguments. He made a passionate speech warning against the need to preserve certain Canadian institutions, including economic ones, and traditional patterns of behaviour which we had built up here so that we would remain independent as a nation.

I wish to say to the Prime Minister that if he looks carefully at some of the key clauses he has included in his statement that what we have at this stage in the approach the Prime Minister is taking with the United States is a premature step of profoundly historical significance which will result, if it is carried out to its conclusion, not only in the ignoring of the warning of John Diefenbaker but the abandonment of the vision of John A. Macdonald.

Because I say that with seriousness I wish to express my concerns now. First, I wish to say that my Party across the nation, and Members from all sides of the House, would agree with the following assumptions as Canadians that we should be holding to at this point. We should begin by saying that anything we do in the economic domain of significance would involve our great neighbour to the south, the United States. We know that $150 billion of trade is involved between our two nations. We know that any sensible economic development in this country, expansion of jobs, and growth is inextricably linked to relationships with the United States. That is a given. Beyond that, it will involve the expansion of economic relationships and growth for both nations in terms of economic growth.

I also take it as a given that when we approach our American friends and neighbours we will do so without allusions. I hope we will negotiate not out of spirit of animosity but out of a spirit of tough-minded friendship, if I can put it that way, in the full knowledge that we have to look after our interests as politicians, which is what we are elected to do, just as American politicians have to look after their interests. When we negotiate we want something fair for both sides. There are a number of examples of this. I happen to come from an automotive community. I can cite that in picking up an argument which the Prime Minister has made that what he is proposing is to be consistent not only with the good of Canadians but with the good of the Third World. He made reference to the fact that what we do should be consistent with GATT. One of the interesting features of the automotive agreement is that not only did it expand trade on both sides of the Canada-U.S. border, and provide more jobs on both sides of the border, but from a Canadian point of view it was multilateral and applied to other nations, third and fourth nations. In that sense, it had a global perspective.

I say to the Prime Minister: Beware of our American friends, those tough bargainers, because when the Americans signed that agreement it was bilateral, which was not accidental. The Americans knew full well that the automotive industry on this continent is owned and controlled in the United States. They were prepared to enter into an agreement with us. It was mutually beneficial but they were thinking beyond that. They thought they made real gains, which is why they signed it. We thought we could make gains, which is why we signed it. I repeat, it was multilateral for us but bilateral for them.

There were important safeguards in it which recognized the economic reality that we are one-tenth as powerful as the United States, not because we are timed, backward looking or reserved, but simply because it is the most dominant economic power in the world, originally stronger in resources over-all, they would argue, and stronger in population. We have done well as a nation, very well indeed, with a smaller population. However, we should have no illusions about the strength of the Americans.

Any relationship we enter into with the United States ought to be one of seeing an expanded pie, if you like, for both, in the economic domain and elsewhere. As I said not long ago, what we must ensure, not because they are mean, vindictive or malicious, but simply because they are tough, competitive and pretty successful, is that when the elephant and the beaver sit down to eat this pie together that the elephant, inadvertently or not, does not unfold its trunk, pick up the pie and go home with it.

The key point we have to keep in mind is that we are dealing with a powerful neighbour. I say to the Prime Minister that I am concerned about the naivety, although I am not sure that is the right word, but the hastiness with which the Government is now committing itself to negotiations. The Prime Minister's words are important in this. He said that the Government has committed itself to negotiations. The Prime Minister had a conversation today with the President of the United States. He said that official negotiations are now getting under way.

If one considers the options, and I do not want to abuse the House in terms of time, they are really two-fold. We could do what the Government has now recommended, which is to enter into negotiations and follow the path which the Prime Minister has laid out. It cannot be any clearer than the words in his statement when he said that we seek to negotiate the broadest possible package of mutually-beneficial reductions in tariff and non-tariff barriers between our two countries. Economically, that is pretty specific with respect to what he has in mind. I will come to the implications for our institutions and the relationships to that type of economic goal in a moment.

We could have done what the Prime Minister has announced with, I take for granted, the support of his caucus, which is to embark on that path right away. Or we could have taken another approach. We could have said that there are specific and real problems of Canadians, as there are of Americans, but beginning on our side we could say that there are certain obstacles. Not long ago I was in Atlantic Canada at a time when a decision came down in the United States which, in part, responded to arguments which said that the unemployment insurance plan in Canada constituted a subsidy for the Canadian fishery and, therefore, argumentation was made that that type of program, by implication, should not exist in Canada if we are to really have a free trade arrangement. Countervailing steps are being taken.

We have problems in the fishery on the East Coast. Our fishermen thought they had access to a U.S. market which is now taking countervailing action. We should negotiate and talk about that problem.

The lumber export business in Canada is running into countervailing action, not just on the West Coast but everywhere across the country. This is because our producers are efficient, particularly in British Columbia, although not exclusively. A good job has been done in this particular sector and it is now facing countervailing action.

Our hog producers in Quebec—

[*Translation*]

In *la belle province* of Quebec and even in Ontario and the Atlantic provinces, pork producers also have problems.

[*English*]

It seems to me we could have started with the specific problems, sat down and said: "Let us try to resolve these problems." We could have looked at specific American problems which could well be the flip side of the ones which I have just mentioned. I say on behalf of my colleagues, and on behalf of all Canadians for whom trade matters are not an abstraction but very much involve jobs, we ought to have begun with these very real concrete problems.

Some Hon. Members: Hear, hear!

• (1600)

Mr. Broadbent: Beyond that, Mr. Speaker, I would like to suggest that we start with that kind of approach. I think we should consider some of the other details in the package the Prime Minister has presented. Instead of now saying we are going full ahead for negotiations, which I think is a serious mistake, I think we should have a conference with the First Ministers of this land. By all means, let us have the First Ministers' Conference about which the Prime Minister has talked. Let us have all the premiers for a very serious meeting. Whether or not it is before the television cameras, I do not care one whit. What I do care about is the substance which comes out of it. Before we start negotiations, let us have the premiers sit down with the Prime Minister of Canada and go through all of the items the Prime Minister has indicated—in general phrases at the end but not spelled out—which are non-negotiable. He is absolutely right that our tradition of two great cultures must be maintained.

[*Translation*]

As Canadians we must continue to maintain a French and English culture here in Canada, through the legislation adopted by this Parliament and provincial Parliaments.

[*English*]

But we have to spell out all these general phrases. The Prime Minister has made reference, I do not know if he did today, but has in the past, that when the premiers met earlier this year they said—and I remember the essence of the communiqué—"Let's have a general commitment to free trade". Then we look at all the exceptions wanted by each of the premiers. Suddenly, in going through the list from British Columbia in the west to Newfoundland in the east, every premier in Canada had two, three, four and five exceptions for his region. I can understand that. That is their responsibility. I

also want to say to the Prime Minister that if we are going to have economic relationships change with the most powerful economic nation in the world which happens to reside to the south of us, by God, before we enter into that relationship, we have to spell out in great detail here in Canada first what is and what is not negotiable. That is what needs to be done.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We know the lists; medicare, marketing boards for our farmers, the Wheat Board for our farmers, unemployment insurance, regional development incentive programs, transportation programs. All of these are needed for our nation and are non-negotiable items. As far as my Party is concerned, and I will be specific and not just raise them rhetorically, they are non-negotiable items. They should be preserved. We fought for these things over the years in Canada and we are going to keep them. I would like to suggest that the Prime Minister say, "Let's meet with the premiers. Let's sit down and discuss the future of our nation", because that is really what is at stake. Trade may be about dollars and cents but ultimately it is about what nationhood means, namely, cultural sovereignty. The shape of daily lives in every community across our land will be profoundly affected by the outcome of what the Prime Minister has set underway here.

I say to the Prime Minister that he should give some second thought to what he has set underway here today. Instead of beginning that negotiating process now, he should have the premiers meet and, first of all, try to get a concensus about what ought to be done. He should certainly look at what ought to be non-negotiable so that our sense of nationhood will be preserved, and not only our sense of nationhood, but a sense of decency from coast to coast about our nationhood. He should try to get an agreement on that and he should then—not perhaps—but certainly come back to Parliament with a concrete proposal. I say to the Prime Minister, put the proposal that you plan to take to your negotiations before this Parliament and give all the elected people in the national Parliament of Canada the right to debate and discuss it before it goes.

We have the deepest concerns about what has happened today in the announcement made by the Prime Minister. I will be quite blunt, which will not surprise the Prime Minister coming from an Opposition Leader at this time. I think I have been candid about this because I have said it publicly. When we had a change of Government last fall I said it was good for the nation to have a change. As the Prime Minister and others will understand, I would have rather our Party had that change but that is a little premature, perhaps. I thought it was good for the nation and it was good in part because the Party to my right had become, amongst other things, quite lethargic and sloppy and we needed an improvement in administration. We needed a new toughness and approach to negotiations. However, we are seeing, Mr. Speaker, not an improvement, not a toughening, but an incredible sloppiness. It was not the Liberals, it was your Government, Mr. Prime Minister, who made the $1 billion bungle with the banks.

Mr. Hnatyshyn: And you supported the National Energy Program.

Mr. Broadbent: And that is the case. It is the present Government, Mr. Speaker, which has been so slipshod on the whole question of the tuna fish story. The tuna fish story was bad, Mr. Speaker, because of what it said about a Minister willing to take certain chances with what people ate. Beyond that it has revealed a kind of incompetence in the offices of Ministers, including the office of the Prime Minister and I, for one, do not want these guys negotiating for me at this point with the United States of America.

I conclude, Mr. Speaker, by saying that we in this Party have a confidence about the prospects of this nation. We see certain problems in certain sectors but, by God, Canadians of my generation should know that we can do it here in this country. We have a sense of our capacity, whether in British Columbia, the Atlantic Provinces, central Canada or in the prairie region, and one way in which we do not want to get out of our problems at this point of maturity, if you like, is to sort of pass them off with some kind of facile and glib form of continentalism. We are confident we can do it. Before we enter into those kinds of negotiations, I say to the Prime Minister, you propose, you ought to get out and see what kind of consensus there is in the provinces amongst Canadians, what institutions we want to preserve, and then when we have that consensus, debate it, resolve it in Parliament and then, and only then, should we go to our friends who live to the south of us and say, "Let's sit down and negotiate".

* * *

[*Translation*]

PETITIONS

PORK QUOTAS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour of presenting a petition on behalf of a number of farmers in the riding of Glengarry-Prescott-Russell who are asking the Government of Canada to conduct a national referendum among all pork producers in Canada, in order to vote on the creation of a quota system.

[*English*]

Mr. Speaker: Could I seek the consent of the House to revert for the moment, please, to presenting reports from Standing and Special Committees?

Some Hon. Members: Agreed.

[*Translation*]

OFFICIAL LANGUAGES POLICY AND PROGRAMS

PRESENTATION OF THIRD REPORT OF JOINT COMMITTEE

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I have the honour of tabling, in both official languages, the Third Report of the Standing Joint Committee of the Senate and the House of Commons on Official Languages Policy and Programs.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING PARI-MUTUEL BETTING

Hon. John Wise (for the Minister of Justice) moved for leave to introduce Bill C-77, an Act to amend the Criminal Code, (pari-mutuel betting).

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to advise the House that question No. 399 will be answered today.

[*Text*]

LUGGAGE CARRIER SERVICES AT AIRPORTS

Question No. 399—**Mr. Gauthier:**

1. Did the Government establish a luggage-carrier service at various airports and, if so (*a*) what will be the rental cost of such service (*b*) what amount will be refunded when the luggage-carrier is returned?

2. Will the service be offered at international arrival points and, if so, what measures will be taken for the exchange of foreign currency?

Hon. Don Mazankowski (Minister of Transport): 1. The Government is in the process of establishing pay baggage cart systems in the domestic and transborder areas of the major airports. The rental consists of a $1 deposit for the cart with a $0.50 refund upon its return to a dispenser.

2. At present there are no plans to introduce pay baggage carts in the international arrival areas. However, should pay baggage carts be implemented for this passenger sector, arrangements will be made for foreign exchange services to be provided within the international arrival areas.

[*English*]

Mr. Lewis: I would ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

● (1610)

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND

The House resumed consideration of the motion of Miss MacDonald that Bill C-55, an Act to amend the Immigration Act, 1976, be read the second time and referred to a legislative committee.

Mr. Speaker: Before I recognize the Hon. Member for Vancouver East (Ms. Mitchell), may I inform the House that because of the ministerial statement, consideration of Government Orders will be extended by 55 minutes today. Therefore, Private Members' hour will begin at 5.55 p.m.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, we fully support the recent changes in immigration policy resulting from a court decision requiring oral hearings for refugees and immigrants. This was long overdue and it is a just and sensible decision. However, as I indicated this morning, as a result there has been a considerable increase in the number of appeals and a backlog has developed which means long delays for both refugees and sponsors of immigrants who requested and were refused admission to Canada. Unfortunately, our critic on immigration, the Hon. Member for Spadina (Mr. Heap), was not able to be here today but I would like to quote from a press release of his dated April 23. He said:

"Eight years is long enough for a refugee to wait in limbo," said Dan Heap, M.P., NDP critic on Immigration. Mr. Heap demanded that the Minister of Employment & Immigration take action right away to end the waiting for 20,000 refugee claimants in Canada.

"The Supreme Court said on April 4, 1985 that they are all entitled to a hearing," said Mr. Heap, who represents many refugees and immigrants in his riding, Spadina.

Mr. Heap said that the figure of 20,000 includes people who could have been landed already, and do not need to be added to the backlog.

"For example," said Mr. Heap, a mother whose husband was killed and children persecuted for their politics back home ought to be landed on humanitarian grounds. Others with strong family ties in Canada ought to be admitted on humanitarian grounds, he suggested, as well as those who come from war zones. Besides, Mr. Heap pointed out, there are genuine refugee claimants who

give clear evidence that they have already been persecuted, but are being held back by red tape.

"Why do the officials take so many months just to type up the transcript of the claimant's statement under oath for the Refugee Status Advisory Committee to read?" Mr. Heap asked. "And if they really want to reduce the backlog and save time, why do they put people unnecessarily into the refugee stream?"

We have concerns in this regard, Mr. Speaker. We are particularly concerned about the piecemal approach being used in this Bill. This is rather strange because last June the Minister of Employment and Immigration (Miss MacDonald) said:

A piecemeal approach could have very negative results for refugees who really need our help.

However, we have here a piecemeal Bill. Increasing the size of the Immigration Appeal Board from 18 members to 50 will not necessarily deal with the backlog of cases more effectively. It is important that appointees to this Board be carefully selected for their expertise, experience and sensitivity to the situation of immigrants, particularly refugees. Too often in the past appointees to the Board have been former immigration officials who, despite being well-intentioned, I am sure, have been really indoctrinated in bureaucratic procedures. It has usually been their job in the past to decide why these applicants are not eligible to stay in Canada. They often had to refuse applicants so they are hardly likely to be particularly sensitive on the other side and act as advocates on behalf of the applicants during an appeal. The process allows for bureaucratic input in the early stages, and having former officials of the Department on the IAB hardly gives a different perspective, one which is more objective and sympathetic toward the appellant. That is why we ask the Minister to be careful in appointing former bureaucrats to the Board. It is most important that appointees to the Board be from varying backgrounds, people who can be objective but who also have a particular sensitivity toward the immigrant and his or her family.

We have concerns that the expanded Board will apparently deal with refugee claims and appeals as well as other immigration cases which are often quite different in nature. Churches, community groups and lawyers have expressed concern that the IAB in the past has had very little experience and a very poor track record in recognizing genuine refugees. We are concerned about that in the present as well, Mr. Speaker. Therefore, we feel there should be a separate Board dealing specifically with refugee cases. This was recommended in the Plaut report on refugee redetermination published last June. This is most important. There are many circumstances which contribute to creating political refugees and these have been defined by the UN. However, I must say that in some cases I have been involved in as a Member of Parliament there have been times when the Board and this country appear to be much more rigid in their interpretation than is the UN. We know that most of these people cannot return to their homes and it is important that they have a genuine and sympathetic hearing.

I would like to read from some notes of my colleague referring to comments by church and community groups, as well as immigration lawyers, who have a great deal of experience in this area. They have for years demanded an oral hearing. Now that the Supreme Court in the Singh case, assisted by the Canadian Council of Churches, has declared that refugees have the right to be heard directly by those who decide their fate, there is strong insistence that the hearing process not be watered down. They fear this move would enhance the power of a bureaucracy which has been hostile to refugee immigrants in Canada, and would result in many genuine refugees being deported to a dangerous situation in their home countries. There is a better way. The Standing Conference of Canadian Organizations Concerned for Refugees, which is composed of about 70 groups and which predicted eight years ago that our refugee claim process was unjust and would fail, has been vindicated by the Supreme Court. It has proposed an alternative way to address the backlog. They point out that the Minister and several successive Ministers could have made better use of the Minister's power under the legislation to create special measures or special programs for designated groups. For example, Iranians who arrived last year were not told by immigration officers that Canada has a special program for Iranians. Basically Canada does not send Iranians back to Iran. These people were manoeuvred into claiming refugee status which requires a case-by-case examination on a narrow legal basis and which takes much more time and of course costs more than the special program. It is estimated by a well-informed source that if all the refugee claimants who should have been directed to the special programs, plus the Guyanese who ought to have one, were taken out of the refugee stream, the backlog would be reduced to a quarter of its present size. Therefore that group, at a recent consultation in Toronto, asked that the Minister declare a special humanitarian program for all those caught in this bureaucratic jungle as of April 4, 1984.

It is worth noting that Rabbi Plaut, in his report on refugee redetermination in Canada, considers that this humanitarian and compassionate system of special programs has been too little used and should be used now. We ask the Minister to consider this as a better alternative for preventing the backlog which he often faces and which this Bill is directed to in a rather expedient way.

● (1620)

We were pleased this morning to hear the Minister clarify one of our very strong concerns with this Bill in that he has decided to amend the Bill to re-establish a panel of three persons who will hear appeals by sponsors to bring in their relatives as permanent residents. The original proposal contained in this Bill was to have a quorum of one person. In our view that would not be an objective appeal procedure. One person can only speak for himself or herself and that results in a very subjective evaluation. Three people give a balance and provide more expertise which can be shared in a final decision.

We also support Clause 6 which provides a simpler appeal process, provided that there is a three-person board to hear the appeal. It is a good thing that permanent residents will now have the same right as Canadian citizens to appeal the rejec-

tion of a sponsorship application of a relative. Many of us who deal with many immigration cases in our ridings find it very heartbreaking when a person who is a landed immigrant, but not yet a citizen, is unable to use the appeal procedure which is available to his next door neighbour who has just completed citizenship. We agree with the changes in this regard. There must be a fair and impartial hearing process and we, therefore, feel very strongly that there must be three people.

The NDP is very concerned that piecemeal steps are being taken through Bill C-55 and that this ignores the general recommendations of the Plaut proposal which we support. I would like to again quote our immigration critic who said in June:

> Rabbi Plaut has given a just, quick and inexpensive proposal for 13,800 people in Canada.

The Member for Spadina called on the Minister of Employment and Immigration to use Rabbi Plaut's proposal. The Supreme Court said that none of the 13,800 people claiming refugee status in Canada should be deported without first having a chance to meet face-to-face, in an oral hearing, with those who decide their fate. However, he pointed out that there are many, in fact the majority, who deserve to be allowed to stay even without a hearing. Many of these come from countries such as Afghanistan, Iran, El Salvador, or Sri Lanka, to which Canada does not force people to return. These could all be issued Minister's permits to stay, except those already under deportation order. They could be allowed to go briefly to the United States to be readmitted to Canada. In Vancouver we call this the "Seattle shuffle". Many of these people have come from countries torn by war or racial violence and have families here to help them settle. It would be in Canada's humanitarian tradition to let them stay and the Minister has the power to do so.

We warmly welcome Rabbi Plaut's report and we feel that it has many—

[*Translation*]

Mr. Lapierre: Mr. Speaker, I would ask you to count the number of Members present, to see whether we have a quorum.

The Acting Speaker (Mr. Charest): I see we do not have a quorum in the House. Ring the bells!

Resuming debate.

[*English*]

Ms. Mitchell: Mr. Speaker, it is a pleasure to have such a large audience for my grand finale. I hope they are all going to listen very intently. As I was saying when I was somewhat distracted by the bells, there is a great need for an over-all review and a revamping of our immigration policy and procedures in Canada. Many of us who have dealt with immigration cases have very special concerns which arrive from them and indicate a need for policy change. I would like to mention several examples which illustrate problems that I hope the Minister will explore and which should have been considered in a broader immigration Bill. Some of these involve attitudinal changes as well.

The Minister stated this morning that he wants to encourage family immigration. We all favour this goal, but we wish that the Government really meant it. While the Minister extols family immigration, there is no question that the policy of the Government has gone in the opposite direction. Family reunification is being curtailed by the Government in favour of a "buy your way into Canada" policy. Entrepreneurs are given priority over ordinary workers and families. An elite moneyed class is being favoured by the Conservative Government. I suppose the Government hopes these people will vote Conservative once they get here. It is necessary to have at least $5,000 of capital, and in many cases much more, in order to come to Canada. There is no guarantee at all that the entrepreneurs who come will create additional jobs.

We do not oppose business people coming to Canada if it will add to jobs, but we think that the priority in this regard is unfair. Many families have been waiting for years to bring remaining relatives to Canada. Many of these relatives are alone. I know of many young women who have been left in countries where it is really forbidden for women to be separated from their extended families. These young women cannot come into Canada because they are over the age of 21. We feel that there is considerable evidence and a long history of immigrants and sponsors being very responsible in caring for family members and ensuring that they are able to get housing and financial assistance and not become dependent on the Government. We should examine our priorities again in favour of family reunification.

Another issue is that of exploitation of immigrants by immigration lawyers and consultants. This has been raised frequently by my friend and colleague, the Member for Vancouver-Kingsway (Mr. Waddell). This area should be explored. Sponsors and prospective immigrants to Canada should be given information freely. They should be told their rights and given help with procedures. I think we should even have interpretation services available when needed. In particular, I think they should be told how to appeal. They should not have to go to a lawyer and pay a huge sum of money to have these fairly routine procedures carried out for them. They should be aware of how to use their Members of Parliament in circumstances where they are having difficulty and need extra help. Costly legal fees are often not necessary and sometimes the somewhat unethical practices of lawyers are exploiting people unnecessarily.

A third issue is that of domestics. We still discriminate against domestics, most of whom are women. When they come to Canada on work visas they have very few protections and very little chance of becoming landed immigrants. Today one of my colleagues gave me a letter which describes a very sad and unfair situation which discriminates against a domestic and her mentally retarded daughter. This woman had been in Canada for five years and had always worked at the same place as a domestic. She had a mentally retarded daughter whom she wanted to have join her. Her employers were willing

to accommodate them. She had a regular job. The Canadian Association for the Mentally Retarded supported her request for a ministerial permit, but she was twice denied permission for her daughter to join her in Canada. I think that is discriminatory in several respects.

● (1630)

I am surprised that the new Minister of State for Immigration (Mr. McLean) was the latest one to refuse her daughter entry. I think his reasons, in the letter which I saw, were extremely weak. We should be changing our policies and procedures to provide much greater opportunity and protection for domestic workers who come to Canada.

There also seems to be a deliberate policy to discourage immigration from certain parts of the world. We have received repeated complaints and examples of this, particularly from India, Pakistan and Hong Kong. Today I was told about a Halifax doctor who brought his parents to Canada from Islamabad. His last remaining relative, his daughter, has been refused permission to come to this country, despite the fact that there is a written policy indicating that the last remaining relative should have special consideration to join the family. This family has also waited five months for its appeal to be considered.

We need to look at our immigration policy in respect of cases involving health problems which have been treated and are judged in a very inhumane way by Immigration officials. I can think of several where there was no danger to the health of other persons, where there was a chronic situation and where the family was willing to assume all financial responsibilities. One case involved two Vietnamese men. They were the last remaining sons; the whole family had settled in Canada. They were left in a refugee camp in Thailand. They had a history of mental illness, but health officials at the refugee camp said that it was due to the stress of camp life and of not being reunited with their family. These medical authorities felt that they should be reunited with their families and that their health problem was not serious. They were refused permission to join their family, and that is still the case.

I am particularly concerned about the problems facing women who want to immigrate to Canada and those who have already come here with their husbands. I ask the Minister to give special attention to these areas because he is also the Minister responsible for the Status of Women. Women are still treated as spouses; they are not treated as individuals with rights of their own. When they come to Canada with their families and their husbands, they are treated as spouses. The husband is the individual who applies, gets the points and is recognized by the Department of Immigration. This results in a very insecure situation for women. They are really here as dependents and are second-class citizens. Often such women remain in very damaging marital situations once they have come here because they have no real rights, no financial security, no alternatives, and they fear deportation.

Another example is men who have arranged for women to come to Canada on the promise of marriage. We know of many examples where they bring over women and the immigration papers indicate that it is with the prospect of marriage or that they are fiancees. They get them here and then they do not marry them. They are exploited, they have no protection of security. I recall the slave trade—and that is really what it is—in poor women from Third World countries through agencies both in Canada and Australia, in particular. Marriages have been arranged of poor women who are desperate to survive to unknown older men. There is a history of exploitation and a loss of rights.

We require a complete review of federal and provincial policies to provide a better integrated program for refugees and immigrants. There are times when people who have been here for some time, and their families, are destitute through no fault of their own. Who could have predicted the tremendous unemployment to which we have been subjected? This has affected some people who came to Canada years ago. Occasionally such people need social assistance. The instances are rare. Our population of immigrant families has a proud history of looking after their own. They do not apply for outside help unless there is absolutely no other way of surviving. We need to look at that matter and at providing more co-ordination on the part of the federal Government and provincial Governments in the area of social assistance.

I am particularly concerned about inland refugees from Latin American countries. In Vancouver, they have been lining up at food banks because they are not given the same kind of consideration when attempting to receive refugee status as the Poles, for example. There are long delays. Many women with children cannot feed their children—they have no money, they are ineligible for social assistance, and they are destitute. Some arrangements should be made to provide them with social assistance during the waiting period.

In conclusion, I am sure there are many other concerns which have not been mentioned today. The point we are trying to make is that we should not be dealing with only a small part of the immigration scene through one Bill in an *ad hoc* way or in a piecemeal way. We should be introducing a more comprehensive immigration Bill to look at many items which have been substantiated. If the Minister looks at her own case-load of appeals made to her on humanitarian grounds, she will see similar cases indicating that a change in policy and often a change in attitude, on the part of Immigration officials are needed. We urge the Minister to amend the Bill to deal with our specific concerns and to work, along with all of us, toward a more just, equitable and positive immigration policy in general.

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I am proud to have this opportunity to take part in the debate on Bill C-55, an Act to amend the Immigration Act, 1976, on this memorable and historic day, after hearing the Prime Minister (Mr. Mulroney) announce that discussions will be held with the United States on the liberalization of trade relations.

Mr. Speaker, the procedure for claiming refugee status, which was implemented when the Act became effective in 1978, provides for two review levels. The first is the Refugee Status Advisory Committee, which sits in Ottawa and is responsible for evaluating the transcript of the interview under oath and informing the Minister of Employment and Immigration (Miss MacDonald) of its conclusions. The Minister then determines whether or not the claim is valid. If the claim is denied, the claimant may appeal to the Immigration Appeal Board. The decisions of the Board are subject to judicial review under Section 28 of the Federal Court Act.

Claimants who go through the whole process may be in Canada for more than three years. That is why an increasing number of people are coming to Canada for the sole purpose of claiming refugee status and thus perhaps having a chance of staying in this country permanently.

The sheer numbers have led to unacceptable delay in handing down decisions in the case of *bona fide* refugees. We are even unable to put claimants whose claims are not *bona fide* out of the country, even if their claims were obviously not valid from the start.

Pending a decision on their claims, these people have no status in Canada. We find them in our largest urban centres, where they barely manage to survive. They are not eligible for federal assistance, and access to provincial welfare programs is limited in their case.

Unfortunately, there are many such people without status in Canada, and there is also a lack of staff to conduct investigations. This means we have a class of people who want to become Canadians, who are living in a state of anxiety, who cannot buy a house, who cannot plan for the future, cannot get married, cannot raise a family because they do not know what tomorrow will bring since they are not sure they will be allowed to stay in this country.

Surely, Mr. Speaker, something should be done for all those people.

In April 1984 Rabbi Gunther Plaut was commissioned to hold consultations and make recommendations on a new refugee status recognition system, and that will eventually lead to amendments to the Act. His report was released last June and, later on in this session, Parliament will be asked to consider legislative provisions based on that report.

The Minister of Employment and Immigration (Miss MacDonald) has already launched public consultations which will pave the way for the formulation of a new application review system. Once it has received Cabinet approval, it will be necessary to amend the Immigration Act. Those consultations are a prerequisite because we must find some kind of balance between administrative expedients and outright protection for *bona fide* refugees who will be helped by the many Canadian organizations which take them under their wings.

For the time being, however, we need a strategy designed to reduce the current backlog of applications so as to alleviate the difficulties experienced by refugees and make sure the undue delays do not create a *de facto* immigrant category. That is why new resources are needed at every stage of the existing system, and the Act must be amended to make the Immigration Appeal Board rules more flexible. That is the only way the Immigration Appeal Board will be able to tackle the ever growing number of cases it must deal with once they have gone through the system's preliminary stages.

Mr. Speaker, Bill C-55 does not deal only with refugee status recognition, but with appeals as well. Certain figures might interest you. We think that this year the Appeal Board will be called upon to render 1,200 decisions on sponsorship applications. It is also expected to render 600 more decisions in other types of cases such as deportations, motions, applications for release in cases of deportation orders, and so on. With respect to refugee status recognition, we are talking about at least 2,870 decisions. In other words, to a large extent this increase applies as well to the Board's appeal caseload, not only to the number of refugees.

Unless we act soon the refugee status application problem will create personal hardships. Since it is impossible in the near future to adopt wide-ranging amendments to come to grips with the basic problem, it becomes necessary to implement transitional measures indicating that Parliament is fully aware of humanitarian requirements, that it intends to take steps to carry out fully the Supreme Court decision to which the Minister has already referred, and that it is committed to establish a long term amendment program designed to cope with current difficulties.

Mr. Speaker, it is imperative that we make fundamental changes in the refugee status recognition system. That is not the purpose of the Bill before us today. Actually it is our response to the most pressing human needs, in other words our way to deal with the growing backlog of all IAB cases, not only those which have to do with refugee status recognition applications. That is inherent in Canada's humanitarian traditions. I therefore urge all Hon. Members on either side of the House to support Bill C-55.

• (1640)

[*English*]

The Acting Speaker (Mr. Mantha): Are there any questions or comments? If there are no questions, we will resume debate. The Hon. Member for Davenport (Mr. Caccia).

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is with mixed feelings that I enter this debate because it is one that requires much thoughtful analysis of the Bill before us and which I must say, having analyzed its clauses, is one that leaves me wondering about what the intent of the Government is with respect to changing the Immigration Act.

I will explain briefly what I mean. The Government has had one year's time to prepare a set of amendments of what is, in my view and I am sure in yours, Mr. Speaker, one of the most important social policy pieces of legislation that we have, namely, how to regulate the arrival of people who decide to settle in Canada. People from all parts of the world look on Canada as a very desirable country. People who can travel and wish to emigrate here like to obtain the highly desired landed immigrant visa and the number of people who knock on our door is immense. That number is augmented by the fact that there are people who, for political reasons, have decided to come to Canada as visitors and then seek landed immigrant status here.

There are other situations that cannot be defined in the first and second category that I just mentioned. There are people who come here by various illegal means but who, pushed by desperate economic conditions in their homeland, made a decision and chose Canada as a land for themselves and their families. The numbers in this latter category have swelled.

We all looked with anticipation and anxiety at the arrival of Bill C-55 hoping to find in it some answers that would resolve a big problem, give us a sense of direction telling the world that we are coming to grips not only with the immense backlogs of applicants but also the problems in the existing legislation which have emerged because those problems were not foreseen because of changing times.

As we look at the law, we find that one has to arrive at a rather disappointing conclusion even if one approaches it with an open mind. Community groups and volunteer groups have made representations over the past year with regard to improving the law. In addition to that we have had a report by Rabbi Gunther Plaut of Toronto. It attempted to design a new approach for the Government, a new mechanism, to resolve the movement of refugees. Therefore input has been considerable. At the other end of the spectrum, at the moment of producing the Bill, we do not find substance or inspiration accompanying these submissions made to the Government by both the immigrant community groups and the Plaut report. Therefore, what we have here before us, I regret to conclude, is an effort that can only be described as a stopgap measure. It attempts to accelerate the existing mechanism of processing people who want to become landed immigrants. Therefore we find in Sections 1, 2 and 3 the enlargement of the Appeal Board to 15 and the number of vice-chairmen going from five to 13 and other measures that are intended to facilitate the functioning of that specific Immigration Appeal Board.

● (1650)

To make the Bill a little bit more attractive, I suppose, there is also a measure of granting the right of appeal to landed immigrants, to permanent residents, a right that exists so far only for Canadian citizens. But the substance that is required at this stage is missing because the manner and the fairness and the quality of the decision-making process that applies so far as experienced by those who are in charge of processing people who are waiting for a landed immigrant status will not be changed. In other words, the quality of the process will not be affected by this Bill and that is the regrettable part.

We, of course, in the Liberal Party will press in committee beyond this stage of debate here in the House. We will press for amendments. We hope that the Minister will approach the whole subject in committee with an open mind and accept a number of proposals that are definitely intended to improve the quality of the Bill. However, there is only so much that can be done within the framework of this piece of legislation which unfortunately is narrow and does not incorporate the good stuff, the good advice, the well thought out ideas that, as I said, have been produced by individuals and by groups in the year past.

Any discussion on the Immigration Act must say something about certain situations, namely the fact that at the present time there are delays that go into a considerable number of years in the processing of orders in council. The landing process, in other words, for people who are waiting for their order in council is extremely long and it causes a number of hardships on the economic well-being of the families affected. The practice of issuing a social insurance number starting with the number nine to those who are approved but have not been finally landed is causing hardships for those who seek employment. They find it extremely difficult to convince employers to hire them.

In addition to delays there is the question of insensitivity on the part of officials in certain situations. There is, for instance, the case of a single mother with children who has been waiting for permission to come to Canada. She is a refugee in a camp in Austria, having fled Czechoslovakia but our officials feel she should not be assisted in coming over to join her sister who has been a Canadian citizen for many years because of a court order that has been issued in her country of origin, namely Czechoslovakia.

Here is a person who is most eager and ready to move to Canada and lives under very stressful conditions and yet there does not seem to be that sensitivity on the part of our officials that ought to accompany the processing of such an application.

There is in the present legislation, and probably it was an oversight in past legislation, a situation that affects adolescents between the ages of 13 and 18 who cannot be adopted and for whom there is no provision in the law for anyone to adopt them while they are visiting here in Canada, even when there is a family willing to adopt them. There is in other words a gap of age between that of 13 and 18 which negatively affects young people. That is a case that was widely publicized a few weeks ago in Alberta. It is only suitable that in International Youth Year we would look at this Bill in the hope of finding some of the answers that could only be the result of the experience of the last few years having seen what the shortcomings are of the existing piece of legislation.

The present piece of legislation that is before us today deals mostly with Immigration Appeal Board methods but it is called the Immigration Act. I submit to you that it lacks compassion in not bringing forward some of the changes that I am sure the Department is capable of advancing and suggest-

ing to the Minister so that this Bill would be enhanced and enriched and improved in its quality. I would hope that once we are beyond this stage in committee the Minister will want to take the initiative himself and come to committee or, through the offices of the Parliamentary Secretary, bring to committee a number of amendments that flow from the experience in recent years and go beyond the approach that is outlined in this Bill.

We find it, as a Bill, a disappointing piece. It is true that there is, as I said, an enlargement of the Board which of course has to take place in order to process more readily and it is true that it has a measure that will give landed immigrants and residents the right to appeal. We will support those measures. We would like very much to move the debate beyond that and urge the Government to give the whole matter the broader approach and the broader outlook that this Bill is badly missing. When I gave the examples on delays and insensitivities or the example of the young people between the ages of 13 and 18 who fall between two stools and cannot be dealt with under the present legislation, I did that with the limited knowledge that I have of the subject only to illustrate a certain situation with some examples because it does not happen very often that there is legislative time to bring forwad a Bill to amend the Immigration Act. When it happens I submit it would be desirable from the point of view of everyone who feels that immigration is such an important and delicate aspect of Canada's growth and expansion that it should be as comprehensive as possible.

Faced with that dilemma of Bill C-55 we would like to seek some indication by the Government that this is not the end of it, that this is just a preliminary Bill that the Government is examining perhaps in greater depth as it should, the report by Rabbi Plaut, that it is examining the submissions made by citizens' groups and that it is engaging in that kind of constructive, productive, consultative work that eventually leads to legislation flowing from this kind of consultation. Then we will be able to see the promises translated into legislative action. Unfortunately, this Bill does not do that. It is a mechanical Bill which focuses on removing a bottleneck which definitely exists and it somehow removes the pressure to introduce reform to a system which evidently needs to be reformed. This is what troubles us on this side of the House because as we all know, every initiative in life has its own cycle and once it has served its purpose, it must be replaced by another.

● (1700)

It is now time for reform. We have been given the advice of those who are the practitioners in the field in a number of ways but that has not been translated into action through this Bill. That is why we are urging the Minister and the Government to make up for what this Bill does not contain. Our criticism is addressed at the absence of amendments of a practical nature affecting certain age groups and certain situations. On the basis of its statistics and the lessons learned in preceding years, I am sure the Department could produce such legislation.

I submit, Mr. Speaker, that legislation is improved by looking at how an existing law as we know it has performed and served us over the years. Since we are all frail human beings, we cannot produce perfect laws but we can improve the existing laws because we have tested them. That is the essence of the approach I am trying to outline this afternoon.

At the end of this debate, the Minister may want to enlighten us as to his stand on the following question: is this the end of this initiative or is this Bill one that will be followed by a more comprehensive Bill based upon a reformed set of criteria? If that is the case, we should know about it. We should know about it now because it will guide us when we go to committee where we will definitely by proposing amendments based on the observations that we have made in the course of this debate.

Mr. Hawkes: Mr. Speaker, I was a little disturbed by the degree of knowledge which seems to be percolating in the two opposition Parties. The Standing Committee which I have the honour to chair has held over 40 hearings on immigration matters since January and has already brought forward three substantial reports. We began an examination of the Plaut Report on Tuesday. The committee will meet again today at six o'clock to hear witnesses from the Bar Association, Sikh societies, umbrella groups and Rabbi Plaut himself. We will hear all of those witnesses between now and October 9.

The Hon. Member asked a question of the Minister in the Minister's absence. The committee is functioning very closely with the Minister and Members of all three Parties. I think there were consultations with the Minister yesterday and we heard representations from all three Parties. The very clear-cut timetable for the Standing Committee is to try to conclude its hearings by the middle of October and submit representations by the end of October so that some of the major changes relating to the Plaut Report will hopefully be in place by Christmas.

I have a question for the Hon. Member who just spoke. He is a senior member of his caucus and acknowledges that there is a bottleneck in the system. He did not say so, but I suspect he knows, as do most Members of the House, that that bottleneck is extremely hard on people who are caught in it. They find themselves in very difficult circumstances. The Hon. Member is also aware that the Government brought this Bill before the House in June and tried mightily to get it passed by the end of June so that those additional resources could be put in place and the bottleneck could open up. We are dealing with human lives here.

Is the Member signalling this Chamber that the senior members of the Liberal Party of Canada who serve in this Chamber intend to keep the bottleneck intact just because the Bill does not deal with everything in the universe of immigration? Are they really going to dig in their heels and filibuster to the point where we cannot begin to clear up the bottleneck?

Mr. Caccia: Mr. Speaker, the Hon. Member for Calgary West (Mr. Hawkes) is conjuring up notions that he seems to perceive can be drawn from my intervention. He makes a lot of

the fact that the Bill was introduced in June 1985. This Bill, short as it is, and with the work that had been done before September 1984, could have been tabled in the House in November or at the latest December 1984. There was no need to wait until June 1985 to produce this kind of legislation. It is a three-page mechanical Bill. Knowledge of this matter was already available before the September election. If there was a real concern with bottlenecks—

Mr. Gurbin: That's exactly right, and for five years before.

Mr. Caccia: If there was a concern with a bottleneck on the part of the so-called Progressive Conservative party, it could have introduced this legislation in late 1984.

Certainly we are not here to engage in delaying tactics. We have explained our position in principle. We feel that the fundamentals are missing from this Bill. We see that this Bill does have some mechanical value because it will facilitate an existing process. However, I must repeat, in all fairness to the Hon. Member, that this approach will not improve the fairness with which we handle the immigration process at the present time. We are not incorporating the substantial criteria advanced by the Plaut Report some time ago.

Mr. Cassidy: Mr. Speaker, I find the paranoia of the Hon. Member for Calgary West on this particular question to be unseemly and certainly unjustified. I am new to this House but I certainly know the tactics which have been used by previous Governments. Legislation is brought in immediately prior to a summer recess and then the Government of the day indicates that it would have passed the legislation if it had co-operation from Opposition Parties. I know the Hon. Member for Calgary West (Mr. Hawkes) is familiar with that provision because he sat in opposition for a number of years and exactly the same charges were levied at him. I wish that since people voted for change on September 4 that we would not have to hear the same tired type of political rhetoric coming from the Government. The Hon. Member for Calgary West perhaps might more appropriately have commented on the fact that when the Hon. member for Davenport (Mr. Caccia) was in Government, as the Minister responsible in this particular area, concerning himself with matters of multiculturalism, there was not pressure which yielded action within the Liberal Government to ensure there was no backlog of refugee cases, and to ensure that there was no backlog before the Immigration Appeal Board, and that the matters which had become so evident since the 1976 changes in the Act were, in fact, acted upon. I find it a bit hypocritical for the Liberal Party critic to criticize the Government now when, in fact, the Liberals had the opportunity to make these changes, and yet they left a plateful of unfinished business to the Conservatives.

• (1710)

I find it equally intolerable that the new Governemnt after one year should say: "We just arrived. We have not had time." The Government has had a year to show that it is prepared to make some decisive changes. Rather than do that we are presented with a makeshift Bill which is inadequate, which I will comment on shortly. It is a Bill with no guarantee that there will be a real determination to stop this totally inhumane backlog which requires people to wait for years upon years before they know whether their status in Canada can be determined or not.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Algoma (Mr. Foster)—Agriculture—(*a*) Canada-United States trade talks (*b*) Stabilization and insurance programs; the Hon. Member for Comox-Powell River (Mr. Skelly)—Canadian Armed Forces—(*a*) Acquisition of canned tuna (*b*) Issuance of contract.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND

The House resumed consideration of the motion of Miss MacDonald that Bill C-55, an Act to amend the Immigration Act, 1976, be read the second time and referred to a legislative committee.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am pleased to rise and speak on Bill C-55. Our Party's critic on immigration, the Hon. Member for Spadina (Mr. Heap), regrets not being here today. The reason he is not here today is because, to put it mildly, we are a bit confused by the Government's management of House business. We have had to predict what will come next on a minute-by-minute basis. It is somewhat like predicting who will be in the Cabinet tomorrow, which one has to go on a minute-by-minute basis.

In my response a moment ago during the period for questions and comments, I said these changes to relieve the backlog of appeals on immigration could and should have been made a long time ago. I find the whole process by which refugee appeals were being considered merely on the transcripts and the quality of the judgments being made by the officers appointed to hear that particular question under the Minister's jurisdiction, and also by the Immigration Appeal Board, left a great deal to be desired. I say that because I think a great

many Canadians felt that we as Canadians are fortunate in the world and that we should be a model with respect to reaching out and welcoming into our country persons who are refugees. From time to time we have done this, for example, in the case of Asians from Uganda and in the case of the Vietnamese. In those cases our record was not perfect, but it was not bad either. In other instances, however, with respect to refugees from Chile and refugees from Central America our record has been far less than perfect. There are some 13,500 refugees who are backed up in the system right now and whose appeals, as the Hon. Member for Louis-Hébert (Mrs. Duplessis) said a minute ago, are taking up to three years to be heard. In many cases they are held up not because of waiting for appeals to the Immigration Appeal Board but because of the prior process which is entirely within the Minister's discretion.

We in our Party are concerned about this Bill for two reasons. We are concerned because we feel it is prejudging recommendations made by the Plaut Commission Report, recommendations which, as the Hon. Member who spoke a few moments ago indicated, are now under active consideration by the committee of the House which looks into matters of immigration. In fact, there will be a report coming down shortly with respect to where we should go with the Plaut Report.

We feel that the proposal to take refugee appeals away from the Immigration Appeal Board makes a great deal of sense. Under those circumstances, the stopgap procedures proposed in the Bill before us just do not make an awful lot of sense. Why beef up the Immigration Appeal Board in order to deal with refugee appeals if, in fact, it is to be judged within another month or two that the policy will be to take those refugee appeals away from the Immigration Appeal Board entirely and establish an entirely separate tribunal, as proposed in the Plaut Report? For that matter, why beef up either tribunal if, in fact, the Government comes to the view, as I think it should have already, that the problem is not just at the end of the pipeline but with the number of cases which are being put into the pipeline?

Governmental policy under the previous Government, and I believe this Government as well, is that this Government will not turn people away and make them go back to their native countries if they come from such strife-torn countries as Afghanistan, certain countries in Central America or certain countries behind the Iron Curtain in the Soviet bloc, particularly the satellite Soviet countries. Under those circumstances, the failure of the new Ministry to take enough time to focus on this particular question, to decide that special measures are needed, is something which should have been done by the old Ministry. However, the new Ministry is new and not bound by the precedents of the past. It does not have to take as a given every word of advice it receives from the civil servants. In fact, it has an opportunity to bring a fresh approach to the situation. As I said a moment ago, that is what I believe Canadians voted for in the election of September 4.

My Party has been accused of being in coalition with the new Government of Ontario, the Liberal Government. That is not true. However, we have entered into an accord on a number of areas of policy which has, if nothing else, given an agenda for action to the new Government in Ontario. I am glad that after 40-odd years of Conservative Government, which deserved to be defeated, that the agenda for action which was laid down by the New Democrats is, in fact, being followed and that over the course of the last two or three months under Mr. Peterson's Government there is evidence of crisp decision making. A decision has been taken to seize the reins of power and to do something with them.

The federal Government has been elected with an enormous majority in terms of the House of Commons. It seems to be rapidly frittering away its grip on power even more quickly than the Diefenbaker Government did after its monumental victory of 1958.

As one commentator said, yesterday was Black Wednesday for this Government. We all know that when those types of affairs occur, when the competence of the Government is clearly not there, when the Government is engaged in firefighting and in dealing with the crisis of the day, that longer-term problems cannot be attended to. As early as the second year of this Government, it no longer appears to have the ability to stand back from the problems in order to come up with solutions and to show the courage, determination and political will to actually implement them.

The previous speaker suggested that if this Bill was needed as a stopgap that it could have been brought in as early as January or February in conjunction with the statement that as soon as the Plaut Report was released the Government would ask for advice of the committee which deals with matters of immigration and would then bring in its program immediately thereafter. Instead, the publication of the Plaut Report was delayed. We now have a stopgap decision taken at this time and no indication that the Government will have any capacity to take a fresh look during the three or four-year life of this Parliament, if Parliament even lasts that long.

I would like to come back to the specific measures in the Bill, apart from the measure which allows landed immigrants in Canada to have the same status as Canadian citizens in serving as sponsors, which our Party welcomes. The major feature of this Bill is to provide for an expansion of the Immigration Appeal Board. Its current maximum number is 18. The Chairperson of the Board told the Standing Committee on Labour, Employment and Immigration in the spring that the board would be expanded by seven members by September 1. I guess that provision will have to wait since the Government did not get the Bill through in June. It will be expanded by another eight members by the end of the year, almost a doubling in size from 18 to 35. Subsequently, a further 15 members will be added to bring the membership up to 50, if that numerical increase is warranted. She suggested this is a short-term program and that the new members would be brought on for two-year terms. She suggested very strongly that people were effectively being asked to keep their hand in at teaching, the law or whatever profession or trade they had because they were only being taken on for two years and after

two years it was easier to return to one's former line of work than if one took on a five-year term. This is a training program for inexperienced members of the appeal board who are to be there for a short term, and who are being informed that they will be there for a short term. Yet these people will be charged with the responsibility of just about tripling the rate at which the Immigration Appeal Board considers the appeals which are before it.

● (1720)

Any organization which expands that fast has problems in terms of its learning curve. It takes time before the new members learn how to handle the cases. The estimates, therefore, of the amount of time that cases are going to take to be heard are likely to be very optimistic. In addition to that, as the Minister and many spokespeople have acknowledged, the number of persons, legal counsel, immigration advisers and that kind of person, who are really qualified and able to represent appellants in this particular area, is very limited and, therefore, there will be tremendous strains on them from a tripling or quadrupling of the cases before the Immigration Appeal Board. Yet the Government's answer to the crisis is not in looking at ways to reduce the people waiting in the pipeline, as our Party has proposed. We propose ways to reduce by three quarters the number of people who might be appealing rejection of refugee status. However, instead of acting in that direction, Mr. Speaker, the Government decides to try to step up the work of the Immigration Appeal Board.

This Appeal Board is very costly, Mr. Speaker. I suppose the salary for the members is in the order of $35,000 to $50,000 a year. Perhaps it will be more if the Government hopes to acquire people with legal training and able to make a lawyer's income to come in and serve for a couple of years. That means that with 30 extra members, support staff, hearing space, hearing officers and all of the other trappings of the office, we are talking about a very major investment in terms of the cost of handling cases. Many of those cases, it seems to me, ought not to be there.

The former Government refused to give oral hearings to people applying for refugee status. In my opinion, the former Government also failed to look realistically, perhaps, at ways in which the law might be altered in order to try and differentiate between people who have a genuine claim, a realistic claim, to be considered for refugee status and, on the other hand, persons who are simply trying to abuse the process. I think we all know that while substantial numbers of people who have applied for refugee status are certainly *bona fide*, or consider there is a *bona fide* case to consider them in that way, others are not. People come and clog up the process. They come from countries from which there is absolutely no reason one could conceivably imagine that a person would seek to wish to become a refugee. The only reason the person might not wish to return to their native land would be because they had committed some criminal offence which would be equally criminal if committed on Canadian soil.

The former Government did not tackle, and the present Government has yet to tackle this particular problem. Yet it has come out with this particular Bill. I would like to say as well, Mr. Speaker, that there are other areas which I think are deserving of urgent consideration. One of these areas is the authority of the Immigration Appeal Board. I can say, Mr. Speaker, that the Appeal Board pronounces, and the law says that once it pronounces, the Minister should then act on the basis of that judgment, but there is nothing to enforce action by the Minister. In fact, there is a modest fine, but goodness knows how one could ever bring the Minister into court for a six-month sentence or a $1,000 fine for failing to live up to an order of the Immigration Appeal Board. There is no other enforcement mechanism.

I have had a case in my office for about three years, Mr. Speaker. It is the case of a man who is a productive citizen. He runs a restaurant in Ottawa. He has been seeking to bring his parents and, I believe, one or two young brothers and sisters into Canada from Pakistan over the course of a period of some two and a half years. They were refused entry into Canada. The immigration officer in Pakistan decided that he or she felt these people were not genuine, that they were going to leave the kids in Canada and go back to Pakistan.

The matter came up before the Immigration Appeal Board in January of this year. It was ruled upon in April, and in April the Immigration Appeal Board ordered that the appeal be allowed. In other words, it ruled that the immigration officer was wrong and that in fact the refusal to approve the application for landing was not in accordance with the law. This particular case illustrates the kind of problems which people in my Party who are helping immigrants and sponsors have been having. The family reunification program is blocked because there is not an adequate number of immigration officers in countries where people are looking for reunification, Pakistan being a notorious example, the Islamabad office being an office where there are particular problems.

One might almost say that there is discrimination built into administration because immigration offices are to be found in every major European country but in other countries, in Asia and in Africa, applicants must travel sometimes thousands of miles to find a Canadian office where they can put in their application.

In this particular case I wrote to the Minister in April and told him the Appeal Board had ruled and would he please see that this family was unified and would he expedite this matter. The Minister wrote back and acknowledged my letter and said he would let me know as soon as he had an answer. That was in April, Mr. Speaker, and I have been waiting for a response ever since. We have been in contact a dozen times with the Minister's office since then. It maintains that it has contacted the embassy in Islamabad on numerous occasions, but nothing has happened. Most recently, the people in this particular case were called to Islamabad and they expected to receive the medical forms to finish the procedure so that they could get on a plane and come to Canada. They went there and were told that new documents were needed about the kids' schooling

despite the fact that all the documentation which could conceivably be required had been handed in. They were not given the medical forms. Finally, I got on the telephone myself last week and said, "Will you please act. I am going to raise this matter in a week if I don't hear from you". I was told a telex would be sent to Islamabad. Many telexes have gone to Islamabad and it is like a black hole in terms of any action being taken. Unless the assistant in the office of the Secretary of State for External Affairs (Mr. Clark) has responded since we came into the Chamber at two o'clock today, there has been no answer.

The individual called me the other day and told me he missed his family and said he wanted to go and talk to *The Citizen*. I told him to wait for a few days, that I had talked to the Ministry. This is the first immigration case I have been involved in with the Ministry in a year. I am slow to anger on these things, Mr. Speaker, but this is a case where, it seems to me, the Ministry itself mocks the authority of the Immigration Appeal Board. The Government then turns around with Bill C-55 and tells us, "By the way, the Immigration Appeal Board is not adequately staffed and, therefore, would you please allow us to increase the membership in the Board from 18 to 50 members?" We could increase the membership to 500 members, Mr. Speaker, but if the Ministry is not going to take the rulings of the Appeal board seriously, then we have real problems.

If the Appeal Board continues in its tradition of ignoring prima facie evidence on such matters as refugee claims, which was one of the factors which led to Rabbi Gunther Plaut to argue for a different tribunal in refugee cases, a tribunal which would be adequately informed, you could have 5,000 people on the Immigration Appeal Board and that would not be enough.

I see that the Hon. Member for Calgary West (Mr. Hawkes) is taking a very serious interest in some of the comments I am making. I appreciate his interest. I hope that Hon. Members on the Government side take this seriously. We are opposing this particular Bill, but it is clear that second reading will pass and the Government will have the authority to increase the numbers. The Hon. Member for Calgary West knows that our concern is that we do not know what kind of appeal tribunal we are going to have. We are going to have 35 new people on the Board who will have some expectation about their job. Jobs are hard to find these days and they would hope that they could keep that job. But they may be all Tories. They may well be the constituency assistants or the people who made up Marcel Masse's election expenses return. Who knows, Mr. Speaker. It could be any quality of person at all who could be appointed to that particular Board. Criteria are not laid down in this particular case and I think perhaps they should be. In fact, and I have not checked this with my colleagues, I would like to make a very serious suggestion to the Government. This is perhaps an individual's suggestion rather than a joint one. Hon. Members may be familiar with the tradition of magistrature in the United Kingdom. Magistrates there include a substantial number of citizens who do not have legal training; they are simply concerned with administering the law. They are prepared, often on a voluntary basis, to serve in conjunction with a trained and full-time magistrate. We have some magistrates without legal training in Canada but they generally tend to work full-time. If there are backlog problems, and without pre-empting the decision surrounding the Plaut report, and perhaps as a precedent, we could amend this Bill so that two of the three members of these panels, rather than being appointed for two years, should be citizens with some competence and reputation in the community and who are prepared to give up time to sit in on a number of appeals. Some training courses could be given, but in many cases, whether they are refugee or sponsorship cases, we are not talking about a need for substantial training. We should not be making these decisions on the basis of legal technicalities or niceties. These decisions demand compassion, understanding and empathy. That is something that millions of Canadians have to offer. That might be a more productive way to work on the backlog, in addition to taking measures to reduce the potential backlog. I suggest that would allow us to tackle the backlog while leaving our options open with respect to early action on the Plaut report.

• (1730)

Both myself and my Party look forward to early action on that report, but for reasons I have given we have to say that we object to this particular measure. We think it is an inadequate beginning toward responding to a very serious problem.

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

Mr. Friesen: Mr. Speaker, I am a little surprised to hear the Hon. Member say that his Party is not supporting this legislation. I thought I heard his colleague from Vancouver East say about an hour or so ago in the House that they supported it. I am really quite surprised to hear that they are not. She commended the Government for the provisions of this Bill and felt it would provide a solution to some of the problems.

Mr. Rodriguez: You were not listening carefully. You were sleeping.

Mr. Friesen: I was here.

Mr. Rodriguez: You were sleeping. I heard you snoring.

Mr. Friesen: The Hon. Member for Nickel Belt (Mr. Rodriguez) was not even here. He must be omniscient; he knows what his colleague said.

One of the easiest accusations to make nowadays is that of discrimination. It is a word which drops from the lips as soon as there is any kind of disagreement on a given point. The Hon. Member used it in connection with the backlog. He said forthrightly that if there were only enough immigration officers to clear the backlog, including the quasi judicial process, that would take care of the problem. He said the fact that there are not enough is a kind of discrimination against the people who want to come to Canada. If we hired enough officers to clear up the backlog, would that then take care of the flow of people coming into Canada and end that kind of

accusation of discrimination? I suggest that it would not. He said he just dealt with his first case. If he has any assessment at all of the flow of people who desire to come into Canada for every good reason, would hiring enough staff ever solve the problem and remove the accusation he levels at immigration officers, as well as at the Government for not providing enough staff?

Mr. Cassidy: Mr. Speaker, first may I say that my colleague from Vancouver East (Ms. Mitchell) made it clear that while we support the measure in the Bill which permits landed immigrants to sponsor, we have grave reservations about the rest of the Bill. I cannot recall specifically what she said, but I know that when we discussed this Bill in caucus we said "we are going to oppose it because we feel it pre-empts decisions which ought properly to be made in light of the Plaut report and because we think there are other constructive measures", which the Hon. Member appears not to have heard me mention, "by which the backlog can be greatly reduced." Very specifically, the use of the special measures approach would permit the Ministry to very quickly reduce the backlog by removing cases involving people from Afghanistan, Iran, Central America, certain countries in Latin America, Vietnam and Iron Curtain countries. By the time you do that you would have eliminated a major proportion of the backlog.

The Hon. Member says that he does not believe it is possible to cope with all the people who might want to come to Canada by increasing our staff. I am afraid this is a fallacy which any first year student in logic would see, because he then says do nothing about the problem at all.

Mr. Friesen: That is not what I said.

Mr. Cassidy: I said to the Hon. Member for Calgary West that I was disappointed to hear him use arguments from the old Government, and I am disappointed to hear this Member doing the same thing. In the case I refer to from Islamabad, which is one of 150 immigration matters that my office has dealt with over the last year, either the immigration officers on the ground are not up to the demands being made upon them, or they are acting in a manner which specifically discriminates against people coming from that country. Since almost all the people from Pakistan are what we call visible minorities, that is why one talks about either explicit and deliberate or implicit discrimination taking place. It does not take two and a half years for people wishing to emigrate to Canada from the U.K. or certain countries in western Europe to work their way through the system, as is the case with the one I cited here.

[*Translation*]

Mr. Hudon: Mr. Speaker, I would remind my hon. colleague . . . In listening to his speech, I found a number of contradictions in what he says. There is a basic contradiction when he says that the system is overloaded and there is not enough staff. If we look at the Bill, we see that its purpose is to increase the staff.

In his answer a little earlier to one of the questions, he gave a rather negative assessment of the officers. He said they did not know how to do their work. However, the system they have to work with today was voted on by us or by a Parliament and we are now trying to improve it.

Instead of trying to elucidate every individual case he encountered, I would have preferred him to elaborate on the kind of amnesty he would like to see developed with respect to cases now pending, to settle the problems of specific groups.

I wonder first of all, what criteria—if it is so arbitrary, what criteria he would apply to establish such groups or general amnesties? What we want to do in this legislation is increase the number of persons available to hear all these cases. And when we start judging the system itself . . . I think the hearings being conducted by the Standing Committee on Employment and Immigration will help, and by the way, next Tuesday, we will be meeting Rabbi Plaut who is to explain part of it. Hearings have commenced on the subject.

Mr. Cassidy: Mr. Speaker, I am surprised the Parliamentary Secretary is asking these questions, because it was his Department that was responsible for the fact that we now have about 15,000 refugees waiting to appear before the Immigration Appeal Board, pending decisions by the Refugee Status Advisory Committee, which has legal status. After being heard by this committee, and we all know it hands down very few favourable decisions, refugees whose claims have been denied are entitled to appeal to the Immigration Appeal Board, where the number of members has just been increased.

So as I said earlier, it is not a matter of amnesty but a matter of implementing special measures that were introduced in the past by Immigration Ministers, when it was the Department's practice or the Government's policy, when in fact decisions of the Immigration Appeal Board were unanimously or almost unanimously in favour of allowing refugees to remain in Canada.

For instance, does the Parliamentary Secretary maintain that we should force refugees from Poland, Hungary and other East European countries to go home? Is that going to be the position of this Government? Once these refugees arrive in Canada, do they really have a chance to go to other countries? Should we not act on what we see as our responsibility and allow these refugees to stay here? Is it the Government's position to accept them? Refugees from Europe or members of the Bahai sect, for instance are we really going to send them back to Iran? The answer is a definite no, because those refugees would not even survive if they were forced to go back to their own country.

So why are we asking these refugees to stay in the backlog with all the other refugees before they can appeal before the Immigration Appeal Board?

Briefly, instead of increasing our appeals capacity, we should be thinking of reducing the need for appeals. And that is what I and my party have proposed.

● (1740)

[*English*]

Mr. Friesen: Mr. Speaker, I really do not mind if the Hon. Member for Ottawa Centre (Mr. Cassidy) refutes an argument of mine or even proves me to be wrong. I do not think I have to be afraid of that ever happening, given the way he argues, but if he succeeded I really would not mind too much. However, I wish he would quote me accurately. I would like him to tell me when I ever said that if the problem is big, or large, or overloaded, that we should do nothing about it.

Mr. Cassidy: With respect, Mr. Speaker, the Hon. Member said precisely that approximately eight minutes ago at the beginning of the period for questions and comments. He asked me if I thought that increasing the number of immigration officers or functionaries would in fact serve to master the flow of people applying for immigration in Canada. He was quite clearly suggesting that he did not believe that to be the case. He was, therefore, arguing that there was no point in doing anything at all to ensure that there are enough immigration officers to deal with the problems of immigration in India, Pakistan, Bangladesh, Sri Lanka, the Philippines, and other countries where delays with regard to Canadian immigration authorities were notorious under the former Government and, regrettably, remain notorious under the present Government.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I will begin my remarks today and, due to the timing of the House, will probably have to conclude on another day. It was my hope that this debate today might have been somewhat less partisan. This subject lends itself to much effort from all sides of the House to co-operate and come to resolution. As the chairman of the Standing Committee I would like to commend the degree to which that attitude has been present in the committee through 40 meetings.

The previous speaker invited the Government to act decisively and expressed concern about the fact that it had not done so. That is a very odd comment. I have been a member of the committee since I was first elected to the House of Commons in 1979. Aside from Main Estimates, that committee had not held a single meeting on the subject of immigration in the previous six years. During our first year we have had 40 meetings and three substantive reports. Bill C-55, which we are debating today, was brought forward within a very few months of our assumption of office. Any delay was due to the fact that there was a case before the courts and it behooved us to wait until that judgment was rendered before acting. We did not want to act in a manner that might have precluded desirable options. However, the case is over and the size of the backlog is known.

If the previous speaker had spent a little more time thinking, he would have recognized the wisdom of the chairman of the board in asserting to the committee that a two-year appointment for a portion of those board members would be appropriate. The chairman laid out two reasons for this and they are still compelling. The chairman has considerable experience and in her judgment she will be able to get better quality board members. If we want fairness and sensitivity in that process we must consider the quality of the people who will commit themselves to participation in the process. The second reason is that the chairman and this piece of legislation bring forward a plan which would allow the backlog to be cleared up in three years. If that happens, we will not need as many members. This piece of legislation asserts that the Minister and the board be given the legal basis to expand the staff to clear the backlog, after which time the staff would be reduced.

On Thursday morning of this week the committee began its inquiry into the Plaut report. We heard evidence from the United Nations High Commissioner for Refugees and representatives of the Sikh Federation of Canada. We will hear from two more sets of witnesses today at six o'clock. The basic message of the testimony heard was that the decision to be made as to whether someone either is not refugee, and is or is not entitled to the protection which this country can provide, is basically not an immigration question. Immigration has somewhat different characteristics.

Every Member in this Chamber knows that there are problems in the current immigration system. It is a shame that all 282 Members cannot sit on the committee and hear the testimony in order to understand the focus of the problem and learn what has to be changed. The committee is spending hours and hours on the task of understanding the immigration system. It is also spending hours and hours trying to understand how things can best be arranged to deal fairly with refugees. I ask the Members opposite to think seriously about that concept. I ask them to look at Thursday morning's transcript and ask themselves whether the issue of refugee determination in this country is essentially an immigration issue or an issue of a different kind. Clearly, there are immigration concerns which flow from the basic decision as to whether people are or are not entitled to the protection of this country because they are truly refugees.

● (1750)

To what extent should it be different? To what extent should it be run by a group of people with different training? Should the Immigration Appeal Board, which is the subject of the Bill before us, in reality be dealing with appeals from a refugee board? If we follow the basic outline of the Plaut report, we could improve upon it and bring forward an even better piece of legislation than he envisaged. Is it not possible to invent a system to deal with the determination of refugee status, involving different people, different training backgrounds and considerations other than those which guide the members who serve on the Immigration Appeal Board?

It seems to me that the impulse to block and delay this piece of legislation stems from a genuine and valid concern for the plight of refugees. However, the solution does not lie in changes to the make-up of the Immigration Appeal Board.

The solution lies in the Plaut report and the examination of that report by the committee. Then the Government would be in a position to bring forward the legislation required to create a better system. Tinkering in any manner whatsoever with the Immigration Appeal Board will not solve the refugee problem.

Mr. Rodriguez: What do you think the Bill does?

Mr. Hawkes: The Bill will do something that is very human and very desirable. I am sure every Member of the House has heard representations from people who are stuck in the process. They do not wait one month, six months or one year; they wait years to have their situations regularized, to have a sense of confidence that they can purchase a home or take a long-term job. If we leave in existence a system which requires them to wait from two years to four years in a kind of legal limbo, we act in a cruel fashion toward people who are less able to protect themselves than most of us would be. I suggest that it would run against the traditions of Canada. Members of all Parties have met with the Minister. There is a willingness to modify this piece of legislation in committee if it can be improved in any way. In the interest of those people stuck in the system, their spouses and their children, I urge Hon. Members of the Liberal Party and of the NDP to reconsider the speed with which they are prepared to deal with the Bill. We have lost the months of July, August and September. We have kept everyone in the system in limbo for an additional 90 days. If it takes another month, it grows to 120 days, or if it takes another two months, an additional 150 days.

The only solution is to negotiate quickly. Let us move expeditiously, not recklessly. Let us not put a badly flawed piece of legislation in place. The committee has already spent four hours on first reading stage of the Bill. We attempted to pass it in the month of June. We almost succeeded, but not quite. The Minister is making another effort, as will the committee. However, it takes the will of the caucuses. That will exists in the Progressive Conservative caucus. I encourage Hon. Members listening to the debate today to see what they can do to create that will in their own caucuses. The faster we accomplish it, the better off many people will be.

I see that we are approaching the hour provided for Private Members' Business. I look forward to continuing the next time the Bill is before the House. However, I would be remiss if I did not pay tribute to the members of the standing committee. They laboured long and hard. I hope Hon. Members who have not had the opportunity to serve on that committee recently will consult with them about the existing situation and about the need to move as quickly as possible on this Bill, on the Plaut report and on a number of other issues.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being 5.55 p.m., the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

INCOME TAX

SUGGESTED DEDUCTION FOR PEACE RESEARCH AND EDUCATION

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved:

That, in the opinion of this House, the Government should consider the advisability of establishing a register of national and international organizations involved in peace research and education, and consider allowing residents of Canada who pay income tax to transfer a portion of their tax to one or more of these organizations, such amount to be calculated on the percentage of the national budget allocated to defence, which is currently 10.2 per cent.

He said: Mr. Speaker, I welcome the opportunity to present the concept of the peace tax fund, as it has become known. This is the second time I have had an opportunity to present a motion similar to this one. I understand that the Government will probably oppose it again this time, as did the previous Government. I am sure, given enough time, the Government will change its mind about it and bring in legislation making these kinds of recommendations possible.

Given the serious situation facing the world today, I can only express the hope that the Government will change its mind soon. The urgency of the motion must be recognized by Hon. Members on all sides of the House. It urges two actions upon the Government. First, it urges the establishment of a register of national and international organizations involved in peace research and education. Second, it asks the Government to consider allowing Canadians to transfer that portion of their income tax which normally goes to defence to one or more of these organizations. We can call the process of establishing such a register and providing for the transfer of funds the establishment of a peace tax fund.

There are two basic reasons Hon. Members on all sides of the House should support my motion. The first one is a reason of principle and the second is a more pragmatic one. The House should recognize that the payment of taxes for military purposes is a question of conscience for many Canadians or a question to which they cannot agree. The Government should recognize that the establishment of a peace tax fund provides a helpful way in which to channel funds toward peace research and education, two areas which are sadly in need of more financing. In turn, I will comment on each of these reasons. Many Canadians object to the payment of taxes to support military activities because it is incompatible with their consciences. In many cases it is a matter of religious conviction. In other cases it is a matter of individual consciences telling them what is right and what is wrong. It is directly related to the question of conscientious objection to military service.

● (1800)

Let me read briefly from a letter written by a woman in my constituency, a letter she wrote to the former Minister of National Revenue. In it she said:

My question is this: Will the Government of Canada establish a Peace Tax Fund for those of us who, according to our consciences, cannot pay for war, or preparation for war? Under the Charter of Rights, being guaranteed Freedom of Conscience, I trust that the answer will be "yes". I do not intend to act against my conscience in order to accommodate any law that has been made by people without regard for conscientious objection.

This is quite unlike, having "a different opinion" as you suggested, about how tax money should be spent. There are many ways of spending taxes with which I disagree, but there is only one that is against my conscience, therefore, I must act according to its direction. My conscience clearly dictates that killing is wrong. I do not expect the Canadian Government to order me to pay for war—

Conscientious objection to participation in war or preparation for war has a long Canadian history going back at least to the time of the American Revolution. At that time Mennonites and Quakers, for reasons of conscience, had not participated in the war on either side. This non participation made them suspect to the Americans and, at the same time, made them desirable immigrant prospects for the colonial Government of Upper Canada. At that time, Lord Simcoe promised them exemption from military service and this was given legal recognition by the legislature of Upper Canada in the Militia Act of 1793. The Act provided that in return for exemptions on military service those who were exempted should have to pay an annual fee toward the cost of maintaining the militia.

Members of the Society of Friends or Quakers saw a direct link between support of the militia by paying money and actually serving in the militia. Most of them refused to pay that fee levied upon them even though the penalty included such things as seizure of personal property and prison terms. Both Quakers and Mennonites lobbied to have the fee removed, which finally happened in 1849. We had similar moves in 1873 to encourage immigration of a group of Russian Mennonites when an Order in Council granted:

Entire exemption from any military service . . . to the denomination of Christians called Mennonites.

Between 1874 and 1880 over 8,000 Mennonites came from Russia to the Canadian Prairies.

In 1898 and 1899 similar Orders in Council were approved to encourage emigration of Doukhobors and Hutterites. We have this long tradition in Canada of the historic peace churches, the Society of Friends, the Mennonites, the Hutterites and the Doukhobors who have always objected to serving in the war. This has been linked in the past to making payments in lieu of that service.

During the First World War there was a great deal of pressure for universal conscription and there was a real struggle to maintain that principle of conscientious objection, but it was maintained. Similarly, in the Second World War. I want to urge upon all Members the importance of individuals acting on the basis of their own conscience. I know within our own caucus and I hope within other caucuses that this is one area where on a question of conscience individuals have the right to disagree publicly with their caucuses and to vote against their caucuses on questions of conscience. We have heard of war crimes, Mr. Speaker, where people have been condemned because they refuse to act on the basis of their conscience.

I would like to read some comments from the philosopher Thoreau in his famous essay "And the duty of civil disobedience", written over 100 years ago. He wrote:

There are thousands who are in opinion opposed to slavery and to the war, who yet in effect do nothing to put an end to them; who, . . . sit down with their hands in their pockets, and say that they know not what to do, and do nothing; who even postpone the question of freedom to the question of—

Wait for it, Mr. Speaker—

—free trade, and quietly read the prices-current along with the latest advices from Mexico, after dinner, and, it may be, fall asleep over them both—They hesitate, and they regret, and sometimes they petition; but they do nothing in earnest and with effect. They will wait, well disposed, for others to remedy the evil, that they may no longer have it to regret. At most, they give only a cheap vote and a feeble countenance and Godspeed, to the right, as it goes by them.

Thoreau continues:

Cast your whole vote, not a strip of paper merely, but your whole influence. A minority is powerless while it conforms to the majority; it is not even a minority then; but it is irresistable when it clogs by its whole weight—If a thousand men were not to pay their tax-bills this year, that would not be a violent and bloody measure, as it would be to pay them, and enable the State to commit violence and shed innocent blood. This is, in fact, the definition of a peaceable revolution.

Today we see a shift from the emphasis on direct military service to the payment of taxes which support a huge military machine. One writer, Muriel Luca from Foremost, Alberta, said:

For more than 200 years Canada has allowed freedom of conscience in relation to military service. However, today's military service is overwhelmingly in the form of paying for the increasingly expensive new weapons, much to the satisfaction of the munitions makers. My hands are just as bloody from helping finance nuclear missiles as they would be personally running another human being with a sword.

It is that sense which leaves many people to declare that paying taxes that go to military purposes is against their military conscience. More than 250 people across Canada have already taken action and have taken that portion of their taxes which would normally go for military purposes and put it into a peace trust fund. They are organizing and urging the Government of Canada to legalize this procedure so they are able to do it with Government sanction.

They point to the Canadian Charter of Rights and Freedoms in our new Constitution of 1982. I would like to read the first two articles of that Charter of Rights and Freedoms. It reads:

The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

Everyone has the following fundamental freedoms:

(*a*) Freedom of conscience and religion—

Freedom of conscience, Mr. Speaker, is the first freedom to be guaranteed by our Charter of Rights and Freedoms. But what does freedom of conscience mean? So far Parliament has left it to the courts to interpret the meaning of what freedom of conscience means as well as what other sections of the Charter are going to mean. The peace trust people would like to see this clarified. The cost of taking a case to the Supreme Court is estimated at something like $255,000, over one-quarter of a million dollars, to have a question clarified.

I would like to quote from David Vickers, a former Attorney General of British Columbia, a very distinguished lawyer in B.C. He said:

• (1810)

The interpretation which courts will place on the first freedom, the freedom of conscience, is not really known. I suggest that if it's to mean anything, it must be a guarantee, not just to believe in something, but also to put those beliefs into action.

Freedom of conscience is not just to be able to maintain a private inward belief but to be able to act in accordance with your beliefs. Certainly when it comes to a basic question such as whether or not we are going to support the military, I think that has to be recognized. There is nothing in this motion that goes beyond what are the reasonable and just limits that any society can impose. Without waiting for a court decision I would urge the Government to make provisions so that freedom of conscience can be a reality for people instead of just nice words on a piece of paper.

The peace trust people have organized themselves into a charitable society known as Conscience Canada which is actively working to have the Government make those changes and I urge it to adopt the motion which I am presenting which would accomplish that. I urge this action to provide freedom of conscience at a practical level so that our Constitution is effective, rather than having to wait for the courts.

Secondly, Mr. Speaker, there are pragmatic reasons why this motion should be adopted. The practical reason for supporting this Bill, even if there were no conscientious objectors, is that we need to provide money for peace research and for education. Already our world is spending far too much money on weapons of destruction. This has two effects. First of all it drains money from other projects. There is still a myth abroad that somehow military expenditures create jobs, but dollar for dollar it has been shown that this is not an efficient way of creating jobs. Military expenditures, dollar for dollar, are one of the most inefficient ways of creating employment. This is one area where there has to be some education of the public. This is one area where we want to see more research so that people and industries that are already engaged in military projects would be able to make the transition to more constructive forms of human endeavour.

Earlier this week the CBC had a program marking the fortieth anniversary of the United Nations. Just as an indication of how much arms budgets are spiralling out of control, the CBC reported that today the United States spends more money on military music than it does on its budget for the United Nations. Yet there continue to be some very well orchestrated complaints about the cost of the United Nations.

Canada has a military budget of $9.4 billion, more than four times the amount we allocate to international development which is $2.1 billion. We are spending four times as much money preparing for war as we are in trying to correct the basic human situation that leads to war. This whole scale of things is completely out of control. Regarding the peace tax, people say, let us vote with our money, let us put our money into peace education and research and try to redress that balance. What is the Government afraid of? Why will it not agree to this kind of proposal?

Secondly, Mr. Speaker, world armaments threaten to destroy us all. The balance of terror is becoming badly unbalanced. The United States plans to spend $26 billion on star wars research and we are concerned about Canadian complicity in that. Even though the Prime Minister (Mr. Mulroney) has given an official "no" to that star wars research on the part of the Canadian Government, the door seems to be open for individual Canadian firms to participate. It reminds me of the old song "Your lips tell me no, no, but there is yes, yes in your eyes". Along with the "yes, yes", there are the dollar signs in the eyes of some Canadian manufacturers who hope to make a quick buck out of increasing the balance of nuclear terror in our world.

Our leaders raise the question of Canadian complicity in the making of nuclear bombs with the use of Canadian uranium. One year ago the Prime Minister spoke at the St. Francis Xavier University, September 28, 1984, and he said preservation of peace is "the central issue confronting our generation". But what has he done since then? Very little.

In conclusion, Mr Speaker, Canadians would like to see more positive leadership from the Government on the subject of peace. They would also like to contribute directly themselves. The peace tax fund would enable them to do so. It provides a sensible alternative to the madness of the arms race, an alternative that takes account of conscience. I urge the acceptance of this motion upon all Members of the House.

Mr. Jim Jepson (London East): Thank you, Mr. Speaker, I am pleased to be speaking to this motion today. I know the Hon. Member who has brought this before the House today is a responsible and conscientious parliamentarian and his remarks in favour of the motion are made with the best of intentions, I am sure.

This motion has obviously been put forward so that this House can show its commitment to the pursuit of world peace and so that Canada can reinforce its position of leadership in the worldwide efforts for security from the dangers posed by the very existence of nuclear weapons.

Although I agree with the ultimate goal of this motion, world peace, there are enough problems with some of the implications that I hope this House will not send it on as a concrete proposal for legislation. I think every Member of this House will agree tht the people of Canada, indeed this Government, are seriously concerned about world peace and that they are anxious to take every opportunity to express this concern as a high priority.

The motion on the floor shares this goal. This motion if enacted as legislation would allow Canadian taxpayers to earmark a certain part of the taxes they pay for special purposes. This tax revenue would be committed toward the activities of a registered international organization involved in peace research and education. The funds that would go to this use would be the equivalent proportion of the tax dollar that

would have gone to Canada's defence spending, that is about 9.3 cents of every dollar for the 1984-1985 fiscal year. This is obviously neither responsible nor reasonable.

This year personal income taxes amounted to about $30 billion of the Government's total revenues. To put things in perspective, this motion would make Parliament surrender control of about $3 billion each year, or close to 3 per cent of this year's total expenditures.

My first reaction to this motion was that it implies there is a disagreement between the wishes of Parliament and those of the Canadian people. This contradicts the basic belief we all hold that says Parliament provides a forum where the different views and interests of Canadians can be engaged and debated. It is hoped that the result of this process will be policy and legislation that pursues the national interest in the most effective way possible.

If we accept the principle behind this motion we will have to admit that Parliament is not succeeding in its most basic goal. In the case of defence policy I think that our Government has taken particular care to see that its defence spending priorities reflect the appropriate balance between the need for an effective military capability and, yes, an earnest desire to enhance national and international security.

Furthermore, Mr. Speaker, I think that this policy supports in a very deliberate way the traditional role that Canada has played in international affairs and that we have earned respect for, that is a role highlighting leadership in bringing about the peaceful resolution of conflicts around the world and voicing the importance of moderation and understanding in that relation between all nations.

Even more significantly, I think our Government's defence policy is an expression of the views and priorities of the Canadian public. The public has by and large supported the approach we have taken on questions relating to national defence and international security. Of course, there will always be debate over precisely the best way to achieve the goals we have set for ourselves of a nation, as part of North America and as members of the NATO Alliance. A difference of opinion is always healthy in the sense that it ensures that alternatives will be considered most carefully. This is particularly evident in the activities of the Canadian Institute for Arms Control and Disarmament. The establishment of this organization was a clear expression of the fact that the Government sees as important precisely the same objectives as the Hon. Member has brought forward in his Bill tonight.

• (1820)

The Government's recent decision with respect to the Strategic Defence Initiative was indicative of our appreciation for the democratic process. When concerns were raised over the merits of this proposal through the direct representation of Canadians, the media and the speeches of Members of this House, the Government took care to appeal to public participation in this decision. I believe that the final choice not to participate in SDI directly as a Government was very strongly influenced by a number of widely held reservations about this new strategy on the part of Canadians.

Defence policy is of such a crucial nature that the principles embraced by the Government, more so than in any other area of policy, must be sensitive to the prevailing attitudes among the electorate. At the same time, however, I think that this area of Government policy is most effectively dealt with by the parliamentary and Cabinet decision-making process.

I believe the views and opinions of Canadians must be considered in forming Canada's defence policy. This process, however, depends on the institution of Parliament. Parliamentarians have access to resources and information, they have opportunities for debate and discussion and they have a legislative process, all of which ensure that conclusions are reached responsibly and legitimately. Matters as sensitive and complex as defence policy rely very heavily on the testimony of experts and on healthy debate between those with widely differing views.

I am afraid that the motion being debated today would not satisfy the principles of parliamentary democracy that are the traditions of this House. To illustrate this point, I suggest that we imagine what it would be like if we could earmark our tax returns for any purpose that we might personally feel important. I am sure that this would result in a very colourful range of Government-sponsored activities. Although this would be a very clear expression of public preference, it would not be an improvement over our present arrangement. More importantly, this kind of tax provision would introduce total disorder into the duties of the House of Commons. Members of Parliament would cease to exercise their responsibilities and policy would not be the product of a deliberate and thoughtful process.

The final point I would like to make is the simplest of all. I disagree with this motion because I believe the restraints imposed by our huge deficit have made defence spending, not to mention spending on environmental protection, very inadequate. As a nation-state, Canada has to fulfil certain responsibilities, primarily to our own defence and secondly to the safety and security of our allies. In the context of other obligations and commitments, the Government has allocated certain funds for national defence. Still our forces rely on obsolete technology and deteriorating equipment. It is very questionable as to whether or not we could offer any defence whatsoever to our sovereign territory, no matter how much we cherish it. Unfortunately, we inherited this terrible state of defence from the previous administration.

As a member country in good standing in NATO which certainly enjoys benefits commensurate with our contributions, we must be careful to honour our obligations. Support for this motion would certainly bring into question our commitment to the goals of our alliance and indeed to the values of peace and security that we are trying to uphold so well.

Finally, significant reductions in nuclear armaments can only be achieved if they are verifiable. Negotiations have to be conducted from a position of credibility. I believe that support for this motion would seriously jeopardize this goal.

It is important for all Canadians to know that to protect the interests of our country, we must speak from a position of

strength, not weakness. For those naive enough to believe that this is not true, I would suggest that they talk to people from Poland, East Germany, Czechoslovakia, Hungary or Afghanistan, to name just a few. The fate of these countries should serve as a constant reminder to us of the way Soviets can be trusted around a so-called negotiating table. Eternal vigilance will always be the price of freedom.

In closing, I would like to say that I think this House has benefited from the opportunity to debate this motion. I do, however, recommend that Hon. Members consider very seriously the implications of this motion and do not endorse it.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I listened with interest to the previous two speakers and found that I cannot support this motion because it starts off with the wrong premise. That premise is that money spent on defence is money spent on war. I do not think that can be rationalized any more than can be saying that spending a dollar on a police force is spending a dollar that will help out robbers, burglars or murderers.

I look at defence spending as an insurance policy on which we hope we will never collect. One does not buy health insurance expecting to become ill but wants the protection in case that happens. Defence spending is nothing more than an insurance policy and the people of Canada should be proud to support the buying of that insurance which protects the real estate that we call Canada.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to have this opportunity to take part in the debate and to discuss this proposal which, in my judgment, is a real challenge to the imagination. I say it is "a real challenge" because the sponsor of the motion, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), is challenging all of us to ask ourselves whether we are doing all we can and all that should be done to promote a peacekeeping effort all over the world.

He is also challenging us to consider the role of our defence forces and determine whether they do contribute to peacekeeping.

The motion is also very imaginative and its New Democratic Party sponsor has shown a remarkable spirit of innovation by drafting this altogether novel tax proposal.

I will try to prove in my remarks that, unfortunately, such imagination and innovation can be misleading, and that the rather novel tax structure described in the motion is very much like Pandora's box—full of unpleasant surprises for anyone who opens it.

Mr. Speaker, my Government colleagues have spoken or will eventually speak on some of the significant issues raised in this motion with respect to what is being done and what could be done to promote peace and security throughout the world.

For my part I intend to speak to the tax issues raised by the motion. I have nothing against openly supporting any legitimate effort to restore world peace, but I have serious reservations concerning the tax mechanism we should use to that end.

The wording of the motion would indicate that the Hon. Member for Cowichan-Malahat-The Islands has drawn his own conclusion, namely that maintaining defence forces does not promote peace. He would fund peace research and information organizations by using some of the tax revenues allocated to the defence budget. One must conclude that he considers that peace and defence activities do not go together, like oil and fire, and that anybody who is in favour of one kind of activities must necessarily be against the other kind.

Of course, the Hon. Member is entitled to his opinion. The rest of us are certainly entitled to have ours, different though they might be in this respect. I will show that the mechanism proposed in the motion would, in a way, leave very little choice to the taxpayers who happen to believe that maintaining our armed forces contributes to peacekeeping throughout the world. I say this because the way this tax deduction would work out we would be urging the taxpayer to hand some of his income taxes over to *bona fide* peace research organizations, and we would also be indicating quite clearly that the money should come from the defence budget.

• (1830)

It seems to me that by adopting the proposal we would be offering this kind of alternative to the taxpayer. I do not think it is a clear proposal in black and white, and that the good guys are all on one side and the bad guys on the other side. In my opinion, nothing in the income tax return should indicate that the taxpayer is either for or against defence spending and peacekeeping effort.

I am wondering why the Hon. Member for Cowichan-Malahat-The Islands did not draft his motion so as to use the traditional tax mechanism available to all Canadians who want to support public welfare organizations and who want to take advantage of tax incentives to do so. Of course, we all know this mechanism, the deduction for charitable donations. The definition of charitable organization under our tax system is wide ranging. We do not see any problem if peace research organizations were to be recognized as charitable organizations eligible for this deduction. We all know how the deduction works. If a taxpayer is assessed at a marginal rate, say 35 per cent, everytime he gives $1 to a charitable organization the public treasury, federal or provincial, contributes 35 cents, so the taxpayer's donation amounts in fact to 65 cents.

This tax deduction for charitable donations has a long and honourable history. It is almost as old as income tax and it is almost part of it. It is a simple procedure whereby the State acknowledges the fact that any society derives benefits from the work done by charitable organizations. We find it hard to understand why such a simple procedure is not enough to

achieve the objective of the sponsor of the motion under consideration today.

Enough of these idealistic musings. Let us get back to earth. Suppose we look at how this particular proposal would work out in practice. First of all, we must realize that this idealistic and very selective process of transferring tax revenues would have to be indicated on the personal income tax return, also known as the T-1 form. Since it would be a reduction in tax payable, the amount would have to be indicated at the end of the return.

The taxpayer would have to be asked the following question: Do you wish to have your income tax reduced by 10.2 per cent, or whatever the percentage happened to be in that year, and have this portion transferred to the organizations involved in peace research and education as specified? I am not sure the sponsor of the motion provided any explanatory notes to indicate to the taxpayer what this particular percentage represents, in other words, the percentage of the federal budget directly allocated to defence.

Mr. Speaker, there are a number of comments one could make on this kind of proposal. Indeed, it raises a number of questions in my own mind, and I hope in the minds of the other Members of this House. For instance, what strict assurance does this somewhat fanciful procedure provide that the Government's tax revenues are allocated correctly and efficiently? We believe there is no way to predict the exact percentage of tax revenues to be transferred.

I believe we could expect the peace organizations that would benefit from this procedure to launch an all-out advertising campaign, urging taxpayers to opt for such a method. And after all, the taxpayer would probably be very quick to conclude, as we all would, that it would not cost us a cent to make what could be called a pious choice. Of course, Mr. Speaker, if someone is asked: Are you in favour of peace? He will probably answer right away: Why yes. Obviously. And in the taxpayer's mind, he would be giving the Government's money and not his own.

It is quite conceivable that the transfer of tax revenues could be very significant. After all, almost everyone is in favour of peace, with the exception of a few bellicose individuals and those who benefit directly from war. The taxpayer could well be in favour of this concept, believing it would not cost him a penny. And he would probably not consider other aspects of a plan he would assume had received official recognition since it appears on the income tax return.

However, there are other aspects to be considered. For instance, what assurance do we have that the revenues thus transferred to peace organizations are well spent? Will they achieve the desired results? And if the transfer of $1 million to peace research and education achieves a certain level of results, would $10 million increase those results tenfold? Or is there a law of decreasing returns that applies to this area as well?

Mr. Speaker, these are some of the questions a responsible Government must ask when allocating its budget expenditures.

However, the problem with the proposal before the House this evening is that such questions would not be asked. The Government would have no control over the percentage of tax revenues thus allocated to these expenditures. The scope and effectiveness of advertising campaigns orchestrated by peace organizations would probably have a significant impact on that amount. We would therefore have a percentage somewhere between zero and 10.2 per cent of federal tax revenues that would escape the control of Government and Parliament.

I said a few moments ago that the taxpayer would tend to think this plan would not cost him a penny. He might be wrong. If this proposal were fully implemented, it would mean that some $4 million in tax revenues would be transferred from our personal income tax. Consequently, if the transferred amount is significant, the Government might well be obliged to increase taxes to fill the gap, unless Hon. Members are prepared to let the budget deficit increase over and above what it is now, which is out of the question, in terms of the Budget proposals formulated last May.

Supporters of this idea might maintain that the amount is relatively small, that peace is very important, and that it is worth setting aside the principles of appropriate control of public expenditures for the sake of a very noble cause. The argument is undoubtedly very seductive. But how far should we expand this principle? We would be opening the door very wide.

If we accept the transfer of tax revenues to peace research, would there be other causes we might have to accept as well? How far would we extend this new principle? For instance, Governments spend significant amounts of money on hospital care, health insurance and other kinds of public health plans. Would we accept a system under which the Canadian Medical Association could set up a private health care plan to which taxpayers could transfer a certain percentage of their tax payable?

There are Canadians who do not have children and who take a very sceptical view of the spending of public funds on education or daycare centres and the welfare and maintenance of families in general. Would we allow these Canadians to transfer another percentage of their income tax to an area closer to their interests or concerns? Would we then have as many mini-budgets as we have citizens in Canada?

I could give other examples, Mr. Speaker. The point I am trying to make is that the importance of peace research is not the issue here. We are dealing with a much more basic question, namely can Canadians shirk their social responsibilities as citizens? In our system of responsible democratic Government we use Governments to make certain decisions which benefit society as a whole. Oftentimes these are very difficult decisions to make, and now and again they are unpopular. But they are choices we cannot avoid

making. I would imagine that defence expenditures fall in the last category.

But making those decisions on behalf of society as a whole is the basic principle of a responsible democratic Government elected as such by the people. Any attempt to avoid making those decisions, or some of them anyway, flies in the face of the principle of responsible Government.

We are not trying to say that citizens should not be interested in knowing how their tax dollars are spent.

We wish more people would show that kind of interest: our democracy would be stronger for it. However we must make a distinction between defence—or the acceptable promotion of defence, or the condemnation of that defence, of certain categories of public expenditures—and the fact that we can decide not to finance a given Government project through certain tax mechanisms that may be simpler.

Given our democratic Government system, the rules must be the same for everybody. We are not talking about a selective Government for certain individuals, by certain individuals, and in the interest of certain individuals.

We are sure that the sponsor of the motion did not draft it with a view to upsetting the well estabished nature of our system of Government. No doubt he is sincerely trying to draw the attention of the House to the vital importance of organizations working at the praiseworthy promotion of world peace in our troubled society. However, the so-called practical procedure which he advocates to reach that goal runs directly counter to important if not basic principles of our taxation system that are based on the responsibility of a government elected by the people. I think that it is a vital point which deserves to be stated at this time and I am pleased to have had the opportunity to do so this evening.

● (1840)

[*English*]

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, the motion put forward by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) might be summarized by saying that the Government would establish a registry of national and international organizations involved in peace research and education and basically allow you and me, Mr. Speaker, as taxpayers, to transfer a portion of our tax to one or more of these organizations, such amount to be calculated on the percentage of the national Budget allocated to defence. I know the Hon. Member is a sincere Hon. Member, albeit wrong.

The premise of the motion is that we should get out of NATO and NORAD—both New Democratic Party policies, I believe. Its premise is that we should forgive and forget events such as have happened in eastern Poland in 1939, events with respect to Finland and parts of Poland in 1940, events in Latvia in 1940, in Lithuania in 1940, in Estonia in 1940, in parts of Romania in 1940, in a part of China in 1944, in part of Czechoslovakia in 1945—

Mr. Manly: Read the motion.

Mr. Kilgour: —in eastern and northeastern Prussia in 1945, in Japan, the Sakhalin Islands, in 1945. The Hon. Member wants us to forget basically what happened in Mongolia in 1921, in Bulgaria in 1944 and 1945, in Hungary in 1944 and 1945, in Poland in 1944, 1945, in Romania from 1945 to 1947, in Czechoslovakia in 1948, in the German Democratic Republic in 1949, in North Vietnam in 1945 to 1954.

Mr. Skelly: What about the Peloponnesian wars? Have you anything on that?

Mr. Kilgour: I might note, Mr. Speaker, that the two Hon. Members of the New Democratic Party who are present to support the Hon. Member's motion obviously find it painful that I recite these matters—

Mr. Skelly: Not painful, ridiculous.

Mr. Kilgour: —but I assure them that I intend to continue recounting them.

Mr. Manly: Irrelevant.

Mr. Kilgour: They want us to forgive and forget Cuba in 1970—

Mr. Manly: Mr. Speaker, I rise on a point of order. I believe that the rule of relevancy should apply to Private Members' Hour as well as to other hours in this House. My motion specifically calls for the establishment of a registry of national and international organizations involved in peace research and education and allows for the allocation of a certain portion of income taxe to those organizations. It says nothing about having to forget past instances of history. I wish that the Hon. Member would confine his remarks to the motion at hand.

The Acting Speaker (Mr. Charest): I understand very well the point the Hon. Member is trying to make. The Hon. Parliamentary Secretary to the Minister of External Relations (Mr. Kilgour), I believe, is linking his remarks to the other aspect of peace; war.

Mr. Skelly: A very tenuous link.

Mr. Kilgour: Thank you, Mr. Speaker. They want us to forget Afghanistan in 1979, 1980 to 1985 and longer, South Yemen in 1970, Angola in 1975—although I think in fairness, that matter perhaps is still open to dispute—and Ethiopia in 1976. Perhaps the two gentlemen from the New Democratic Party should go and see the movie "The Killing Fields" one day.

Mr. Manly: I've seen it. Think about that movie.

Mr. Kilgour: We all think about things, don't we?

I might remind Hon. Members also that a Labour Party Member from Britain was here not very long ago and I remember he said, "Democratic Socialists don't have to turn over on their backs and put their feet up when it comes to peace issues", and I think both Hon. Members of the New Democratic Party might take heed to what a Member of the Democratic Socialist Party in Britain said on the subject of that Party's defence policy about which, I can assure you, he was not speaking favourably. I should have said that Party's "non-defence" policy, that Party's "throw up our arms" policy.

As was just pointed out by the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), there is a principle in our system of Government that people elect Members of Parliament to represent them in decisions such as the allocation of financial resources intended to serve all members of that society. I believe the Parliamentary Secretary made it clear what violation this motion would do to that principle. There is at present no provision in the Income Tax Act which allows individual taxpayers to determine the specific areas in which their taxes should be used. Any change in the allocation of personal taxes such as in the proposal would involve an amendment to the Income Tax Act. The Minister of Finance (Mr. Wilson) is responsible for both originating and amending tax legislation. My colleagues on both sides of the House will be speaking on the taxation issues when the motions come up on the Budget motion debate.

At the present time, Mr. Speaker, Canadians may receive tax exemptions on their contributions to non-profit Canadian peace organizations, as registered in publications such as the Mennonite Central Committee's, "A Directory of Canadian Peace Organizations with International Concerns". There are all kinds of organizations so listed. I am sure, Mr. Speaker, you are aware of many of them. I submit that the Hon. Members of the New Democratic Party must be aware of them as well.

It is the belief of this Government that defence and peace activities are not mutually exclusive, but are, indeed, complementary. If I may put it this way, they are the two wings which allow the bird to fly. We must have defence capability or we will not have security, and therefore we will not have peace. Someone observed long ago that every country will have an army on their soil, either their own defence force or the defence force of someone else. I think that is a very important truth in today's troubled world. We try to keep a balance between maintaining the western alliance while taking every reasonable opportunity to advance the cause of arms control, disarmament, and general global peace and security. In other words, you cannot seek an arms control agreement unless you have some credible defence force.

● (1850)

I would now address the ways in which Canada is promoting peace and security at the present time which negate the need to finance peace research and educational organizations by diverting tax funds from defence expenditures.

Canada's security policy has rested on three complementary foundations for the past 35 years: Deterrence of conflict through the collective security arrangements in NATO and NORAD; pursuit of equitable and verifiable arms control agreements; and commitment to the peaceful settlement of disputes, including collective efforts to resolve the underlying social, economic and political causes of international tension.

Our country and this Government recognize the need for collective efforts to deter agression against North America and Europe. We support and contribute to this defence effort. The Alliance will possess only minimum levels of armaments consistent with effective deterrence, while at the same time we will pursue dialogue and equitable balance and verifiable arms control agreements. Our object, of course, is stability and security for all people in the Alliance.

All Members know that our Alliance relies on a deterrent strategy which takes into account the reality of nuclear weapons. Deterrence, including conventional, intermediate range and strategic nuclear weapons must provide sufficient stability to enable us to negotiate international arms control agreements. Each NATO member must contribute to sharing the collective defence burden while benefiting from its protection. Our direct contributions to deterrence and defence lie in providing effective conventional forces. This is not a question of morality, it is a question of how we can best contribute to our own security given our limited resources for defence.

Our Government, I am proud to say, has made clear its intention to meet its obligations to the Allies within the scope of contributing to stability in East-West security matters. We have committed ourselves to sufficient defence spending to make our contribution effective and reduce the vulnerability of our forces in the field. In short, sir, an effective defence ensures peace better than anything else developed up until today.

It should be noted, however, that budgetary expenditures in the defence sector are manifested in a variety of non-military ways that are of direct benefit to all Canadians in the pursuit of peace in general. For example, portions of the defence budget are allocated to the activities of Emergency Planning Canada, while the Canadian Armed Forces perform a wide variety of non-military functions. These include the evacuation of communities affected by severe flooding, search and rescue operations—

Mr. Skelly: Point of order, Mr. Speaker. I wonder if the Hon. Member might consent to answer a question. I know he is in agony trying to run out the clock and we would certainly be prepared to do him a favour by asking him a question if the Chair indulges this rather unorthodox method.

The Acting Speaker (Mr. Charest): It is not for the Chair to indulge, it is for the House to consent in this case. Is there unanimous consent?

Some Hon. Members: No.

Mr. Kilgour: Mr. Speaker, my speech is 15 pages long and my problem is that I am not going to be able to get through it in the two or three minutes remaining to me. If I do, I will be happy to take a question at the end.

Canada is a sovereign nation and we must devote a certain amount of our resources to the development and maintenance of defence capabilities. At the same time we do not take a back seat to anyone in terms of our efforts toward the promotion of arms control, disarmament, and international peace and security. We pursue these objectives, first, through our contributions to and participation in arms control and disarmament negotiations; second, through our contributions to and participation in the UN's peace-keeping activities. And third, through direct support to and consultation with organizations involved in peace research and education.

In the two minutes left I would like to speak briefly to each of these matters. First, may I present three key objectives in arms control and disarmament negotiations where constructive Canadian efforts to promote international peace and security are under way.

For some time Canada has pressed for the immediate and unconditional resumption of talks between the U.S. and the Soviet Union. We are delighted that the Geneva talks are going ahead. We hope and pray that there will be significant reductions in the nuclear arsenals of both countries. We pursued this objective in the councils of NATO and the UN, and continue to do so during our regular consultations with Soviet representatives. It is in the interests of mutual security that these talks bear fruit.

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member but the hour allocated for the consideration of Private Members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

AGRICULTURE—CANADA-UNITED STATES TRADE TALKS. (B) STABILIZATION AND INSURANCE PROGRAMS

Mr. Maurice Foster (Algoma): Mr. Speaker, on September 24, I asked the Minister of Agriculture (Mr. Wise) if the Government would be prepared to make a commitment that our price stabilization and support programs as well as our supply management programs such as marketing boards would not become bargaining chips in the Canada-U.S. free trade negotiations. Every Member of this House knows that the most stable parts of our agricultural industry today are those involved in the production of poultry, eggs, broilers, turkeys and milk, as well as those commodities covered by the Canadian Wheat Board. They are perhaps more stable than those commodities which do not have the advantage of a marketing board.

In the Government's documents dealing with free trade there is this paragraph which is especially disturbing to myself and I believe to many Canadian farmers. It is stated the agricultural sector has been exempt from earlier free trade area agreements, including the European free trade agreement. There will undoubtedly be pressures from agricultural interests on both sides of the border to exclude the whole agricultural sector from the Canada-U.S. free trade agreement. However, it is by no means clear that this would be in Canada's interests. There may be productivity advantages to be gained by adjustments within agriculture as well as from accelerating the transfer of farmers out of agriculture.

That is the view of the Government, Mr. Speaker. It thinks if we do away with our marketing boards, crop insurance, grain stabilization and all the rest of our agricultural programs there will be greater productivity achieved and the Government will achieve its aim of accelerating the transfer of farmers out of agriculture. That seems to be the Government's attitude towards agriculture. I think all Canadians will be very concerned about this when they look at the situation between Canada and the U.S.

• (1900)

Approximately 22 per cent of Canadian farmers are in serious financial difficulty and are in danger of losing their farms. In the United States that figure is approximately 33 or 34 per cent. I maintain that much of the difference is due to the fact that we have a number of controlled commodities with administered prices. We also have stabilization programs provided by the federal and provincial governments and programs such as the Western Grain Stabilization Program. As well, we have marketing arrangements through the Canadian Wheat Board. Without those, I believe that another 9 or 10 per cent of our farmers would be in serious financial difficulty.

Is the Minister willing to exclude agricultural products as was done in the European Economic Community? They do have an agreement on agriculture, but it is separate. Unfortunately, the Minister was not prepared to make a commitment that these marketing systems and stabilization programs would be kept out of the bargaining with the United States. If they are put on the table, we know that they will be bargained away.

Many farm organizations, including the Ontario Federation of Agriculture, have expressed concern. An article in *The Toronto Star* of August 27 reads in part as follows:

> Agriculture shouldn't be part of any free trade package negotiated between Canada and the U.S., an Ontario Federation of Agriculture delegation told a Legislature committee yesterday.
>
> The federation brief argued that the U.S. would want to dismantle many Canadian farm programs such as marketing boards and price stabilization programs.
>
> In return, federation president Harry Pelissero said, Canada would probably get very little.

It is interesting to note that the Minister of Agriculture (Mr. Wise), who is from Ontario, is acting in direct opposition to the Ontario Federation. Likewise, a report by the Alberta Pool indicates that it is concerned that agricultural stabilization programs and marketing systems will become bargaining chips in the high stakes which the Government will be playing in the free trade negotiations with the President which the Prime Minister announced today in the House of Commons.

I hope that the Minister of Agriculture will see the danger of bargaining away these things which have been so essential in maintaining some of the most viable parts of our agricultural industry in Canada.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Without going so far as accusing my hon. friend from Algoma (Mr. Foster) of using a double standard in his representations, Mr. Speaker, I must say that I am always a little surprised when I hear him support the stabilization programs which exist in Canada and attack the Government position as defined in Bill C-25, because they agreed, mostly, on the fact that we are calling for their elimination.

This afternoon, I am quite surprised to hear him say something which is in part contrary to what he has been saying for the past few months.

[*English*]

Mr. Speaker, I am pleased to respond to the question posed by the Member for Algoma (Mr. Foster) on September 24 in regard to bilateral trade negotiations with the United States.

Agricultural trade with the United States is of vital importance, not only to the agri-food industry, but to the whole economy. The United States has been Canada's number one market for agricultural exports for the past two years. Last year, of our total agricultural exports of $10.3 billion, the U.S. market accounted for $2.2 billion. If grains and oil seeds are excluded, the role of the U.S. market becomes even more important, as everyone knows.

Last year more than half of our non-grain exports were sold in the U.S. Last year our exports to the United Stats increased by nearly 30 per cent over 1983, mainly because of the difference in the value of our currencies. At the same time, U.S. agricultural exports to Canada increased by 16 per cent, to a total of $3.6 billion. That is nearly 60 per cent of Canada's total agricultural imports.

● (1905)

I think it is worth while to repeat those figures—exports of $2.2 billion, imports of $3.6 billion and a deficit of $1.4 billion per year in our agricultural trade with the United States. With that kind of money involved, both Canada and the United States have an interest in avoiding trade disputes such as the one recently experienced in the hog sector. The Minister of Agriculture (Mr. Wise) has been working with his American counterpart to ensure an ongoing exchange of information on agricultural trade matters. Furthermore, both Ministers are taking steps to ensure a good flow of information between industry leaders on both sides of the border. We think that is most important.

The Hon. Member for Algoma (Mr. Foster) has heard the statement of the Prime Minister (Mr. Mulroney) this afternoon regarding Canada-United States trade. Obviously it would be premature at this point to speculate what will happen down the road in respect of agricultural aspects of Canada-U.S. trade discussions. However, the Hon. Member can be assured that in any negotiations with the United States on agricultural matters, we will be consulting fully with the industry. We are only interested in a deal which is in the best interests of Canadian agriculture.

[*Translation*]

Mr. Speaker, my hon. friend from Algoma (Mr. Foster) is aware of the efforts made by the Minister of Agriculture (Mr. Wise) to improve Canadian markets. As recently as this afternoon, the Prime Minister announced that Canada wanted to open up and work with the Americans to find a way to improve our markets. This is quite clear, Mr. Speaker. Now that we have just stated that we would like to open the door partly, my hon. friend would like us to shut it immediately and set up trade barriers . . . We will have ample time to set up trade barriers. We are about to start negotiating and I think, in fact I am sure, that the future will prove us right.

[*English*]

CANADIAN ARMED FORCES—ACQUISITION OF CANNED TUNA. (B) ISSUANCE OF CONTRACT

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question this evening concerns one which I directed to the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen) in the House and it revolves around the tuna scandal.

It appears that some time ago a company packed some decomposing tuna, and some of that particular shipment of tuna was packed prior to the election. The company did not have much success in convincing Fisheries inspectors to pass the tuna, as they found it to be rancid, decomposing and unfit for human comsumption. Apparently the last Government was not too favourable on overriding its inspectors. After the last election a new Government was in power. I remember the Prime Minister (Mr. Mulroney) in an off record discussion on the campaign trail happened to say: "Yes, if I am in power, I will definitely have my nose in the trough, too, along with my friends". I am wondering whether there is a linkage between that statement and the events of the tuna scandal.

Once the Conservative Party was in power, some very influential people from Atlantic Canada began to telephone Ottawa—the Premier of New Brunswick, the Atlantic Chamber of Commerce and the New Brunswick fish producers. Of course, the Hon. Member for Carleton-Charlotte (Mr. McCain) said in September that he had raised that matter, before he retracted the statement. It was a fairly significant problem.

At one point it was mentioned that only 2 per cent to 3 per cent of the production of the company was involved, although it was close to a million cans. When October rolled around and the great pressure had been put on, the then Minister of Fisheries went down to taste it for himself. He eventually said: "Yes, I tasted three cans and two of them weren't too bad". I presume the taste test led some kind of procedure by which a contract was granted to the company to supply the Department of National Defence with $103,000 worth of the product of this company.

In November, this material appears to have been delivered to 32 Canadian Forces bases. Upon opening the cans, the cooks and the people at the bases found that it was rancid, decomposing and unfit for human consumption. Things certainly moved forward from that point, to the Ministry of National Defence removing the product. It went to fisheries inspection labs in Burnaby and Halifax, and the Ottawa Forces Base sent it to the health laboratories here. They found that the product was contaminated. Although it would not kill you, it certainly was not something you would want to eat.

● (1910)

As I understand it, as things unfolded, the product was sent back to the company. The company designated a second order as a replacement order. Before that order could leave the plant, fisheries inspectors designated it as unfit for human consumption.

Were members of the Canadian Armed Forces used as guinea pigs in this situation? In addition, was there an arrangement between the influential voices in Atlantic Canada and the new powers in Ottawa?

Given the testimony we have had and the kinds of information given in this House, conflicting statements, retractions and questions raised previously as well as other very questionable practices that have gone on, including early campaign statements by the Prime Minister, the questions are certainly valid. It would be very useful if the Government would come clean and tell us how this order, $103,000 worth of tuna that turned out to be, as fisheries inspectors have said, rancid and decomposing and unfit for human consumption went to the Department of National Defence.

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, as a fellow Member of Parliament from British Columbia I can certainly appreciate that occasionally we do have a rather colourful turn of phrase or that we are tempted occasionally to overstate a case, but I know the Hon. Member from Comox-Powell River (Mr. Skelly) is often a reasonable Member. He likes to hear the facts and the details. I will give him a little bit of that, and as I do I know he will appreciate the situation, the difficulty, understand and be assured regarding his question.

Certainly the Department of National Defence did enter a contract with Ocean Maid Food Limited of St. Laurent, Quebec to supply canned tuna for the Canadian Armed Forces. There can be no doubt about that. The Hon. Member should also recognize that during the current fiscal year, 1985-86, the Department of National Defence is involved with some 40,000 contracts. In what is called national procurement where food items are included there are 25,000 contracts and one million line food items. The total value of national procurement is $1.135 billion. There are over 100,000 types of food items involved.

When the Minister this afternoon mentioned that he could not be expected to be directly involved with every contract undertaken by DND, this was an understatement, not an overstatement, especially in light of the facts I have just mentioned.

The Department of National Defence, like any other Government institution, has rigid and demanding quality standards for foodstuffs in order that we can be assured that our Armed Forces are eating the best and the highest quality of food that can be purchased here. It is not an unusual occurrence that food products which do not meet out high standards in the Department of National Defence are returned to be replaced by the supplier, which was the case in this instance.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 p.m., pursuant the Standing Order 3(1).

The House adjourned at 7.14 p.m.

HOUSE OF COMMONS

Friday, September 27, 1985

The House met at 11 a.m.

● (1105)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

SOCIAL SECURITY

REQUEST THAT GOVERNMENT WITHDRAW BILL C-70 IMMEDIATELY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, last Wednesday Montreal was the scene of the official launching of the coalition of women to fight against the Government's decision to deindex family allowances.

Mr. Speaker, forty women's groups and organizations related to families with children got together—the *Fédération des femmes du Québec*, the *AFEAS*, the *Fédération des associations de familles monoparentales*, the *Association régionale des centres de femmes du Québec*, the Action Committee on the Status of Women, the Committee on the Status of Women, the CNTU, to name a few.

Mr. Speaker, I could recite the names of 41 organizations which formed a common front to get a petition campaign going throughout Quebec and urge the Prime Minister of Canada (Mr. Mulroney) to withdraw immediately Bill C-70 aimed at deindexing family allowances.

On the same day, Mr. Speaker, 250 mothers met in a hall in Montreal east and questioned the Prime Minister. Does the Prime Minister know that we use our family allowances to buy food and pay oil heating bills?

Mr. Speaker, the questions those mothers directed to the Prime Minister of Canada are—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

[*English*]

UNEMPLOYMENT

REMUNERATION OF TASK FORCE CHAIRMAN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) has set up a task force to review the unemployment insurance system. Amazingly, the Chairman of this group will be paid $750 a day plus $125 per day in travelling expenses. This is absolutely mind-boggling. Here we have a commission headed by an individual whose daily income is more than what the average claimant receives in a month.

I know that the Minister of Employment and Immigration is in agreement with me on the insanity of it all. She said on March 21, 1983, when commenting on the Macdonald Commission:

> People see the special quirks and privileges, the appointment of commissioners at $800 per day.

The Minister went on to say:

> To much of the Canadian public, Parliament has become an extravagant irrelevance. It is a circus show acting out its own fantasy in a make-believe world where neither money nor morality seem very real any more.

The Minister was right then and she is right now.

* * *

MUSEUMS

OPENING OF TYRRELL MUSEUM IN ALBERTA

Mr. Gordon Taylor (Bow River): Mr. Speaker, this week Premier Peter Lougheed officially opened the $30 million Tyrrell Museum which is nestled in the hills of the canyon of the Red Deer just west of the growing City of Drumheller in the beautiful Province of Alberta. The buildings are located not far from the confluence of the Red Deer River and the Kneehill Creek where, in 1884, one of Canada's outstanding geologists, Dr. Joseph B. Tyrrell, found the almost perfect head of a gigantic carnivore. This skull will soon be in the museum which bears his name, thanks to the Minister of State for Science and Technology (Mr. Siddon) and the former Minister of Communications, the Hon. Marcel Masse.

As I entered the museum I saw in front of me a giant globe of the planet Earth indicating that beyond we would find the colour, variety and the successful adaptation of life to a great diversity of environments. All around me were bones from the graveyards of the ages. Proceeding through a dark passage we stood looking into a vast chasm when suddenly the lights came on and I stood in awesome, silent, speechless amazement. It was as if we had just been propelled into the Drumheller Valley as it was three million years ago—a tremendous gigantic work showing skeletons of every type of dinosaur that ever existed, standing in their natural habitat.

Words cannot describe the portrayal of the earth's crust, the beginnings of life from three million years ago up to the appearance of man in the valley. It is the greatest palaeontology museum in the world. I urge every Canadian to join the

hundreds from other lands to visit the Tyrrell Museum. Drumheller Mayor Bill Doucette welcomes the world to the Valley of the Dinosaurs.

* * *

[*Translation*]

HOUSE OF COMMONS

MEMBERS' INTERVENTIONS—CANADIANS' EXPECTATIONS

Mr. Nic Leblanc (Longueuil): Mr. Speaker, since the end of the summer recess, Canadians have been watching their Parliamentarians and how they are using the House of Commons, the noblest institution in this country.

Mr. Speaker, those same Canadians believe it is high time some Parliamentarians stopped using their seat in the House merely to talk about scandals and frivolous subjects. Their comments are a waste of time, and Canadians in general think their Parliamentarians should be making a more serious effort to seek a positive solution to the economic problems facing this country, not by discrediting our banking institutions but by renewing confidence in them. Furthermore, promoting investment in Canada will create jobs for our fellow Canadians, and that is what this Government is trying to do.

* * *

[*English*]

WAR CRIMINALS

DESCHÊNES COMMISSION—OPPOSITION TO PROPOSED U.S.S.R. VISIT

Mr. John Nunziata (York South-Weston): Mr. Speaker, one of the many aspects of the Nazi system that revolted and disgusted Canadians was its system of justice. The concept of Nazi justice is in itself a contradiction in terms because there was no justice in Nazi Germany. Individuals were jailed and often executed without the slightest regard for the principles of natural justice.

One of the other regimes which has shown contempt on a massive scale for the concept of justice as we know it is the Soviet Union. The gulags, the mental hospitals, the KGB, and the long history of Soviet human rights abuses should provide us with enough examples of Soviet justice to make us distrust that system absolutely. Yet, Mr. Speaker, the Deschênes Commission of Inquiry on war criminals is now considering travelling to the Soviet Union to hear evidence as part of its investigation.

• (1110)

Every Member of this House wants to see us track down those responsible for committing atrocities during the war. We all feel that these individuals must be brought to justice. But if we are to uphold the standards of our system of justice then, justice must not only be done, it must also appear to be done. The use of Soviet evidence by the Deschênes Commission must be rejected if we are to uphold our own standards. There is some powerful symbolism here. If we use Soviet evidence, are we not perilously close to adopting the same tactics as those we are seeking to prosecute?

I call on the Government to prohibit the Commission from travelling to the Soviet Union to gather evidence.

* * *

BANKS AND BANKING

CANADIAN IMPERIAL BANK OF COMMERCE—TREATMENT OF PUBLIC AND EMPLOYEES

Mr. Rod Murphy (Churchill): Mr. Speaker, it has become clear that the large banks expect the Canadian taxpayer to pay millions of dollars to bail them out for their investments in the Canadian Commercial Bank. How have these same banks treated Canadians? The Canadian Imperial Bank of Commerce is one example of how the gigantic corporations have treated ordinary Canadians shabbily. Have they dealt with farmers facing foreclosure with compassion? No. Have they treated mortgage holders fairly? No.

While the Bank of Canada rate continues to go down, the Commerce has increased mortgage rates. The Commerce has a similarly negative record in its labour relations. Workers at the Commerce, many of them lowly paid women, have not had a regular wage increase since 1981. The bank wants complete freedom to reduce the hours of work whenever it wishes. It also insists upon compulsory overtime.

The Commerce also wants contract language that will prevent workers from taking cases of discrimination to the Human Rights Commission and that will exempt Commerce workers from the provisions of the Canadian Labour Code dealing with technological change. The same bank made over $400 million in profits last year.

It is incumbent upon the Government to force banks to show compassion and concern for farmers, home owners, and their own employees, before blindly pouring money into these wealthy corporations.

* * *

TRADE

SUPPORT FOR CANADA—UNITED STATES NEGOTIATIONS

Mr. Alex Kindy (Calgary East): Mr. Speaker, the economic news this morning was most pleasing. I took pride in our Government on finding that the bank rate in Canada has dropped to its lowest level in seven years, and is now at 9 per cent.

Some Hon. Members: Hear, hear!

Mr. Kindy: The good economic news did not stop there. I found more pleasure in reading that President Reagan has hailed our Government's offer of free trade. As a Government

which cares, and I insist on the word cares, we have realized that pursuit of a bilateral free trade agreement will return prosperity to Canada.

It should be realized that the most important aspect of our relationship with the United States is that roughly two-thirds of our trade is with that country. The management of U.S.-Canada relations can determine the success or failure of most of our economic policies. Therefore, Canada's best interests can only be achieved by forging closer trade links between Canada and the United States. We have returned to the first option and moved away from that Liberal option that was a failure, the third option.

If we are successful in our pursuit of stronger trade links, our industry will be less vulnerable to the protectionist actions taken by other industrialized nations. We will once again return prosperity—

Mr. Speaker: I must inform the Hon. Member that his time has expired.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—REACTION OF OPPOSITION PARTIES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I have great difficulty in understanding the negative reaction of the opposition Parties to the Prime Minister's (Mr. Mulroney) announcement yesterday that our Government is pursuing a new enhanced trade agreement with the United States. Would the Opposition have Canadians stand by and lose their jobs to hundreds of protectionist Bills currently before the U.S. Congress, threatening our lumber, agriculture, steel, and fisheries industries, just to name a few? Would the Opposition have the Government discard a hundred billion dollar trade agreement? That is what will happen if we do not enter trade negotiations with the United States.

Canada is the only industrialized nation without guaranteed access to a market of 100 million people or more. The Macdonald Royal Commission, a commission set up by a previous Liberal Government and headed by a previous Liberal Finance Minister, has strongly recommended that Canada give high priority to the negotiation of freer trade arrangements with the United States to secure market access.

• (1115)

In an effort to score political points the Liberal Opposition is ignoring the reality that our economic future and jobs for Canadians depend on these trade negotiations. It appears that its Members do not care about Canadian jobs. They cannot deal with anything which may be positive for Canada, but Canadians know that major steps must be taken to ensure a prosperous future. I congratulate the Prime Minister on this historic initiative.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF ENVIRONMENT

Mr. Speaker: May I advise the Members of the presence in our gallery of the Hon. F. C. Austin Pelton, Minister of Environment for the Province of British Columbia.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE MINISTRY

RESIGNATION OF FORMER MINISTER OF COMMUNICATIONS—RCMP INVESTIGATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday I asked the Prime Minister whether any members of his senior staff were advised by Jerry Lampert, National Director of the Progressive Conservative Party, about an RCMP investigation into alleged electoral mispractices involving the former Minister of Communications. The Prime Minister, as reported at page 7050 of *Hansard*, told me:

> In all instances I have been informed by senior staff that they were not so advised under any circumstances.

Last night millions of Canadians watched Mr. Lampert confirm that he had indeed told senior members of the Prime Minister's Office. I ask the right hon. gentleman who is lying, the National Director of the Progressive Conservative Party or senior members of the Prime Minister's Office?

Right Hon. Brian Mulroney (Prime Minister): It may be, Mr. Speaker, that neither is. It may be that, as happens from time to time, one does have a problem of human error in recollection. My right hon. friend would not be astonished by that. It happens from time to time in life that our memories are not as infallible as we would like.

I was informed in the manner in which I advised my right hon. friend. I have no knowledge of why Mr. Lampert made that statement. I am advised that the statement is inaccurate. I have asked the President of the Party to conduct an urgent review and report to me.

[*Translation*]

REQUEST THAT PRIME MINISTER CONDUCT OWN INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is not a matter of a misunderstanding or slight contradiction. Either the Prime Minister's senior advisers are lying or the National Director of the Conservative Party is lying. Speaking of investigations, why does the Prime Minister, as Leader of his own party and Prime Minister of Canada, not

ask all the persons concerned in his office to find out who is and who is not telling the truth?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, upon receipt of the allegation in question, I immediately gave instructions to the President of the Party, the Hon. Member for Pembina, to get in touch immediately with his colleagues in the Party executive to direct the necessary queries to Mr. Lampert, who is responsible to the Party's National Executive. This does not exclude my own responsibility, of course. I have questioned all senior staff in my office. I have received the assurances I gave the Right Hon. Leader of the Opposition. The questions will be put to Mr. Lampert, and it is possible, for the reason I mentioned earlier, that there was a misunderstanding. It may well be that Mr. Lampert did advise a senior official, but not a member of my staff.

[*English*]

REQUEST THAT PRIME MINISTER MAKE PERSONAL INQUIRIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we have had a week where information appears not to be getting to the Prime Minister. Of course, we accept his word as he gives it here in the House of Commons, but information is not getting to him on very important matters of fact and allegations which have forced the resignations of two senior Ministers. He says that he has asked the Member for Pembina, who happens to be the President of his Party, to conduct an investigation. That is not an independent investigation.

● (1120)

The Prime Minister is also Leader of his Party. He should call in his National Director, his senior advisers, and his staff, and get to the matter himself. An investigation by a Member of Parliament who happens to be the President of his Party is not going to shed any light on this matter.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I responded very fully to my right hon. friend. I am responsible before the House and before the people of Canada for the conduct of the Government and the affairs of my Party. I am at a loss to understand why the statement was made by Mr. Lampert. It appears to be in conflict with the views and recollections of all members of senior staff. It may very well be that Mr. Lampert indeed informed a senior person of the fact that an alleged infraction may have been committed by the Minister of Communications, but that person was not a member of my staff.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPACT STUDY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. He has continually said that jobs are the key issue with regard to negotiating a deal with the Americans on trade. Yesterday the Premier of Ontario reported that the Minister for International Trade told him that over 850,000 jobs would be dislocated as a result of a new free trade deal with the Americans. If that is the case, Mr. Speaker, it has to be a cause of very deep concern.

Will the Prime Minister confirm the report given by the Minister of International Trade that over 850,000 jobs would be affected and dislocated? Will he publish, on behalf of the Government, the impact study that the Government has, showing which regions and industries are affected? Most important, can the Prime Minister tell us whether he has any plans whatsoever to put forward to deal with the many thousands of workers whose jobs will be severely affected by a new trade deal?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, no one from the Government has used the figure which was quoted by the Hon. Member. It may well be that it was drawn by the Premier of Ontario from a figure in a paper prepared by an academic, one of several papers that the Government has ordered prepared so that there will be a full understanding of the implications of the debate.

Mr. Turner (Vancouver Quadra): Will you table those papers, Joe?

Mr. Clark (Yellowhead): That public paper had to do with job change. Change, as the Hon. Member knows, can mean improved jobs and better jobs. In any event, that was the estimate of one academic based upon an absolute change in all tariff situations.

The one job situation that we do know about is that today Canadians in the fishing industry, forest industry, and other industries across the country have their jobs threatened by protectionist measures arising in the United States. We must have a better answer to that situation than was provided by the policies inherited from the former Government. This Government believes that there is an opportunity for Canadians, not only to protect jobs now, but to build substantial employment security in the future. That is what we are here to do.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I did not ask the Minister for a paid political announcement, I asked him for some facts.

Some Hon. Members: Oh, oh!

REQUEST THAT STUDIES BE TABLED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, if in fact the Government has papers that detail the job loss and job dislocation, will it share them with the Canadian public rather than keeping them hidden as it has so far? Will the Minister agree to table the various studies the Government has done demonstrating what the impact of a free trade deal will be and what kind of job loss there will be? Will the

Minister also tell the House whether he will be following the recommendations of the parliamentary committee and making clear to the Americans that issues like the Auto Pact and agriculture are not to be negotiated because, in those cases, we know that there will be serious job losses?

● (1125)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to the best of my knowledge the paper from which the Hon. Member's non-existent figure was drawn is already in the public domain. However, he can certainly be assured that, just as the Government has already undertaken a massive consultation with provinces, labour, business and other interested groups across the country; just as the Prime Minister has indicated that the question will again be on the agenda at the First Ministers' conference in November; just as we have provided the opportunity for full public debate during a joint parliamentary committee in which the Hon. Member was a participant; just as we have guaranteed that there will be a debate in the House if the opposition Parties allow that debate to occur—

Mr. Axworthy: Just table the papers.

Mr. Clark (Yellowhead): —we intend to ensure that there will—be a full and informed debate in the country so that the negotiating positions that our negotiators ultimately take into any negotiations that might occur with the United States will be based upon wide public consultation.

Mr. Axworthy: What are you hiding? There goes the cover-up again.

* * *

FISHERIES

SALE OF CANNED TUNA—REQUEST FOR COMMITTEE REFERRAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. I want to say to him that his integrity, which he defends constantly with vigour, is not the main issue before Parliament at the moment.

Does he not feel that what happened during the period leading up to the decision to take the rotten tuna off the shelves is not simply a question of internal Conservative concern but a concern of the public of Canada? Will he take our suggestion and refer this entire matter to a parliamentary committee in order that the public can be sure that they are protected in the process?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that I responded fully to that question on many occasions. The Hon. Member himself may have asked me the question in reference to my role. I think that the greatest assurance of probity and integrity of the Government and our concern for consumers and taxpayers is that when it was brought to my attention I immediately gave instructions to convene a meeting with the Deputy Prime Minister, the Minister of National Health and Welfare and other Ministers. The product was withdrawn immediately. I think that is an indication, and there has been no evidence to the contrary in this regard.

I believe the Minister has accepted his responsibility, to his credit and to the credit of the House.

Mr. Deans: That is a very interesting answer to a question that may well have been asked by someone, but it is certainly not the question I asked.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, it may well be that the Prime Minister believes that a need-not-to-know policy protects him. However, it does not protect the public of Canada. Is he afraid that in the process of investigating the events leading up to the removal of the tuna from the shelves that those who had knowledge of it will bring forward additional evidence that will undermine the Government's credibility as set forth by the Prime Minister? Is that why he will not agree to a committee?

Right Hon. Brian Mulroney (Prime Minister): Absolutely not, Mr. Speaker. We have provided full answers to my hon. friend. There seems to be a suggestion in my hon. friend's question that the Prime Minister of Canada ought to be informed of every administrative decision made within the purview of ministerial responsibility. The very notion of ministerial responsibility is that Ministers make those decisions and live with the consequences before the House. That is what it is all about.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is what has transpired honourably in these circumstances.

Mr. Deans: There is another concept, that information given to senior staff of Ministers, including the Prime Minister, is information for which that particular Minister is responsable.

REQUEST FOR INVESTIGATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that there are tapes from three individuals—two Members of Parliament, one a former Minister, and a member of the Prime Minister's own staff—which have been contradicted publicly by those individuals after discussions with the Prime Minister's Office, does the Prime Minister not feel that the public of Canada has every reason to believe that some further inquiry within the parliamentary system is required? Rather than seeking the truth from within the Conservative Party itself, does he feel that there is a need now for an investigation in order that all of the events leading up to the order are made public?

Mr. Speaker: Order. The question is clear.

• (1130)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot imagine—maybe other more experienced Members of Parliament will remember, but I cannot remember where Prime Ministers and Ministers of the Crown have responded more fully, more thoroughly and more consistently to a series of questions.

Our responsibility to Canada and to the House is to be here and to respond completely to Members of the House, members of the media in other circumstances, for the conduct of our actions. That is the responsibility of Ministers. That is the responsibility of Prime Ministers.

In a notion, alien to the Liberal Party, the Minister of Fisheries concluded that a mistake of judgment may indeed have been made. He submitted his resignation in honourable fashion and it was accepted by me. That is alien to the Liberal Party and the Opposition.

Mr. Nunziata: He made the decision to put the tuna on the shelves.

Mr. Mulroney: In regard to myself, I have fully accepted my responsibilities on behalf of the people of Canada. I got involved in it immediately to the benefit of the people.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRADE

FREE TRADE—REQUEST THAT PRIME MINISTER POSTPONE NEGOTIATIONS WITH UNITED STATES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Right Hon. Prime Minister.

In the light of the problems he himself and the Government are experiencing at this time, and the fact that many Canadians are wondering about this Government's competence, would it not be wiser, before undertaking negotiations where Canada's future will be at stake, for the Prime Minister to postpone his decision to negotiate with the Americans until this Government's credibility has been restored and the House of Commons has had an opportunity to have a debate on the matter?

[*English*]

Mr. Nielsen: Stop the world, I want to get off.

Right Hon. Brian Mulroney (Prime Minister): I will tell you, Mr. Speaker, that is a pretty nasty statement coming from an author.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Mulroney: The Hon. Member mentioned the competence of this Government. We have a mandate, and we have a duty to conduct ourselves with dignity. The Prime Minister and his colleagues are doing so. We have a responsibility to try and create jobs, and what we are doing in this area is quite impressive. And part of the strategy is to initiate talks . . . Do you want the answer? . . . to initiate talks with our U.S. partners, to ensure that our products will have access to the U.S. market.

[*English*]

STATEMENT ATTRIBUTED TO ONTARIO PREMIER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Prime Minister. Because there is so much contradiction about this problem of free trade with the United States and the consequences, Canadians are terribly worried about what will happen to their jobs.

This morning the Secretary of State for External Affairs denied that there were some employment figures put forward into the public domain by his own Ministers. Yesterday the Leader of the Province of Ontario—

Some Hon. Members: Order.

Mr. Speaker: A supplementary question, please?

Mr. Chrétien: The Premier of Ontario said that the Minister—and he said it in a speech—

Mr. Speaker: Order. I do this with respect. The Hon. Member knows that a supplementary question should not have a preamble and should just be a question.

Mr. Chrétien: Who is telling the truth? The Premier of Ontario or the Secretary of State for External Affairs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would suggest that in the interests of federal-provincial co-operation, which I know has never been a strong point in the Liberal Party—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): It would be well for the critic of External Affairs for the Liberal Party to ask that question of the Premier of Ontario.

It happens occasionally that leading public figures have words put in their mouths which they did not utter. I think this may well have occurred in this case. I can certainly give the undertaking that that figure, as I said earlier, was not used by a member of this Government.

Let me also make the point with regard to the Hon. Member's suggestion that we are moving too quickly on this, that Hon. Member believed the Government of Canada moved too quickly on establishing Canadian sovereignty in the north. He waited 16 years. We acted immediately.

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FISHERIES

SALE OF TAINTED TUNA—PRIME MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. I watched his press conference this morning, and although the Prime Minister may be satisfied with his answers concerning the tuna affair, Canadians are not.

If the Government has nothing to hide, why is it refusing, first of all, to refer the matter to a parliamentary committee, as suggested by our Leader yesterday, and second, to allow Messrs. McCain, Fraser and MacAdam to appear before a parliamentary committee?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have answered this question literally perhaps not dozens but at least quite a number of times, coming from either members of the political group which my hon. friend represents or from other Members of this House.

REASON FOR GOVERNMENT'S REFUSAL TO ESTABLISH COMMITTEE TO EXAMINE SALE OF TAINTED TUNA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary. There still are contradictions between statements by Members and people working for the party and for the Prime Minister that have not been resolved. So, why is the Government insisting on having a committee examine the bank bail-out and the judgment of its officials and Ministers in this matter while refusing to let a committee do the same for the tuna question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have tried to explain to my hon. friend that two people may have recollections about an incident which though not wrong may not always coincide. Let me explain. I remember, if I am not mistaken, that during the campaign for the Liberal Party leadership, there was a difference of opinion between the present Leader of the Opposition and Mr. Trudeau regarding the circumstances of the Opposition Leader's resignation when he was Minister of Finance and that this difference of opinion was reported in the media.

I have never doubted the recollections or memories of my right hon. friend or Mr. Trudeau. In fact, they settled their differences amicably, but if I remember correctly, there was a publicly expressed difference of opinion as to the motives and circumstances of the resignation of the Right Hon . . . when he was Minister of Finance. I never doubted his credibility because of that.

* * *

INDUSTRY

SHOE IMPORT QUOTAS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Prime Minister. Considering that the Conservative Government strongly favours the removal of most tariff and non-tariff barriers with the United States and other countries of the world, I would like to ask the Prime Minister whether he or his Government—this preference notwithstanding—intends to extend for five years the imposition of quotas on footwear imports into Canada.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sure the Hon. Member is fully aware of difficulties inherent in negotiations, particularly with such strong competitors as the United States. Our position today is that the Prime Minister has suggested that the President might seek the views of the American Congress on the possibility of discussing our common interests. Should there be exchanges and negotiations, this would be done in the context of regular negotiations such as have been held in the past with respect to GATT negotiations involving several Liberal Ministers. The only change is that we have a new system to make sure that the sectors affected by negotiations will have a direct and on-going input when we draft our negotiating position.

REQUEST THAT GOVERNMENT EXTEND SHOE QUOTAS FOR FIVE YEARS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Secretary of State for External Affairs has just made a fine speech but he did not answer my question. Does the Conservative Government intend to extend for another five years the quotas on footwear imports into Canada?

Mr. Chrétien: Yes or no?

[*English*]

Mr. Garneau: I can say it in English if you want.

Some Hon. Members: Shame.

An Hon. Member: Yes or no.

Mr. Chrétien: Oui, non.

[*Translation*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would suggest that if there is one Member who has proved that he can speak, understand and

show respect for both languages here in the House, in Quebec and elsewhere, it has to be me!

[*English*]

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Ouellet: We will get the answer, I hope. What is the answer?

[*Translation*]

Mr. Clark (Yellowhead): Mr. Speaker, in answer to the question about the footwear industry, the Hon. Member may rest assured that, in its current negotiations with the Americans and in its day-to-day activities, our Government intends to uphold the real interests of Canadians.

[*English*]

Mr. Ouellet: The answer is no.

UNITED STATES COUNTERVAILING DUTIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a question for the Prime Minister. I refer to the Prime Minister's launching today of a complicated and lengthy negotiation process with the United States. It will have its ups and downs and will not reach a conclusion until late 1987 or early 1988. In view of that, did the Prime Minister, yesterday in his discussions with President Reagan, ask the President for and receive from him clear assurances that Congressional and countervail trade moves against Canada will be prevented while these negotiations are taking place? Or is he prepared to have us negotiate with that gun to our head?

● (1140)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it gets more preposteorus all the time. Yesterday the Liberals said: "You are moving too fast; what you should have done was done this a year ago". Now the NDP is all over the lot.

In point of fact, I have expressed many times the position of the Government of Canada, both to the President and in all circumstances, with regard to the items the Hon. Member raised. The President does not control Congress. He is capable of vetoing legislation which impacts upon Canada. I think his record in this regard is unassailable. His intentions with regard to free trade and eliminating that kind of obstacle are consistent with what he is searching for, as we are—a fairer and better arrangement. That is what I suppose he will do if any moves are made against Canada.

DUTIES ON CANADIAN PORK AND SALTFISH

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, if his record is so good, why are there countervail duties at this very time against our pork exports and saltfish exports? The fact is that he could intervene and he has not, and you have not got the assurances that you should have got—

Mr. Speaker: Order.

Mr. Langdon: My question—

Mr. Speaker: There was a question; the Hon. Member has asked a supplementary question.

Mr. Langdon: My supplementary question—

Some Hon. Members: Sit down!

Mr. Speaker: The Hon. Member has already asked a supplementary question. I have already heard his supplementary question. Would he like an answer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, some of the regrettable countervail instances are initiated by the United States; some are initiated by Congressmen. If there is much too much protectionism, as I indicated yesterday, from their side or from ours, it is suicidal. It just builds and explodes against job creation for everyone.

What I pointed out to the President yesterday in conversation was that we are a much smaller country than the United States of America. We are unique and we have cultural institutions. We have all these matters which makes us different and make us sovereign. These are not under discussion. What is under discussion is a commercial transaction designed to facilitate the creation of jobs, and germane to that process and the reason for it is, of course, the elimination of the kinds of pernicious obstacles to which my friend quite properly refers.

* * *

THE MINISTRY

POLICE INVESTIGATIONS—PRIME MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the Prime Minister. Yesterday he insisted that he should not be informed in advance of police investigations against Ministers because, as he said, his advance knowledge could create the possibility of impeding justice. Does the Prime Minister not see the danger of not knowing what is going on? For example, can he work with a Minister in ignorance of the fact that the Minister is being investigated for endangering the state, or even for something less serious which puts the Minister's job on the line and maybe puts him in a desperate situation? How can the Prime Minister refuse to accept information about investigations under way against Ministers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was referring to a specific case. When the Commissioner of the RCMP and the Solicitor General visited with me, I asked that they follow the exact procedures that had applied to my predecessor in similar cases. I was assured that this was the

process, whereby in this case I was advised that indeed search warrants would be sought against a Minister, but that the exercise of those search warrants would begin the next morning. It was not germane to me to be aware of the identity, at least in their view and in my view as well, to avoid the slightest suggestion—and I think the Hon. Member will agree that some very tenuous and difficult suggestions are made on the floor of the House—that I might have been aware of any information which might have allowed me even to suggest the inhibition of that inquiry. I sought not to be informed, having received the assurance that, immediately upon the execution of those search warrants, the Clerk of the Council or myself would be advised. That, to me, is a proper relationship between the Prime Minister and the administration of justice as it affects his Ministers.

POLICY INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Prime Minister has not stated the past practice accurately, and I would ask him to look into it. Why did he agree yesterday with the Hon. Member for Durham-Northumberland that it would be totally improper for the Prime Minister to know the details of an investigation before charges are laid by the RCMP against any Hon. Member of the House? He agreed with that. It is wrong, and today I invite him to retract it.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose we could discuss this matter on a case by case basis. This was brought to my attention by the Solicitor General, a position previously occupied by my hon. friend, and by the Commissioner of the RCMP. It was a courtesy explanation given to me in advance of the execution of the document. I understand, and I received the assurance before they came to my house, that this was conventional and proper and that this had transpired in the past. The value judgment was made that it would be inappropriate in the circumstances and of no need in the circumstances for me. I was advised that it was not a case of anything other than that which has been reported.

It was not a matter involving the national security. It was a suggestion that there might be a possible charge under the Elections Act. It was also made very clear to me—and, as a lawyer, I did not have to be told—that indeed the search warrant might result in the complete exoneration of the individual involved. As a result, I thought that that arms length relationship with the police forces was proper and that my conduct was proper as well.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT INQUIRY

Mr. Rod Murphy (Churchill): Mr. Speaker, in answer to an earlier question the Prime Minister quite correctly said that the President does not control Congress. However, the Prime Minister controls the position of the federal Government when it comes to free trade. Specifically, is the Auto Pact up for negotiation? Is it sacred? Or is it non-negotiable?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we believe that the auto pact negotiation indicates that it is possible for Canada and the United States to achieve agreement which serves mutual interests. We see no particular point to renegotiate something which has been successfully put in place. However, I make the point to those who would raise false fears about the advantages to Canada of entering into some kind of arrangement with the United States that we have proof in the Auto Pact that those arrangements can be made to the mutual interests of both countries.

GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister knows well that the Auto Pact is not a complete, free trade pact. It is a pact with many provisions. Will we guarantee that pact as it is or will we renegotiate it? While the Minister is on his feet, will he guarantee that our farm policies, including subsidies and marketing boards, are sacred, or will they be up for grabs? What is the Government's position?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I invite the Hon. Member to read over the debates which occurred in the standing committee and to consult with his colleague who was party to a process which was one of the most extensive in terms of consultation.

Just to return to the Auto Pact, the Hon. Member is absolutely right. So should he be straightforward and direct with the people of Canada and make it clear that what is proposed now is not a pure free trade arrangement. Of course there will be safeguards for Canadian interests. The Prime Minister of Canada made it very clear yesterday that our cultural integrity is not negotiable, that our social programs are not negotiable, and that the wide range of things which make Canada a distinctive and strong country are not at all negotiable.

• (1150)

The Hon. Member asked about agriculture. I am a Member of Parliament from rural Alberta. The farmers of my constituency and I know the importance to the future of our country of a strong agricultural industry. We know that that industry is threatened now. We intend to make it stronger.

* * *

AGRICULTURE

ONTARIO CATTLE DECLARED BRUCELLOSIS FREE

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, today's gentle rain seems to be dampening the enthusiasm of the Opposition. However, it is certainly most pleasing for our local farmers. Speaking of farmers, I would address my question, in

the absence of the Minister of Agriculture, to the Acting Minister. There is strong concern from the agricultural community in eastern Ontario about livestock dealers who sell cattle to buyers outside this region and are forced to buy a special licence indicating that their cattle are free of brucellosis—

Mr. Speaker: Order. It is getting very long. Would the Hon. Member please come to a question?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, can the Minister tell the livestock dealers of eastern Ontario of the status of the need to continue to purchase these special licences?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Minister of Agriculture I am pleased to respond to the Hon. Member. I, as President of the Privy Council of Canada, signed an Order in Council on September 19, declaring Ontario brucellosis free. This will be registered in *The Canada Gazette* on October 2, 1985. Only the complete and undivided support of the cattle industry has made this achievement possible. Cattle can now move freely between all provinces. All affected livestock industry people were notified by telephone on September 20 following internal—

Mr. Speaker: Order. Order, please. The Hon. Minister might like to use Statements by Ministers to complete his remarks.

* * *

FISHERIES

SALE OF CANNED TUNA—CAUCUS INQUIRY

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Deputy Prime Minister and Minister of National Defence. The Prime Minister has continually said that the issue of rancid fish was never raised in caucus in his presence. I would ask the Deputy Prime Minister if the issue has ever been raised in caucus by any member of his caucus in his presence and, indeed, if it has ever been raised outside caucus by any Member of Parliament, by the company in question or by Premier Hatfield of New Brunswick, in the Deputy Prime Minister's presence?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know the intention of the Hon. Member and those like him who continue along this vein to question every member of our caucus on the matter. It seems rather ridiculous to me.

I can tell the Hon. Member that, contrary to what he says, it is not true that I have denied that the matter was ever raised in caucus because, while I am not normally expansive about what goes on within the four walls of caucus, in this case since the Prime Minister has made an exception of it, I can tell him without any doubt whatsoever—and I have attended all but one or two of our caucus meetings since last September—that the matter was never raised in caucus, never raised with me, and to my knowledge was never raised with any of the other people mentioned by the Hon. Member and all other Hon. Members who asked these questions.

As I said in the House, my first knowledge of this matter came on Wednesday in caucus, as the Prime Minister has also said. I do not know how many times these details must be gone over in order to comply with the provisions of Paragraph 539 of Beauchesne's which should suggest to the Hon. Member, and all like him, that this kind of question is totally out of order.

Mr. Speaker: I would invite the Hon. Member to put a supplementary question with regard to Government policy.

PURCHASE BY DEPARTMENT OF NATIONAL DEFENCE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, to quote Churchill, I think the Hon. Member protests too much.

Mr. Clark (Yellowhead): It wasn't Chirchill. Is Nunziata writing your speeches?

Mr. Hopkins: Is it true that after the Department of National Defence purchased the first 100,000 cans of rancid tuna, the product was checked and the Department was advised not to use it but the rancid fish was distributed to military bases and was turned back by the cooks who were very concerned about the well-being of military personnel?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I did not hear a question, I heard a statement made by the Hon. Member, a statement which was responded to fully and completely yesterday and again last night during the "Late Show". I laud the procedures that are in place within the Department of National Defence to assure a policy of of the highest possible standards of foodstuffs to be consumed by members of the Canadian Forces in this country, in Europe and elsewhere. Those standards are very high. They may not have been as high in the years when I served in the Forces but they are certainly high now, a great deal higher than the standards of quality—

Mr. Speaker: Order, please.

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DISASTERS

APPROACH OF HURRICANE GLORIA

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, my question is directed to the Minister of the Environment, if he is present in the House. In view of the concern in Atlantic Canada regarding the approach of Hurricane Gloria, I wonder if the Minister could tell the House what steps his Department has taken to alert those in Atlantic Canada and eastern

Quebec of its approach status and the protection that will be necessary to meet this approaching calamity.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I have been in touch regularly throughout the morning, including as recently as half an hour ago, with Environment Canada's top meteorologists. Apparently the storm is heading toward Atlantic Canada. It is expected to reach the western part of New Brunswick near Fredericton by nine o'clock this evening Atlantic time. It will be moving toward Newfoundland and the Strait of Belle Isle by six o'clock in the morning. It is expected that winds will be in the vicinity of 75 miles per hour.

Very briefly, we are monitoring the situation. We are providing information to all relevant people, including warnings to—

Mr. Speaker: Order, please. Order. Next we will be getting Blue Jays' scores.

* * *

THE MINISTRY

TAPED INTERVIEWS—REQUEST FOR COMMITTEE REFERRAL

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Prime Minister. We now have the former Minister of Fisheries, the Hon. Member for Carleton-Charlotte, and Mr. Lampert of the P.C. Party on tapes. These tapes do exist. There is no 18-minute gap in them as far as I know. Why will the Prime Minister not permit this matter to go to a committee where those individuals can be questioned—

Mr. Speaker: Order, order. That question has been asked and answered two or three times today. Does the Hon. Member have a question on a different subject?

Mr. Rodriguez: Mr. Speaker, can the Prime Minister tell the House why he is attempting to cover up this whole smelly matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have responded fully to all questions including those put by all members of the Hon. Member's Party. I referred as well, for example, to the question of a conflict of recollection. I took the liberty of referring to what I seem to remember of a divergence of views between the Leader of the Opposition and former Prime Minister Trudeau in regard to the circumstances surrounding the Leader's resignation as Minister of Finance. As I remember, that matter was raised last year. It turned out that the recollections were not on all fours, as I remember. Mr. Trudeau issued a statement and there was a subsequent reconciliation of views. I was not in any way implying that anyone was telling—

Mr. Speaker: Order. With respect, I must say to the Prime Minister that since the question has already been asked and answered, I think we should leave it at that. I now recognize the Hon. Member for Davenport for one question.

ENVIRONMENTAL AFFAIRS

ACID RAIN—APPEAL LAUNCHED BY U.S. ENVIRONMENTAL PROTECTION AGENCY AGAINST COURT RULING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Minister of the Environment and deals with the regrettable fact that the representations on acid rain made in Washington by the Minister and the Government over the summer were so weak that we failed to prevent an appeal by the United States administration Environment Agency, something which represents a very serious setback for Canada. What action does the Minister intend to take in order to get the U.S. Government to move with us on the issue of acid rain abatement as ordered by its courts?

• (1200)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, with all due respect to the Hon. Member I think he is being wildly naive if he thinks that the Government of Canada can interfere with a court decision in the United States. We are two sovereign countries. While we cannot be indifferent to judicial decisions which have an effect on us, we cannot interfere. We can make the strongest possible representations, diplomatically, bureaucratically, and politically. We are doing so. However, that is a far cry from getting on a charger, marching across the border and telling the U.S. courts what to do.

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CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on Thursday, September 26, meets the requirements of the Standing Orders as to form.

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PRIVILEGE

ANSWER SOUGHT TO QUESTION PUT TO PRIME MINISTER

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rose in my place this morning to ask a question of the Prime Minister (Mr. Mulroney) with respect to the formation of a committee of Parliament to look into the question of the three individuals who are on tape with respect to the—

Mr. Speaker: Order, please. Will the Hon. Member come to his question of privilege, please?

Mr. Rodriguez: Mr. Speaker, you ruled that that question had been asked. I have heard the same question asked time and time again. I think Ministers, or the Prime Minister, should be given the opportunity to answer my questions.

Mr. Speaker: I take the Hon. Member's remarks as a representation. I think the Hon. Member—

Mr. Rodriguez: It is not. It is a question of privilege.

Mr. Speaker: No, it is not.

Mr. Rodriguez: I have a right to ask a question in the House.

Mr. Speaker: Will the Hon. Member resume his seat, please?

Mr. Crosbie: You have a gap between your ears and it's more than 18 inches long.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition signed by Members of the Communications Workers, Manitoba Food and Commercial Workers Union, members of the Thompson Teachers' Association, the Manitoba Government Employees Association, steelworkers, nurses and other Manitobans in which they say that pension benefits are essential for the maintenance of family income and the compensation of workers for their lifelong contribution to society. They ask that the Government ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

RACIAL OPPRESSION IN SOUTH AFRICA

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have the honour to present a petition signed by over 800 residents of St. John's East and St. John's West asking that the Government of Canada take a stronger and more vigorous position in the UN against oppression in South Africa arising out of that country's racial apartheid policies.

[*Translation*]

REINSTATEMENT OF DEATH PENALTY FOR CERTAIN CRIMES

Mr. Nic Leblanc (Longueuil): Mr. Speaker, it is my duty to present a 4,336-name petition from residents of my region. The petitioners humbly ask that Parliament reinstate capital punishment for crimes against Canadian children.

And your petitioners will ever pray for this cause.

[*English*]

STANDING COMMITTEES

CONCURRENCE IN THIRD REPORT OF STRIKING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there are three orders which I think you will find have been discussed among House Leaders. If they were presented to the House for acceptance now, I am sure they would be received and passed unanimously.

The first item deals with the Third Report of the Striking Committee tabled in the House on September 17, 1985. I should like to move concurrence at this time.

Mr. Speaker: Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

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FINANCE, TRADE AND ECONOMIC AFFAIRS

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I move that, pursuant to its order of references dated April 17, 1985, the Standing Committee on Finance, Trade and Economic Affairs be empowered to travel to Mont St. Gabriel on October 2, 3 and 4, 1985, for the purpose of drafting its final report; and that the necessary staff do accompany the committee.

Mr. Speaker: Is there unanimous consent for the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

ACID RAIN

AUTHORIZATION FOR SPECIAL COMMITTEE TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I move that the Special Committee on Acid Rain be empowered to travel to Minneapolis, Minnesota, on September 29 and 30, 1985; and that the necessary staff do accompany the committee.

Mr. Speaker: Is there unanimous consent for the motion?

Some Hon. Members: Agreed.

Motion agreed to.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, Question No. 414 will be answered today.

[*Text*]

CANADA ELECTIONS ACT

Question No. 414—**Mr. Robichaud:**

1. Is Tourism Canada in favour of abolishing Section 67 of the Canada Elections Act and, if so, will the Minister introduce an amendment to this legislation before the next election and, if not, for what reason?

2. Is it the opinion of the Government that this section damages the hotel and restaurant sector and was a study made on this subject and, if not, does the Government intend to commission a study and, if so, on what date?

Hon. Jack Murta (Minister of State (Tourism)): 1. A Canada-wide series of consultations have been conducted with individuals interested in promoting tourism in Canada, that will culminate in a strategy for tourism. The suggestion of repealing Section 67 was raised at these meetings. Depending upon the disucssions among representatives of business, academe and government, the Government will consider any proposals that will reduce irritants that effect tourists in Canada, including the repeal of Section 67.

2. No study has been done or is being considered at this time. Once the Government has assessed the implications of the recommendations made during its consultations on tourism, it will propose necessary measures to increase tourism in Canada.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

[*English*]

Mr. Nunziata: Mr. Speaker, some six months ago I put approximately 40 questions on the Order Paper concerning the Richard Hatfield marijuana case. I asked the Parliamentary Secretary on September 18 when I might expect some answers to those questions. He indicated he would take the matter up with the new Solicitor General (Mr. Beatty) and that the questions would be responded to as quickly as possible. Has the Parliamentary Secretary spoken to the new Solicitor General? Can he indicate to the House when we might have some answers to my questions?

Mr. Dick: Mr. Speaker, I appreciate that a week ago my hon. friend brought to my attention the 40 questions to which he refers. I believe it is the longest series of questions on the Order Paper. The matter has been brought to the attention of the Solicitor General who, in taking over his new duties and getting up speed, has not been able to get around to answering those questions yet. However, we are hopeful they will be answered very soon.

Mr. Nunziata: Mr. Speaker, I would assume that with respect to the questions the former Solicitor General and his staff would have proceeded to answer those questions. Can the Parliamentary Secretary clarify to this House—

Mr. Speaker: Order, please. I understand the Hon. Member's concern with respect to the questions. That is fair. However, the Hon. Member is entitled to ask a question, with regard to a timetable, which the Parliamentary Secretary has answered. That is usually all that is done. I think the Hon. Member might want to follow the tradition in this case.

Mr. Nunziata: Mr. Speaker, perhaps a supplementary question?

Mr. Speaker: No. There is normally not a supplementary question allowed on such a question, which is the point I am trying to make. The Hon. Member may pursue this matter further outside the House with the Minister or the Parliamentary Secretary. His representations with respect to his questions have been made before the House, which is the Hon. Member's right.

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND

The House resumed from Thursday, September 26, consideration of the motion of Miss MacDonald that Bill C-55, an Act to amend the Immigration Act, 1976, be read a second time and referred to a legislative committee.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to be able to stand in my place for a second day to deal with the subject matter of immigration. I believe I have approximately ten minutes of my allotted time left. In that time I would like to be succinct and clear in terms of urging members of the Liberal Party and members of the New Democratic Party to support Bill C-55. I do this, first, in order that the Bill can move quickly to committee; second, in order that amendments can be brought forward to make it a better Bill; and, third, to see that it is returned to the House of Commons as quickly as possible in order that we can get on with changing the system.

It is clear that of 25 million Canadians most could not care less about this particular piece of legislation. The majority of Canadians are not involved in situations involving sponsorship of potential immigrants. However, for those who are involved, and those numbers are substantial, this is a critical and important piece of legislation.

● (1210)

I mentioned yesterday that the standing committee has had over 40 hearings on this subject since the month of January. Mr. Speaker, I think you will find that there is unanimous agreement in the committee that immigration levels must be increased in this country. We must turn the previous trend around. I think there is unanimous agreement in the committee that the scientific evidence is clear cut. Increased immigration leads to increased jobs. Increased immigration does not cost Canadian jobs.

Throughout our history one of the strengths of this country has been the reality that we have invited people from other nations to join with us to build our economic strength, to build our communities, to build our social system. We have been on an unfortunate backward trend in the last few years, that of a reduction in immigration, and I think it is time that we reversed that trend. When this nation does what it has been doing over the last four or five years, we begin to say no to some people who could really benefit this country. On a common sense basis people understand that and when they get an answer which is a no then they appeal the answer. That is what we have created. Members of Parliament have allowed that to happen. That is why we have such an enormous backlog of cases that deserve an appeal hearing.

The basic thrust, the reason for being, of this particular piece of legislation which has been brought forward is to increase the resources for the Immigration Appeal Board so those people stuck in the system can have a hearing. Our courts have said it must be an oral hearing, so the time demands on the Board have increased and there needs to be increased manpower. We were not able to get unanimous agreement in the month of June to move this piece of legislation through, and it is 90 days later and we are now debating it in second reading in the House. What that has cost is 90 days of extra waiting time for those thousands of thousands of people and their relatives and their friends who are jammed up in that system. If we debate in this Chamber for another 30 days or 60 days or 90 days then we are dooming those thousands and thousands of people to a longer wait.

We must have an immigration system that is quick, that is fair, that is sensitive, that operates in the nation's best interests and the interests of people who would like to immigrate to this country. We must have an appeal system characterized by those dimensions as well, quick, fair and sensitive. This Bill C-55 is in that tradition. As I listened to Members opposite I was really disappointed to hear that members of the Liberal Party, as signalled by their critic yesterday, intend to continue to fight the Bill. I hope that that decision was reached because of a misunderstanding rather than the reality of the situation. Can I suggest to the Liberal caucus that our concern is identical to their concern and to the concern of the New Democratic Party about refugees?

We have a problem in the present system in terms of the determination of refugee status. We have a backlog in that system; we have a backlog in the over-all appeal system that is a logical consequence of the first backlog. The system is unfair simply on the dimension of speed. We have people who are in limbo for five years and longer in the present system. I think what the Members opposite are trying to do is to delay this Bill in the belief that it will bring pressure upon the Government to do something about the refugee system. If one reads the speeches, if one listens, that seems to be the mentality. I wish that members of all Parties, and many of them, had been present last night when we talked to Amnesty International about the Plaut Report. Unfortunately there was not, for good reason, a member of the Liberal Party present. But when that transcript is read carefully I think we will begin to discover that the reason we have gone wrong historically in this country in dealing with the refugee situation—and we deal with it better than most if not all other nations in the world, but we are still not dealing with it well enough—is that we have been treating the refugee decision-making process as an immigration decision-making process, and it is not. It is a question of human rights. It is a human rights protection process. The committee is going to have Rabbi Plaut before it next Tuesday night and we will then explore that in even more depth with him, but what has to be done in this country is that we must make that separation in a clear-cut manner. The Board, or the process that we put in place to deal with refugees, will have immigration consequences. If the determination is that a person is or is not a refugee, that person will still have the rights of immigration law and other categories. But we must not confuse the two things in this debate about the Immigration Appeal Board. If we are going philosophically to move in the right direction in terms of refugees, and to say clearly that that is a human rights decision to be made by tribunals that are skilled and sensitive to those aspects, then we are going to reduce the number of appeals that come to the Immigration Appeal Board. We are going to reduce some of that backlog the minute we get a decent system in place that is based on the philosophy that it should be based upon.

Having done that, we still must have some kind of immigration appeal process and at the moment that is lodged in the Immigration Appeal Board, and the cases that are before it, the thousands and thousands of cases that are jammed up and waiting in line, are not all refugee cases. An enormous portion of those cases are landed immigrants or citizens of Canada who want to sponsor a relative, bring him or her to his country, and they feel they have been treated unjustly and they want to appeal. The longer the Opposition delays this Bill the more clearly they are sentencing all of those family members to a continued period of uncertainty and inquietude and psychological stress and turmoil.

In closing, Mr. Speaker, I cannot say more strongly that the time to act is now. Today is the very best day to let this Bill

pass out of this House of Commons and into committee. Mr. Speaker, you have a sensitive committee, you have a hard working committee. It will revise the bad parts of this Bill and bring it back quickly. Let us get that part of the world cleared up so the committee members and the Government can concentrate on clearing up the refugee situation, because that is the next major piece of initiative that has to be dealt with. The Government is committed to it, your committee is committed to it and I hope all Members of this House of Commons are committed to that process as well. Thank you, Mr. Speaker.

Mr. Heap: Mr. Speaker, I appreciate very much many of the remarks made by the Hon. Member for Calgary West (Mr. Hawkes) and in particular his statement, and I think I have it almost word for word, that the reason we have gone wrong procedurally in our well meant attempt to handle the flow of refugees who apply from in Canada is that we have been treating refugee decision-making as an immigration process. As he says, it is not; it is a human rights process.

● (1220)

I was interrupted by a couple of Hon. Members on business relating to this debate and I was not clear enough on exactly what he said after that. It appears that the effect of this Bill, as explained by the Minister yesterday, may be to bring more of the refugee decision-making into the Immigration Appeal Board work. In other words, it would compound the problem the Hon. Member has just defined. When he says that we must make that separation a clear-cut matter, how does he deal with what the Minister of State for Immigration (Mr. McLean) said yesterday and with what the Hon. Minister of Employment and Immigration (Miss MacDonald) said in her June 19 statement, that the increase in board staff will—this is the only reason she gave—enable us to tackle the refugee backlog? In other words, it seems that the Cabinet thinks of the IAB as the way to deal with this increase in refugee problems whereas the Hon. Member who spoke seems to say that that is the wrong course.

Mr. Hawkes: Mr. Speaker, I thank the Hon. Member for the question. The concept of ministerial responsibility requires Ministers to administer the law as it sits. Today, at this moment, there is a refugee determination process and an appeal process through the IAB. Until the law is changed that process will continue.

I think it is clear that the Government will not be able to act on the Plaut Report before some time in November and maybe even December. It is clear that the committee is working hard to provide advice to the Government by the end of October so we can influence that decision. Members of the Government caucus and the Opposition may or may not agree with the decisions which are made. However, it is impossible at this point to know how long it will take to get this through because we do not know what it will say. In the meantime, life goes on. In the meantime, refugees are jammed up in the IAB process. They are entitled to that process under Canadian law and we are denying them access because we do not have enough staff to deal with it. In the interim, for the next three, four, five or six months, we cannot deal with all the cases but we can deal with a lot more if we move this Bill quickly through the House. We can then remove the uncertainty and psychological stress these people are suffering. However, at this point in time we must deal with the law as it exists and I think that is what the Minister is doing, administering the law as it exists.

Mr. Heap: Mr. Speaker, the Hon. Member made a passing reference to four, five or six months. Does he wish to state whether it is his opinion that that would be enough time for the legislation to be completed? He spoke about the Government acting in November, which would be in two months. I do not know whether he means to initiate legislation or to bring it to completion. It makes a difference as to how we approach this problem. Are we dealing with something which could become a long-range band-aid to cover the refugee problem, or would it be a more short-range matter, particularly regarding the problem of sponsorship, particularly Canadian residents sponsoring their relatives? Is he suggesting that in six months we would have new legislation in place to handle the refugee problem?

Mr. Hawkes: Mr. Speaker, the Hon. Member knows I am not a member of the Cabinet, but August was an important month in immigration matters because we had a clear-cut signal that the Government recognized the importance of this subject matter. We now have a Minister of State devoted to this matter on a priority basis. That Minister and the Minister of Employment and Immigration have clearly signalled that changes to the refugee process are a priority for the Government.

I believe that if the committee makes a unanimous set of reasonable recommendations by the end of October, that will facilitate the process. The Government, if it has the support of all three Parties, can move more quickly. If we do not have that support, then it takes time. Once we finish with it, the Senate has to deal with it. If the Liberals are opposed in the Senate, they can string it out forever. If not, then it can move forward quickly. These things are beyond the Government's control. However, I think it is crystal clear that the Minister, members of the committee and members of the caucus want us to move quickly and correctly to get the new legislation in place. But speed requires co-operation from both opposition Parties.

Mr. Kindy: Mr. Speaker, I would like to make a small comment regarding refugees. The Hon. Member, who is chairman of the committee concerned, mentioned that the problem of refugees is an important one. I wonder whether we are going to move in the direction of defining exactly what a political refugee is. Up until now we have been dealing with all sorts of refugees from different countries, some of whom are not political refugees. I think there should be an exception made for political refugees and I hope the committee he chairs will act fast on that.

Mr. Hawkes: I thank the Hon. Member for the question. The Plaut Report and the committee are dealing with Cana-

da's obligations under international law regarding the protection of and asylum for conventional refugees. These are people who, if they returned to their country, have a well-founded fear of persecution on the basis of political activity, race or religion. Those are three definite factors. Yes, your committee is struggling with a process which will enable them to determine in a sensitive way whether refugee claimants have that kind of a fear and whether it is well-founded. However, I think the situation requires some sensitivity in the decision-making process because the situation in a given country can change overnight. One day there is a coup and the next day a different Government is in place. One day a particular person had no legitimate and well-founded fear of persecution, but the next day, after the Government has changed, he does. That is why I know in advance that the committee will not be able to provide the kind of definition which will last us for all time. What we will be able to do, I hope, is to provide a system which is sensitive and up to date. Canada has a well-deserved reputation for providing protection and asylum to the persecuted. We want to maintain that reputation and improve it, and I am convinced that Members on the Government side are dedicated to doing just that.

The Acting Speaker (Mr. Charest): Resuming debate.

Mr. Sergio Marchi (York West): Mr. Speaker, I am indeed pleased to be able to participate in this debate on Bill C-55. However, I must take issue with the initial remarks of my friend from Calgary West. At the beginning of his remarks today he said that the vast majority of Canadians could not care less about this Bill. I believe that the federal policy on immigration is very important with regard to human and social impacts. Most Canadians have an interest in immigration. In my constituency of York West, and in a large number of other constituencies, immigration is one of the most important problems next to unemployment. I would like to set the record straight and say that as far as our Party is concerned immigration is a very important aspect of federal public policy to most Canadians.

• (1230)

Having said that, Mr. Speaker, I do not necessarily disagree with all of the contents of this particular Bill. Clause 6 would be amended to accord permanent residents the right of appeal which is presently only available to Canadian citizens who sponsor applications for landing. The Member for Calgary West (Mr. Hawkes) says that members of the Opposition are opposing the Bill simply for the sake of opposition. That is not the case. We have some legitimate concerns with this Bill, although we also agree with certain clauses of it. The Member for Calgary West also says that we must not continue to waste time. We are not wasting time, Mr. Speaker. This Bill was only introduced in this Chamber yesterday and we have only had some hours of discussion on it. If the Government is concerned about wasting time, why did it not introduce this Bill a year ago? Members are laughing—that is their prerogative.

What will this Bill do for the plight of 20,000 to 23,000 refugees who are awaiting an answer on their future? I do not believe that this Bill does very much for them. With regard to the clause that will increase the number of commissioners on the Appeal Board from 18 to 50, an off-the-cuff reaction would be that it would speed up the appeal process. However, that is not the only approach that can be taken to speed up the procedure. That approach addresses the symptoms of the problem rather than the cause. Another approach that could be taken is to question, as did the Plaut Report, whether many of these individuals ought to be coming before the Appeal Board, whether they do not have the right to remain in this country rather than pleading their case before a board. That is a way of attacking the cause of the problem rather than the symptoms. With respect to increasing the number of commissioners, what will we do with the additional commissioners once we eliminate the backlog? This would establish a temporary structure rather than looking at the long-term issue. I would like to illustrate this thinking by a real life example.

There is a couple in my riding from Argentina who arrived in this country several years ago with refugee status. They fled Argentina because they were teachers there during the military regime. As you know, one of the first communities that was persecuted by that regime was the community of educational institutions. Their home was ransacked and burned and their child was kidnapped. They fled to this country and have been here for a number of years. They made sacrifices to learn English and now both speak it very well. They both hold down responsible jobs and are involved in the community at large as well as in the Latin American community. Their six year old daughter speaks nothing but English, having been involved in our educational system from the ground floor. These individuals have recently been asked to return to Argentina on the basis that there is now a civilian Government there.

Is that a fair request, Mr. Speaker? I think not. I am sure that if Members of the House met this couple they would come to the same conclusion based on two premises. The first is that if these people returned to Argentina the fear of persecution which they felt three years ago would still be there, albeit on a different level. They would fear also that the Government may revert to the previous military dictatorship. The second premise is that they have made a genuine effort to adapt to this country by learning the language and life style and establishing roots here. They are asking themselves whether it is fair to be asked to return to Argentina after making such an effort to become Canadian citizens.

I think this example highlights the problem with this Bill. This legislation assumes that the solution to the refugee problem is to increase the number of commissioners to hear appeals. The case that I just outlined, and I am sure hundreds, thousands of others, ought not to have to come before the Appeal Board at all. These people will be living in danger if they return to their place of origin. They have made sacrifices and contributions to this country and their problems should be looked at from a compassionate philosophical point of view.

I am concerned that the Government is not prepared to do that. In his speech yesterday the Member for Calgary West indicated that the Government has the progressive will to deal with immigration on a compassionate basis. I fear that that is not the truth because I have not seen any evidence of that compassion with respect to immigration. The Member said that he and the committee are in favour of raising immigration levels. However, within weeks of being sworn in last September, with no study or public consultation with professionals serving the immigrant community, the Government reduced the number of entrants to this country from 100,000 to 80,000. How can the Member now say that the Government is in favour of increasing the level after having reduced it? That does not show to me a progressive will with regard to immigration.

Let us also look at the Standing Committee on Employment and Immigration, which has a majority of Conservative Members. One of the first things that committee did was to embark upon a path that would suggest that people entering this country should, in large part, be entrepreneurs. It should be made perfectly clear that it was a Liberal Government that established a system of applications for entrepreneurial immigrants. Not only do we welcome those who want to come to this country, we want to make specific provisions for those immigrants who could come here to invest and establish a shop or factory and provide positive economic spinoffs. However, unlike the Government today, our Party has never been prepared to make entrepreneurial ability the basic immigration requirement. I suggest that the committee which is made up of a majority of Conservative Members, is on dangerous ground if it wishes to pursue an immigration policy based purely on entrepreneurial ability, and I hope that the Minister does not decide to follow that course. Such a policy would deny one of the realities in this country that poor immigrants who came to this country with very little became wealthy. The Member from Alberta continues to laugh. Again, that is his prerogative.

● (1240)

It is also a fact that regardless of the economic status that the Government is seeking, many individuals came to Canada with only their trade and desire for betterment, but they have worked and helped to build this country. Many immigrants took jobs that many other Canadians did not want. They too contributed to this country. Our Party will not support a policy for increased immigration if it only applies to the rich.

It is very dangerous for the committee, led mainly by Conservatives, to embark on such a discussion. While we agree that we need entrepreneurs and investors to come to this country and open factories and stores to provide jobs for Canadians, we do not agree that the corner-stone of our immigration policy should be based on whether or not a potential immigrant is whealthy. This country was not built only by wealthy immigrants and it will not continue to grow only with wealthy immigrants. I question the Government's "progressive will" because I have not seen the evidence to put my fears to rest.

Another matter not addressed in this Bill concerns the family assistance stream in our immigration policy. This area merits careful consideration because family reunification has been stressed as a priority for immigration in this country. I hope the committee will consider amendments to the Bill that will make the family assistance level stronger.

As I stated at the beginning of my remarks, many of my case files in York West deal with immigration. Many of those cases concern the fact that Canadians living here are frustrated at their inability to sponsor successfully relatives abroad who wish to come to Canada. Therefore, more latitude must be provided in that stream.

It is true that economics must be taken into consideration with immigration and that we must be careful not to augment unemployment in certain sectors of our economy. However, I agree with the Member for Calgary West (Mr. Hawkes) that there is no study indicating that increased levels of immigration coincide with an increased rate of unemployment.

The provisions under the family assistance level in immigration is cause for frustration by Canadians who want to sponsor relatives. However, unlike refugee applications, entrepreneurial applications and applications by those who do not have relatives here, the family assistance application would be most reassuring to those who have concerns about immigrants negatively affecting our country. A broader family assistance immigration policy would alleviate much of the concern of those who believe that increased immigration will cause other Canadians to suffer. An immigrant who is sponsored by an individual living in Canada can be protected if he or she falls on hard times.

There is a definite strength in the family unit in this country and therefore I believe that an immigrant who has relatives living in this country can be given that family support when he or she faces hard times. This is an area of immigration policy that should be given more attention by the House because it will soften those critics who believe that immigration should be based on economics.

I hope the Hon. Member, who is Chairman of the Standing Committee on Labour, Employment and Immigration, will take my concerns seriously because in my first year as a Member of Parliament, the family assistance level in immigration has been one of my priorities in the riding of York West. I know from my discussions about this problem with other Members that it is an issue in their constituencies as well. Therefore, the House should take notice that it must seriously review that family assistance policy in immigration.

Mr. Speaker, I indicated that I agree with certain parts of the Bill. I am riding today because I feel passionately about immigration and matters affecting my constituents and prospective Canadians who want to determine their future. This Bill will not solve the bottleneck referred to by another Hon. Member in reference to those 23,000 individuals who are waiting to hear about their future. Those who are waiting in groups of 10 or 15 in hotels in Toronto and Montreal want answers. I believe that the Plaut Report provided the right answers and approach to the problem. We should be address-

ing the question of whether these individuals should present their case before the Appeal Board, as suggested in the Bill, or whether the Government should have the compassion, integrity and vision to consider these people as human beings who are prepared to sacrifice and become involved in the mainstream of Canadian life. I rise in my place to make that point. I also rise in my place to suggest to the Chairman of the Standing Committee on Employment and Immigration that we in this Party will not and will never waste the time of the House on this Bill. We will certainly be taking him up on the offer to move amendments in order to strengthen the viability of this Bill.

● (1250)

Mr. Hawkes: Mr. Speaker, I listened carefully to the remarks of the Hon. Member oppsite, and would agree with most of them. This is not a panacea to solve the problem. It will simply make the world a little better for a few more people. They deserve our help, and that is the reason for speed.

Let me make another comment. The degree to which parliamentarians turn the subject of immigration to partisan political advantage, I think, confuses the Canadian public and makes a sane, sensible and humane immigration policy a little more difficult to achieve. One of the ways we do that, sometimes deliberately and sometimes inadvertently, is to take a point of view, take it out of context and put it into some other kind of point of view. The standing committee's second report dealt with levels. We could not get three Party agreement to it, partly because we misunderstood each other. The thrust of that report was the issue of using immigration policy, in part, to create jobs.

I do not think there is any disagreement in this House that someone who lives in Canada who cannot find a job experiences trouble. Those of us who have been aound for six years have seen—certainly someone from Calgary has seen—a situation where a shortage of employees turned into a surplus in a short period of time. Calgary went from a 3 per cent or 4 per cent unemployment rate to a rate 2 per cent higher than the national average for a year and a half. When you go into people's homes and find no food in the fridge and see discouragement on their faces, it is a tragedy.

When we bring refugees or immigrants of one kind or another to this country, they come with a sense of hope and optimism because this is the new life and a new opportunity. If our economy cannot support jobs for those people, then the disappointment is enormous.

There are 9,000 South Vietnamese refugees in the City of Calgary, many of whom are still having difficulty finding employment because the economy of Calgary crashed. Others have found employment.

It was the feeling of the committee that a small portion of increased immigration levels should be devoted deliberately to the kinds of immigrants who could create jobs for the refugees, for the assisted relatives and for those already here. If we want a kind of racial backlash—

Mr. Rodriguez: What is your question?

Mr. Hawkes: —then let us continue with a shortage of jobs because then people look around and say, "He took my job. We do not want any more immigration". If we had a surplus of jobs and a shortage of employees, then the national will to increase immigration levels would be clear and consistent.

Standing in this House today in the year 1985, it is not clear and it is not consistent, partly because the economy is not in good shape. I think it behooves members of all Parties to say levels should be increased, partly for the sake of job creation. People need jobs. Immigrants need jobs. It is not a bad piece of public policy to reach out to other countries and bring those jobs and people to Canada. I hope we can get together on that.

Mr. Marchi: Mr. Speaker, once again I draw the attention of the House to the Hon. Member's leading-off statements. He said that he hopes that Members do not turn and twist remarks around, but that is what he just did. He was trying to insinuate that this Member and this Party is somehow against creating jobs for Canadians or for immigrants. That is not the case. I am not prepared to labour that point.

He drew the example of a large number of refugees in his city who cannot find work. I have met with refugees in the City of Toronto who cannot find work either. Part of the problem is that everybody knows they are refugees. Various piece of documentation indicate they are refugees. Their social insurance numbers indicate they are refugees. As long as that unknown status is allowed to continue and fester, they will not have those jobs to which the Member alludes.

There are a number of jobs in our communities being created and made available to Canadians from various parts of the country. These individuals who have this refugee cloud over their heads have a secondary and tertiary problem simply because their status has not been resolved. In many cases, these individuals would be able to do the jobs that Canadian employers require, but they are held back simply because of their status.

The Hon. Member also mentioned about the problem of bringing in immigrants and increasing levels of immigration. We do that in many sectors of our economy. Take a look at the tool and dye makers, Mr. Speaker. We still go to Great Britain to get tool and dyemakers. I am not suggesting that a tool and dyemaker in Great Britain or a tool and dyemaker in Australia is a rich entrepreneur. That is an example I was drawing to the Hon. Member's attention. That committee of his was definitely looking at increasing levels of immigration based on the wealth of those individuals.

Mr. Hawkes: No. Read the report.

Mr. Marchi: It is there for everybody to see. In the third report the tune was changed. The Minister never accepted the second report. Rightfully so because the second report was most regressive. The second report denied the existence of the Canadian reality up to today and would have denied it tomorrow as well. When I make those comments, I do not make them to misinterpret the Hon. Member's suggestion.

Mr. Hawkes: You do.

Mr. Marchi: It is very clear in the report not only for these Members but for Canadians across the country to see. I challenge the Hon. Member to bring forward that second report and get approval in this House, regardless of the absolute majority and regardless of closure tactics.

Mr. Deputy Speaker: Questions and comments?

Mr. Rodriguez: He has had his 10 minutes.

Mr. Deputy Speaker: Questions and comments? The Hon. Member for Calgary West (Mr. Hawkes).

Mr. Hawkes: Mr. Speaker, that report recommended a population increase of 1 per cent. With current birth rates and death rates, it would at least double immigration quotas from the present level of 50,000 to at least 150,000. The committee suggested 3,000 or 4,000 of that increase ot 80,000 be deliberately designed to create jobs. That is what the report said. It said nothing more and nothing different.

Mr. Marchi: That is not true.

Mr. Hawkes: Members who attended those hearings know that. Members who wrote that report know that. Any statement to the contrary is a misinterpretation of the sense of that committee and what it was intending to do.

Some Hon. Members: Hear, hear!

Mr. Marchi: Mr. Speaker, if that were the case and the memory of the reality of that report, I would like to ask the Hon. Member why his Party and that Party offered minority reports on the very nature of the entrepreneurial scheme regarding which this Government had intentions.

Mr. Deputy Speaker: I intend to give the floor to the Hon. Member for Spadina (Mr. Heap) on debate at two o'clock. With the consent of the House, may we call it one o'clock?

Some Hon. Members: Agreed.

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

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at one o'clock, the Chair was ready to recognize the Hon. Member for Spadina (Mr. Heap).

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-55, an Act to amend the Immigration Act as it relates to the Immigration Appeal Board. Although it is a small Bill in some ways, it has been rehashed and unfortunately it has not proceeded as fast as any of us, myself included, would have liked. I will deal with the reasons for this, and I have some suggestions about how I think we could do better.

First I should like to begin by laying very positive groundwork by accepting the principal statement made this morning by the Hon. Member for Calgary West (Mr. Hawkes). I have acquired great respect for his work as Chairman of the committee this year. I believe that he, along with others, will be able to work out some kind of negotiation on this matter. I know he has tried very hard. I do not have the "blues", but I wrote down as quickly as I could what he said this morning at the beginning of his remarks. He said that the reason that the Government, Parliament and the country of Canada have gone wrong with refugee work, despite our good intentions, is that we have been treating refugee determination as an immigration question and, as he said, it is not. It is a human rights question, and we must make that separation clear. Rabbi Plaut brought this to our attention in his report earlier this year, but I strongly agree with the way the Hon. Member for Calgary West stated it. On that basis, I believe we can get the Bill passed through all stages soon.

However, in his later remarks, the Hon. Member made some statements which were unintentionally misleading. He said that there had been 40 hearings since June on this subject, and that we were unanimous on increasing immigration levels and on immigration not being a threat to jobs. That is true, but it is not relevant to this debate. Almost all those 40 hearings had nothing to do with the refugee question. The biggest portion of them concerned the entrepreneurial program. We had very few meetings to deal with refugees and only one meeting, in the last week of Parliament, to deal with the Bill. That is very unfortunate.

Also the Hon. Member said that he regretted the 90 days of delay from the end of June to the end of September. Perhaps he has forgotten an earlier delay, that in November, 1984, the Minister asked for and received from the two opposition Parties unanimous support for increasing the Appeal Board to 30 or 35 members but did not act on it. From November to June there was a delay of much more than 90 days.

The Hon. Member who spoke yesterday on behalf of the Liberal Party neglected to mention that the previous Government, under his Minister of Employment and Immigration, obtained unanimous consent from the opposition Parties in February, 1984, but did not put it through. Neither Government was willing to use the unanimous agreement, either in February, 1984 or in November, 1984. I do not know the reason for this, but it is not becoming to either of the two Parties to sound injured now about delay.

When the Bill was brought in, it was almost at the last minute. There was practically no time to negotiate any amendments. It contained some surprises that were not in the original request to which we had agreed. We were able to do a little negotiating with the very strong help of the Chairman, but not enough to make it viable.

The particular problems were that the amendments of the Minister would have potentially hurt the case of every Canadi-

an who was appealing on behalf of a relative he or she wished to sponsor. They had been turned down by the staff—and I will return to the staff because I believe it is the root of our problem—and appealed to the Immigration Appeal Board. Rather than a three-person panel to hear appeals, the Minister wanted to cut it down to one. Every lawyer with experience in this regard has indicated to me that that would be unjust. The Minister stated in her June 19 press release that it was to deal with the refugee backlog and would enable the Immigration Appeal Board to hold "a greater number of oral hearings for refugee claimants by increasing the size of the Board". Also she indicated that a requirement by the Supreme Court to have oral hearings has "made it necessary to expand the Immigration Appeal Board in order to cope with the extra work-load". In June, that was the only reason she gave for this legislation. It was therefore impossible to interpret it in any other way than the way she interpreted it, which was that this was a program to deal with the backlog of 13,000 or 14,000 refugee hearings and that this would mean she would confirm the principle that refugee determination is an immigration matter. That is the very principle that the Chairman of the committee and Rabbi Plaut's Report denies. This legislation would have tripled the size of the Board and reduced the quorum to one. Refugee hearings would have been run through the system like sausages through a sausage machine. That is the way the Plaut Report, the Chairman of the committee, Members of the House and members of the public who have worked with refugees unanimously agree is the wrong way to go.

● (1410)

We have found on experience that the Immigration Department, dominated by the concept of enforcement, is not the appropriate body to deal with people claiming refugee status. It is not only that the Department is hostile to refugees. The former Executive Director of the Department, as reported in the press, repeatedly called refugees queue jumpers and talked about how many of them are bank robbers, terrorists or even Irishmen. I am not quite sure what he had against Irishmen. He continually slandered refugee applicants and misrepresented the statistics. For example, he pointed out that only about 35 per cent of refugee claims were approved by the Minister. He did not point out that after the Refugee Status Advisory Committee had made its recommendations, he and other staff members added their further recommendations behind the scenes so that the Minister's decision was not based simply on the Refugee Status Advisory Committee but also on pressure from staff members.

As I have said, Department of Immigration staff members are enforcement minded and seem to think that they were appointed principally to keep people out of Canada. I agree with the Chairman of the committee who said that we need to have more people come to Canada, but we have to climb over our own staff members to get them here.

Staff members are also hostile to family reunification. In my office, which deals with a great deal of immigration business, there are at least four staff members who spend at least half of their time dealing with immigration matters. We have noticed more and more delays in the applications for family reunification, particularly those coming from non-European countries. Files get lost. Letters do not get answered. Little nit-picky points are raised that were never raised in the past. It is as though someone were going over and over these applications looking for excuses to keep these people out.

I have a file with me relating to claims from Pakistan. It seems that our representatives in Pakistan must have pledged not to let anyone into Canada if they can possibly prevent them from coming. I have encountered many negative examples of this from Pakistan. For example, there is the case of a Canadian who wishes to bring his parents to Canada as well as his sister who is unmarried and of an age at which in Pakistan it would be considered socially improper to live alone. This matter has been going on for about two years. We cannot get a straight answer to our humanitarian plea. All we get is bureaucratic answers going by the book. I could tell the House of many more cases just like this one.

Department staff members are hostile in their actions toward people who are trying to enter Canada for family reunification reasons. The statistics reflect this. One of the things that has come to light lately is that the number of appeals coming before the Immigration Appeal Board has been rising. In 1981, there were 1,136 such appeals. In 1982, the total was 1,296; in 1983, it was 2,077; and in 1984, it was 2,376. Within those statistics, it can be shown that family class sponsorship appeals have almost doubled in three years from 642 to 1,203. Refugee determination has more than doubled from 297 to 669. Other cases including those of illegal immigrants who are being deported after having made their cases have risen from 197 to 504. That is more than double.

Why has there been this increase in appeals to the Immigration Appeal Board? It is because family reunification is being blocked in two ways. First there was a freeze put on family reunification on May 1, 1982 through the requirement that any assisted relative not be considered unless he or she has a certified job offer. By the Minister's own estimate at the time, that chopped family reunification by about 25 per cent of its previous volume. The other way it is blocked is through the actions of staff members. People cannot get their relatives into Canada, so they come here as illegals or as refugee claimants. Then, along with direct appeals on family reunification, these cases go to the Immigration Appeal Board. That has caused this crisis, more than a doubling of the total number of cases before the Board in three years.

In spite of all that has been said about family reunification, the actual practice of the previous Government as well as of the present Government has been to reduce immigration. In 1981, immigration levels fell short of the Department's planned levels by at least 1,500. In 1982, the level fell short by 9,000 and in 1983, the year in which we felt the full effect of the 1982 freeze, it fell short by 45,000. In 1984, it fell short by almost 2,400. These people were shut out by our bureaucracies, our overseas offices and, to some extent, our Canadian offices as well. The principal problem is the attitude of those

working in our overseas offices. I met members of the overseas staff this summer and you have to meet them to believe their attitude on immigration, Mr. Speaker. It is really something else.

We have been cutting back on immigration, not because of a decision made by Parliament but because of staff practices. Therefore, we are hearing more appeals through other channels, whether legitimate or not. The attitude of members of the enforcement section of the Immigration Department is such that they try to keep people out of Canada. This has caused an increase in illegal immigration and in appeals before the Immigration Appeal Board.

Granted, we do need a short-term solution. Even if we could follow the advice of Rabbi Plaut and the Chairman of the Immigration Board by separating refugees entirely from the immigraton process until a claim has been determined, we would still have to deal with the backlog that exists. However, people who have worked hard as volunteers to help immigrants and other refugees, people who are well known to the Minister and recognized by her, are afraid that this temporary, interim measure will become permanent just like income tax.

All last year members of the public tried to meet with the Minister on this matter and could not. The Plaut Report was delayed for six months. It was supposed to be put out in December. The Minister promised it month by month but it did not come out until the middle of June. There was no time for the committee to look at it or deal with it seriously before the summer recess. Members of the public who tried to meet with the Minister and who invited her to their meetings were frozen out. They are now uneasy.

Representatives of those groups are meeting tomorrow in Montreal. They have invited the Minister to attend the meeting and she has assured them that she will. I think it will be a very important and fruitful meeting provided the Minister does not go to it with a take-it-or-leave-it, confrontational attitude, the attitude in which the Bill was presented to us in June. In fact, many representatives of these non-governmental organizations urged that this Bill not be introduced this week but that we wait a few days until the Minister had met with those people who have expertise on this matter to hear their views and have some give and take. Then we would be able to work on this Bill. However, for whatever reason, the Cabinet decision was to charge ahead with the Bill, public be damned.

● (1420)

There has been a reference to conversations held between the Minister, the critic of the Liberal Party and the critic of New Democratic Party. There was a meeting of some one and a half to two hours at which the Liberal critic and I urged the Minister to respect what the public was saying in this matter. We were totally unsuccessful. He simply wanted to move ahead. Of course, he has the votes and, if he moves ahead, then that is the way it will be. However, that will not win the co-operation of the public, which the Minister from time to time says is essential in order to get the job done properly.

What I wish to do is to propose three processes by which we might try to resolve the matter, in spite of the awkward way the present Cabinet and the previous Cabinet have handled it up to this point. First, there is the meeting to be held in Montreal tomorrow. Second, there are amendments to which the Minister has made unclear references. Third, there is the report of our committee to which the Chairman has referred.

With respect to the first point, I hope the Minister will attend the meeting tomorrow with the expectation of a genuine exchange of views. She has a great deal going for her. Many people respect her mightily for the fact that last January she corrected a longstanding inhumanity in the regulations so that the spouse of a Canadian who should be landed, according to law, can now be landed without having to return home for a year and, in effect, break up a family. We welcomed the Minister's action in January.

Then there is the committee's report with respect to detentions, which has not yet worked. The staff is still playing silly games at the Montreal Detention Centre. However, we hope that with the Minister's help, the report on the immigration detention centres will have the positive effect which many people in the non-governmental organizations have worked for.

The second point is with the matter of the willingness of the Minister of Employment and Immigration to consider some amendments. I hope that when we discuss these matters tomorrow the distrust will become less and we can move ahead with a sense of co-operation.

With respect to the amendments, the Minister has said, "we will encourage the adoption of an amendment in committee in this regard", that is say, to maintain a panel of three rather than a panel of one. I wish that he had said that the Government will propose such an amendment. We all know it cannot pass until the Government supports it. When he says that we will encourage it, I am not quite sure what he means. However, I would like it to be made quite clear that there will be a quorum of three for all classes.

The Minister has also referred to a two-year term. He said, "It may be important to accept an amendment regarding the length of time Members will serve in order to indicate that this is clearly an emergency reaction to a specific situation". When the Minister says it may be, that is true, it may be and it may not. However, there is no assurance in that regard. I am glad he is thinking about it. I would like to see an assurance in committee, that is, a motion put forward by the Government.

We should also return to the originally proposed size, that is, limit the members to between 30 and 35 altogether for the sake of dealing with the present backlog, especially the backlog of sponsorship cases. If we go to 50 members, then it will be assumed that the Immigration Appeal Board is the instrument for dealing with refugee hearings. That is what Rabbi Plaut's Report opposes, as does the Chairman of the committee and both opposition critics.

I hope the Minister will take this simple action to make it clear that she is not going to let anyone smuggle in a refugee

determination process under the name of the Immigration Appeal Board.

With respect to the committee bringing its report to the Minister by the end of October as we had hoped, I hope that the Minister will bring a report to Parliament before she tables legislation and before she burns her bridges behind her. She is a proud woman who does not like to change her mind. I hope she will bring a report to Parliament in which she will propose legislation to do this and this and this. In this way time can be put aside for discussion in Parliament and by the public. A result will be reached faster in this way rather than by her using her ministerial power to say definitely: "This is how it will be." If she were to say that, the rest of us would have to figure out how to mobilize to make the corrections that we see are needed to be made. If she will approach the issue with a spirit of give and take, I believe, as the Chairman of the committee indicated this morning, that we will be able to move readily on this matter.

Mr. Deputy Speaker: Questions or comments? The Hon. Member for Calgary West (Mr. Kindy).

Mr. Kindy: Mr. Speaker, I appreciate the words of the Hon. Member for Spadina (Mr. Heap). He was quite positive with respect to some of his recommendations. I would like to ask him to elaborate on how he would solve the refugee problem. Has he any specific ideas which could be incorporated in future legislation in order that we do not have to face this problem again in a couple of years?

Mr. Heap: Mr. Speaker, I will not go into that issue at length now. The Hon. Member's question is one which is certainly in the minds of many thousands of interested people across the country. I think Rabbi Plaut's Report should be seriously considered. I am not saying that we should necessarily agree with every page of it. However, he does make two worth-while points. The first is that we should have a refugee determination board separate from the Immigration Appeal Board. This is a point about which the Chairman says we should make a clear-cut distinction. It should be made clear that a person who comes here as a refugee, or is asking to be considered as a refugee, has to have the human rights question examined first before we put him through the mill with respect to accepting him as a potential immigrant or a potential deportee. This is a point which was asked to be implemented in principle about eight years ago by a number of interested people. However, it was ignored at the time. Our experience now shows that it would have saved millions of dollars and a great deal of hardship if it had been followed. I hope we will follow it now.

Second, there are many among this 13,000 or 14,000 for whom oral hearings have been called by the Supreme Court if they want them. These cases could be handled outside the refugee process. People who come from certain countries could be advised that under our policy we do not forcibly return people to those countries because of the conditions there. They sometimes do not meet the precise definition of refugee, but we will not force them to return home. In other words, we will allow them to stay here in Canada unless they find another country which works out better for them. Many people who are in the refugee stream now should not be there. I say that, not because they do not have a good claim, but because their problem could be more readily dealt with by other programs. Why this has never been followed by our enforcement staff is something we may never find out now that the Executive Director of the commission has moved on to other matters. I hope we will at least see some change of attitude now.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have just a couple of words concerning Bill C-55. Just to put the question in focus—

Mr. Dick: How many immigrants did you have in your riding last year?

Mr. Baker: The hon. gentleman opposite asks how many immigrants I had in my riding last year. I can honestly tell him that I have received a couple of requests with which I am dealing.

Since there is a need to say a few words to set this particular debate in its true light, it is for that purpose that I rise today. Number one, Mr. Speaker, speaking personally, I cannot see anything that is wrong in this Bill. I think that is probably the first time I have ever said that. Having said that, I must say that I cannot see any great advantage either.

● (1430)

We have a situation in Canada today, I think Hon. Members will agree, where there are about 1500 cases of family sponsorship applications in the works, give or take 100, and 15,000 cases of refugees appearing before the Board, give or take 5,000. Fifteen thousand cases would probably cover 20,000 people before the Board. By increasing the size of the Board from 18 to 50 and carrying out various changes, perhaps an extra 100 cases per year could be processed. It will not do any harm to make that increase, but when one looks at the magnitude of the problem one asks the question: when is the Government going to address the real problem? That is the question.

When did the problem arise? It did not arise last year or the year before or the year before that. This particular problem of blocking the system arose in the past less than a year ago, and the reason for it is this.

Mr. Dick: A few words, George.

Mr. Baker: Yes, a few words. Why do we have this clogging? When one looks at the appeals under the family sponsorship appeal program, that is not a cumbersome appeal, that can be dealt with very quickly. But a refugee status appeal is very complicated. What has happened? It is nobody's fault. A judge said that these people have the right to an oral hearing. There is nothing wrong with that. The Hon. Member from Calgary asked the question, "How can you solve the refugee problem"? As the Hon. Member knows, the previous system was that when the refugee put in his claim he was interviewed

by a representative of the advisory committee. It was a written representation. At no time after that was that person able to appear in person.

So the decision of the judge was perfectly understandable in that particular case. That has clogged the system. What happened then? The system is clogged in any country which is a signatory to a United Nations Charter which agrees to accept refugees because, as the Hon. Member pointed out a few moments ago, the applications for refugee status are before the same board as are the applications for family sponsorship appeals.

So we are left with this incredible problem that happened only recently, since this Government came to power. What we are saying is that this Government has to try to solve that problem immediately. I am not a member of the committee that visited the detention centres.

Mr. Jourdenais: That is why you don't know what you are talking about.

Mr. Baker: If the hon. gentleman listens he is going to learn something. The detention centres were never intended to house the people that are there. They were meant for detention centres. The system was clogged, and therefore that created additional problems. If Members of Parliament would look at the system they would find it to be rather interesting. When landed refugees arrive in, say, Toronto or in Vancouver or some other province, if they do not stay at a detention centre and if an organization will not take them in then they are not entitled, in most provinces, to social assistance. But in other provinces they are, in Quebec they are and in Newfoundland they are. If they get off a plane in Newfoundland and ask for refugee status they are taken care of immediately by the social asssistance department. They qualify to be housed, to eat and to have clothing. But in other provinces they do not qualify for that similar assistance.

The fact of the matter is that this whole thing should be looked at in some detail by the Government, and I am surprised that the Government has not addressed the problem. I think the problem has arisen in this Chamber with the New Democratic Party and the Liberal Party saying on this particular Bill, "Now just hold on a minute". There is nothing in it that does any harm but it is not solving the problem and there are so many problems that need to be solved. If the Minister had said, "Look, this is not really going to solve any problems but we are going to process an extra 100 a year" there would not be, I think, the division today. But the Minister of Employment and Immigration (Miss MacDonald) said in Vancouver, as we will all recall, Minister of Employment and Immigration (Miss MacDonald) said that one of our responses to the problems of those seeking refugee status in Canada is Bill C-55. When that happened all of the groups across this country that were concerned about this question were in a virtual uproar and the opposition Parties in the House were then saying, "If this is the response of the Government we are not going to accept it because it is not a good enough response."

Mr. Speaker, having set the record straight and having informed Members of what is really before this Chamber today and why the Liberal Party and the New Democratic Party have taken the position they have, I will take my seat and await any questions that the hon. gentlemen might wish to ask.

[*Translation*]

Mr. Jourdenais: Mr. Speaker, I said I was not going to take part in the debate, but since yesterday, I have been listening to Hon. Members talk about immigration, and I think they need a course on the subject, especially the previous speaker. I was taking some notes while he was speaking, and I would like to ask him a question. The Bill before the House today would increase the number from 18 to 50. Mathematically speaking, he said it would mean only 100 more cases, but I think that, considering the humanitarian aspect, 100 people are worth more than his own attitude to the subject.

Earlier, the Hon. Member said he had seen a few claims by people who had requested immigrant status in his riding. In my riding we have 275 claims pending. Thirty-three per cent of the population consists of new Canadians. There are people who have been in this country for five or six years and who are still waiting to receive employment permits and refugee or immigrant status. This is certainly not the fault of the present Conservative Government, but the Government to which the Hon. Member belonged when it was in power, and which did nothing. Today, we simply want to increase the number so that we can at least admit from 100 to 125 more people and activate the system, pending a complete reform of the legislation on immigration and refugees. Just now, the Hon. Member mixed up refugees and immigrants when he was talking about detention.

When a refugee arrives at a Quebec port of entry and asks for political asylum he is put in a detention camp. It is a prison, my friend, when you consider that the man is locked up in a 7-by-7- or 10-by-12-foot room where he cannot even see daylight. It is particularly bad for someone from another country who was badly treated, both physically and mentally, and gets that kind of reception in Canada. This has always been the Liberal Party approach: Come in, my friend, and we will throw you in jail! That is called detention, Sir.

I think that the Bill should be adopted. I sit on the Standing Committee on Labour, Employment and Immigration where we debated the issue of refugees and immigrants on at least forty different occasions and, believe me, it is about time we took some action. It is better to take half a step than to stand still as they have done for the past 15 years.

• (1440)

[*English*]

Mr. Baker: Mr. Speaker, I must admit the hon. gentleman is a member of the committee and perhaps he believes he knows more about the subject than I do. However, let me point

out where he is a little bit off track. The system became clogged because, although the Immigration Appeal Board deals with those cases he mentioned of family sponsorship, it also deals with people seeking refugee status. That is a complicated procedure compared to the first group, and the IAB should not be dealing with the refugee question. We are saying this because this problem has become so serious that there should be another mechanism in place to deal with it. The Minister promised a legislative reform package, which I understand she is going to introduce this fall, and that is a good thing. However, to say, as the Minister did, that this is a response to the problem and then admit it will take care of about 100 people a month, is not really good enough. Each month in Canada today there are 600 new cases involving claims for refugee status. The Government says we will pass this Bill and deal with 100 more. If we have 600 new cases a month, what will happen if a change is not made? I think it is clear what will happen.

The Hon. Member and I do not disagree as between ourselves, not at all. I think we both have a disagreement with what the Government is doing.

Mr. Deputy Speaker: Questions or comments? Debate? Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Miss MacDonald, seconded by Mr. Crombie, moved that Bill C-55, an Act to amend the Immigration Act, 1976, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Baker: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

Hon. Bob Layton (for the Minister of Agriculture) moved that Bill C-42, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I rise on second reading of Bill C-42 which is designed to repeal the Canagrex Act and hence dissolve this Crown corporation.

Some Hon. Members: Hear, hear!

Mr. Kempling: A great day for Canada.

Mr. Layton: As the House is aware, in November, 1984, the Minister of Finance (Mr. Wilson) announced a number of initiatives aimed at reducing Government expenditures. One such initiative involved the decision to phase out Canagrex by April, 1985. This has been done. This Bill is intended to repeal the Canagrex Act and hence formally dissolve this Crown corporation.

It is a short Bill containing seven clauses. Its major feature, Clause 4, provides for all rights, property, obligations and liabilities of Canagrex to be the rights, property, obligations and liabilities of Her Majesty. For example, the contingent liability respecting the loan for sales to Cuba incurred by Canagrex is transformed into a liability of Her Majesty. Subclause 4(3) provides the specific authority for the Minister of Agriculture (Mr. Wise) to do all that is required in the winding up of the corporation. Section 100 of the Financial Administration Act provides that a Crown corporation may not be dissolved unless authorized by Parliament. The Canagrex Dissolution Act is meant to be such an authority.

Members will be pleased to know that positions were found or settlements made for all of the 30 staff of Canagrex, either in the public or the private sector. All operational files were turned over to the Department of Agriculture and measures have been taken by that Department, the Department of External Affairs and the Export Development Corporation to facilitate additional agricultural and food exports by the private sector.

As the Minister explained to the Standing Committee on Agriculture on December 18, 1984, it was obvious to all that Canagrex had start-up problems. While it undoubtedly would over time, have increased the volume of exports assisted, it was clear that Canagrex was not going to achieve the targets originally expected, nor was it going to be utilized by industry as planned. The activities provided for in the Canagrex Act were market identification and promotion, export counselling, provision of grants and contributions, state to state trading, loans and guarantees, the ability upon request to enter into joint ventures, and the power to import, export and buy and sell. Market identification missions, intelligence and analyses can and are being undertaken by both Agriculture Canada and External Affairs, as are market promotion activities, seminars and trade fairs. State to state trading, buying and selling and exporting may, if necessary, be undertaken through the Agricultural Products Board legislation. Grants and contributions are provided for under the PEMD food program of External Affairs. Insurance, loans and guarantees are available from the Export Development Corporation. Their services to the industry are in the process of being expanded. Canagrex's export counselling and co-ordinating role will be undertaken by Agriculture Canada.

On March 11, 1985, Mr. Story, the President of Canagrex, appeared before the Standing Committee on Agriculture. In answer to a question as to who should co-ordinate and follow up the work started by Canagrex, he indicated his personal view that it should be Agriculture Canada. On June 20, 1985, the audit committee of the Board of Directors of Canagrex had a board meeting by way of a conference call in which a member of the Auditor General's office participated, and the report to the Minister on the financial statements of Canagrex

for the year ending March 31, 1985, was agreed to. These accounts indicated that for the year and Canagrex had a surplus of $1,846,278. Guarantees outstanding under the Cuban line of credit amounted to $8,311,728 as at March 31, 1985. These guarantees are to be assumed by the Department of Agriculture when the corporation is dissolved pursuant to Bill C-42. It should be noted that these guarantees will expire as of December 9, 1985. When proclaimed, Bill C-42 will result in the orderly liquidation of the corporation.

● (1450)

Canada's current financial situation demands action. The question was where within the agricultural portfolio cuts could be made that would be the least painful in both human and program impact. Canagrex fit such criteria. While painful, it is believed that the end result will be a streamlining and rationalization of agricultural and food exporting activities of the federal Government. The decision to wind up Canagrex was taken after a careful weighing of the factors involved and the impact such a decision would have on the agri-food sector. It should be stressed that the facilitating of additional exports of agricultural and food products continues to be a top priority of the Government. I believe that with the full co-operation of all federal Departments and agencies involved in facilitating export marketing, the private sector will be able to expand its exports on a more cost-effective basis.

I believe, as I know my colleague, the Minister of Agriculture does, that Bill C-42 is sound, desirable, and in the interests of Canadian agriculture and I urge Members on all sides of the House to support it.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a few words to say on Bill C-42, an Act to dissolve Canagrex. This Bill is designed to wind up this Crown corporation, although it was effectively destroyed last November 8 on "Black Thursday" when the Government cut its financing including $60 million in cuts from agriculture. That was just the beginning of the Minister of Agriculture (Mr. Wise) taking on the responsibility of presiding over the decline and destruction of the federal Department of Agriculture. It is interesting that while our agricultural industry is facing its most difficult time in the history of the country since the 1930s, we are spending our time dissolving an agency which was established by the Parliament of Canada to promote, develop, and enhance our trading in agricultural commodities around the world with all the flexibility of a Crown corporation. Rather than trying to solve the tremendous problems facing agriculture, we are debating a Bill which will destroy a very fundamental instrument for the development and promotion of agriculture.

During the election campaign the Government talked about enhancing trade, but in the election manifesto which was put out in Prince Albert it was never mentioned that Canagrex would be wound up. There is a whole raft of issues that have been set on the shelf for months with no decisions being made. The Minister of Agriculture put a moratorium on farm bankruptcy foreclosures last fall. All through the winter and spring months we were promised that there would be something in the Budget to deal with the terrible farm financial crisis which is faced by approximately 39,000 farmers in the country. There was provision in the Budget to assist farmers to get out of agriculture, but nothing to help young farmers stay in the business. The 39,000 farmers who are in serious financial difficulties today are our youngest, most technologically advanced, and most productive farmers. Those farmers produce half of the food in this country, but nothing was done for them in the Budget or in the Estimates of the Department of Agriculture. It is really said that rather than debating a Bill to provide enhanced funding to solve the serious financial difficulties, as was recommended and supported by the Conservative caucus Members, we are debating a Bill to destroy one of the agencies which was established by the Parliament of Canada to enhance our trading relationships in the country.

It is interesting that within a matter of three or four weeks of taking office the new Liberal Government in Ontario announced a $50 million program for assistance for farmers facing serious financial difficulties. The federal Government has been in power for over a year and it has been unable to effect a rescue operation to assist agriculture. When one considers the lack of action by the Government one must wonder whether the Government is determined to have a shakedown. It is saying that its policy is that of the survival of the fittest—if these guys can make it on their own, that is great, but if they cannot, that is acceptable.

In the documents that the Government is using in trading with the United States we see that the Government is considering leaving farm stabilization programs and marketing systems in the negotiations. If those marketing systems are thrown on the bargaining table in Washington, I predict that rather than having 23 per cent of our farmers in serious financial difficulty there will be 33 per cent in that situation, as there are in the United States.

I read with great interest the papers which the Minister of Agriculture put on the table at the meeting in St. John's, Newfoundland, in July. He said that the Government would move toward a free market economy in farm commodities.

● (1500)

Mr. Malone: Hear, hear!

Mr. Foster: I hear the Hon. Member opposite saying "Hear, hear". Does he believe that the United States system of marketing farm commodities or the European Economic Community system of marketing farm commodities is better than the controlled commodities in this country?

This week in the United States there is a conference taking place between the Senate and the House of Representatives to decide whether assistance for farm support and subsidy programs should be $45 billion. Clearly, Washington and other capitals of Europe such as Paris, London and Bonn are much more wealthy central governments than in Canada. If we are going to throw our marketing system and stabilization programs on the table for the free trade negotiations, I do not

believe that Canadian farmers will come out very well in that arrangement.

Clearly, the Government documents indicate that that is exactly what it is contemplating. I ask the Hon. Member opposite where he thinks agriculture in western Canada would be today if it was not for the crop insurance program and the western grain stabilization programs which have paid out approximately $1 billion in the last 12 months? We should be debating programs to try to solve the serious financial difficulties facing Canadian farmers today rather than this Bill which winds up Canagrex—an organization which could have promoted and increased our exports in a long list of commodities through assistance in financing, market promotion, insurance and in developing and analysing markets. However, we are debating a Bill to destroy Canagrex rather than addressing other serious problems facing Canadian agriculture.

During the committee meetings the Hon. Minister of Agriculture who I understand has a large farming section in his riding, quoted Mr. Story, President of Canagrex. When Mr. Story appeared before the Agriculture Committee last winter, he described a phone call that he received on the night of November 7, 1984, when the Minister phoned and said that the next day the Minister of Finance (Mr. Wilson) would be destroying Canagrex by removing all of its funding. Mr. Story responded that he was sorry. If one checks the minutes of the committee meeting, the Minister responded that he was also sorry and, of course, this demonstrates the tremendous split in the Tory caucus over the Canagrex Bill. Clearly there was great support from Members like the Minister of Agriculture while others in the Tory caucus from other parts of the country were very much opposed to it.

This Bill to destroy Canagrex will destroy a Crown corporation that was designed to assist in market identification, the penetration of new markets, the expansion of existing markets and the identification of foreign competition. Canagrex had moved effectively in these areas by having trade missions in many countries identifying markets and starting markets analysis in those smaller commodities produced by less organized groups that do not come under the Canadian Wheat Board or the Canadian Dairy Commission. I do not believe that the Department of Agriculture or the Department of External Affairs have the capacity to do that job nearly as well.

Canagrex also worked in promotion asisstance for trade missions, fairs and exhibitions and helped in product development and advertising programs. This is one of the most aggressive times in our history, when every country in the world is fighting for agricultural markets. Practically every country in the world has massive programs to obtain these markets. The United States agricultural food program is a massive program to do those things that Canagrex was designed to do. SOPEXA is the program in France to promote market development and the sale of farm commoditites. Valery Giscard d'Estaing, the President of France, described it as the nation's green oil because no organization, apart from that in the United States, has conducted the kind of aggressive sales, promotion and development that the EEC has done.

Let us consider the EEC. A few years ago it was purchasing approximately 25 million tonnes of grain. Now it is marketing massive amounts of grain throughout the world. The Federal Republic of Germany has its CMA organization. Isreal has its own agricultural promotion and export institute. Mexico has its national company for popular subsistency. Greece has a market promotion program as well.

We are dealing in a very competitive world. We have active promotion of commodities controlled by the Canadian Wheat Board and the Canadian Dairy Commission. However, Canagrex was designed to assist in those other commodities not covered by those commissions. Canagrex would have provided transportation services, information assistance, insurance advice, regulatory advice, estimates and other services in order to assist smaller groups such as co-ops. Canagrex was designed to provide financial assistance, loan guarantees, loan financing, grants and contributions.

It would have assisted service related activities, the transfer of technology, consulting and management activities as well as joint ventures. This was a Crown corporation designed to assist the smaller commodity groups in marketing their products abroad. I believe that the Government is making a mistake by winding up this Crown corporation because it provided a valuable contribution to the agricultural community in this country. Let us look at some of the items and areas of the world where Canagrex was just starting to develop systems and programs. For instance, dairy cattle going to Latin America, Southeast Asia and North Africa. Many of these countries trade state to state. It is a big advantage to have a corporation like Canagrex. We are talking about dozens of millions of dollars providing financial assistance, technical assistance, insurance and promotion.

• (1510)

Look at the opportunities for selling semen to countries in North Africa, a state to state business, estimated at $14 million. Look at selling our Holstein-Friesian dairy cattle to countries in eastern Europe by joint ventures. The estimate was $40 million over the next 10 years for sales of breeding stock.

If we look at the opportunities for breeding swine in Southeast Asia on a joint venture possibility, some $5 million a year was the estimate. What about feed grains to areas in Africa in a joint venture partnership? What about canola going to Latin America, another joint venture? That was estimated at $50 million in the short therm and up to $150 million over the long term.

We are dealing here with an agency that had the flexibility of a Crown corporation. Our Conservative friends have shown us that they are very supportive of some Crown corporations. Look at Petro-Canada. A takeover of an American corporation, Gulf Oil has just been approved at a cost of $900 million. Canagrex is a very small Crown corporation which was serving agriculture, especially commodities that are not supported by massive marketing agencies. The assistance that Canagrex could give in co-ordinating some of Canada's activities is

important. Now we have groups going from Ontario, Alberta and other provinces, marketing commodities and livestock in other parts of the world in competition. Canagrex was to be an agency which could have assisted and helped all Canada's provinces, whether big provinces with nine million people, such as Ontario, or whether a small province, such as Prince Edward Island with only 130,000 people.

We see an action here today, the destruction of a Crown corporation, which could have benefited the country.

Mr. Malone: Let us have some more.

Mr. Foster: At the same time we hear the Tories cheering on the destruction of this Crown corporation, we do not hear any word of the drought program, which is needed in western Canada for the grain sector. This program has been promised week after week. I believe three weeks ago the Minister said that in a couple of weeks he would be announcing drought assistance to those areas affected in western Canada. The decision to support the Canadian Commercial Bank was made over a weekend, perhaps made by the Prime Minister (Mr. Mulroney) alone who passed on the word to the Finance Department and then on to the two Ministers of Finance. This decision involved a billion dollars. Yet it has taken weeks and weeks to come up with any assistance for the drought problem in western Canada.

We have been waiting for months for the Government to act on its new dairy policy. The Minister promised faithfully a year ago that he would have a dairy policy in place by August of this year. It was not until about July 14 that he got around to appointing a couple of representatives to analyse the situation and recommend a dairy policy.

I mentioned earlier that there had been no action in the Budget or in the Estimates on the farm debt crisis. Likewise, there has really been no decision on farm debt legislation relating to foreclosures, specifically a preforeclosure arbitration procedure. The Minister announced on July 10 that legislation would be brought in this fall. He said if the Minister of Consumer and Corporate Affairs (Mr. Côté) did not bring in legislation concerning the Bankruptcy Act, then he would bring in amendments to the existing Bankruptcy Act.

When my motion on that subject was debated a couple of weeks ago, we got a very equivocal statement by the Parliamentary Secretary, who speaks on behalf of the Government in matters of agriculture.

Is the Government supporting that concept or not, which the Minister clearly enunciated in early July? In any event, he said it was all up to the Minister of Consumer and Corporate Affairs.

There is a need for this type of legislation, which was shown in the Grey-Bruce pilot project report. There was a Bill before the House in June, 1984. That is 15 or 16 months ago. All the Government had to do was to reintroduce that legislation, but nothing has happened in the last 14 or 15 months to indicate exactly where the Government is going.

Daily we have the banks turning down the screws on farmers who are losing their farms. The Minister indicated that there were 675 farms waiting to be foreclosed by the FCC at the time he placed a moratorium on that. He has not indicated what he plans to do with regard to the foreclosures in the private sector, if anything at all.

It was not just a $60 million cut-back last November 8 that the Agriculture Department underwent, which snuffed out the life of Canagrex. In the Estimates the Government says it is going to cut back another $50 million, but it is not clear where. Is it in research which would be sort of cutting off the future? Is it in transportation assistance for farm commodities? Is it in the stabilization payments, meaning inadequate assistance for the farm drought plague in western Canada? Is it in the dairy support program?

There is another little hooker in the Budget, which most people missed, about which we made inquiries. We have made inquiries about the budget of the Department of Agriculture being deindexed. Not only will there be a $50 million cut-back every year for the next four years or five years, but with the deindexation of its budget there will be a $10 million or $15 million reduction in its purchasing power. Not only in Canagrex being cut by the Government. The entire Department of Agriculture is being de-emphasized at a time when the agricultural community is experiencing a devaluation of farmlands and a continuing low level of farm commodity prices. This situation is being exacerbated by the programs of other countries such as the United States and those in the European Economic Community.

• (1520)

Last year the Government made a commitment in the election campaign to do away with the farm fuel excise tax. It did away with that tax and gave a rebate on the petroleum compensation charge. The two together amounted to some 3 cents per litre on the excise tax and 1.8 cents per litre on the petroleum compensation charge. Lo and behold, when the petroleum compensation charge was done away with on June 1, the price of gasoline did not drop. It may have even risen because of deregulation. However, the exemption of 1.8 cents per litre or 7 cents per gallon disappeared for farmers. If we look at the Budget, we see that the Minister imposed a fuel tax on all Canadians but provided no exemption for primary producers in the forestry, mining, fishing or farming community.

On September 3, we saw the introduction of what has come to be known in western Canada as a harvest tax of 2 cents per litre or 9 cents per gallon. That was imposed in less than a year, by a day, from the time the Government was elected. It was another promise forgone. During the period from June 1 to September 3, if we total the excise tax and the petroleum compensation exemption, we see a total increase of 16 cents per gallon for farmers. At the same time the Minister of Finance imposed that excise tax, he also imposed a 1-cent tax on all farm input commodities, which will involve another $11 million for 1986.

When the Government finally decided to relent and not to deindex old age pensions, it imposed another 1-cent per litre or 4.5 cents per gallon, effective on January 1, 1987, on fuels for farmers and other primary producers. The Minister of Finance has steadfastly denied that he will give an exemption to farmers. At the same time that 1-cent per litre or 4.5 cents per gallon comes into effect, the exemption of 3 cents per litre provided by the Minister last September will come off. Therefore, from the period of June 1 to a year from December 31, we will see a dramatic increase which will be far greater than that of last year. It certainly breaks another commitment of the election campaign.

We should not be winding up Canagrex. The Minister said to the President of Canagrex he was sorry that the Government was taking this action when he informed him of it last week. Various federations of agriculture and the National Farmers Union have supported Canagrex, as well as small commodity groups which are not large enough or strong enough to compete in the area of international sales. They are the ones who will be hurt by the winding up of Canagrex. They will be unable to compete with the marketing agencies of various countries such as the United States, the United Kingdom, France and those in the EEC. The dissolution of Canagrex is a backward step. I hope the Government will reconsider its action, especially at a time when agriculture faces one of its most difficult times in history.

Just a few weeks ago, in the last week of August, the Bruce County Federation of Agriculture, a responsible group, passed a resolution at a meeting in Chesley. Some 200 to 300 farmers supported this resolution which called for a total moratorium on farm foreclosures. Surely this is the kind of problem we in the House of Commons should be addressing. In view of the farm debt crisis, we should be providing financial assistance, not just calling for a moratorium. We should be debating legislation such as that proposed by the Standing Committee on Finance, Trade and Economic Affairs in its report last March.

The Minister called upon people to make representations on how the Farm Credit Corporation can be improved. Last February and March, some of the members of the Standing Committee on Agriculture served on the Finance Committee of the House of Commons which heard from dozens of groups including the provinces and the federal Departments concerned. They received written submissions and heard representations recommending a program for the 39,000 or 40,000 farmers facing serious financial difficulty. The majority of members on that committee were from the Government side and they said that this was the greatest priority. Approximately 12,000 or 14,000 of those farmers facing financial difficulty should be assisted. Some of them do not require assistance, even though they are in serious financial difficulty, because they have other sources of income and so on; perhaps some are at a point where they cannot be helped. The committee identified perhaps 12,000 to 14,000 that could be helped by a program. The committee was composed of representatives from all sides of the House and recommended a program with funds of some $96 million to $98 million per year for the next several years to see that this group of young, productive, technologically advanced farmers could remain on the land through low-interest rate loans of approximately 8 per cent. Surely that is the kind of legislation that we should be debating in the House today. We should be trying to find a solution that will solve the problems of today as well as maintain for tomorrow that group of farmers who will lead the agricultural industry in the years ahead and will provide the food that this country and other countries need.

● (1530)

I cannot agree with the decision of the Government to wind up Canagrex as a Crown corporation. I think we should be enhancing our trading relationships and helping the small commodity groups to enhance their operations. We should be giving them the tools that the large commodity operations like dairy and wheat already have, tools which are needed because of today's world situation.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this can be called my Hon. Eugene Whelan memorial speech. The previous Hon. Member for Essex-Windsor was, of course, the architect of Canagrex. It is important to remember that his long and hard fight as Minister of Agriculture to establish this agency was something which was strongly backed by farm organizations across the country and just as strongly opposed by some of the major multinational companies that operate in the grain trade and in other parts of our agricultural commodity exchange system.

Perhaps it is not by chance that the memorial of this new Government to my predecessor is not only his dismissal from a post which he might have well filled but also a demonstration that this Government listens to large-scale corporate sector interests rather than to farm organizations, virtually every one of which has indicated its strong and continuing support for this organization.

Perhaps, with their boundless confidence in my predecessor, these farm organizations took his actions on faith. I have to confess that I have not always been convinced that their faith in my predecessor was entirely well placed. However, with respect to Canagrex, an institution which became a part of our international trade system, my predecessor, Mr. Whelan, deserves great credit. I simply wish that Members of the House of Commons would give him that credit for this initiative. The farmers of Canada certainly wish that this institution would continue. They strongly oppose what the Government is doing.

To talk realistically about Canagrex, we have first to recognize the immense crisis that exists in the farming community in our country. I would estimate that 75 per cent to 80 per cent of Hon. Members of this House represent constituencies which are mainly urban. Their interest in food policy is mainly from a consumer's perspective. In making their interest that of a consumer, they are being shortsighted. I express my appreciation at being able to represent a constituency which includes a significant share of farmers who produce the food we eat. It

has certainly given me some appreciation of the tremendous challenges they face and the tremendous contribution they make to this country. The farmers make their contribution under the most difficult circumstances possible. Frankly, these difficult circumstances have been made more difficult by this Government since September of last year.

I would like to deal with a few pieces of background data if I could, Mr. Speaker. Let me deal first with the debt crisis that faces Canada's farmers. According to Farm Credit Corporation statistics, 18 per cent of Ontario farmers face severe cash flow difficulties. In addition to that, the net worth of farms in Ontario declined by over 14 per cent between 1981 and 1984. I would ask Hon. Members if this is not the most devastating indication of the growth of this severe crisis in the farm community. The result of this crisis is that the average Ontario farm, as of 1985, is carrying over $25,000 worth of short-term debts as compared to just $3,000 in 1981. The consequence is a decrease of significant proportion in investment in the farm community in new equipment, livestock and land.

This reality is not simply a statistical one. I have before me letters I have sent to the Minister of Agriculture (Mr. Wise) on behalf of farmers in my constituency who have faced foreclosure over the past winter. As the debt crisis has tightened, they have eventually had to give in to the pressures that they face.

This crisis has reached such proportions that it affects not only isolated cases. Rather, official bodies have come to recognize just how serious this crisis is. The Minister of Agriculture himself set up a task force to study the farm credit situation. When the task force reported back in May, it endorsed precisely the point which we in the NDP have been emphasizing and that is that it is essential to set up a farm debt relief board which could review and renegotiate debts faced by farmers. After all, Mr. Speaker, we do this for foreign countries like Argentina, Chile or Peru. Surely to God we should be prepared to make that same kind of basic commitment to the farmers of Canada. If there were a situation characterized simply by high debts and if there were some sort of relief emerging in the form of improved prices, then the crisis might be something which farmers could face with optimism. However, the reality is that the price situation is just as critical as the debt situation this year.

● (1540)

In my own county, Essex County, two of the major commodities are soybeans and corn. The current cash price for soybeans is $6.30 per bushel, while the Ontario Ministry of Agriculture and Food estimates that it costs a farmer $7.49 to produce that same bushel. We are talking about a difference between price and basic costs of production of $1.19 per bushel. One does not have to be an economist to realize that means the loss of one's shirt. The same thing is true with respect to corn. The cash price for corn stands at $2.60 per bushel while production costs are estimated at $3.60 per bushel. That compares to prices in the last two years of $4 per bushel. Thus, it reflects a massive decrease. While there has been some increase in production, which has been at a loss of $1 per bushel, it does not do any good. We have a situation in which debts are high—crippling. We have a situation in which prices are low and falling and the consequence affects farm communities, not just in Ontario, but across the country. We have not had a Farm Aid concert which would have dramatically focused attention on farm prices in this country. It is up to Members of Parliament to try to focus that attention for a Government which farmers in the country do not think is listening.

On September 5, I wrote to the Minister of Agriculture after a series of discussions I had with farmers from across my constituency this summer indicating to him, and I quote:

> —my meetings with farmers and farm groups in Essex County have convinced me that the economic problems in the farm community in Southwestern Ontario continue to be extreme. Many farmers are facing extremely heavy debt loads, prices for products this year remain low, and the accumulation of past debt service burdens is making the financial position of many farms more and more desperate. The strongly expressed view of farmers in the County is that the Government budget released in May does not provide the required relief which they anticipated; indeed, most farmers have described that budget to me as a betrayal.
>
> In my view, and the view of many of the farmers that I represent, two broad initiatives are very urgently required at this point. First, it is crucial to explore new initiatives to improve prices for Canadian farmers, so that parity objectives can be achieved. As you know, this subject was referred by the House of Commons to the Agricultural Committee last spring, but no further action has yet been taken to pursue the issue. I believe very strongly that you must provide some leadership on these pricing problems, and yourself urge the Agriculture Committee to undertake immediate hearings across the country to investigate various mechanisms for increasing price levels for farm products in this country. It might even make sense to have a special House of Commons task force on this issue, as has been done with a number of other policy questions.
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> The second broad issue which I feel is crucial, on the basis of discussions with Essex County farmers, is the establishment of a comprehensive debt review board, able to negotiate between farmers and their creditors, in order to establish new payment schedules and interest relief to ease cash-flow problems for many badly pressured farms.
>
> Farm group leaders in my constituency state flatly that financial pressures are now squeezing even very well managed farms, and that relief is crucial to maintain the viability of those farm enterprises.

I went on in my letter to indicate that I would be very pleased to meet with the Minister to discuss these concerns in more detail. My letter continues:

> Farm leaders from my constituency, representing both the Essex County Federation of Agriculture and the National Farmers Union would also be very pleased to participate in a discussion with you. There is a great sense of urgency and concern in Essex County, and we all want to provide as much impetus as possible to any government moves in the directions suggested above.

Despite this effort on the part of farmers across the country to push the Government, it has done little in the view of farmers to help their community. In early July we had a meeting in my constituency at which the Hon. Member for Essex-Kent (Mr. Caldwell) and myself reported back to farmers. I have to tell Hon. Members that my poor colleague from Essex-Kent had a tough evening. It was not even necessary for me to be critical of him; the farmers of Essex County raked him over the coals for a Budget which they considered a betrayal of the farmers in this country. They considered it a

betrayal because of tax increases on fuel and because of a lack of action on debt—

Mr. Malone: False.

Mr. Langdon: —and increases with respect to taxes on fuel in the past Budget, as my hon. friend, a former member of the joint committee, is all too well aware. There was no action with respect to prices and there was a decrease in the agriculture budget.

Mr. Dick: Are you speaking on Canagrex?

Mr. Langdon: As a consequence of this dismal record, which includes Canagrex, of course, the National Farmers Union, which has not been a significant force in Ontario for a decade, has launched a massive recruiting drive in my county. There is a new local in existence, Local 309 of the National Farmers Union, which is signing up members like wildfire. There is a spirit of rural revolt in southwestern Ontario which is spreading throughout the country and, frankly, it will shake the very foundations of farm support for the Conservative Party.

In my constituency, as in many constituencies with rural constituents in Ontario, those farmers who voted for this Government last September have lost confidence with respect to this Government. How else can we explain the move of the National Farmers Union with its radical commitments to parity pricing and significant change in our agriculture policy sweeping up members across the townships in my constituency? I welcome the move with great pleasure. I wish to tell Hon. Members that it will not stop at the boundaries of the Essex-Windsor constituency. The movement is sweeping across Ontario. There are contacts which have developed between what is happening in Essex County and similar revolts in other parts of rural Ontario. All I can say is thank God for the capacity of farmers to fight back. They have learned that that is the way to make the Government listen. They have learned that they have to fight and push to make the Government realize the dismal error of its ways. Of course, it is tough to do that. In the time which is left I wish to try to do just that with respect to Canagrex. I want to do it knowing that I speak, unlike the Minister of State for Mines (Mr. Layton) and it is interesting that the Minister of Mines should be here today defending the demolition of an agricultural exporting agency. The Minister of Agriculture has not seen fit to come and defend his action in winding up this agency here in the House. I want to express my strong view that I stand here speaking on behalf of farmers and on behalf of farm organizations across this country.

● (1550)

My fellow members on the joint committee on trade this summer know that the Canadian Federation of Agriculture came to us in Winnipeg and said that it was a mistake to do away with Canagrex, that Canagrex was doing a good job. The National Farmers Union came to talk to us here in Ottawa. They said it was a mistake to do away with Canagrex and that excellent work was being undertaken by the agency.

I know for whom I speak and I hope the record shows that this Government with this action speaks not for farmers but for the large grain companies for whom it fought a battle against this agency when it was first proposed by my predecessor.

Economists have an approach to assessing institutions and initiatives called cost-benefit analysis. They look at the costs of an institution and they look at the financial benefits of an institution. Usually if the costs are just a little bit less than the benefits they recommend going ahead.

Let us do that with respect to Canagrex. We can do so with official statistics provided by the Minister of Agriculture himself. I quote from the Order Paper, December 21, 1984, in which the Minister of Agriculture indicated that the total expenditure to October 31, 1984 to establish Canagrex, everything, setting it up, putting it in place, starting it off, cost $2,659,000. That is the cost side of the equation. He was asked how many sales have been explicitly and then indirectly established by Canagrex. The total number of explicit sales was $60 million, according to that answer and there were in addition, said the Minister, transactions in process worth a potential $100 million expected to be finalized March 31. If this Government could even come close to a benefit to cost ratio of $100 million to less than $3 million in any other aspect of its economic policy, I would be the first to congratulate it. Its record is a record of a billion dollar loss to the banks in the case of the Canadian Commercial Bank and probably another $500 million to be expected that it will lose with respect to the Northland Bank. So for these guys to even have a cost-benefit ration that is marginally positive should be something to celebrate, but with an unerring instinct for choosing good programs to get rid of they chose a program with a benefit to cost ratio of over $100 million in benefits to under $3 million in costs. Magnificent accounting, Mr. Speaker.

I quote from my own hometown newspaper in Windsor, January 24, 1984, in which the Minister now responsible for the Wheat Pool said that his Party would take an objective look at Canagrex before doing away with it.

Mr. Speaker, what did they do when they got their chance? The reality is they did not even sit down and talk with the management of Canagrex. They did not even do them the courtesy, before winding them up, of sitting down to get an objective evaluation from the people who were managing this agency, people who incidentally all came from the private sector and made quite clear in their testimony to the Agriculture committee that they wanted to operate as an agency which would work hand in glove with the private sector. But no, Mr. Speaker, they did not have the common decency to sit down and talk in order to give this supposed objective look to which they had committed themselves before they got power. Instead, not only did they move to wind up this agency without consideration, without looking at the costs and benefits, but they put on the record statements coming from the Minister of Agriculture that to my mind represent a major libel, a slander of the people in charge of this agency. They suggested that this agency was in fact endangering export sales.

An Hon. Member: Hear, hear!

Mr. Langdon: Very interesting, Members opposite say "Hear, hear!" but they and their Minister have not been prepared to give a single iota of evidence to back up that claim, not a single iota despite questions and attempts by the Agriculture committee to pin down a specific case, not a single example. This from a Government that sanctiomoniously, now that it is under attack, not for questions and contradictions from Opposition Members but instead from contradictions that have come from its own people—

Mr. Dick: Is this about Canagrex?

Mr. Langdon: A Government which sanctimoniously says but you opposition people are not prepared to give an iota of evidence of our wrongdoing despite the fact that we have learned that the Prime Minister's Office knew about the spoiled tuna two months before it came off the shelves—

An Hon. Member: So did the CBC.

Mr. Langdon: —despite the fact that that reality existed, their sanctimonious reply to the Opposition is but you are not prepared to give us evidence. Despite our asking for evidence for months with respect to Canagrex, the Government has not been prepared to give a single iota of that evidence. Instead, despite the opposition of the farming community, despite the favourable cost-benefit ratio of the agency, despite the testimony of the heads of the agency which indicated just how positive the contribution had been, despite all that, for ideological reasons, because of a blind faith in the operation of the large scale corporate sector, the Government wants to do away with Canagrex without being able to justify it.

● (1600)

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. He will have 12 minutes left in his speech the next time this matter is debated in the House.

It being 4 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed, from Friday, April 19, consideration of the motion of Mr. Jourdenais, that Bill C-221, an Act to amend the Unemployment Insurance Act, 1971, be read the second time and referred to a legislative committee.

Unemployment Insurance Act, 1971

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I am pleased to have the opportunity to discuss Bill C-221 in this House. The Bill contains two proposals that deal with the Unemployment Insurance Act. I would like to discuss the proposal for the UI appeal system.

The Bill requests that we repeal an existing section of the UI Act, Section 103, and replace it with another. To properly understand this section of the Act and the ramifications of its removal, I believe we must first look at the present UI appeal system and agree on the purpose of Section 103, and what would happen if it was changed along the lines suggested in this Bill. The UI appeal system has been a part of the UI Act since its inception in the 1940s. It is a bi-level appeal system. The first level of appeal is the Board of Referees. The Board is composed of a chairperson and at least two members, divided evenly amongst two groups, employers or representatives of employers, and insured persons or representatives of insured persons. The chairpersons of the Board of Referees are appointed by the Governor in Council and the other members are appointed by the Canada Employment and Immigration Commission. Unlike, for example, a provincial Court of Appeal, the Board of Referees is not a permanent body with a fixed number of members, any of whom may at any time be called upon to sit, generally as members of a bench or judges, to hear any case within the jurisdiction of the court. The Board of Referees is constituted afresh, each time an appeal is lodged, from panels of members, one panel for each group of representative members, and a panel of chairpersons. All members of the Board are independent of UI and their decisions are based on the UI Act, regulations and previous jurisprudence of the umpire.

The second level of the UI appeal system is the umpire, who is usually a judge of the Federal Court. The principle of the existence of a second level of appeal is not universally recognized in law. Eminent jurists of both the Anglo-Saxon and civil legal traditions have asserted that the existence of a second level of appeal makes the first level virtually useless. In Canadian law, however, the two-tier appeal is the rule rather than the exception. The existence of the Supreme Court of Canada as a general court of appeal has accustomed Canadians who come before the courts to rely on a second level of appeal which can overrule decisions of their provincial Court of Appeal. The same is also true of administrative tribunals which we, the legislators, frequently endow with at least two, and sometimes more, levels of appeal. This adds to the safeguards flowing from the general power of supervision and review which is invested in the Superior Court of every province and in the Fedreal Court.

The existence of a two-tier appeal system in unemployment insurance cases can be explained easily. The subject matter of these appeals is the administration of a piece of social legislation, the purpose of which is to preserve the economic order by protecting wage-earners and developing a common goal between business and labour. It seemed quite natural to involve representatives of the two groups of society most directly

affected, employers and workers, with the actions of the administrative authorities.

In order to establish some mechanism to review individual decisions concerning the application of the statute, it seemed necessary to add to these two elements, administrative and representative, a third element, maintaining values which are, properly speaking, legal in nature. Since there was a long-standing belief in Canada that neither law nor justice could exist outside the realm of the ordinary courts, we turn to the judiciary to provide this strictly legal contribution in the form of a second level of review of administrative decision.

The umpire is usually the final level of appeal for litigation regarding unemployment insurance benefits. The impact of the umpire's decisions, however, is not limited to merely settling the cases brought before him. In contrast to the decisions of the Boards of Referees, decisions of the umpire have been regarded as a source of case law ever since the early days of unemployment insurance.

This is how the UI appeal system is set up. How well does it work? Is it really the impartial, just, fair and logical system everyone tells us? If a claimant disagres with a decision on his or her claim, he or she has the right to appeal that decision to a Board of Referees. All claimants are told of this right when they are told of the decision on their claim. All claimants are told that they have 30 days within which to make this appeal. They are told what information should be included in their letter of appeal and where to send it. It is explained to them how their case will be decided by a Board composed of a chairperson and employer and employee representatives, and what they can expect at the hearing itself.

Every effort is made, Mr. Speaker, to make the Board hearing as easy as possible for people to attend. The hearing itself is free. There are many board centres across Canada so they are easily accessible. For claimants in remote areas, the Commission has established telephone hook-ups so claimants can attend their hearing by phone and answer and ask questions of the Board. Each claimant who appeals receives a copy of the file that the Board of Referees has on their case. They get this document before the hearing so that corrections or additions can be made. They are told when and where the hearing is to be and if they cannot attend, it is rescheduled. Every effort is made to have a fair, just and impartial hearing.

What happens if the Board of Referees upholds the Commission's decision? All claimants have the right to appeal to the second level of appeal, the umpire. The appeal must be made within 60 days. Under special circumstances the umpire can extend that limit. All appeals to the umpire must be made on certain grounds which are explained to claimants when and if they lodge an appeal. It is also carefully explained to all claimants that if the decision of the Board of Referees is favourable to them, then the Commission or their employer also have a right to appeal to the umpire. There is also a 60 day time limit in which to lodge this appeal.

Section 103(1) of the UI Act basically says that if a Board of Referee's decision is favourable to a claimant UI pays that claimant whatever is due, even if the Commission is going to appeal, or does appeal, to the umpire. However, Section 103(2) of the Act goes on to say that if an appeal is lodged within 21 days for either of the following situations, then UI doesn't have to pay the claimant until the umpire has heard the case. The two, and I stress the only two, types of situations when payment can be stopped are where it involves labour disputes or where the Board or Refugees erred in law or did not take into account a provision of the UI Act or regulations.

Naturally, if the umpire rejects the appeal, the benefits that have been withheld are paid. The exception made for appeals involving a labour dispute can be justified by the size of the amounts at stake. Since these are often test appeals, the settlement of which affects an entire group of claimants, large amounts of money are often involved. In those cases where the appeal is based on the allegation that the Board of Referees failed to take into account all relevant provisions of the Act or regulations, the decisions in question are alleged to be manifestly erroneous and it would be an abuse of process to let them take their course. Withholding payments at the instigation of UI is a form of protection for the unemployment insurance amount; in the case of a labour dispute against a decision which, even though it may at first glance seem defensible, entails particularly serious financial consequences for many claims and in the case of an error in law, against a decision which seems indefensible at first glance. If we were to change the existing Section 103 to the one proposed in Bill C-221, a very imaginative and creative Bill, I think the effect would be immediate, and perhaps damaging, to the control of the UI account. The question raised by Bill C-221, what happens if the claimant receives a favourable decision, I believe is a fundamental one.

• (1610)

As I mentioned earlier, the present Section 103(1) states very clearly that if a claimant receives a favorable decision from the Board of Referees, and the area of appeal is not one of those covered by Section 103(2)—labour disputes or an error in law—the claimant is entitled to all benefits payable as a result of that favourable decision. The difference between the present Section and the proposed Section in Bill C-221 is only a few words, but a few words that could cause a difference to the unemployment insurance account.

I believe I can show the House the difference more clearly with the following practical example. A man quits his job and applies for unemployment insurance. He has the necessary weeks of insurable employment and the claim for UI is approved and set up for him. But he quit his job, and after talking to him it is felt that he did not have a good reason for quitting. Consequently, a six-week penalty, called a disqualification, is put on his claim. The man agrees with this decision and does not exercise his right to appeal to the Board of Referees. Ten weeks later, during an interview at the local Canada Unemployment Centre to help him in his search for work, he says that he is tired and plans to take a break and not look for work for a few weeks. He is advised that in order to continue to be eligible for UI he must be available, capable, and actively looking for work each and every day while

collecting UI benefits. It is determined that the man has, in fact, stopped looking for work and, consequently, payment of benefits are suspended indefinitely. This decision is felt to be unfair by our hypothetical man and he decides to appeal to the Board of Referees. The Board reviews his case and, for the sake of this example, decides in his favour.

Under the existing Section 103, Mr. Speaker, our man is now entitled to any UI benefits due him since the start of the indefinite suspension. But here is the difference between the present version of Section 103 and that proposed by Bill C-221. Under the Bill C-221 version our man is now entitled to benefits "form the day the initial claim for benefits is made . . ." Since our man also had a six-week disqualification from beneftis for quitting his job, those benefits are now payable too. They are payable under this proposal even though they were not in dispute or even under the Board of Referees' jurisdiction to consider.

The unemployment insurance system has evolved since its inception in the 1940s. It has responded to changing times, but it has never changed without careful examination and long-term study of the effects of these changes. The UI appeal system has changed and evolved over the years too. Section 103 is not there to penalize anyone or any group. It is there to ensure that those people entitled to benefits get them, and that those people not entitled do not.

My hon. colleague's proposal is interesting and comes at an appropriate time. As the House is aware, the Government recently set up a commission of inquiry on unemployment insurance. The commission will be travelling across the country to meet with Canadians to discuss their concerns and listen to their proposals for changes and improvements to the present unemployment insurance program. I think it is fitting to note that the chairman of this commission of inquiry, Mr. Claude Forget, is a distinguished Canadian who has already served the country this year through his expert work with the sub-committee on the revision of the copyright law. Mr. Forget is a former Cabinet Minister in the Liberal Government of the Province of Quebec and his work in social programs is recognized internationally.

I submit that the work of this commission will probe every aspect of unemployment insurance including the actuarial, the financial, the reserve, and the necessity for taxpayers to supplement the system. However, I am told by Mr. Forget that it will also include the humanity of dealing with claimants in unemployment insurance offices. I think that is immensely significant.

I had the opportunity to deal with a constituent in the south side UI office in Edmonton. The Kafkaesque treatment of this claimant, who had been disqualified from benefits because it was suggested that since he was a commission salesman he was not insurable, resulted in this man being reduced to eating one meal a day and truly becoming a hardship case. He was resourceful enough to write an 11-page appeal to Revenue Canada which was assessing his eligibility and he persevered with his claim. If he has not been able to persevere I shudder to think what would have happened to his health, or indeed, his life. I hope that the new commission on UI will deal effectively with the administrative runaround and bureaucratic bungling to which he was subjected.

It has been suggested that perhaps the House should postpone making any changes to the UI program. It has been suggested that we should allow the commission to do the job that we have asked it to do and that when all levels of Canadian society have been polled that will be the time to make the necessary decisions on the direction the UI program will take. Thus, with the greatest regret, I submit that this most creative piece of legislation might be re-examined in the light of what the Forget commission does and that we have an opportunity to examine the Bill sponsored by my hon. friend, the Member for La Prairie (Mr. Jourdenais) on another occasion.

[*Translation*]

Mr. William C. Winegard (Guelph): Mr. Speaker, I am pleased to take part today in the debate on Bill C-221 which is introducing two amendments to the Unemployment Insurance Act.

[*English*]

The amendments are related to two separate articles of the Act. The first amendment is to Section 103 of the Unemployment Insurance Act which deals with the unemployment insurance appeal system, and specifically with the money payable to claimants as a result of an appeal, and the other amendment is to Section 39 of the Unemployment Insurance Act, which gives the authority to pay unemployment insurance benefits to unemployed people who are on training courses. The intention of the amendment in this area is one that I could hardly object to because it concerns education and training, an area in which I have spent many years of my life. In looking at the explanatory notes I see that:

> This Bill entitles a person attending a course or program of instruction or training chosen and paid for by him to receive benefits under the Unemployment Insurance Act, 1971, subject to the approval of the Commission.

● (1620)

That preamble pleases those of us who believe that education and training are one of the major components to relieve unemployment in this country.

The Hon. Member for La Prairie (Mr. Jourdenais) introduced this Bill and gave us his reasons for its introduction when he last spoke. He asked us to pass both amendments and has given his arguments. Many Members—probably most Members in the House today—are sympathetic to those views. This afternoon we heard another Member speak to this subject in some detail about these proposed amendments and that as simple as they may seem and as worth while as they may seem, they can introduce complexities to an already complex Act—parts of which I readily admit that neither I nor my constituents understand.

However, by introducing this Bill the Hon. Member has shown his concern for his constituents and, of course, for the many unemployed in Canada's larger constituency. As we

know, unemployment has been a major concern to many Canadians over the last few years in particular. The Government program that comes to the rescue and serves the unemployed most directly is the unemployment insurance program.

Over the last few years and particularly in the last few months we have heard much discussion on the many aspects of the unemployment insurance program. The variety of comments—indeed on occasion the volume of comments—are an indicator of the complexity of the issue that we face here today in these two amendments. This is a complexity that is recognized by the Government. We also recognize the impact of any change to unemployment insurance on Canadians and Canada. At the moment, unemployment insurance affects and indeed responds to pregnant women, fishermen, workers who have lost their jobs in many areas and workers who are sick. Many millions have been helped over the last few years by this program. As the amendment before us shows, unemployment insurance has helped people who are taking training of various kinds and who wish to re-enter the job market or wish to improve themselves and their job opportunities. However, unemployment insurance is not just another Government program. It is not a grant or a loan program. It is paid for by Canadians through premiums. Employers and workers alike give part of their earnings every working week to the unemployment insurance account.

In 1984, employers and workers together contributed more than $7 billion to that account. That $7 billion was the major share of the almost $10 billion paid out in 1984 to all unemployment insurance claimants. Because of that, changes to this Act cannot be simply a Government decision. Employers and workers across Canada are participants, partners in the unemployment insurance program. As partners, they too have a say. They have some concern about how the program is run. They know what issues they would like to see considered and we cannot make these changes without the significant consultation which is now going on.

There are many significant questions ahead of us in this field. For instance, there is the question of financing, the role of unemployment insurance in labour market adjustment and the very nature of unemployment insurance service to its clients. We heard the previous speaker explain how the program can deny worthy people of an opportunity to participate just because of some of the wording. Each of these issues and indeed many others must be closely examined and decisions taken to determine the future not only of the Unemployment Insurance Commission and the programs but on the economic and labour climate of this country.

The Government has taken the initiative to look at the labour market as a whole. The new Canadian Jobs Strategy is a comprehensive plan to help Canadians find longlasting employment. Hundreds of thousands of Canadians will benefit from the Canadian Jobs Strategy which is designed to address specific problems. Federal funds in that strategy are being used to help those Canadians in the greatest need. Yet, while that strategy is being put in place there is still unemployment insurance. One of the major concerns of the Government is to ensure that unemployment insurance is part of the over-all labour strategy. The two must surely work together. As most Members are aware, the unemployment insurance program is now subject to the review of the Commission of Inquiry on Unemployment Insurance. The hearings and consultations with interested parties in the coming months will form the basis of the commission's report to the Minister of Employment and Immigration (Miss MacDonald) next March. Through these public consultations, the Commission will provide the Government with firm and accurate advice upon which to base proposals for the future of the whole unemployment insurance program.

● (1630)

This process requires time, Mr. Speaker. The Commission of Inquiry must be given every opportunity to do its job thoroughly and to do it right. It was for that reason last May that this Government introduced and passed Bill C-52, which extended the variable entrance requirements for unemployment insurance and froze the premium rate until December, 1986. The objective of that Bill was to maintain stability while the Commission was in progress.

In July, in announcing the members of the Commission of Inquiry, the Prime Minister (Mr. Mulroney) highlighted the importance of the Commission's task. He stated:

> The questions the review must face are a challenge to all Canadians. The unemployment insurance program must be, and continue to be, a fair and effective investment in people.

The Hon. Member for La Prairie has demonstrated to all of us his belief in that principle. He is concerned that there are people who need our help. I know all of us in this House agree. The Member has done much more by introducing this Bill. He has highlighted the need for the unemployment insurance review and the difficulty the Commission of Inquiry will surely face as it goes about its task.

Unemployment insurance is there to help people who need help. There are questions. What kind of help to they need in today's labour market conditions? Over the last few years, in particular over the last few months, critics and supporters of the unemployment insurance program have suggested many ways. Some have suggested eliminating maternity benefits, making the entrance requirements much stricter or reducing the amount of money paid to claimants. Others have suggested improvements by extending maternity benefits, loosening the entrance requirements and paying out more money. We cannot look at any of these suggestions, even the amendments put forward in this Bill, in isolation. We must know what effect they will have on the rest of the program, and what effect they will have on the labour market.

In the beginning, unemployment insurance was there to help a worker when he lost his job. It was an insurance program. It still is, but it does much more than that now. Maternity benefits, adoption benefits, fishing benefits, illness benefits, special benefits for workers at age 65 are some of the special needs that are filled by the unemployment insurance program.

As we know, unemployment insurance also finances training, job creation and work sharing. There is no simple definition of unemployment insurance today. Is it an insurance program? To some extent yes. Is it a social assistance program? It is certainly there to ensure that Canadians are able to benefit from the safety net we have built.

The Member from Lapierre has helped us to understand more clearly—

Mr. Jourdenais: La Prairie.

Mr. Winegard: La Prairie. The Member from La Prairie has helped us to understand more clearly the need for a comprehensive and thorough examination of the unemployment insurance program. You have to admit, Mr. Speaker, that my first reference to the Member was not bad.

Mr. Jourdenais: It sounds Liberal.

Some Hon. Members: Oh, oh!

Mr. Winegard: I applaud the action and motives of my colleague. I share his concern. Let us not move on this Bill until after the review process is complete when we can start afresh.

[*Translation*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I should like to congratulate my colleague for the work he has performed in the Standing Committee on Labour, Employment and Immigration to make sure that this Bill would be introduced in the House. Since I agree with my party that the measures provided for in the Bill will correct serious oversights in the present legislation, I do not think that I will speak at any length in support of the Bill, because it was thoroughly discussed and analyzed on April 19 when it was introduced in the House originally.

[*English*]

Indeed, I am sorry to see that although it is only the second time today that this measure has come before the House that significant opposition is being voiced to it. I have to advise the Hon. Member for Guelph (Mr. Winegard) of a trap into which he has fallen, not relating to the content of the Bill, but when given a preformulated speech from the Minister's office, if one starts in French it is necessary to correct the grammar and make sure that one identifies oneself as being of the correct sex. Therefore, it is not right for him to say—

[*Translation*]

"Je suis heureuse, monsieur le Président."

[*English*]

I think it will be perceived that what we have here, what in my native country they call a "fit-up", the Government through the Minister's office is attempting to stifle this Bill. I will not be one to co-operate with that, for I perceive that measure which the Bill provides is a common sense one. It would bring our unemployment insurance system much more into line with European systems in providing, through the unemployment insurance system not a meagre insurance against something seen as a casual accident, but a system of helping the unemployed to get back to work.

• (1640)

[*Translation*]

I think it is well understood in both languages that one has to step back in order to better jump. I think that—

[*English*]

In the context of an unemployment insurance system, the underlying philosophy has to be consistent. It would appear that we have two separate strains of thought warring for the unemployment insurance system and supplying the philosophical basis for it. On the one hand we have, as is evident in many European systems, the belief that unemployment is a period which should be used to re-equip the unemployed individual for his or her re-entry into the workforce. The other philosophy is that unemployment insurance payments should be made to ease the transition of the individual on to the social assistance system or on to welfare. This Party does not subscribe to that philosophy. It is pessimistic, and I hope no Member of the House would subscribe to it.

I am sad to say that the Government has not brought forth progressive measures in unemployment insurance since its election. That is one reason, I regret, that I cannot hold out too much hope for the present measure. We have seen that vacation pay is to be included in the computation of earnings received after the date of unemployment. This will simply encourage employers and employees to get together so that the person who is to be unemployed will take his or her vacation before being laid off. In a sense it is a measure which will not save much for the Government. It will end up being a needless and ineffective provocation.

We have seen the Government table measures to treat severance pay as earned income for the purpose of calculating unemployment insurance entitlement. I do not believe that measure is consistent with the philosophy which I have outlined for re-equipping people to re-enter the labour force as soon as possible. Severance pay, essentially for older workers, is not something to reduce the financial burden on the unemployment insurance system. It is compensation for loss of employment and, particularly in the case of older workers, compensation for forcible eviction from a pension system which many older workers suffer when they are laid off.

The Hon. Member for Gander-Twillingate (Mr. Baker) spoke eloquently about the inconsistencies regarding relocation benefits under the unemployment insurance system and the way in which make-work programs, unfortunately, often do not apply to those people who most need them. In the context of the present Bill, the anomaly which is being addressed by it is one of the most serious ones in the present unemployment insurance system. We should have a system which not only encourages but supports all those people, who are prepared to further their education and training, to equip them for areas in which there are skill shortages and demand.

Unfortunately this Bill will end up as another submission to the Forget Commission, which of course we hope will produce progressive results, although we are critical of its structure.

The time I intended to use has passed. I urge Hon. Members opposite to show some understanding and appreciation of the motives of their colleagues in presenting this Bill and to allow it to proceed to committee.

[*Translation*]

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I would like to start by congratulating my hon. friend from Guelph (Mr. Winegard), who spoke earlier, on his efforts to express himself in French. Unlike the Hon. Member for Kenora-Rainy River (Mr. Parry), we do not demand perfection, we are not such purists, and I would urge my hon. friend from Guelph to persevere and to speak French more often.

Mr. Speaker, I welcome this opportunity to present my views on Bill C-221. I want to congratulate my hon. friend from La Prairie (Mr. Jourdenais) on his decision to table in the House a Bill aimed at amending the Unemployment Insurance Act. Thanks to his proposals, we now have a chance to take a closer look at the legislation and its implementation on behalf of Canadians.

Today I shall only be concerned with the proposed amendments to Section 39, which specifies the conditions under which an unemployed worker may draw ordinary unemployment insurance benefits when attending a course of training authorized by the Canada Employment and Immigration Commission.

Mr. Speaker, in this case we are concerned with innovative uses of the Unemployment Insurance fund. Section 39 repeats Section 57(3)(*a*) of the 1955 Act. In order to assess the repercussions of the proposed amendment to Section 39, I think we should first have a good understanding of what these innovative uses involve.

In the next few minutes I intend to summarize the objectives of Section 39 in its present form and explain how the legislation is applied.

In accordance with the innovative uses of the Unemployment Insurance fund, trainees receiving unemployment insurance benefits may continue to receive them while taking part in programs designed to upgrade their employability. The purpose of Section 39 of the Unemployment Insurance Act is to simplify the income maintenance provisions for claimants attending occupational training courses.

This procedure supports the following objectives:

First, to accelerate re-entry of claimants in the labour market;

Second, to increase training opportunities for claimants;

Third, to harmonize the objectives of the Unemployment Insurance Act and the National Training Act with respect to training opportunities for claimants;

Fourth, to increase the number of manpower training courses offered to unemployed workers, in accordance with labour market demand.

Trainees may get an extension of their unemployment benefit period and continue to receive unemployment insurance payments for the duration of the course, plus three weeks' benefits afterwards while they seek gainful employment.

Additional allowances—for being away from home, for having someone look after dependents, for moving, or for daily commuting—may be paid pursuant to the National Training Act or allocated directly from funds earmarked for the mobility program. Such additional allowances cannot be given to trainees who pay their own tuition fees.

The selection and presentation of trainess are made in the usual way by employment advisers who follow the normal practice for gathering documentation.

Trainess entitled to unemployment insurance benefits lower than the training allowance they would receive otherwise are eligible for benefits equal to the higher training allowance.

To be eligible for benefits pursuant to the terms of Section 39 the trainee must meet the conditions under which he would apply for unemployment insurance benefits. He must also have been selected by an employment advisor to take an approved training course. Trainees attending approved vocational training courses at their own expense are eligible for unemployment insurance benefits, provided the funds appropriated for that purpose are not used up and the courses meet the requirements of the labour market.

• (1650)

Eligible trainees receive unemployment insurance benefits as income support for the duration of their training. The Government assumes part of the costs, while employers and employees pay the balance through their contributions. However the Government pays the full costs during a benefit period extension granted to a trainee to complete a course, and again during the additional three-week maximum extension to seek employment.

Trainees attending courses paid by the Employment and Immigration Commission are registered for training courses in trades of national or regional importance. Provisions have been made for members of target groups. Trainees may also be asked to take a language course if their lack of knowledge of either official language prevents them from securing employment.

Total appropriations allocated for each calendar year under the terms of Section 39 are set by order in council. The maximum unemployment insurance insurable weekly earnings

are reviewed every two years. Maximum weekly benefits in 1984 were $255, and they are up to $276 in 1985, an increase of 8.2 per cent.

Mr. Speaker, statistical data provided by the CEIC indicate that roughly 56 per cent of trainees attending courses this year will have been registered under the terms of Section 39.

The average duration of courses should be 16 weeks and total outlays for fiscal year 1984-85 have been estimated at $234 million—a sizeable sum in every respect. Nobody can say we are stingy and, in fact, it should be considered as a sound investment in our own human resources. It is an effective way to prepare the unemployed for labour market re-integration.

Mr. Speaker, I would like to tell you more about the proposed amendment to Section 39. In its present wording Section 39 deals with steering benefit recipients towards training courses which meet their aspirations and which are likely to help them improve their earning potential and employment opportunities. Trainees are registered for various courses on the basis of labour market standards set under the National Training Act. In concrete terms, when an unemployed individual attends a course the costs are assumed by the CEIC and income support is provided through unemployment insurance benefits.

If a claimant decides to attend a course of his choice at his own expense and asks that benefits continue to be paid to him under Section 39, he must first comply with the requirements of the National Training Program.

It is expected that during 1984-85, some 4,000 trainees taking courses at their own expense will have complied with these requirements, which are basically concerned with the needs of the labour market and not those of the claimant.

There would not be many changes arising from Bill C-221. Instead of being directed to a training course by the Commission, the claimant would simply be authorized to attend a course. There are some similarities between training courses attended by trainees at their own expense and the policy now in effect which allows the proposed procedure.

According to this policy, a claimant may, on certain conditions, attend a training course and receive unemployment insurance benefits under Section 25, provided an employment counsellor certifies he cannot be sent to a course under Section 39, that he cannot find suitable employment within a reasonable length of time, that the proposed course would increase his chances of finding employment and that he would drop the course if he were offered a job. However, adopting this Bill would entail additional costs for benefits. The claimants covered by Section 39 may receive unemployment insurance benefits equal to the training allowance, if the latter is higher than the former. Furthermore, the benefit period may be extended to 104 weeks if the trainee is on a course.

I would like to point out that the proposed wording of Section 39 would no longer exclude the claimant from benefits for a maximum period of three weeks, for failing to take a course according to the Commission's instructions.

Mr. Speaker, I would like to provide some more details on the financial repercussions of the proposed amendment to Section 39. Out of $227 million earmarked for training in 1984 under Section 39, about $45 million, or 20 per cent, was paid out in the form of extended benefits. These benefits would not have been paid if the recipients had not attended the approved training courses. We are in fact talking about a benefit extension. Take the case of someone who is receiving ordinary unemployment insurance benefits and who is eligible for three more weeks of weekly benefits only. An Employment and Immigration Canada counsellor arranges for the recipient to enroll in a training course at a community college. If the course lasts for nine months, the trainee will be eligible to receive unemployment insurance benefits for a period of nine months. If the trainee receives $275 a week, the extension benefits paid out during these nine months would amount to $10,536.

Mr. Speaker, in closing, I want to say that I admire and respect the good intentions of my colleague in proposing this bill. However, during our review of the unemployment insurance system, the proposals made by my hon. friend could be examined more closely. The Inquiry Commission on Unemployment Insurance will be dealing within the next few months with many questions of this type which are related with unemployment insurance.

Mr. Deputy Speaker: Order, please. The hour allotted for Private Members' Business has now expired.

It being 5 o'clock, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, September 30, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*Translation*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed from Friday, September 20, consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read a second time and referred to a legislative committee; and the amendment of Mr. Frith (p. 6625).

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the cuts proposed in the Progressive Conservative Budget brought down in May 1985 are a direct contradiction to the commitment made by successive Federal Governments to fight poverty in this country. As a result of Conservative measures, the poorest in this country will be losing income and paying more taxes.

Mr. Speaker, we need only analyze the impact felt last spring when the Progressive Conservative Government gave away nearly $2 billion to the oil multinationals. We need only analyze the $500,000 capital gain exemption offered in the May Budget, to realize that this Government is giving to the rich and taxing the poor.

Mr. Speaker, how is it that in 1985, after so many years of debate aimed at establishing a system of social justice that would be fair to everyone in this country, that we should now have to discuss cutbacks that are entirely unacceptable to Canadian families? The Budget is proposing a significant change in the way family allowance payments are distributed. The Government's contention that these changes will increase amounts received by low-income families is incorrect. In fact, most low-income families and all families on modest incomes will be receiving less than they are receiving at the present time.

Families that are most in need, that is, those who are living below the poverty line, will be receiving less in 1986, while the rich—and I am not referring to people like some of my constituents who have a duplex where they use half as their own residence and rent the other half, they are not going to benefit from this capital gains exemption—while the rich, and I mean those who own land for speculative purposes, and those who own apartment buildings, these people will be able to take advantage of the capital gains tax exemption, while our neediest families will have to suffer the consequences of having their purchasing power reduced and having less money to spend on essential needs. The vast majority of these families, including many families living below the poverty line, stand to lose substantial income because of the series of measures proposed by the Conservative Government.

Mr. Speaker, in the May Budget it was announced that the $500,000 capital gains tax exemption would be spread over five years, and the resulting spate of tax planning we are seeing is very discouraging. In fact, call a real estate agent today to ask whether there is any good income property on the market, and the answer will be no, because everyone is waiting until 1988, 1989 or 1990 to take advantage of this measure. And such measures will not create jobs.

Today, the Government wants to cut the average income of our families by deindexing family allowance payments. Families with an income of $15,000 in 1986 will lose $1,879 in income over the next five years, while a family with an income of $35,000 in 1986 stands to lose $3,452 during the same period. By adding tax increases to cuts in the amounts provided under the three family allowance programs, the Conservative Government has created an untenable situation for many Canadian families. Furthermore, since on the whole, the Budget measures tend to benefit rich Canadians, a family with an income of $80,000 in 1986 will suffer a loss of income of only $1,125 over five years. The poor stand to lose $754 more than the rich. Families on modest incomes will be losing over three times as much as Canadian families that are well off.

[*English*]

The Government began by the deindexation of the pensions of our senior citizens, a most vulnerable group. Yet with the Liberals' influence and persistence the senior citizens of our great nation were able to speak aloud and defend themselves. The Minister of National Health and Welfare (Mr. Epp) said it is the family and a commitment to community which guarantees stability in our social fabric. He further stated, "it is my role as Minister of National Health and Welfare to put forward signals and initiatives which will strengthen the role of the family and give it more prominence in society". Let me ask this, Mr. Speaker. How is a family to be strengthened under already tight allowances? They are struggling now, and to further decrease their allowance will only create more problems. We all know that family breakdowns are generated

mainly because of financial problems before all else. It is unworthy and unacceptable for the Government to reduce the deficit at the expense of the nation's families, our children. With the many alternatives available to the Government, Members opposite should carefully re-examine this approach to reducing the deficit and begin to tax the rich, as they proclaimed they would do in their May Budget.

• (1110)

[*Translation*]

Mr. Speaker, the Conservative Government, with its misleading rhetoric, is trying to hide the fact that, for instance, by 1990-91, Canadian families will be receiving $55 million less in family allowance benefits.

Mr. Speaker, that is why this morning, I rise in the House to protest against this measure.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Last May 23, Mr. Speaker, the Minister of Finance, the Hon. Michael Wilson, tabled his Budget in the House of Commons. An adjustment in social programs was one of the measures announced. Mr. Wilson said this in his statement: "When resources are increasingly limited, we must also adjust social programs so that benefits are targeted to those most in need and funds are freed for other social priorities".

Well, these adjustments will be made through Bill C-70. I agree it is a partial response to suggestions made by a great many citizens, social interest groups and the Standing Committee on Health, Welfare and Social Affairs.

Obviously all such groups will always ask for more money to help underprivileged people and try to better living conditions. We understand that and we share this concern for social justice. Still it does not mean that they are against opposed to our social policy readjustment and reorganization program, especially if it is to benefit very low income Canadians.

The situation of families with children is in constant evolution and programs designed to help them cannot always be geared automatically to their changing condition. Hence it does become necessary to revamp such programs now and then, and that is the purpose of Bill C-70. We believe our approach to be realistic and fair.

Mr. Speaker, our system is basically sound, but this Bill attests to our intention of fine tuning it and making it even better. We are not advocating radical changes, only slight alterations to improve the product.

For the benefit of the House I should like to recall the principles which guided us in our consultations and which are reflected in this measure.

The main objective of the review of the child benefit system we have undertaken so far is to define and upgrade programs, the better to meet the needs of Canadian families and of our society. One of the most significant aspects therefore is to ensure that benefits and tax incentives will help those who need it most, particularly low income Canadians. For example, a family with two children under age 18—let us say they live in Ontario—with an annual income of less than $20,000 will have a net increase of $328 in yearly benefits between now and 1989, whereas a similar family whose annual income is $60,000 and therefore among the fairly well-to-do will see its benefits drop by $284 over the next three years.

• (1115)

It is patently clear that our aim is to help the most needy.

The second objective of the Bill is to maintain the principle of universality. I should like to emphasize that, in keeping with the recommendations of the Standing Committee on Health, Welfare and Social Affairs, universality remains the basic principle underlying our social security net. Family allowances are a secure source of benefits for families with children and our Government is there to help them.

Our friends opposite make disparaging remarks about those changes, but what did they do? Between 1974 and 1984 the Liberal Governments cut expenditures for social programs down from 50 to 43 per cent of total public outlays—a one-year temporary suspension of indexation in 1976, a monthly reduction of family allowances from $25.68 to $20 per child in 1978, elimination of the $50 tax reduction then applicable to each child, reduction of the child tax exemption for youngsters aged 16 and 17, and the 1983-84, 6 and 5 per cent ceiling on family allowances indexation and the child tax exemption which was announced in 1982.

Mr. Speaker, the previous Government also made changes in the family assistance system, changes which were much more radical than those we are now suggesting. If family allowances had been fully indexed to the increase in consumer prices since 1976 without interruption, they would amount this year to $51 a month compared with the current figure of $31. When they were in power, the Liberals therefore caused a loss of $20 a month for Canadian families.

Some people sometimes become demagogic at the expense of low income Canadians. Last summer, I saw the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on television. He was speaking about our poor little children and showing boxes of baby powder. Maybe the Hon. Member for Montreal-Sainte-Marie lacks experience in this field. Perhaps he is not yet a grandparent, but for my part, I have seven grandchildren and I can tell him that baby powder is out of fashion and is even considered bad for babies.

I said earlier that this Bill brings about a readjustment made necessary not only by our economic situation, but mostly by the very serious difficulties in which many low income families find themselves. I would add that this is the first step in a new direction.

I can but refer to the recent report of the MacDonald Commission which pointed out many weaknesses in our family assistance system. What did this Commission suggest? In addition to recommending the elimination of present child benefits and the establishment of a guaranteed annual income, the Commission presented two options which are similar to what we are proposing. These are benefit readjustment formulas aimed, first, at providing maximum assistance for low income families and second at protecting poor families through a reduction in Government expenditures. This is very close to what we are suggesting and what will be the purpose of our reforms.

The Opposition argues that the measures in this bill are regressive and hit poor people harder than the well-off. I would like to remind the House that this bill is only one component of a package proposed by our Government to reform the Canadian child benefit and taxation systems.

As concerns child benefits, the child tax credit will be substantially increased in coming years, which will be of further assistance to needy families. In addition, the reduction of tax exemptions for dependent children will benefit these same people rather than the rich.

Hon. Members will recall that measures were announced in the Budget last May to bring more equity and objectiveness to our tax system, such as the implementation of a minimum personal income tax beginning in the 1986 fiscal year. Second, there will be a temporary additional tax for high income taxpayers and big businesses. Third, there will be a capital tax for financial institutions, including the major banks and trust companies. There is therefore no question of regressing, but rather of progressing towards a more equitable system.

For us, Mr. Speaker, a family policy does not consist simply in a cheque at the end of each month for the welfare of a child. It is much more than that. Jobs for the father, the mother and the children leaving school are really what matters. Fortunately, our economy is showing signs of vigour. Over the past year, 284,000 jobs have been created by our Government. The unemployment rate, which reached 11.6 per cent in September 1984, is now down to 10.3 per cent. In the Eastern Townships where my riding is located, the unemployment rate went down from 10 per cent in July, 1984 to 8.1 per cent in 1986. Interest rates have decreased by 2.75 per cent since September, 1984 and are now at their lowest level in seven years. That is a positive record.

Mr. Speaker, I should like to conclude my remarks by saying that the time has come for us to give a new direction to our social policy for Canada. It should be based on our country's economic recovery. That was the underlying philosophy of the Wilson budget introduced last May. By adopting this budget, the House gave its support to changes. The time has come to implement the proposed measures and to act for the benefit of all Canadians. That is the reason we should act now, Mr. Speaker. Canadians voted for change last September, and I wish this Bill to be sent to the legislative committee for a detailed study.

• (1120)

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have an opportunity to speak against this Bill. I am speaking in defence of all the children of Canada, including my 10 grandchildren. If any Hon. Member suggests, because he has fewer than 10 grandchildren, that I have a conflict of interest, I will point out that he has an equal conflict of interest.

One might call this Bill hate literature against children. This Bill, plus other budget measures, cuts hundreds of millions of dollars from the effective income of families who are raising children.

A typical family with two children and two income earners—which is becoming more common—is likely to lose approximately $2,000 by 1990. Let us look more closely at some other examples. A family earning $10,000, while receiving $79 more in benefits next year, would pay $37 more in tax. Therefore, it would have $42 more. However, by 1990, it would have less in benefits, would pay much more in tax, and would lose $280 altogether. The same picture applies to a family earning $20,000. However, a family earning $80,000 will receive $141 next year and $1,708 in 1990.

We can look at it another way. Family allowance in 1985 is $375. In 1990 it will be $404, an increase of $29. The child tax credit maximum benefit is now $384 and it will go up to $550, an increase of $156, less than $200 altogether. But the child tax exemption will drop from $710 to $404, a drop of $306. In other words, families will lose 50 per cent more than they will gain. The net loss will be 50 per cent.

• (1125)

Let us look at it another way. On these benefits and taxes a family earning less than $10,000 a year by 1990 will perhaps come out to the very same income now less $3. A family earning $10,000 will lose $35 if we reckon 1990 money in 1985 dollars, taking account of inflation.

At $20,000 in 1985 dollars, a family will lose $199. At $30,000 a family will lose $530; at 40,000 a family will lose $486, and so on. Families will lose, and these are families raising children. It is an attack on children. It is an attempt to go behind the progress made in the last two centuries. During that time we had to counteract the effect of the market system. In pre-modern times, families recognized responsibilities within the family and communities recognized reciprocal responsibilities within the community. Nobody was considered absolutely alone, fending totally for himself or herself at whatever age.

Now we are getting into a new scene. We now have a scene in which, for a couple of hundred years, the market overtook nearly all those relationships, nearly everything was marketable and the poor, the women and the children were downgraded, in fact degraded. There was a fight against it. First, child labour was prohibited in the mines and in the mills. Free

schools were established because it was found necessary for the nation that everyone have schooling.

Since World War II, family allowance has been based on the principle that everybody, regardless of prosperity, should have an agreed minimum amount. Families who are raising children should not be forced to live at a lower standard than childless families.

We have now had another attack in the last several decades on the principle established to make veterans happy when they came out of the Forces in 1945.

The business elite has attacked, first through the Liberals and now through the Conservatives. In 1945, the family allowances program was established. In 1947, it was made universal when its cost was only 22 per cent of the federal expenditures, the same percentage as it is now. At that time it was 7.7 per cent of the federal expenditures.

Over the last 20 years, payments have been seriously cut. The Liberal Government, through the then Minister of Health, Mr. Munro, together with the Finance Minister, now the Leader of the Liberal Party tried to cut payments by reducing all payments to anyone earning more than $10,000 in the family income support plan. That plan was blocked by the 1972 election when the Government lost its majority and, with the NDP, the Government was obliged to double family allowances. Since then the Government cut back again, by about 20 per cent in 1974. The Liberals again made cuts indirectly through selective child tax credits in 1978. Then, in 1982 and 1983, the Liberals cut back still further with the six and five program, as the previous speaker has reminded us. By 1984, as a share of Government expenditure, the family allowance was cut to 2.4 per cent instead of 7.7 per cent. Now we have the attack by the business elite through the Tories. We have a Budget which, through sales tax on gas, other energy products, health products and other basics of family life, will cost every family about $1,000. What is being taken out by a shovel is being put back with a teaspoon for show.

• (1130)

Also, the Government has cut back on social housing, which is needed by the same families. Almost all families requiring social housing are raising children, and it is about to increase those rents by 20 per cent. It cut the money for planned parenthood. In fact, it will be saving on family benefits, directly and indirectly, $130 million in 1986 and $600 million in 1990. That money is being taken from families with children.

The cost is supposed to be too great. In fact, the cost is less than $2 billion when we consider what is paid out and what is recovered in taxes. The Government wants to take $2 billion from families but is eager to give $1 billion in fresh tax rebates to oil companies and $1 billion to the richest investors in a bank which went broke because of its greed and the greed of its investors. This is an anti-child Government leading an anti-child business elite. It is cutting family allowances, education, health and social housing. At the provincial level, Conservative Governments, such as in Ontario, are supporting indirectly adult only apartments.

Miss MacDonald: What kind of Government is that in Ontario?

Mr. Heap: They do not want anyone with children to live in many of the new apartments which have been built in the last dozen or so years. Both the Liberal Party and the Conservative Party blocked any attempt in the Ontario Legislature in past years to correct that discrimination against children. The message from the Government to the women of this country is that it will cut back on family planning programs and that once they have given birth, they are on their own. It says to these women: "Don't come to us for help because we must give the money to the banks and oil companies; there is not enough left for children".

In conclusion, 1.2 per cent of the Gross National Product for 1974 went to family allowance. Today, before these cuts, it is .57 per cent of the GNP, and the Government wants to cut it even further. Shame on it.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I am pleased to participate in the debate on the deindexation of family allowances. As my colleagues before me have indicated, particularly those in the Opposition, this particular measure will have some very serious effects upon the livelihoods of many young children. This particular measure cannot be looked at in a vacuum. We must remember some of the measures which came down in the Budget of the Minister of Finance (Mr. Wilson) which were equally harsh. Collectively, they indicate to Canadians that the measures will be devastating.

For instance, we will have increased consumer and gasoline taxes, notwithstanding the fact that there will be a deindexation of family allowances. There has been the imposition of taxes on health goods. Of course, there was the attempt of the Prime Minister (Mr. Mulroney) and the Minister of National Health and Welfare (Mr. Epp) to deindex the old age security. However, because of the fight on the part of Her Majesty's Official Opposition, they have backed down. Also there is the erosion of the family benefits package, which will result in less benefits by 1990 to low and middle-income families.

Our official critic with regard to social programs outlined in great detail the ways in which these cut-backs will affect average Canadians and average Canadian families. However, the hypocrisy of the Conservative Party of Canada seems to be appalling. It was not all that long ago that the Conservative Party ran advertisements in newspapers. Its members advertised *en masse*, at the expense of the Conservative Party of Canada. I will refer to one particular newspaper article which reads: "You have heard a lot about the Constitution lately, but how much have you heard about deindexing?" That ad goes back to 1980. They seem to have forgotten, or perhaps they have not. Maybe the true, classic philosophy or ideology of the Conservative Party is taking over the Chamber—the rich get more and the poor get less. That is very evident in numerous

measures which have been put before the House. The Budget in May, and prior thereto the November economic statement of the Minister of Finance, suggest to our Party—and I think very clearly to many Canadians—that the Conservative Party believes there is no room in the country for weak individuals.

Why else would it viciously attack our senior citizens in the deindexation of their money? Fortunately, because of the opposition Parties and because of the strong will of our senior citizens, this measure has been curtailed. I have said in the House before—and I will say it again—that that was the first attempt against senior citizens, and I suggest that the Conservative Party will try again, when the opportunity arises, to implement deindexation for our senior citizens.

Now we have a deindexation proposal for family allowances. Unfortunately there are numerous Canadian families who use that money to buy the necessities of life. There are certain individuals, to whom the Prime Minister refers as bank presidents, who receive sums of money under the Family Allowances Program which they do not need. However, there are literally thousands of young families who purchase the necessities of life with their family allowance payments. In the wintertime those cheques are used to purchase such articles as boots, snowsuits and a whole host of necessities. Hon. Members of Parliament, whether they be Conservative, Liberal or NDP, would not want to begrudge young children that income in order to purchase such goods. Some families use family allowance for investing in the education of their children, whether they attend post-secondary institutions or training schools; some of the money may be put away for that sole purpose. What is the Conservative Party doing as a national Government by saying to young families that they will no longer be given that opportunity, that family allowances will be decreased because it needs to rid itself of debt? The Government ought to have thought about that when it bailed out the Canadian Commercial Bank. We are led to believe that an audit was requested by the chartered banks with regard to the money which was thrown into the CCB, and that was denied. Yet, the Government has the audacity to come before Parliament and to say that it wants to reduce the deficit by taking away money from the Family Allowances Program.

• (1140)

Surely the Government could have attacked some other area in its efforts to save money for the Canadian taxpayers. What about the billions of dollars which have been given in relief to the multinational oil companies, Mr. Speaker? Would it not have been better to deny that relief, instead of denying benefits to young families? Perhaps the Government could have looked at the capital gains exemption. Billions of dollars will be lost to the national treasury as a result of the implementation of the capital gains exemption which is afforded to the rich in this country. This is another example of where money could have been saved to reduce the deficit. But collectively, as a Party and as a Government, they have singled out families in this country to bear the brunt of reducing the deficit, and thus they deny, in my view, young families and young children, and some not so young, an income that they had become accustomed to having. Some Hon. Members suggest, either implicitly or indirectly, that sometimes this money is not used for beneficial purposes. There is no question. There may be some abuses. But does that mean the entire system should be destroyed? I say quite frankly that that is not the way the difficulties should be resolved.

Many families have learned to depend upon family allowance payments. Notwithstanding the gross family income, many women in particular depend upon family allowances in order to exist in what could be a very difficult economic life.

I could go on at length and indicate to the House where I think other cuts could take place in order to save money, but I think it is fair to say that when a national Government selects families to bear the brunt of its total incompetence, whether it is its dealings with the Canadian Commercial Bank, its placing of a million tonnes of tuna on the shelves, or with regards to the bail-outs of the multinational oil companies, that incompetence, in my view, should not become a burden to young families. Many members of our society, and particularly young people, are in desperate need of financial assistance. I would urge Government Members as well as Cabinet Ministers to review this measure which will have such a devastating effect on Canadian families.

Mr. Frank Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I am pleased to make a few comments in regard to the Bill that is before us. I had not really intended to get into this debate, but in listening to the comments of the opposition members this morning which compared this Bill with the bail-out of banks and rotten tuna, I think it is timely that someone put the matter into proper perspective.

In the few moments I have I will not engage in the suppositions that have been advanced here this morning, namely that by the year 1990 the net revenue to a family with children will be something less than what it is today and by the year 2000 it would be literally impossible for a family to make a living. My hon. friend, the Hon. Member for Spadina (Mr. Heap), says that the children will be back in the sweat shops and in the salt mines by the year 2000 if we keep going the way we are. All of us here know, of course, that that is not so.

What this Bill attempts to do in order to maintain the concept and principle of universality is to use the tax Act, which of course is already arranged in such a way that the rich pay a little more than the poor on a graduating scale, to use scarce public resources to help those who are in greatest need of this kind of help. My friends say that families put the family allowance away in a savings account to help their children or their grandchildren obtain a proper education. People in the higher income tax brackets, with greater disposable income, have other ways of doing that through family trusts. Parents or grandparents can put money away for children in a family trust and thus get some tax concessions. People in the lower income tax brackets do not have sufficient disposable income to create these trusts. Therefore, that argument does not wash.

An Hon. Member: That's what they were saying.

Mr. Oberle: What we have to look at is the fact that we have accumulated over the last 15 years of Liberal socialism a debt of $190 billion. Over the last three years the current account deficit grew by 25 per cent a year. The problem with universality is that if it is continued in the same fashion as it has been, particularly over the last three years, not only will family allowances be threatened but so will the unemployment insurance fund, old age pensions and everything else. The only real way we have to guarantee and to enhance these social programs is to make sure that the economy on which we rely to pay for these programs is healthy and is restored to its former dynamism and health.

How is that done? When things get tough, those who are in greatest need are helped, and that is what this Bill attempts to do.

I look at these social programs in two ways. The unemployment insurance fund and the Canada Pension Plan are programs to which people contribute during their working lives and which will help them when they are in need, that is when they lose their jobs, have to make a transition from one job to another or when they reach old age. We pride ourselves with having one of the most advanced social programs in the world. That, of course, is a myth but it is only a myth because it is in its starting phase. I compare social programs with those of some of the European countries. Bismarck started the old age pensions program in Germany in 1871. The program, which is much more generous than what we have presently and what we hope to have once the Canada Pension Plan becomes mature, has survived two major depressions and two world wars, and people are infinitely better off in their retirement years than they were during their working years. That is, I suppose, responsible management.

We began thinking about pension plans in the Diefenbaker years, but it was not until 1965 that we started the Canada Pension Plan. It will take until the year 2005 or 2010 before that particular program has reached its full value and maturity. In other words, people have contributed to it all their working lives and should therefore be entitled to adequate income in their retirement years. Thus, we have to do something in the meantime, which is where the old age pensions and the guaranteed income supplements come into the picture.

• (1150)

No one has contributed to the guaranteed income supplement or to the old age pension programs. That comes directly from general revenue—

Mr. Benjamin: What about the taxpayers?

Mr. Oberle: The taxpayers contribute, of course; but they have not contributed directly. Nor is the old age pension program universal, since there is the basic old age pension and then there are the income supplements which are designed to help those who are in the greatest need. No one argues with any of these measures. All we are saying is that at this time the country is in such precarious circumstances that we have to ensure that the scarce public resources which are available are put to the best use. This is what the Bill before us proposes to do.

My hon. friend from Spadina said he has ten grandchildren. I have four myself. I suggest that the Hon. Member for Spadina (Mr. Heap) is in a better position than most to help his children and his grandchildren with respect to obtaining a proper education. The problem which the NDP and the Liberals face presently is that they are not so much concerned with helping the needy, which is our main concern. Their concern is with helping the greedy.

Some Hon. Members: Oh, oh!

Ms. Mitchell: You are reducing it for the needy. What about the banks and the oil companies, are they not pretty greedy?

Mr. Oberle: I note the reactions to my comments of a particular Hon. Member opposite.

Mr. Hovdebo: Helping the greedy, that is the basic policy of the Conservatives.

Mr. Oberle: The Hon. Member opposite to whom I refer lives in a social housing project in Ottawa because projects of this type are supposed to be universal. There is not supposed to be a stigma attached to being poor. Therefore, everyone, regardless of income, whether it is $100,000 a year or $23,000 a year, should be entitled to these social, non-contributory social programs. However, we know that that is not possible. We know that that will not be possible, particularly in the foreseeable future. We know that it will be necessary for us to bring about measures which will help those in the greatest need to continue to receive these social benefits and to make every effort to see that those in greatest need have these benefits enhanced for them. However, that will have to come about at the expense of those in the higher income brackets, such as the Hon. Member opposite whose income is not great but who can educate his children and look after himself in his old age, particularly with the generous benefits Members of Parliament have. I note my time is up, Mr. Speaker.

Mr. Les Benjamin (Regina West): Mr. Speaker, the amendment with respect to a six-month hoist is not nearly long enough when a Bill such as the one before us is concerned. I appreciate that if there were a last minute conversion on the government side and it decided to support the amendment, the Bill would die on the Order Paper. Although, knowing the Conservatives, I think they would probably bring it back in again at a later date.

Since the establishment of the first social programs in this country, the attacks on them have started the very next day. That has been the history of social programs in our country. It does not matter at all whether we are speaking of old age pensions, medicare, hospitalization, unemployment insurance or worker's compensation. There are those in our society, usually the well-to-do, the organized and the powerful, who

start attacking them. Even Governments which institute social programs attempt to erode them, whittle away at the benefits and try to bring into disrepute the fundamental purposes of the programs. With medicare, there is extra billing. Medical care and hospital premiums now amount to a sum of almost $700 per year for a family of four in Ontario, which is the richest province in Canada. These attacks do nothing more than whittle away at the accessibility and the universality of measures such as medicare and hospitalization.

We went through bitter experiences in this regard in Saskatchewan for all too many years. However, we went ahead anyway and saw them through. Every time we have had Liberal and Conservative Governments in this country nationally—which is the only kind we have had—they start something which they then attempt to undo. I think the Liberals have a lot of nerve. In 1970, just two years after Mr. Trudeau took over, they sought to wipe out family allowances completely and replace them with an income test called the family income security plan. That is a plan which would enable the Government to snoop into everyone's affairs. The Family Allowances Program is universal. Those in higher income brackets will have family allowance benefits taxed back and then some. The process is a great deal more efficient in this way. With a little restructuring of the income tax system, this tax back could be all the more certain.

The Liberals wanted to wipe out the family allowance. I am glad to see that they have been converted, although I suspect the conversion will last only as long as they are in opposition. They are notorious for being great progressives when they are in opposition. However, as soon as they are in government they revert to the traditional conservative style of governing and the traditional conservative attitudes toward social programs. It was only when there was a minority Government from 1972 to 1974 that we were able to force the Liberals to abandon the family income security plan. I must say that at that time the Conservatives were just as vociferous as we were that there be no tampering with the Family Allowances Program. The Conservatives and the New Democrats fought together at that time and we won that round.

The faces have now changed but the speeches have not. We have had Liberals stand up in the House and make the same speeches which Tories made in those two years. We have Tories standing up and making speeches which the Liberals made during that period of time. That is something which has occurred a great deal since last September 4. It is pure hypocrisy to hear the Liberals defending the principle of universality in social policy given their record in office. A former Minister of National Health and Welfare, John Munro, assailed universality, while his Cabinet colleague and Minister of Finance at the time was none other than the present Leader of the Opposition. How much credibility do they think they have?

Much has been made about the national debt and the ability of the country to afford family allowance benefits. In 1974, the interest on the national debt was 22 per cent of all federal expenditures, the same percentage as now. In 1947, some 7.7 per cent of federal expenditures went to family allowances. In 1984, some 2.4 per cent of federal Government expenditures went to family allowances. The last major increase in the program occurred in 1974, due to the fact that a minority Government was in power and we forced the Government into making the increase. From 1972 to 1974 family allowances were doubled and indexed, which accounted for only 6.1 per cent of federal expenditures. Today, they make up 2.4 per cent of Government expenditures.

The National Council on Welfare has pointed out what deindexing will mean to families on low incomes. The council has pointed out that those in the $9,000-a-year or less range will lose money. There are many Members in the House with families in their constituencies who fit into that category.

• (1200)

I do not understand the Government now after its many years in opposition—and I have been here for almost 17 of those years. The Conservatives joined with the New Democratic Party to fight the efforts of the Liberal Government to whittle away and destroy universality. But now they do not believe in universality. It seemed then as if the Liberals thought that the old age pension would destroy incentive to work, just like the Tories do now. It does pay to be consistent, Mr. Speaker, when it comes to one's own basic principles, as well as the principles of a political Party. If the Conservatives had stood up in the debate on this Bill and said they have changed their minds and admitted they were wrong, their credibility would have been improved. If they had said that they were wrong in the years in which they fought the Liberals to get those family allowances indexed, if they had said they now agreed with the position the Liberal Party took a number of years ago, then there would be some semblance of honesty in the position taken by both Parties.

We welcome the Liberals who joined with us in fighting to preserve full indexing for family allowances, just as we did when the Conservatives joined us in supporting full indexing. But I wish the Conservatives would be straightforward and tell us honestly and openly that they have changed their minds, that they were wrong before. But, of course, Mr. Speaker, all they have done is to change positions, and there is nothing new about that. The only difference between the Conservative Party and the Liberal Party is that one is in and one is out. In fact, Mr. Speaker, both Parties notoriously and historically have taken money from the rich and votes from the poor, and then promised to protect them from each other. Surely a kind of straightforward honesty is needed from both the Government Party and the Liberal Party. The Conservatives should have the courage to stand up and say, "We've changed our minds. We want to do what the other fellow wanted to do before". If they were honest about this, perhaps they would receive a little more credible treatment from the people of Canada.

I hope the House will decide at the eleventh hour to support the six-month hoist, and that will be the end of that. The Government can come back with a host of other means which

are available to it to make up whatever extra funds full indexing will cost. All the Government has to do is to charge a modest interest rate on the $35 billion worth of deferred corporate taxes which are owed to the people of Canada—that is at 10 per cent interest, which is modest—and it would have $3.5 billion to reduce the deficit and maintain full indexing. There are a lot of options open to the Government which would receive the support of the House of Commons. It should look at those options rather than resorting to chiselling the old people, poor families and their children.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, this is a wide-ranging debate. We are talking about multinationals and oil proposals and so on. It was interesting to listen to the Hon. Member for Regina West (Mr. Benjamin) talking about speeches. We have been listening to the same NDP speeches for years and years and it still has only 30 seats and 20 per cent support, so obviously its line is not being received very well.

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Parliamentary Secretary but according to the list I have, the Hon. Member has already spoken on the amendment and cannot speak twice.

Mr. Manly: On the hoist motion.

Mr. Deputy Speaker: On the hoist motion. The Hon. Member has already spoken on the amendment, therefore, he is not able to speak again on the same amendment.

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I must say that during my 13 months as a new Member of Parliament, I found it interesting to look at the old faces in the House who do their talking in the way of the old Liberal Party, which controlled, ruled, and governed this country for so many years. My hon. friend in his speech talked about a national debt for $200 billion. The Conservative Government was elected with a large majority by the people of Canada who asked us to give them a better administration and that is exactly what we are doing at this time.

My riding of Bonaventure-Îles-de-la-Madeleine for the past 22 years under what we called Liberal despotic rule. My riding has one of the highest rates of unemployment in the country and we have seen the full gambit of Liberal programs. Every now and then we listen to a member of the New Democratic Party criticizing the Conservatives but providing no better answers than the Liberals had. We can never forget, Mr. Speaker, that the economy must go hand in hand with our social programs. When our pockets are empty, we cannot buy food, and this is the dilemma we are in now in 1985. This is the great heritage left to us by our Liberal predecessors.

Being a young politician and a young man with four children, I realize that with our country' national debt, my children and their children will not be able to survive on our present programs. This is the reason the Government has taken these steps. When the Opposition cries that the poor people are not going to get as much as they already receive, this is false. Families earning less than $25,000 will receive more. The 3 per cent indexation represents 94 cents per month, which, in this day and age, Mr. Speaker, means absolutely nothing. But whether it is a family who earns under $25,000 or a family who earns over $100,000, there is no national pride, and the deeper our national debt grows, the less our national pride will be.

On September 4, 1984, we said that we would put our house in order, and that is exactly what we are doing. The old Liberal programs did not succeed. The only thing the Liberals succeeded in doing was to create a situation where the people could not work and had to depend 100 per cent on Liberal hand-outs. This new Government is about to change completely the national image and will once again instil a national pride in our people. Speaking on behalf of my constituents, Mr. Speaker, I can assure you that the change which was made in September of 1984, was a change desperately needed and a change about which the people are proud and happy. They finally have a Government which is realistic, a Government with a good administration, and a Government which is concerned with the poor people in this land.

I trust that the Conservative Party will be in power for the next 100 years. Unfortunately, we in this House will not be around that long. However, I assure you, Mr. Speaker, that with the new Government programs and with the contribution of every single Canadian, we must attack our national debt. We must all contribute, and that is what this Government is asking. I can assure this House, as I can assure all Canadians, that with good Government administration, our children, our grandchildren and those who follow will be much better off in the years to come.

• (1210)

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to make some general comments concerning Bill C-70. A previous Conservative speaker said that "our main concern is to help the needy". I have some difficulty believing that Member. I believe that Canadians generally have considerable difficulty in believing that the main concern of this Conservative Government is to help the needy, and I want to indicate why.

If one looks at the Budget of May 23 and its over-all impact, one cannot help but conclude that the Budget is unfair. It is sneaky. It is a vicious attack on the needy and the disadvantaged in our society. Before the Budget was handed down, we were told by the Prime Minister (Mr. Mulroney), Ministers of the Crown, indeed all Conservative Members, that it was going to be tough but fair. Ministers fanned out across the country to tell people that it would be tough but fair. The Opposition asked for the Budget at an early date, but were told by the Prime Minister that the Government was in the process of consulting with Canadians. The Government wanted to know what Canadians had to say about the Budget that was to be handed down, but we were continually told that it would be tough but fair. I would like to ask you, Mr. Speaker, what is fair about that Conservative Budget? What is fair about a

Budget that tries to deindex senior citizens' pensions on the one hand, and on the other give a $125,000 cash bonanza to the most affluent in our society by means of a capital gains deduction? Where is the fairness, where is the equity? There was none in that Budget.

The Government recognized that the proposal to deindex senior citizens' pensions was not fair, equitable or just. As a result of the position taken by the Opposition in this Parliament and as a result of a groundswell of opposition to that measure, the Conservative Government had to back down. It had to admit to the people of Canada that what it proposed to do was a mistake. It was unfair. However, not only that measure was unfair, so is this measure we find in Bill C-70. It is an attempt by the Government to deindex family allowance payments.

In his opening comments, the Minister indicated it was the intention of the Government to give more to the needy in society and that Bill C-70 would not only do that, it would also attack the deficit. I need not say that this Government is preoccupied with deficit reduction. It is paranoid about the deficit. It is for that reason we have this Bill before us. It is not, as the Government says, to help those most in need in our society.

If we closely examine the motivation of this Government it is easy to conclude that it is motivated by debt and deficit reduction. That is why this measure is before Parliament. Well, I say to Hon. Members opposite that we in the Liberal Opposition are concerned about the deficit as well. We believe in fiscal responsibility. We believe as parliamentarians and as a Government that we must act responsibly when it comes to the finances of the nation. However, unlike the Conservative Government we believe in people. We believe in families. We believe in children. We care about families and children. This Conservative Government does not appear to care. It is quite prepared to reduce the deficit on the backs of the disadvantaged in our society. Where is the justice, where is the fairness? We in Her Majesty's Loyal Opposition say, if you want to reduce the deficit, do not do it on the backs of the disadvantaged, the poor, the elderly, the young and the unemployed because we will not put up with it. We will fight you every inch of the way. If the Government is concerned about reducing the deficit, then let us be fair and just about it. If the goal of this Government is to redistribute the wealth in this society so that those most in need receive more, then let us not tinker with universality. Let us not assault the social safety net. If the Government is truly concerned about giving more money to the needy, then let us talk about reforming the tax system. Let us talk about a minimum tax on the rich.

In the last election compaign, indeed in this House, Conservative Members indicated that they intended to bring in a minimum tax. Well, here we are a year later and where is that minimum tax on the rich? Where is the fairness and equity in allowing people earning $100,000 or $200,000 to avoid paying any taxes at all? Where is the justice? There is none.

This Government believes that Government is in business to reduce the deficit. Members opposite believe that running this country is like running a business. You know as well as I do that the purpose of a business is to show profit. You must show to your shareholders that you are balancing the books and you are showing a profit. On the other hand, we in the Opposition believe that Government is in business to serve people. Yes, it is quite possible to eliminate the deficit overnight. We all know that. We can do that, no problem at all. Let us get rid of universality and unemployment insurance. Let us get rid of all the transfer payments to the provinces regarding health and education. If we do that, we can eliminate the deficit, no question. But Canadians do not want that. We have a standard of living second to none and Canadians have come to expect and appreciate the highest level of health care and education in the world. Canadians have come to appreciate the fact that regardless of where you live in this great country you will receive a high level of education. But Canadians do not want our standard of living to be affected.

I note that you have indicated that I have but a minute left, Mr. Speaker. In conclusion, Mr. Speaker, this piece of legislation is regressive, anti-family, and anti-children. I hope that the Government will reconsider and withdraw this unfair piece of legislation, just as it did the proposal to deindex senior citizens' pensions. If the Government truly believes in helping the needy and less fortunate in our society, let us talk about a more equitable and more progressive income tax system.

• (1220)

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I appreciate the opportunity to speak in this very important debate. We have heard some suggestions that the Bill before us and the policy which it represents are sneaky. I suggest to you that there is nothing more sneaky than theft, particularly theft in the night. It was the previous Government that stole Canada's Visa card and ran up $8,000 of charges on it for each man, woman, and child in the country. It cannot be paid off. The previous Government would not pay it off. The interest is accumulating at $100 per individual per month and more charges were made at a rate exceeding $1,000 a year for each person in the country until the present Government took office.

This Government is determined to bring the Canadian spending spree to a halt, but not at the expense of social programs. This Bill is about fairness, not sneakiness. The previous speaker referred to some sense of paranoia about the deficit. I would ask him what he would do about the deficit. Would he monetize it? The Liberal Party was at one time interested in balancing the books of this country. Where have its morals and principles gone?

In all seriousness, Mr. Speaker, one of the difficulties which besets us is the fact that following the calamity of World War II our entire system was geared to a preindustrial society. Suddenly most western Governments became affluent and demands were made upon them in the area of invasion of the economy generally that had never been anticipated. Governments responded to those demands, the people responded to

those who responded to their demands, and the vicious circle was compounded.

The New Democratic Party has attributed all kinds of woes to the Conservatives and the Liberals. That is awfully easy to do because the New Democratic Party has never had the responsibility of administering anything. When it does take office in other jurisdictions it is clear that sooner or later it has to face the realities of economic life. There have been some drastic roll-backs of benefits in the western European democracies which have had socialist Governments. The proposal here is not to roll back benefits, but rather, as part of a bigger package, to transfer resources to needier families. This whole package has that objective and effect. To move away occasionally from the principle of full indexation is nothing new. No Party has a monopoly on virtue in that regard. I cite the examples of 1976 and 1978 and the six and five program in 1983-84.

The Hon. Member for Spadina (Mr. Heap) referred to some seven, eight, and nine-year projections and predicted calamity for our nation if we proceeded along what was called an anti-family course. We are here proposing to change the structure of these benefits over a three-year period. To assume that that would go on to infinity is ridiculous. I suggest that Members opposite would contribute more to this debate if they occasionally made some constructive suggestions. I believe that among the salient achievements of this Government to date is that we are grapsing the nettle. We are taking the initiative and making hard choices for Canada, which is what Canadian people are looking for. I suggest that members of the Liberal Party and those of the New Democratic Party would benefit greatly from reading some of the wisdom contained in the report of the Macdonald Royal Commission. That commission, appointed by the previous Government, took a fresh look at some programs and has suggested constructive alternatives.

The proposals before us in Bill C-70 relate to the whole package of child and elderly benefits. Family allowances will be increased in future years by the annual increase in the Consumer Price Index in excess of 3 percentage points. That measure takes effect on January 1, 1986. The current value of family allowances is $31.27 per child per month. The child tax credit, which will be payable in the spring of 1987, will be increased by $70 per child from $384 to $454. The income threshold above which the child tax credit is phased out as income rises, currently frozen at $26,330, will be set at $23,500 and will be increased in future years by the annual increase in the CPI in excess of 3 percentage points. So it goes into taxation years 1987, 1988, and 1989. The whole principle is to give the opportunity to needier families to benefit more greatly from these well-placed and, hopefully, well-financed social programs. However, the programs cannot be well financed if we continue along the reckless binge of spending that was initiated by the previous administration.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a pleasure to be able to take part in this debate. I would like to begin by asking why it is that Governments that get themselves into financial difficulty look to the children of this country as the target for reduction in expenditures. It is striking that this has not only happened with this Government, but has characterized Governments that have got themselves into financial difficulty for 15 years in this country.

There are two reasons for this focus. One is a sense of misunderstanding with respect to what is being accomplished by the Family Allowances Program. People in the context of this House talk about family allowances in terms that demonstrate a lack of understanding about the transfer process that is taking place through the family allowance system. They talk about it as a transfer system from rich to poor, which, of course, it was never designed to be. It was, instead, designed to be a transfer system from those families and individuals without the responsibility for children to those families which have that responsibility. In that sense, to examine and evaluate the program effectively you must look at the significance of the costs of raising children for all categories of families in our society. I think that any Member of the House of Commons who has children would recognize that the costs are significant from a financial viewpoint, but also in terms of the sacrifice of time and the commitment of energy, the process of giving of oneself to the future of your children.

● (1230)

I think that family allowance represents a minor attempt—we must recognize that it is minor—to balance out within our society the burden of taking on the responsibility of the next generation of Canadians. I believe it is a transfer that is badly misunderstood and the reason Governments pick out the family allowance and view it as a magnificent target when looking for ways to achieve economy.

I also believe that the second factor that explains making this the target is the sense of lack of consultation in the real sense and the lack of caring in a sensitive way that characterizes Governments with respect to the future problems of many families in our society.

With respect to the consultation process, although the Government has made an effort to talk with a great many groups about its plans for the future, that talk has not constituted a capacity to listen. Otherwise, how can it be that, at the end of the consultation process, we find that major groups that speak for people who receive the family allowance, who speak in the area of social policy in this country, find themselves completely opposed to what the Government is doing?

For instance, it has already been stated for the record that the Canadian Council on Social Development has opposed this deindexation; the National Council on Welfare has opposed this deindexation; and the Canadian Advisory Council on the Status of Women has opposed this deindexation. The Government will have to realize that it is creating a tremendous sense of cynicism about its own commitment to consult.

I believe that its commitment is quite well intentioned and it started out attempting to reach many groups across the country. I see one of the Ministers on the front benches who has, frankly, taken a lead in that consultation process. I know that she is a Minister who has listened—not enough with respect to

certain issues such as unemployment insurance changes—and has taken the process seriously. I hope that she will be able to reach the other Ministers in the Government and persuade them to take the commitment to real consultation as seriously. I believe it represented an interesting new initiative on the part of the Government. Initiatives are only as good as the degree to which they are carried through.

With respect to family allowances, however, all six organizations that are part of the social policy reform group have recognized that consultation as a sham. It is a sham because at no point in that process of consultation did any one of these groups concerned with social policy and the social welfare of families and children in this country, or indeed any other group representing women, children or people interested in the social policy in the country, suggest to the Government that it should effectively cut the value of family allowances by 3 per cent year.

My colleague, the Member for Vancouver East (Ms. Mitchell) was a member of that committee. She sat and listened to the representations made throughout that set of hearings and she certainly heard no one come before that committee to recommend a real cut-back of 3 per cent in the value of the family allowance. That is because family allowance is a critically important ingredient in the household budget of very many families across the country. These include families led by mothers in single parent situations and families characterized by low incomes. The amount of money received from family allowance is crucial to make ends meet within family budgets.

Therefore, I finish my contribution to this crucial debate with a plea to the Government. First, it is a plea to take its consultation process seriously in the future, unlike this case, and second, to request that it look at what family allowances are actually doing—transfering income from the childless to those who bear the responsibility for the future generations in this country. I ask that the Government cease this attack on the children of Canada.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I welcome this opportunity today to speak in this debate on family allowance. First of all, I must say I am somewhat surprised at seeing the Opposition trying to delay the passage of this legislation. I get the impression it has forgotten that from 1974 to 1984, it promoted measures to cut back social programs by 50 per cent. In 1976, the same Opposition extended indexation for one year. In 1978, that same Opposition brought about cutbacks in family allowances from $25 to $20 per month per child, it reduced and finally eliminated the $50 per child tax reduction then in effect and reduced the exemption for children of 16 and 17, and finally, in 1982, that same Opposition capped indexation of family allowances at 6 and 5 per cent respectively, for 1983-84.

Their attitude is therefore surprising, to say the least, and one wonders why they now want to postpone the passage of this measure for six months. Mr. Speaker, I suppose it is to give them another chance, as the demagogues they are, to alarm Canadians without telling the whole story, to make people panic and to prolong the debate and waste the time of the House for no good reason. I would therefore ask the Opposition to be a little less partisan and a little more supportive of the legislative process.

To achieve social justice, this Government wants to realign assistance programs for families with children, the emphasis being on the neediest families. We could always help more, we could always cut back more. When the Opposition was in power, although its avowed purpose was to redistribute the wealth of this country, it was actually redistributing its debts. In so doing, it has now put us in a position where we owe $200 billion. This year, the deficit will be more than $35 billion, and we must consider that our measures must help the neediest families and they must also have an economic impact. That is why we are proposing this Bill.

The Opposition should realize that the best way to help our families is not by giving the money borrowed by a Government that is getting deeper and deeper into debt. The best way to help Canadian families is to reduce unemployment and give jobs to the mothers and fathers of those families.

Some 300,000 new jobs have been created over the past year. That is a positive accomplishment which is the result of our administration. The reduction in interest rates is also contributing to our job creation efforts by encouraging new investments. This is the way to help Canadian families.

Our various Ministers have indicated clearly that they were there to help Canadian families through economy-oriented measures.

The Wilson budget mentioned for instance the loans to small businesses and partnerships which will also help promote small businesses.

There have been changes proposed to the use of RRSPs. These changes are likely to have a major impact on the development of small and medium-size businesses, because the self-administered REERs had been previously directed towards national trusts companies and, through them, channelled to every large multinational or national entities, with the result that the capital and the investor were miles apart, Thanks to the Wilson budget, they will be brought closer together, so that larger amounts of capital will be made available to small and medium-size businesses within our respective communities.

• (1240)

That is the way our Government is planning to help Canadian families much more than by increasing by a few dollars the family allowances. In other words, we are not going to give them a fish, but we are going to teach our businessmen and families how to fish.

There are in Canada 750,000 small and medium-size businesses. If each and everyone of them were to create two jobs because of our incentives, there would hardly remain any unemployed people in this country.

I have been talking about the Minister of Finance (Mr. Wilson) who put forward proposals, and now I will mention the Minister of Consumer and Corporate Affairs (Mr. Côté) who discovered that his department under the previous Liberal administration had been storing up without using them tremendous data concerning the various registered rights and patents. He is considering marketing those data, giving Canadian men and women and entrepeneurs access to existing patents so they could be made viable and marketed. This is another initiative that will now help create jobs, that will help businesses and, by the same token, Canadian families.

We have seen the Minister of Regional Industrial Expansion (Mr. Stevens) making money directly available, under Investment Canada and the new Small Business Loans Act, through credit unions, banks and caisses populaires, rather than through bureaucratic laboratories.

Also, rather than asking foreign entrepreneurs to consider investing in Canada as a burden, we opened the door to them, and we now tell them: Come and invest in Canada. Those also are concrete steps.

And you have more of them. I see in front of me the Minister of Employment and Immigration (Mrs. MacDonald). She handles a $1.8 billion budget and I would ask Opposition Members to please read her programs for promoting employment. I would ask them to pay special attention to how she is communicating with Canadian men and women, asking them for employment development proposals and offering them Government support, both financial and technical. In addition, we are not merely creating, as was done before, jobs that will simply postpone the payment of unemployment benefits, having them alternate between a short 20-week work period and 20 weeks of UI benefits. Quite the opposite, she is providing Canadians with opportunities to exercise their entrepreneurship. This is what we said during the elections, and this is what we are doing.

Those are initiatives involving a few Ministers, Mr. Speaker, which are much more significant, and Liberal members in particular should be wary of deferring the legislative process in order to score political points. Let us do our job and acknowledge the fine results all our Ministers are getting. This is what I had to say, Mr. Speaker.

[*English*]

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, as I rise to take part in this debate, I would like to remind all Members of this House that the major part of the social policies of this nation has been Liberal legislation over the years. The Liberal Party of Canada laid the foundation for the young, the old and the unemployed in Canada.

Mr. Towers: You forgot about John Diefenbaker.

Mr. Hopkins: The Leader of the Liberal Party (Mr. Turner) has maintained throughout that the reduction of the deficit will not be done on the backs of the poor, the unemployed and the disadvantaged.

There is one thing I want to put on the record today. In the House of Commons *Debates* for December 20, 1984, at page 1401 of *Hansard*, the Hon. Member for Laval-des-Rapides (Mr. Garneau), the associate finance critic, asked the Prime Minister (Mr. Mulroney):

> Could the Prime Minister inform the House whether it is his Government's policy, or whether his Government intends, to reduce gradually over the years the tax exemption for families with children?
>
> RIGHT HON. BRIAN MULRONEY (PRIME MINISTER): No, Mr. Speaker. That is not what the Government intends to do.

Here for several days in this House we have been debating a Bill brought in by the present Prime Minister's Government which does that very thing.

In speaking a few moments ago, I noticed that the Hon. Member for Edmonton South (Mr. Edwards) said he wished the opposition Parties would bring forth something constructive in this debate. Let me say to him through you, Mr. Speaker, that if there is anything constructive we have to offer in this debate, it is for the Member to tell his own Prime Minister and his own Cabinet that when they make statements, they should either back them up or they should not make them in the first place.

This Government's biggest weakness, and it will be the Government's biggest weakness in the future, is its total lack of credibility. You cannot trust what the Government says it is going to do. If you take for granted what the Government says it is going to do and then take the opposite stance, you will probably know precisely what the Government is going to do.

The child tax exemption and other that exemptions brought in via the May 1985 Budget are affecting children and low income families. That is the reason for this wide-ranging debate. Many other items are increasing local taxes creating an added burden on low-income people. Other services are being withdrawn by this Government. These were not paid by low-income people before but they now face those charges. Tax exemptions for families with children will be reduced gradually over time.

This Government told the senior citizens exemptions would be reduced gradually over time. The Government told senior citizens that it was going to forget about the first 3 per cent of inflation and only pay senior citizens on the increase of inflation above that amount. That policy brought forth a new pressure group called "grey power". This new pressure group, "grey power", won its case and deserves full marks for doing so. Exemptions will be reduced gradually over time—$710 per child by 1986, $560 per child by 1987 and $470 per child by 1988. It does not stop there. The family allowance will be deindexed from 1986 and the child tax credit will be deindexed from 1989 onward. The deindexation of personal income tax exemptions will push lower and middle-income Canadians into higher tax brackets. There is no question about that. Not only are low-income families losing indexation of the child tax

credit, they are also being pushed into higher tax brackets. They are getting a double whammy.

● (1250)

Federal sales tax has been increased, which will hit the same families. Low-income families making less than $15,000 per year will lose more than $1,800 due to all these measures. Meanwhile, high-income families have been given various advantages.

A startling revelation is that advantages given to the rich will cost the Government more than the savings realized from changes in the child tax credit and in the child tax exemption. In other words, the money saved from the changes and reductions in the child tax credit and in the child tax exemption will go right across the board to the wealthy. That is what the Government calls progress.

The Government talks about new and innovative policies, but it has removed funds for security services at small airports. Who will pay the bill? Of course it will be local taxpayers. In areas where local airports are not owned by municipalities, the Government wants to sell them to the municipalities. That will be a burden upon local people in those areas. What about CMHC? CMHC has done a pretty good job over the years in terms of building houses for low-income families. What is the Government doing? It is removing the regional offices from various areas in Canada. I lost a CMHC office in my constituency.

An Hon. Member: Good.

Mr. Hopkins: I hear the Hon. Member saying "Good". I want all people in the Ottawa Valley to know that there is a Conservative Member over there who thinks that was a great idea. We will remember that.

People in large rural areas could come into those CMHC offices to sit down and talk. Those managers go with low-income people to see bank managers and real estate agents. These people do not always have an understanding of such dealings. What will they do now? There will only be a long distance system to Ottawa or an impersonal effort.

I see you signalling, Mr. Speaker. In conclusion, the Government promised that it would do all kinds of wonderful things for the Canadian farm community; it was promised the world. Today, hog producers and many other farmers are facing serious conditions.

Mr. Dick: We are talking about family allowances.

Mr. Hopkins: The Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) is becoming a bit upset. I tell him to tell his Prime Minister to start backing up some of his promises.

Mr. Dick: We are talking about family allowances, not about hogs.

Mr. Hopkins: Does the Hon. Member think that hog producers and people who live on farms do not raise children? They are in serious circumstances. The Conservative Government promised them all kinds of income. It is even importing more meat into the country at a time when our red meat industry is in serious trouble. That is the new Tory approach.

Mr. Towers: Mr. Speaker, I rise on a point of order. The Hon. Member is usually an honest Member in what he says. There is an element of truth in what he is saying, but last year the Liberals allowed 50 million pounds of imported beef from Ireland into the country. He says that it was our administration. He is entirely misleading the House—

Mr. Deputy Speaker: Order, please.

Mr. Hopkins: Mr. Speaker, I am not surprised by that. The other day, when I delivered a speech and used factual information, as I am doing today, the Hon. Member sent a note across the floor saying: "And you are a Rotarian; don't you believe in the four-way test?" I say to him that one of those four-way tests is: Is it fair to all concerned? I ask him and I ask the Prime Minister of Canada: Is it fair to all concerned that although the Government had promised not to deindex family allowances or the tax system as it affects children, now it is going ahead with it? Is that fair to all concerned? He had better start talking to his Leader.

Mr. John Reimer (Kitchener): Mr. Speaker, I should like to make a few comments on Bill C-70, an Act to amend the Family Allowances Act. I should like to refer to a few historical facts arising from the time of the previous administration. I hope the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) listens. At the time of the six and five program, that Member voted for a reduction in the increases to the child allowance system of $1.97; not the 94 cents proposed by this Bill if inflation continues at 4 per cent. I remind the Hon. Member that he voted for that in the past. I think also he was a Member of the House back in 1976. At that time inflation was running at 11.2 per cent, and the child allowances were frozen at $22.08. That resulted in cost of living minus 11.2 per cent, not cost of living minus 3 per cent as proposed in this Bill.

I also remind the Hon. Member that he should be truthful to all of us and to his constituents. He should remind them of all the facts and remember what he did, as part of his Government, back in 1976. Also in 1976, there was no offset increase in child benefits as proposed in our Budget. If Canadians had had full indexation under the previous Liberal Government since 1976, and starting with a child allowance of $22.08 at that time, the child allowance today would be $51.83, not the $31.27 it is now. I remind the Hon. Member for Renfrew-Nipissing-Pembroke that his Government did that, not this Government. He prided himself on being a member of the Liberal Government which brought in social programs. I remind him that if the child allowance were fully indexed today, that allowance would not have been reduced from $51.83 to $31.27, a reduction of some $22. I remind him of that, and it was done without any offsetting benefit to the child tax credit. May I call it one o'clock, Mr. Speaker?

S.O. 22

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

TRANSPORT

REQUEST FOR REMOVAL OF CHAMPLAIN BRIDGE TOLLS

Mr. Carlo Rossi (Bourassa): Mr. Speaker, as if things were not going badly enough for the Prime Minister (Mr. Mulroney), the less than influent Conservative Member for La Prairie (Mr. Jourdenais) has just delivered an ultimatum to him. Sure thing, we learned through *The Gazette* of September 25 that the Member for La Prairie is threatening not to run again in the next election if the Prime Minister does not abolish tolls on the Champlain bridge.

Mr. Boudria: Now that would be a catastrophy!

Mr. Rossi: The Hon. Member for La Prairie—who would be better off if he did not make waves and who claims he got elected on his own rather than by riding on the Prime Minister's coattails—just might upset our election plans, Mr. Speaker.

That is why I plead with the Prime Minister to fight his enduring urge to look for a better representative in La Prairie and abolish tolls on the Champlain bridge, for what we fear, Mr. Speaker, is that the current incumbent just might decide not to run again.

* * *

[*English*]

PLANNED PARENTHOOD WEEK

LEVEL OF ORGANIZATION'S FUNDING

Mr. Neil Young (Beaches): Mr. Speaker, today is the first day of Planned Parenthood Week, an annual public education program of the Planned Parenthood Federation of Canada. The theme of this year's program is "Kids Need to Know".

As part of the week's kickoff, the Federation released the results of a Gallup poll which for the first time surveyed 15 to 20-year-olds. It indicated that only one-third of teenagers rely on their parents as the primary source of information on sexuality.

Other important sources of information for young people are their peers and school, yet only half of the schools in Canada have sex education programs. Young people have no one reliable source for this information.

The tragically high rate of unplanned teenage pregnancies and the unfortunate number of abortions which partially result from the lack of sex education are totally unnecessary.

The Conservative Government has followed the pattern established by its Liberal predecessor in cutting funding to Planned Parenthood. This year funding from Health and Welfare was cut by 12.5 per cent. I call on the Government to face up to its responsibilities and restore funding to Planned Parenthood to a more realistic level.

* * *

CANADA POST CORPORATION

RURAL ROUTE CARRIERS—CALL FOR BETTER COMPENSATION

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, Members of Parliament who represent rural constituencies appreciate the dedication and service provided by the country cousins of urban mail carriers. Rural route couriers give their utmost, in many instances at great personal sacrifice, to the rural areas they serve.

It is only fair that these dedicated people be appropriately compensated by Canada Post for this vital service to rural Canadians and for all their expenses which relate to mileage, density of the rural routes, preparation and sortation hours worked. For too long this service has been carried out at great personal cost.

While Canada Post has dramatically increased the rates for change of address and temporary redirection services, not to mention the cost of postage stamps, the rural route couriers continue to be underpaid. It is time that they received recognition for their services and economic parity with their urban counterparts.

I urge all Members of Parliament to support the Association of Rural Route Mail Couriers of Canada in their attempt to improve their conditions of employment with Canada Post.

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SOCIAL SERVICES

NEED FOR AFFORDABLE CHILD CARE SERVICES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the need for affordable and accessible child care services is growing in Canada as more and more women enter the labour force. Yet, as Judge Abella noted in her report on equality in employment, Canada lags far behind western nations in its provisions for child care services.

It is time to put child care at the top of our social services agenda. The federal Government needs to continue to work closely with provincial and local Governments, community

agencies, and the private sector to help develop new and creative child care services.

A very innovative and worth-while project is under-way in Scarborough to introduce private businesses to child care ideas. With the help of a federal grant, the Human Services Organization of Scarborough is holding a series of seminars throughout the city to help interested businesses establish affordable, on-site child care centres.

I applaud the efforts of the Human Services Organization of Scarborough and encourage the Government to continue to fund projects like this, since child care is an investment in Canada's future.

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CANADIAN NATIONAL RAILWAYS

ANNOUNCED EMPLOYEE LAY-OFFS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, last summer during the election campaign, or in the summer of 1984, we heard a number of promises, including a promise by the Prime Minister (Mr. Mulroney) to recognize and respond to the special needs of Atlantic Canada for better transportation to strengthen the economic base of the entire area and to provide jobs with the transportation sector.

In fact, Mr. Speaker, what we have seen is a Government that has allowed Canadian National to do the exact opposite. It has recently announced its intention to lay off indefinitely more than 1,300 workers across the country, as well as to freeze hiring and reduce management and non-union work force. This pronouncement was made after the CN already reduced its staff complement by 1,350 workers since January.

Where are these jobs going to be lost? In Atlantic Canada, Moncton, 185 shop jobs; Montreal, 262 jobs. Where are the promises of the Prime Minister? Where are the promises of the Government to protect jobs in transportation? This Prime Minister and this Government did not believe the promises when they spoke them, and the Canadian people will make sure they realize that in the next election.

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SOCIAL SECURITY

FAMILY ALLOWANCES—SUPPORT FOR FULL INDEXATION

Ms. Margaret Mitchell (Vancouver East): Last Friday the Ottawa Council for Low-Income Support Services demonstrated on the Hill on behalf of all mothers across Canada to oppose deindexing of family allowances. They said: "The twentieth of the month is baby bonus day. That's the day the cheque arrives, the little bit of money, that is for you, for running shoes, hairdo money or new jeans. For some of us it is the money that will pay for an extra few days of food or keep the phone from being cut off. Thirty-one dollars and twenty seven cents is not a princely sum. If we are lucky it will keep us in Kraft dinners.

The mothers and children of this country are a resource. We are the future. If we are going to be a strong future we need strong children. Strong women and children need good food and warm clothes. Not much to ask for in a country as wealthy as ours.

I am tired of the suggestion that we don't really need the baby bonus. I'm tired of it being our money they want to cut off every time there is an economy drive. I'm tired of having to prove mothers and children are worth spending money on. I'm tired of hearing how good we've got it.

Do soup kitchens and snowsuit funds show how lucky we are? Millions of women and children in poverty in this country are not having it good. These are the people who will not see their money pegged to rises in the cost of living if this Government has its way.

So we are shouting 'Raise the baby bonus or lower the cost of living. Hands off the family allowance'."

Mr. Speaker: I would advise the Hon. Member that her time has expired.

* * *

THE ECONOMY

REDUCTION IN INTEREST RATES—INCREASE IN EMPLOYMENT

Mr. Alan Redway (York East): Mr. Speaker, as you well know, during the last election compaign the main issues were the economy and jobs. Prior to that Canadians had suffered through three years of record high interest rates, bankruptcies, inflation, and unemployment. This month marks the Government's first anniversary in office so it is a good time to review just what has happened to the economy during this past year—the first year of a Progressive Conservative Government.

To begin with, interest rates are down. The Bank of Canada rate, the prime bank rate, and mortgage rates have all fallen by approximately 3 per cent. We now have the lowest borrowing costs in seven years.

• (1410)

The bankruptcy rate has also fallen. Business, individual and farm bankruptcies are down by 12 per cent. Inflation has held steady and during the past year we have experienced the greatest price stability since 1971.

Most important of all, employment is up—up by almost 300,000 jobs which have been created since the last election.

These facts speak for themselves. They may not be news, but they certainly are reality. They demonstrate that the Government has established a climate which has allowed our economy and our country to start growing again.

S.O. 22

EMPLOYMENT

CHALLENGE '85 PROGRAM—INCREASED STUDENT EMPLOYMENT

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I rise today to commend the Minister of Employment and Immigration (Miss MacDonald), private business throughout the country, and provincial Governments for their roles in what has turned out to be an exceedingly successful summer job program—Challenge '85.

In my constituency of Edmonton South 386 jobs were created from the 171 projects funded under Challenge '85. Some $956,000 was spent to employ students in Edmonton South.

The Challenge '85 package of programs is a comprehensive plan designed to provide career-related summer employment for people moving through the educational system. The success of this program cannot be underestimated. Throughout Canada, students and employers applauded the program. Students found it easier to obtain work related to their studies through the student employment offices. Employers found the program to be an excellent way to hire younger talent eager to work for them. This was the first time that Provinces collaborated with the Government in a job strategy for students.

The program resulted in a much improved employment picture in 1985 over 1984. Throughout Canada we created 14,000 more jobs for students than last year. A total of 100,020 jobs were created this summer. This success was reflected in the youth unemployment rate which fell from 18.3 per cent in August of 1984 to 15.9 per cent in August of 1985.

The Government has proven its commitment to students and youth through Challenge—

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

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COMMUNICATIONS

GOVERNMENT OPINION POLL TAKING

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government is proposing to centralize public opinion polls in the country. Not content with handing out public opinion poll contracts as patronage plums, as the Government has been doing since last September, it now wants to centralize the results of such polls in the Prime Minister's office. This system will fit in well with the new scheme of the Prime Minister (Mr. Mulroney) to control information, control the power, and share the blame with everyone else.

Canadians are wondering will the provisions of the contract for this new polling system guarantee access to information for all people. Will the results be made public? What safeguards do we have that the Conservative headquarters will not merely use those polls to their own benefit thereby having polls subsidized by the taxpayers of Canada?

This is a new Pravda Canada scheme by the Conservative Government. It ought not to be implemented. It should be withdrawn immediately.

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LAW ENFORCEMENT

MEMORIAL SERVICE FOR SLAIN OFFICERS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I had the privilege on Sunday, September 29, to participate in the eighth annual memorial service for police and correctional officers who have given their lives in the service of our country. The names of nine officers who lost their lives since last year's memorial service were added to the Honour Roll in the Memorial Book which is located in a room in the East Block of the Parliament Buildings.

We were reminded by Dr. Allen Churchill, Prostestant Chaplin of the RCMP, that the job of our peace officers, as they are commonly called, to maintain law, order and peace in our society, is not only their responsibility but one that we all must share.

The cities within our national capital region of Hull, Aylmer, Gatineau, Ottawa, Gloucester, Vanier, Nepean and Kanata—indeed all cities and towns across Canada—are continually patrolled and protected by our well trained and dedicated police officers. Our prisons are protected by correctional officers.

As we pursue peace in a troubled world, we should never forget the officers who gave their lives so that our families, our friends, our homes and our businesses can continue to remain safe and sound.

ORAL QUESTION PERIOD

[*Translation*]

BANKS AND BANKING

LIQUIDATION OF BANK

Mr. Raymond Garneau (Laval-des-Rapides): This morning we heard the news that a liquidator has been appointed for a second Canadian bank. I would have liked to direct my question to the Prime Minister but in his absence, I shall direct it to the Minister of Finance.

Could the Minister of Finance give the House the assurance that the Committee on Finance, Trade and Economic Affairs will meet as soon as possible to examine the circumstances that led to the second bank failure in just a few months?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Hon. Member will be aware of the fact that there

was an announcement today with respect to the establishment of a commission of inquiry. Because members of the Opposition have not been prepared to proceed with the matter, and because they have stonewalled this matter in terms of proceeding—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: —and for other good and legitimate reasons, the committee will not be proceeding to consideration of the matter in light of the fact that the commission is now in place.

[*Translation*]

Mr. Garneau: Mr. Speaker, the Government House Leader knows perfectly well that he could have called the motion on the Order Paper several days ago. I do not think he should blame the Opposition!

REASONS FOR SIMULTANEOUS DEMANDS FOR LIQUIDATION OF NORTHLAND BANK AND CANADIAN COMMERCIAL BANK

Mr. Raymond Garneau (Laval-des-Rapides): My supplementary is also for the Minister of Finance. I would like to ask him, regarding the Northland Bank affair, why he and his colleague, the Minister of State (Finance), decided to put the Northland Bank and the CCB in the same bag by putting them both under curatorship in the statement made in the Commons at the beginning of September.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, the Minister of State for Finance and I have been concerned about this matter for a number of weeks. We have carefully watched the development of this debate in the House and in the media. It was felt that we should establish a commission of inquiry to get to the heart of some very complex issues, in a dispassionate and objective way.

In answer to the Hon. Member's question with respect to the establishment of two separate commissions, we believe there are certain common problems between the two matters which should be dealt with by one commissioner. That same commissioner can deal with the individual, specific items relating to each bank. Because there are some common problems we think it would be helpful to have them considered by one commission of inquiry.

GOVERNMENT DECISION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I do not think the Minister of Finance understood my question. I asked the Minister why, on September 2, when the Government announced the appointment of a curator to the Canadian Commercial Bank and the Northland Bank and asked for liquidation of both banks the Minister of Finance decided to put the two banks in the same basked requesting liquidation of the Northland Bank at the same time as he was going to ask for liquidation of the CCB.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure I understand the thrust of the Hon. Member's question.

On September 2 we appointed curators to both banks. We had one bank put into immediate liquidation, that is, the Canadian Commercial Bank. However, because there was a sense on the part of management that there was a chance that they could find a partner for restructuring to save the Northland Bank we felt it was in the interests of the bank, as well as the country, to give them the opportunity to seek out a partner to save the bank. That has not been possible. Thus, today, we have moved to appoint a liquidator for the two banks.

MINISTERIAL RESPONSIBILITY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is for the Minister of Finance. I understand the very delicate position in which the Minister of Finance finds himself today with respect to the liquidation of a second bank in Canada. Because of the difficult situation which exists at this time, can the Minister assure the House that from now on he will take all his responsibilities as Minister of Finance seriously and that he will handle this case himself so that the people of the country know that it is a major problem which faces the Government and not something to be delegated to a junior Minister?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be quite precise on this point. The Minister of State for Finance has been delegated these responsibilities by me. At no time have we had any differences. Every move we have made has been fully discussed and has had my full involvement with respect to the decisions taken. I take those responsibilities very seriously and I will continue to do so. I caution the Hon. Member that he should not try to put any differences between the Minister of State for Finance and myself.

• (1420)

MINISTERIAL CONTROL

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am not trying to show a difference between the two. I have been in that position. I know how the market looks at the Government in a situation like that. I know that the Minister is facing a terrible and difficult time now. But one thing I am urging him to do, to help him, is to make sure now that the Canadian people will know that we have a Minister of Finance who is in charge, and who is in charge 24 hours a day, so that we will not see again a repetition of the disaster which has come to Canada.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me assure the Hon. Member and my colleagues in this House, as well as Canadians who are watching, that the

Minister of Finance is in charge. The Minister of Finance is watching very closely over the things which are happening today and which have been developing over this last six months in relation to these banks. And the Minister will continue to take those responsibilities very seriously.

COMMISSION'S POWERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Government House Leader. Will the Government empower the Commission which was established today, by special legislation, if necessary, to tell Canadians who the uninsured depositors are who will receive compensation, and who are the depositors who may have bailed out early on the basis of insider information and, perhaps, contributed to this failure?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think if the Hon. Member reads the terms of reference very carefully, he will see that the Commissioner has a wide scope to study all aspects of this particular matter so that those things which the Hon. Member has put before the House to date will be taken into account by the Commissioner.

I should remind the Hon. Member, however, as my colleague, the Minister of State for Finance, has said on a number of occasions, there is a legal impediment to us being able to do that. I am sure the Commissioner will take that legal impediment into account.

UNINSURED DEPOSITORS

Hon. Bob Kaplan (York Centre): Mr. Speaker, as my supplementary question I want to ask the Minister if he will agree that no uninsured depositors will be paid by the Government, and that its legislation on that subject will not be pushed through this House until the Commission has made its report public and has dealt with those questions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have asked the Commissioner to make his report available "as soon as possible". Those are the words which are in the Order in Council appointing the Commissioner. But I should remind the Hon. Member that there are people who are in need of those funds. They rely on those funds for the running of businesses, their farms, and for personal expenses. That, I should say, has got to be kept uppermost in our minds in order to make sure we do not disrupt the financial markets by long delays.

I encourage the Hon. Member, and his colleagues, to deal expeditiously with this Bill when it is brought forward by my colleague.

COMMISSIONER'S TERMS OF REFERENCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. Given the fact that the people of Canada want Mr. Justice Estey to have all of the power and authority to get to the bottom of the Government's $1 billion fiasco with these two banks, will the Minister assure the House that Mr. Justice Estey, in the terms of reference he has been given, will be instructed to get all the information he needs, including a list of the depositors?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Commission of Inquiry, and the Commissioner, have been appointed. The terms of reference have been made public. It is the intention of the Government to co-operate in every way possible with the conduct of that inquiry in order to ensure its complete examination in a non-partisan way of all of the circumstances to which it has been referred, and just as quickly as possible, including, I might add, some of the statements which have been made by the Leader of the Opposition himself, and others in the House of Commons, where it has been suggested that perhaps their neck is out a mile, if not a more vulnerable part of their anatomy.

Mr. Broadbent: Mr. Speaker, all of that and a dollar may get you a cup of coffee, but it did not answer the question.

MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): We on this side of the House want to get to the bottom of this fiasco and we do not want a judge to be given the kind of mandate which is going to allow him to look into a certain question but to avoid dealing with certain questions if he does not want to. That is what we want to know. We want the Government to assure us that the Commissioner will be looking at the right questions.

The Deputy Prime Minister is apparently going to be answering, so I will ask him if the question of ministerial responsibility will be looked at. The president of the Northland Bank said about 10 days ago that the Government was, to put it mildly, ignoring its responsibility in helping the restructuring of Northland. Will the inquiry deal with the important question of ministerial responsibility in this $1 billion fiasco?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it would be of no purpose to take up the time of the House in reading into the record the precise terms of reference—

Mr. Waddell: Say yes or no.

Mr. Nielsen: —which have been made public in the appointment of the Commission of Inquiry. I am sure that knowing the high regard in which both professionally, and as an individual, Canadians hold Mr. Justice Estey, they will have confidence he will make the fullest and broadest possible inquiry into every aspect of the matter in keeping with his terms of reference.

With respect to the question of ministerial responsibility, at 3 p.m. the Minister of State for Finance will be making a statement and, among other things, that will be a matter which will be refered to. But in the meantime, I would once again

refer the Hon. Member to the terms of reference where he will see at once that the fullest possible inquiry has been mandated—

Mr. Speaker: Order, please.

COMMISSION'S REPORTING DATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Minister has indicated, the terms of reference have been released. I have seen them. They are very general. They do not instruct Mr. Justice Estey to look at certain specific questions and, if the Government wanted to get to the bottom of this, it ought to have made those instructions very clear.

Considering the Government was prepared to have a Committee of the House look into this fiasco and report back by November 30, will the Government assure us that the report which is to be done by this Commission will be back before the House of Commons, more important before the people of Canada, by November 30?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Again, Mr. Speaker, I refer the Hon. Member to the terms of reference. Mr. Justice Estey has been asked to report back as soon as possible so as not to impede the fullest and broadest possible inquiry which he has been mandated to conduct. No limitation has been placed on that. If a limitation had been placed, the first criticism we would receive is that we are lowering the guillotine on Mr. Justice Estey's inquiry.

I am sure that, given the calibre of the commissioner who has been appointed, we will see that report done in the most thorough and timely fashion. Certainly that is the hope of the Government. And the Hon. Member would have noted that, as soon as that report does come back, it is to be made public immediately, subject to any conditions which Chief Justice Estey might believe are necessary.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. RENÉ SOUCHON, SECRETARY OF STATE, FRENCH MINISTRY OF AGRICULTURE

Mr. Speaker: Order, please. I would like to draw the attention of the House of the presence in the gallery of our distinguished guest, Mr. René Souchon, Secretary of State to the Minister of Agriculture of France.

[*English*]

PRESENCE IN GALLERY OF ARGENTINE MINISTER OF EXTERNAL RELATIONS

Mr. Speaker: I would also like to draw the attention of Hon. Members to the presence today in our Gallery of His Excellency Mr. Dante Caputo, Minister of External Relations and Worship of Argentina.

Some Hon. Members: Hear, hear!

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[*Translation*]

BANKS AND BANKING

FAILURE OF CANADIAN COMMERCIAL BANK AND NORTHLAND BANK—COST TO TAXPAYERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to direct a question to the Minister of Finance.

It had been estimated that losses incurred as a result of the Canadian Commercial Bank collapse will cost taxpayers anywhere from $600 million to $1 billion, thanks to the mistakes of the Government.

Can the Minister estimate the total cost of his decision to liquidate the Northland Bank? How much will it cost each taxpayer—$60, $70 or $80? How much will this bankruptcy cost?

• (1430)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as has been indicated, my colleague, the Minister of State for Finance, will be making a statement later on this afternoon and I would think some of the questions the Hon. Member has posed will be the subject of that statement.

[*Translation*]

REQUEST THAT POWERS OF INSPECTOR GENERAL OF BANKS BE INCREASED

Mr. Mike Cassidy (Ottawa Centre): Here is my supplementary question, Mr. Speaker. The Minister would rather not make a guess even though some estimates have already been made public.

Can the Minister tell us what the Government has done since March to widen and beef up the administrative powers of the Inspector General of Banks and to monitor this country's banking institutions? We do have 60-odd banks in Canada. Have the powers of the Inspector General of Banks been strengthened, considering the restricted authority which the incumbent has had for a long time under the Liberals and now under the Conservatives?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member rightly points out that over the years there has not been a proper amount of attention given to regulation. My colleague, the Minister of State, from the minute she got into office, started taking steps to strengthen the regulatory process in Canada. That is a continuing objective of our

Government. On September 2, with the announcement of the appointment of curators for the two banks, she announced specific measures to strengthen the Canada Deposit Insurance Corporation's powers of inspection. I should also inform the Hon. Member that steps have been under way for a while now to add to the staff of the Inspector General's office, and that goes back to the middle of the summer.

COMMISSION'S TERMS OF REFERENCE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Deputy Prime Minister. In the Prime Minister's statement announcing the appointment of the Estey Commission the Prime Minister says in part:

Mr. Justice Estey will examine all circumstances and factors ... including regulatory and administrative action taken by the Government of Canada with respect to these institutions.

Can the Deputy Prime Minister explain why the actual terms of reference in the Order in Council setting up the Commission authorize the Commissioner to look into and report on the state of affairs surrounding the cessation of operations of the two banks only with respect to the regulatory action taken by the Government of Canada and its agencies? The word "administrative" appears nowhere in that connection.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if we are going to get into a reading of the specific terms of the Order in Council, it says:

—to inquire into and report on the state of affairs surrounding the cessation of operations of the Canadian Commercial Bank and the Northland Bank—

Those are very broad terms of reference which provide the Commissioner with tremendous scope to explore any elements of the situation which he feels are appropriate. Then there are some specific references, as the Hon. Member has said, but:

—if the Commissioner concludes that the circumstances so require, to recommend any changes in the regulatory and administrative control of the banking industry—

These terms of reference refer specifically to administrative control.

PARLIAMENTARY COMMITTEE—GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to direct my supplementary question to the Government House Leader because the Minister of Finance should go back and read the terms of reference again.

The Government House Leader said that the Royal Commission was appointed because the Opposition was not prepared to proceed with the matter, and for further good and sufficient reasons. Is it not a fact, as widely reported in the press over the weekend, that both I, as Opposition House Leader, and the NDP House Leader, stated publicly on Friday that we were quite prepared to have this matter go to a parliamentary committee?

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): And is it not curious that only after we confirmed our willingness to have this go to committee the Government suddenly decided to have this hidden in a Royal Commission?

Mr. Clark (Yellowhead): Wiggle and run, Herb.

Mr. Gray (Windsor West): Isn't that curious?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have always considered it to be part of my negotiations with the Hon. Member that we would not negotiate outside of House Leaders' meetings. I am interested to see that at long last the Opposition is now ready to give consideration to the parliamentary committee, but the Hon. Member will be the first to admit that there were a number of items, which we had put forward right at the beginning of this whole process when I laid down the terms of reference, which would have provided for an open and thorough examination by parliamentarians but the Opposition refused to go along with it because they were interested only in cheap political points, not in getting to the bottom of a very serious matter for Canadians.

Some Hon. Members: Hear, hear!

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FISHERIES

DEPARTMENTAL OFFICIALS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Acting Minister of Fisheries. He will know and I hope confirm for this House that orders have gone out within the Department of Fisheries that no one is to speak to the former Minister of Fisheries. No one is to speak to the political staff of the former Minister of Fisheries who are still working. No one is to return calls to the Premier of Nova Scotia.

Some Hon. Members: Oh, oh!

Mr. Skelly: The Premier of New Brunswick.

Mr. Clark (Yellowhead): They are all the same to the NDP.

Mr. Skelly: Is it the Government's intention to root out and get rid of officials in the Department who, it believes, are responsible for the present scandal which affected the Government? Or is it in order to get the heat off the Prime Minister's Office?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, to my knowledge the entire preamble of the Hon. Member's question is totally unfounded, and the inferences contained in the question itself are totally unworthy of him.

APPOINTMENT OF ACTING MINISTER

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the basic facts contained within the case are there. The morale in the Department is in serious condition. I wonder whether the Minister might be prepared to stand up in this House and admit that the reason he was appointed Acting Minister of Fisheries was to conduct a reign of terror in that Department?

Some Hon. Members: Shame!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): My only response, Sir, can be that the Hon. Member brings immediately to mind an analogy between him and the caterpillar discussing with Alice in *Alice in Wonderland* the meaning of a word or the meaning of a phrase.

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NUCLEAR ARMAMENTS

CANADIAN URANIUM EXPORTS—REQUEST FOR EMBARGO

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last evening on *W5* there was a story on the trade in uranium with the United States. U.S. energy officials were quoted to the effect that Canadian uranium is used in the development of nuclear weapons. This totally contradicts the statements by the Minister in this House last week.

In light of that information will the Minister now take the proper action to ensure that the treaty is lived up to? Will he go so far as to put an embargo on the trade in uranium with the United States until such time as we can put safeguards in place to make sure that very vital treaty is honoured?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have looked at the provisions of the treaty. I have looked at the degree to which they are being honoured. The treaty obligations and the treaty assurances with respect to Canada in relation to the U.S. and other countries are being honoured. I watched the television program with some care last night. I have neither seen nor received any evidence to suggest that the treaty is not being respected. If I may say so, I find it a curious interpretation of responsibility by the Leader of the NDP that he should claim to have such evidence yet will not give it to me.

Some Hon. Members: Hear, hear!

USE OF URANIUM BY FRENCH AGENCY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I can only say that is an unacceptable and disappointing response by the Minister. If there is any abrogation—

An Hon. Member: Absolutely.

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Mr. Speaker, I will then put another question.

Mr. Speaker: Order, please. With great respect to the Hon. Member, I cannot hear him until certain other Members allow him to be heard.

Mr. Axworthy: Mr. Speaker, they are all auditioning for *The Gong Show.*

These reports also include the fact that Canadian uranium is now being used by the French nuclear agency which could have a potential for use in weapons. Has the Canadian Government investigated that possibility and are we also looking into what safeguards are in place to make sure that the French Government, in light of its production of nuclear weaponry, is also not using Canadian uranium for those purposes?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member was a Minister of the Crown and it was a Government of his Party, led by a distinguished former Prime Minister, Mr. Pearson, who brought this treaty into place. With regard to France, he knows that our arrangements with Euratom ensure that Canada's standards are met with regard to France as they are with others. I ask all Members of the House, if they have any proof that there is any failure to abide by the provisions of Canadian treaties, please bring that evidence to my attention.

• (1440)

Mr. Axworthy: It was in front of your eyes

Mr. Clark (Yellowhead): I have received none at all to this point, and I invite Members of the House not to make vague accusations and not to indulge in innuendo but, if they have facts, to bring those facts to my attention and I will pursue them.

TELEVISION PROGRAM

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it is with regard to the same issue. He said that he saw the program in question last night. Did he not see the pictures of the barrels of depleted uranium? Did he not hear the American official say that Canadian uranium was being mixed in and was in fact being used to make nuclear bombs? Did he not hear Americans say that there was a piece of Canadian uranium in every American nuclear bomb?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I heard those statements by Mr. Arkin. I have heard the allegation that the Canadian treaty assurances are not being respected. That allegation is false.

Mr. Waddell: I don't know what more evidence the Minister needs.

Mr. Blackburn (Brant): There's your proof.

Mr. de Corneille: The Americans would hardly know; after all it's the Americans who are using it.

REQUEST THAT MINISTER CONDUCT INQUIRY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, in order to clear this matter up, is the Minister saying that he has washed his hands of the whole matter, or is he telling the House that he will continue to look into the matter? It is a historic Canadian principle enunciated by Prime Minister Pearson in 1965 that we will use our uranium for peaceful purposes. Therefore, will the Minister look into this matter further, and is he prepared to have an inquiry with respect to the use of—

Mr. Speaker: Order. That is three questions.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have explicitly, and now for the third time, asked Members of the House to provide me with any information that they have, and said that I will look into it. So far we have received no evidence at all from CTV, from the NDP, or from anyone else that there has been a violation of treaty.

With regard to commissions, the Hon. Member may well know that there was a Commission of Inquiry appointed by the New Democratic Government of Saskatchewan, the Bayda Commission, which looked into precisely the question that is now being raised, including whether or not there was a danger to proliferation policy. The new Democratic Party commission in Saskatchewan concluded that the treaty provisions that are now in place were adequate. That was the position of Mr. Blakeney in 1978. He has changed his position now, but the facts have not changed.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

AMOUNT OF TRANSFER PAYMENTS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. The Minister's decision to cut off $2 billion in transfer payments to the provinces will result in much hardship for students, the elderly, the provinces, and indeed the municipalities. Is the Minister of Finance prepared to table in the House today copies of the impact studies that his Department or other Departments of the Government have done with regard to these cut-backs and how they will affect the individual provinces?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I indicated in the Budget last May that we were going to reduce the rate of growth of the federal-provincial transfers by $2 billion by 1990-1991. That means that instead of going that fast, they are only going to go less fast, and less fast is still pretty fast because there is still going to be a considerable amount of money available to the provinces to be used in the range of programs that are supported by the federal Government. I presented this proposal to the Finance Ministers against the background of the very serious financial position of the federal Government. One thing that came through loud and clear was that the Finance Ministers themselves understand, probably considerably better than the Member opposite, the serious financial position that we are in and, therefore, the need to take this decision.

POSITION OF PROVINCES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I remind the Minister of Finance that this measure will substantially reduce the revenues of the provincial Governments, therefore causing extreme havoc for a great number of people. Will the Minister of Finance indicate to the House what remedial measures he will take in his capacity as Minister of Finance to assist those poorer provinces and those poorer municipalities throughout the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I recognize that it is not easy for any province to see its rate of growth reduced. However, I remind the Hon. Member that the percentage of Government spending in these areas in 1990-91 will be the same as today. The share of the federal Government Budget will be unchanged. By making this announcement today we have given the provinces ample warning and ample opportunity to change the method of delivery of programs by working with the federal Government in order to have the least disruptive transition to this new regime.

* * *

DISARMAMENT

NONPROLIFERATION TREATY NEGOTIATIONS—CANADIAN INITIATIVES

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. With the success of the nonproliferation treaty conference behind us and the Geneva summit in front of us, what initiative can the Government take on its own, or with other countries, to move the super powers at Geneva toward definite, clear-cut actions that will lift higher this window of opportunity, specifically the possibility of a comprehensive test ban?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I share with the Hon. Member, and I am sure with all Members of the House, a great deal of satisfaction with the success that was found by all nations in the nonproliferation treaty negotiations in Geneva, particularly because there was some great concern before that conference that no consensus would be found. I think that demonstrates that when all nations are prepared to work toward some agreement, rather than leaving matters exclusively to the super powers, there is an opportunity for progress to be made. We will be continuing the initiatives that Canada has followed in

various forums and certainly will be working toward a comprehensive test ban.

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NUCLEAR ARMAMENTS

CANADIAN EXPORTS OF DEPLETED URANIUM

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and is with regard to this very troublesome matter of Canadian depleted uranium being used in the United States for both nuclear and conventional military purposes. Can the Minister now give us the reasons why he is absolutely certain that depleted uranium is not being used for those purposes?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker, I can. The matter was raised both by television reporters and the other day in the House of Commons in a very general way by the Leader of the New Democratic Party. I consequently looked into it. I have informed myself on the principle of fungibility and other arcane matters that are involved in this question. I have learned that there is, in the treaty, a requirement for administrative arrangements to be put into place that deal with the residue as well as with the original uranium. I have learned that those administrative arrangements are in fact in place. I am satisfied, on the basis of the information I now have available, that the treaty is being respected.

Mr. Blackburn (Brant): What's your proof?

Mr. Clark (Yellowhead): I am asked for proof. The proof is that I have looked for any weakness in the treaty and I have found none. If Hon. Members have any information that that treaty is not being respected, I ask them for the fourth time not to be so secretive. Come forward with your allegations so that we can find out whether they are true or false.

Mr. Axworthy: Do a proper investigation.

CANADA-UNITED STATES TREATY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, apart from the fact that three experts on the matter have said that Canadian depleted uranium is being used, can the Secretary of State for External Affairs assure us that, under the treaty, depleted uranium is dealt with similar to the way in which special uranium is dealt with, or can he tell us that it is dealt with differently and that it is not allowed the proportional treatment that he has been talking about?

Right Hon. Joe Clark (Secretary of State of External Affairs): Mr. Speaker, it receives the proportional treatment. There has been no change in this matter in the last 20 years with one exception. As a result of the Royal commission carried out at the instruction of the New Democratic Party Government in Saskatchewan, that Government invested hundreds of millions of dollars of the people of Saskatchewan in the development of the uranium industry and uranium mining in the Province of Saskatchewan.

Ms. Jewett: Answer the question.

Mr. Clark (Yellowhead): That now involves some 7,000 Canadian jobs and some leading programs for the training of natives.

Ms. Jewett: That's not answering the question.

Mr. Clark (Yellowhead): My questions to the NDP are: one, will you give me some facts; two, why are you opposed to those 7,000 jobs in Saskatchewan; three, why are you opposed to a training programs for Canadian native people?

Some Hon. Members: Hear, hear!

Ms. Jewett: You are avoiding the question.

Mr. Broadbent: You tried that on fish for a while, too. This sounds like tuna fish all over again.

Mr. Hnatyshyn: Phone Allan Blakeney and get a supplementary.

Mr. Speaker: Order, please.

* * *

● (1450)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—GRAPE AND WINE INDUSTRY

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister responsible for International Trade. With the Canadian grape and wine industry at the crisis point, mostly because of imports, putting the Niagara fruitlands in jeopardy, what action does the Minister propose to take as he undertakes these negotiations so that the grape and wine industry will not become a loser?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, we have heard representations from the industry. We are aware of their concerns and they will be taken into consideration in the formulation of our negotiating policy.

* * *

BANKS AND BANKING

BANK CLOSURES—ESTABLISHMENT OF COMMISSION OF INQUIRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Government House Leader. It concerns the decision enunciated today not to have a Commons committee look into the Canadian Commercial Bank collapse.

On Friday, September 27, both the New Democratic Party House Leader, the Opposition House Leader, and the Prime Minister himself, during his press conference which was televised live, indicated to Canadians that they wanted to have a Commons committee investigate the CCB bank failure. What changed in either the House Leader's thinking or the Prime Minister's thinking between Friday morning and this morning to result in the Government's announced intention of scrapping the Commons committee?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there was no change of thinking on our part. The change of thinking was on the part of the Opposition.

Mr. Tobin: The House Leader will know that Canadians saw the Prime Minister indicate that he wanted that committee to work. He said it Friday morning.

APPOINTMENT OF MR. JUSTICE ESTEY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question concerns bargaining in good faith. When did the Government first approach Justice Estey and ask him to undertake this Royal commission, because you were negotiating with two House Leaders until Friday afternoon?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am glad that the Hon. Member made reference to "bargain in good faith". "Bargain in good faith" means that there is a sense of confidentiality in House Leaders' meetings where we discuss matters proceeding before the House from time to time. That is my idea of a fair method of negotiation.

I do not negotiate in the media. I have always made a point of respecting the confidentiality of House Leaders opposite and I will continue to do so until it is proven to me that that is not the appropriate way to operate on the basis of actions on the part of the Opposition.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN CULTURAL AFFAIRS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Despite the Prime Minister's promise last week that our cultural identity was not on the table, the United States Ambassador said yesterday: "I would like to see a discussion between the U.S. and Canada . . . of what has come to be known as the cultural area . . . to include broadcasting, book publishing, magazines, cable television, movies, et cetera".

Will the Minister take this opportunity to tell the United States quite explicitly that we will not put Canada's cultural industries on the table and that we will not negotiate these crucial elements of our national independence?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister has already made it very clear that Canada's cultural identity is not negotiable. I am proud to repeat that assurance.

Mr. Langdon: Of course, the point is to find out whether cultural identity means cultural industries.

BOOK PUBLISHING INDUSTRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, will the Minister give a specific commitment, in view of last week's sale of Classic Books and in view of Commerce Secretary Baldridge's recent pressure, that the Government will stick to its Canadian control policy with respect to the book publishing and book distributing industry specifically?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is the Party that brought to Canada the Canadian Broadcasting Corporation. This is the Party that had the courage, after 16 years of indolence by the Liberals, to declare Canadian sovereignty in Canada's North. This is a Party that will maintain the strength and vitality of Canada's culture and identity. We are so confident of our culture that we are not afraid of seeking commercial arrangements that will provide jobs and security for Canadians.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): If some of my colleagues opposite had been around at the time, their caution would have been such that they would not have let Christopher Columbus get in the boat.

Some Hon. Members: Hear, hear!

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BANKS AND BANKING

COMMISSION OF INQUIRY—APPOINTMENT OF MR. JUSTICE ESTEY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Government House Leader. In order to refresh his memory, let me quote a statement repeated by the Prime Minister in a news conference on Friday when he said that he desired to have a Commons committee investigate the Canadian Commercial Bank September 1 collapse. He said:

> It must be investigated and those responsible must be held accountable.

When did the Government, the Prime Minister or the House Leader first approach Justice Estey about his taking over the commission which should have been conducted here in the House of Commons? When did he in fact contact Justice Estey?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have not spoken to Mr. Justice Estey for some

weeks now. Therefore, I cannot give any response to the Hon. Member.

All I can say is that also in the article referred to by the Hon. Member, the Opposition were complaining about the fact that they did not think we were going to give them enough information. On the contrary, I want it on the record that we were going to give them so much information that they were afraid to go ahead with this inquiry.

MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to give the House Leader the benefit of the doubt.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: He does not need your doubt.

Ms. Copps: You may think that a billion dollar bail-out is a big joke—

Mr. Mazankowski: I think you're a big joke.

Ms. Copps: —but it isn't a joke to the taxpayers.

Mr. Speaker: Order, please.

Ms. Copps: When he misled the House today he said that the reason that the Commission was called for was that the opposition Parties would not agree to a parliamentary investigation. Why in fact did he mislead the House the way he did in Question Period today?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, whenever the Official Opposition is on a sticky wicket and on weak ground, they call on the rats. I am not answering that question. It is simply untrue and unworthy of the Hon. Member. I would ask her if she would not mind trying to do something to restore in her Party at least some of the civility that we expect in the House from Members of Parliament.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PARLIAMENTARY DEBATE

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns Canada's trade negotiations with the United States. The Minister will know that most Canadians understand the difficulty of discussing trade negotiations in detail before they take place. However, he will also understand that they are most interested in knowing that sort of arrangement is worked out before it is signed.

Will the Minister assure the House that Parliament will have an opportunity to debate and approve of any trade agreement with the United States before it is signed by Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am prepared to go farther than that. Of course we will do that. We are also anxious to have the issue debated here in the House of Commons. That is why we had the matter go before a committee that travelled the country. That is why the Prime Minister, in his statement in the House the other day, said that there would be discussion early in the House if possible, if agreeable with the opposition Parties. We have just learned, in the case of the bank, that Governments might want debates and Governments might want references but we cannot achieve them in the face of an obstructionist Opposition.

We want to have the question of trade and the question of our relations with the United States debated in the House.

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BANKS AND BANKING

COMMISSION OF INQUIRY—PROVISION OF INFORMATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, for a Government that wanted debate, it is strange that we did not talk about the matter for a whole week. However, will the Deputy Prime Minister assure us that all of the information that up until now the Government said it could not provide to the committee because it was illegal will be provided to the commissioner?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, why can the Hon. Member not wait with patience for Mr. Justice Estey—

Mr. Gauthier: We don't trust you, Erik.

Mr. Nielsen: If the Hon. Member does not trust me, perhaps—

An Hon. Member: No one does. Even your mother doesn't, Erik.

Mr. Nielsen: She passed away many years ago.

• (1500)

Perhaps he might trust the Hon. Mr. Justice Estey, who is conducting this inquiry. Let us be patient and see what his requirements are.

I can assure the House that all information that it is possible for us to provide, which has been our position all along, will be provided to assist him in conducting that inquiry.

AVAILABILITY OF INFORMATION TO COMMISSION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will all the information in its entirety, that the Ministers had, that the Inspector General of Banks had, that was available to those

three individuals prior to the decision to bail out the bank, and prior to the decision to close the banks down, be available to Mr. Justice Estey for the purposes of conducting his Commission of Inquiry?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Why do we not allow Mr. Justice Estey to determine what information he deemes necessary for the proper conduct of his inquiry, Mr. Speaker?

Mr. Broadbent: He has to operate with your instructions.

Mr. Deans: Why don't you give us the answer?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, September 27, 1985, meet the requirements of the Standing Orders as to form.

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PRIVILEGE

DRAFT DOCUMENT—TASK FORCE ON FREE TRADE—RULING BY MR. SPEAKER

Mr. Speaker: I should indicate that I am, contrary to what I thought earlier, in a position to rule on the question of privilege raised by the Hon. Member for Hamilton East (Ms. Copps) on September 24.

Her complaint was based on a document, a copy of which she furnished to me and which I have read very carefully. It is an unidentified document of unknown authorship which purports to advise on the strategy to be employed in communicating with the public on the bilateral trade initiative between Canada and the United States.

The Hon. Member for Hamilton East complains that certain passages of this document violate her privileges as a Member of Parliament. It is not for the Chair to determine whether or not this is so, but only to decide whether sufficient evidence has been presented to justify according priority of debate to this matter.

In the first place, the Hon. Member's complaint does not seem to be directed against any identifiable individual organization. The Chair has no information as to who wrote the document or who issued it.

Second, the Chair must determine whether the document provides evidence of interference with her right to freedom of speech or whether it in any way obstructs her in the fulfilment of her duties.

She is mentioned by name in the document where it is indicated that her riding has the steel industry to represent. This is a statement of fact which is not, in itself, defamatory.

The document also suggests that some Opposition Members, including the Hon. Member for Hamilton East, represent ridings which stand to benefit from the trade initiative and that this could be productively exploited as part of the proposed strategy.

The Hon. Member perhaps, and I presume clearly, does regard this suggestion as offensive, but does it constitute a threat or an attempt to intimidate her? Has it impeded the Hon. Member in any way in the performance of her duties? I have to say that I can find no evidence in this document which would substantiate an affirmative answer to those questions. I am, therefore, unable to accord this matter precedence over other business.

ROUTINE PROCEEDINGS

[*English*]

NORTHLAND BANK

TABLING OF CORRESPONDENCE RELATING TO THE LIQUIDATION OF THE NORTHLAND BANK

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 46(2), I have the honour of tabling, in both official languages, copies of correspondence relating to the liquidation of the Northland Bank.

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BANKS AND BANKING

NORTHLAND BANK LIQUIDATION—STATEMENT BY MINISTER OF STATE FOR FINANCE

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this morning, I announced on behalf of the Government that a court order is being sought today under the Winding Up Act to permit the liquidation of the Northland Bank.

Also this morning, the Prime Minister (Mr. Mulroney) announced that Mr. Justice Willard Estey has been appointed to inquire into and report upon all circumstances and factors that contributed to the condition of the Canadian Commercial Bank and the Northland Bank and resulted in their cessation of operations.

I want this afternoon to explain to the House the circumstances leading up to and the reasons for these decisions.

[*Translation*]

Mr. Speaker, first of all, I want to point out that the problems experienced by the Canadian Commercial Bank and the Northland Bank reflect a unique and specific situation.

Canada's banking system is and remains one of the most stable in the world. In fact, as I pointed out earlier, the assets of these two institutions represent less than one per cent of the total assets of the Canadian banking system. Both banks had their beginnings in Western Canada, in the mid seventies. Both banks were established in a region that was experiencing rapid economic growth as a result of an energy boom, and developed significantly during that period.

[*English*]

The banks focused upon attracting wholesale deposits from corporations and others like municipalities, hospitals, colleges and pension funds with substantial funds to invest. In their loans and other investments, these two banks had highly concentrated exposure in western real estate and in energy-based businesses.

The banks were particularly vulnerable when the resource based boom in western Canada came to an abrupt end. As we all know, the boom was followed by a very severe recession that dramatically weakened the western economy. In fact, only now is the western economy beginning to shake off the effects of that recession.

In March, the Government was approached by the management of the Canadian Commercial Bank for support. At that time, the Bank required write-downs on its loan portfolio. The net effect of these write-downs would have been to erode the capital and reserves of the Bank to such an extent that it would no longer be viable. A Government decision to support the CCB, or any financial institution for that matter, was not an easy decision to make. The Government, over the course of March 14 to March 25, explored many options, asked many questions and produced alternatives. That was our responsibility.

Let me state, Mr. Speaker, that this Government believes that regional financial institutions can play an important role in the development of strong regional economies. Because of this, we decided that it would be appropriate to make all reasonable efforts to enable the CCB to continue to serve western Canadian businesses.

There were a number of very important considerations behind this decision. The recovery in Alberta and British Columbia was lagging behind that of the rest of Canada. The Government was concerned that a regional bank failure would set back the economic recovery that was occurring in western Canada. Liquidation of the CCB in March, when the economy was less healthy, would have considerably disrupted the affairs of many western businesses, with serious risks to their recovery and, indeed, to their future survival. At the national and international level, there was considerable uncertainty in financial markets. The Canadian dollar had recently reached its lowest point ever. Interest rates were high. Financial institutions' failures in the United States had shaken confidence. The prospect of a bank failure in this unsettled environment carried with it significant but incalculable risks.

Faced with these risks, to jobs in western Canada, to the integrity of our banking system and to international confidence in our economy, the Government decided to pursue efforts to support the Canadian Commercial Bank.

In the light of the best information we had available, and recognizing the limited time for decision, we agreed, together with two provincial Governments and the six largest Canadian chartered banks, to propose the support package approved by Parliament in Bill C-37.

The support package was constructed to restore to CCB's viability by the participants absorbing $255 million of losses on the non-performing portion of the loan portfolio. The non-performing loan portfolio was identified by the management of the CCB and,in the limited time available, reviewed by the Inspector General of Banks and representatives of some of the chartered banks that participated in this support package.

Following the passage of Bill C-37 in March, and in consultation with the Chairman of the Board of the CCB, I took steps to attract new board members to strengthen the management of the Bank. I was looking for individuals of the highest professional calibre. Unfortunately, I was not successful in those recruiting efforts.

As required by the support agreement, two special representatives of the office of the Inspector General of Banks were appointed to supervise the arrangement. Those two experienced credit officers conducted a thorough review of the loans in the support package.

Also, as part of the follow-up to the support package, the Government arranged to have a team of banking experts led by Mr. George Hitchman review the total loan portfolio of the CCB. Mr. Hitchman's report identified the need for substantial write-down of the loans covered by the March support package, as well as other loans the Bank had made which the management of the Bank had excluded from the support package. At the same time, it was apparent that the support package had not restored market confidence in the Bank. The result of this lack of confidence was that Bank of Canada advances to the CCB increased substantially over the summer until they amounted to $1.3 billion by late August.

• (1510)

It became clear through the process that significant additional write-downs would be required. In the view of the IGB, the extent of these write-downs was such that the CCB could no longer be considered viable. Based upon these findings, the Bank of Canada could no longer continue to provide liquidity support.

In the absence of any other option, including potential merger opportunities that were explored, the resonsibility of the Minister of Finance (Mr. Wilson) was to appoint a curator to conserve the financial position of the Bank pending liquidation proceedings. We did not reach this decision on September 1 lightly; we came to it reluctantly and only after the most serious deliberations. We knew that there would be some disruption to the Bank's clients, but we had to weigh that factor against the knowledge that the Bank was no longer a viable financial institution.

To help minimize the impact to western businesses, we asked the curator to carry out his duties in a manner which created the least possible disruption to the business clients of the CCB. That is the background with respect to the Canadian Commercial Bank.

I now want to turn to the situation of the Northland Bank and the decision that was announced this morning. The Office of the Inspector General of Banks has been in frequent contact with the Northland Bank since the Bank was created and has participated in many discussions with management concerning internal operations, audit arrangements, specific lending and financial proposals, and other aspects of the Bank's operations.

When the Canadian Commercial Bank informed the Government of its difficulties that resulted in the March support arrangements, the Office of the Inspector General of Banks, the Bank of Canada, the Minister of Finance and myself were aware of the potential implications for Northland. Over the period following the March support package, it became increasingly clear that the Northland Bank was suffering a lack of market confidence that led to serious funding problems. Bank of Canada advances increased to more than $500 million by the end of August. Through this period the Government worked closely with Northland's officials to try to find solutions to the Bank's problems. As part of this exercise, the Inspector General of Banks undertook a comprehensive examination of the quality of Northland's assets. His report in late August made it clear that Northland's problems were not limited to funding. Indeed, the value of Northland's assets was seriously impaired and the IGB concluded that Northland also was no longer viable.

At the time the decision was being made to liquidate the Canadian Commercial Bank, the Minister of Finance and I met again with officers of the Northland Bank. Northland officials repeated their assurances that a reorganization or merger could soon be accomplished. We agreed that this effort should be accommodated. However, it was clear to us that Northland could not continue normal operations while this effort was in progress. Thus, at the beginning of September, we agreed to treat Northland as a separate situation from the CCB and give the Bank time to develop alternative proposals to liquidation. The Minister of Finance appointed Touche Ross Limited curator of the Northland Bank, with the understanding that Northland management was to be given time to reorganize its affairs to seek amalgamation partners. At that time I retained Mr. Robert Bellamy of Burns Fry Limited to work with the Northland Bank in an attempt to arrive at a reorganization or amalgamation.

On September 27, I received a report from Touche Ross Limited which confirmed the IGB's report that Northland was no longer able to meet its financial obligations as they fell due. The curators stated that the interest of the creditors and the shareholders would best be served by an orderly liquidation. I also received from Mr. Bellamy his conclusions with respect to potential restructuring arrangements for the Northland. Mr. Bellamy concluded that none of the proposals he had discussed with interested parties and examined in detail was likely to be successful. The proposals examined did not effectively limit the exposure of the federal Government, in effect the taxpayers of Canada, in that they required a more or less open-ended commitment to assume the Bank's non-performing loans. Nor did they provide a sufficient degree of certainty that the reorganized Bank would be able to carry on as a viable financial institution without continuing Government support. Those are the documents which I tabled today, the curators' report and Mr. Bellamy's conclusions.

While the Government went to significant lengths to accommodate Northland in its search for a merger partner, we were not and are not prepared to enter into an open-ended commitment. Nor were we prepared to support a solution which did not carry with it the certainty, the absolute certainty, that the Bank would emerge as a viable operation in the foreseeable future. We did not receive a single proposal that met these two basic conditions, despite the fact that Mr. Bellamy, on my behalf, approached a number of parties to see if they were prepared to submit proposals. Given no acceptable proposals and the deteriorating situation at Northland, the Government had no choice but to take the decision announced today. I want to say and to emphasize to all Members of the House that we did everything in our power to assist the Northland Bank in its merger and reorganization efforts. While our efforts were unsuccessful, let me assure you, Mr. Speaker, that it was not for lack of trying.

We could not continue with the search for a merger partner indefinitely. Not only was the situation with regard to Northland's current financial picture deteriorating, but we also had the depositors' interest to consider. As you are aware, Mr. Speaker, the Canada Deposit Insurance Corporation cannot pay insured depositors until an appropriate court order is obtained. Thus I assure you, Mr. Speaker, the decision to liquidate Northland Bank was made regretfully but not until all other possible alternatives were considered fully.

Let me now turn to the announcement by the Prime Minister (Mr. Mulroney), on the recommendation of the Minister of Finance and myself, to appoint a commission to inquire into the events resulting in the cessation of operations of the Canadian Commerical Bank and the Northland Bank. Since September the Government has been pressing for a full, complete and non-partisan discussion of the circumstances and decisions which have brought these two financial institutions to their current state. We have concluded that the public right for a full and dispassionate investigation can best be served through a commission of inquiry. A further reason for a commission of inquiry is to ensure that all the relevant facts surrounding the liquidation of the two Banks come out and are dealt with appropriately. The issues are complicated, as discussions in the House over the past few weeks have made abundantly clear. Analysis and evaluation of these issues require the expertise that Mr. Justice Estey's commission will bring to bear.

We have no parameters on the extent of the commission of inquiry. It will be up to Mr. Justice Estey to determine the scope and nature of the investigation in any way that he sees

fit. We are looking forward to what an independent, objective and most eminent jurist has to say about this entire matter, just as I am sure Hon. Members opposite want to see these results. Further, the Government intends to make public Mr. Justice Estey's report upon receipt, except for any parts of his report that he himself feels should remain confidential. Again in this area, I want to stress that we have not constrained him in any way.

I believe that the approach we are taking in asking Mr. Justice Estey to conduct a commission of inquiry is the approach which is most likely to satisfy the public interest as well as result in a complete explanation of the circumstances.

● (1520)

Mr. Justice Estey has been asked to commence his commission of inquiry immediately and has advised the Government that he will begin hearings on Wednesday, October 2, 1985. He will submit his report to the Governor in Council as soon as possible.

[*Translation*]

Hon. Members will have further opportunity to debate these issues when the Bill authorizing the Government to compensate uninsured depositors is tabled in the House. In fact, this legislation is to be tabled very shortly, Mr. Speaker.

As I indicated in this morning's press release, the legislation will provide for payment to uninsured depositors of the principal amount plus interest up to September 1, 1985. Sixty per cent of the amount will be paid to each depositor concerned as soon as possible after passage of the Bill, with the remaining amount to be paid by an additional cheque post-dated April 1, 1986.

I may add that no payment will be made for interest that would have been due after September 1.

[*English*]

I hope that we will have the full co-operation of Members opposite in completing all stages of the legislation expeditiously so that the uninsured depositors can receive their payments.

As you are aware, Mr. Speaker, these depositors include some municipalities whose ability to function financially has been seriously impaired by the state of affairs involving the Canadian Commercial Bank and Northland.

Hundreds of small businesses, some credit unions, associations, charities, cultural organizations, hospitals and colleges, as well as individual Canadians are also affected and will benefit by the speedy consideration of the proposed legislation by this House.

Mr. Speaker, I hold the view that we in this House should strive to ensure that our financial system remains effective, prudent and well respected in Canada and around the world. To that end the Government will be seeking the co-operation of all Members of the House to revise and reform the legislation and regulatory processes governing the operation of Canadian financial institutions.

On September 1, I announced our intent to introduce legislation that would give federal regulatory authorities increased powers to protect the stability and the soundness of the Canadian financial system. In addition, I have announced my intention to introduce amendments to the Canada Deposit Insurance Corporation Act to ensure that the deposit insurance system will have the financial resources to continue to protect Canadian depositors of modest means. The Government intends to proceed with these reforms in the near future.

In addition, the House Finance Committee is currently holding hearings on the Government's discussion paper on financial institution reform. This document outlines the Government's over-all approach to modernizing legislation respecting Canada's financial institutions.

The recent events involving the Canadian Commercial Bank and the Northland Bank highlight the importance of this work and the need to move quickly but effectively in completing it.

Finally, Mr. Speaker, I want to repeat that I have every faith in the viability and the strength of the Canadian banking system and in its national and international reputation. I am very much looking forward to the work and the report of Mr. Justice Estey. I assure all Members of this House that Mr. Justice Estey can count on the complete co-operation of this Government throughout his inquiry.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in these 24 pages of ministerial statement there is one paragraph missing and it has to do with the resignation of the Minister of Finance (Mr. Wilson) and of the Minister of State for Finance (Mrs. McDougall).

Some Hon. Members: Hear, hear!

Mr. Garneau: It is a very sad day indeed that should be remembered by all Canadians for many years. After 13 months of Conservative Government we have learned today that the second Bank will be wound up.

An Hon. Member: How many more?

Mr. Garneau: Worst of all, this Government after 13 months in power was taking advantage of the employment situation, the job creation. It has taken all the credit for that even though everybody knew that it was the result of the last Budget speech. But today—

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. La Salle: I would have a lot to say about that.

Mr. Speaker: Order. Order, please—

Mr. La Salle: At least we act responsibly!

Mr. Speaker: The House has listened very attentively to the Minister's statement.

I would now appreciate it, please, if the Hon. Member speaking for the Liberal Party could perhaps be afforded the same courtesy in the House.

[*English*]

Mr. Garneau: Mr. Speaker, it is a very serious matter. I do not want to joke about it, and certainly not take those interruptions from the Minister of Public Works who knows nothing about banking except to borrow from the bank.

Worst of all, Mr. Speaker, now we have been told that the parliamentary committee will not be allowed to look very carefully into those two bank failures. In fact, we have been told that a judge has been appointed, and don't tell us that it is not due to the fact that the Member from the Liberal Party tried to ask for more detail before going into the parliamentary committee. I do not know what they have to hide but the Minister has certainly refused to appear before the TV camera in the parliamentary committee. The Prime Minister (Mr. Mulroney) of this country had promised Canadians a televised inquiry. What are they hiding now, and don't give us the Irish blarney.

An Hon. Member: Another broken promise.

An Hon. Member: What are you afraid of?

[*Translation*]

Mr. Garneau: Mr. Speaker, it is a sad day for Canada when in a matter of weeks, we are now informed of the failure of a second bank.

I think we should consider this as a matter involving the Minister's credibility. That is why I said there was a paragraph missing from this long 24-page statement, a paragraph containing the resignation of the Minister of State (Finance) (Mrs. McDougall) and the Minister of Finance (Mr. Wilson).

On March 29 of this year, the Minister said here in the House that with the exception of the Canadian Commercial Bank, no other financial institution was either in difficulty or appeared to be in difficulty. And now she says in her statement that she had been aware of the problems of the Northland Bank since March!

Mr. Speaker, there is the issue of credibility which is extremely important. If the Minister wants to discuss the bank question and obtain the co-operation of the Members of this House on this very important matter, she must realize that her statements must be consistent. If she does not know the answers, she should remain silent. But she should not tell Canadians that no other bank in this country is or appears to be in financial difficulty.

Why do I hesitate today to ask the Minister: Is there another financial institution in danger? Mr. Speaker, I dare not ask the question because I am afraid I will not be told the truth.

An Hon. Member: Right on!

Mr. Garneau: It is a very serious matter. For instance, here is what the Minister said in her statement today:

[*English*]

"These banks were particularly vulnerable when the resource based boom in western Canada came to an abrupt end".

[*Translation*]

Compare today's statement with her remarks to the House last March 25 when she told the people of Canada and Members of the House that the difficulties experienced by the Canadian Commercial Bank stemmed from those loans in California.

Will the Government today, considering the dreadful situation which undermines the security of our entire banking system—

• (1530)

Will the Minister of State . . . and so far the Minister of Finance has refused to assume his responsibilities under the Act. By means of a letter you may delegate certain administrative responsibilities to a Minister of State, but the bottom line is that the Minister of Finance has the ultimate responsibility under the provisions of the Act. I find it rather strange that in such a serious situation he would let the Minister of State (Finance) face the music and assume the responsibilities, while in fact he is the one who should have risen to make the statement.

An Hon. Member: He is scared!

Mr. Garneau: Mr. Speaker, if the Minister expects cooperation from the House she will have to be more careful with her statements. If she wants our cooperation she will have now only to tell us the truth but also appear as if she were telling the truth. Again I would refer to her statements of March 25 and 29 when she said:

[*English*]

Mr. Chairman, this situation was caused by an isolated incident.

She was speaking about the CCB.

There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way.

[*Translation*]

It is a very specific statement. If the Minister wants us to cooperate with her with respect to the Bill she is planning to introduce, she will have to learn to tell the whole truth or refrain from commenting on things which she does not know anything about.

Now I would like to say something about the appointment of Mr. Justice Estey. In my opinion, Mr. Speaker, it is totally inappropriate, particularly after the statements made recently by the Chief Justice of the Supreme Court to a gathering of well known lawyers—I think it was in Halifax where he said it was "inappropriate"—to ask a judge of the Supreme Court to

defend the Government. That is exactly what is happening today.

We will be putting a justice of the Supreme Court in a situation where he will have to pass judgment on political decisions that were taken by two Ministers of the Crown. If he does not dwell—as I hope he will not—on the political actions that were taken, on the political decisions that were made by the Minister of Finance, the Minister of State (Finance) and the Prime Minister (Mr. Mulroney), I submit, Mr. Speaker, it is urgent that the Standing Committee should meet, because nobody will have me believe that a Minister of that Government who made the wrong decision concerning a few cans of fish could have had to resign, that another Minister who ventured into a bar to meet a strip-tease dancer could have been forced to resign, while another two Ministers who will be costing the taxpayers $1 billion will manage to whistle their way out of this mess without a word of excuse to the Canadian people. There are limits, and this is not acceptable.

Mr. Speaker, it is my view that the political judgment that was made brought about the demise of the two financial institutions. First, I thought there was one, but now I am more and more convinced that the way they went about it, they killed both Western Canada's financial institutions. And I say they killed them in terms of the relative costs to Canadian taxpayers, and relative costs in terms of Western Canada's economic development.

Mr. Speaker, the decision was made, as announced today for a second time, that all depositors will be reimbursed, and in the statement she made earlier today, the Minister did not draw any line as to who held the deposits. I may therefore conclude that all deposits, outside of equity, will be reimbursed. If everything is reimbursed, this means that the true costs to the Canadian taxpayers originate from the bad loans in that Bank's portfolio.

Well, if that was the cost, why then not have directly invested in the bank's equity those very sums of money, which would have amounted to the same for the Canadian taxpayers and not have written off the bad loans? If there are legal proceedings to be taken against the management, there is nothing to prevent that. But for the same cost, they could have saved those banks with actual Government support, instead of announcing a rescue plan on March 25 and a few days later calling the financial institutions over the telephone and asking them what they would say if the plug was pulled out—

Mr. Speaker, before one undertakes such an operation, one must first consider the situation and not put Parliament and the Canadian citizens on the spot, in a hurry, to avoid bad publicity at the economic summit, where the Prime Minister glowered before TV audiences. They would not tarnish the image . . . They made a decision within a few hours, and this will be costing not only $1 billion in taxes but also the demise of two financial institutions. If I were a Westerner today, as I said recently in the emergency debate we had with the support of Progressive Conservatives, but during which we were provided with no additional information because many Ministers had taken off, Mr. Speaker—In this case, as I was saying, if I were a Westerner, I would be deeply humiliated today by this Government's actions.

As a French-speaking Quebecer, I have to wonder what would happen if institutions as well established in our region as the credit unions or Caisses populaires had to close because of similar problems. This is not at all the case at the present time. These institutions are in very good shape, but in a similar situation, I would feel humiliated as a Quebecer, and I can understand how humiliated the residents of the Prairie provinces must feel because of the action and behaviour of this Government.

Some Hon. Members: Hear, hear!

Mr. Garneau: Millions of dollars of the taxpayers' money have been invested, but finally, both banks will close and the Prairie provinces will lose two of their regional institutions that they wanted to keep and for which Westerners had fought for years.

However, Mr. Speaker, if it had been decided, as it could have been, to let the CCB sink completely last March, my comments would be different today, but as it was decided to reimburse everyone, including the foreign banks, the Canadian banks, the municipalities and the Credit Unions, the real cost of this operation will be the cost of the bad loans. In my opinion, these two institutions could have been saved, but only if the Government had put all its weight behind this operation. Now, we shall have to pay, the banks will close, hundreds of jobs will be lost, and God knows when Western Canada will be able to develop another similar institution.

Mr. Speaker, I would like to come back for a few moments to the role which Mr. Justice Estey will play. Without wanting in the least to minimize his legal ability, I believe that Mr. Justice Estey will be asked to rule on a Government decision which was a political decision made on behalf of all Canadian citizens, and he will be asked to say publicly in a report that the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) and the Prime Minister made a bad decision. To ask the question is to answer it, Mr. Speaker. It is ridiculous. This is why, at this very moment, my Leader, Mr. Turner, is now in Toronto giving a press conference which was scheduled to begin at 3.30 and where he is requesting the same thing we are requesting in this House, namely that a Parliamentary Committee be asked to rule on the political decisions which this Government has made and which have destroyed two financial institutions.

I think that it would be proper and probably normal to ask a judge to determine whether any thefts or illegal acts were committed by the administrators of these banks, but after the comments made by the Chief Justice recently, you should not ask a judge, especially a Supreme Court Justice, to rule on a

political decision. I think that this would place him in an untenable position.

Finally, Mr. Speaker, I wish to point out to the Government and to the Canadian people that I find it strange to hear in this House the Opposition being accused of delaying unanimous consent for a referral to the committee.

I think we should emphasize, for the benefit of the public who is watching us, we should shed light at least on that part ... The Government has tried—I do not know whether this the correct Parliamentary expression—to have this issue quickly referred to a Parliamentary committee without assuring us that the said committee would have every opportunity to examine it in depth. Mr. Speaker, when we are asked to carry out an investigation of this type in only one and a half or two months, when we know how heavy the Parliamentary workload is; when we are told that there is no way we could have a look at the Hitchman report, or consult the list of depositors or find out about the types of assets these banks had, what do you think we will be able to do in committee except participate in the cover-up this Government was trying to force upon us? To do a really good job, we need a minimum of documents.

About this politicial decision which is likely to cost $1 billion, I suggest it will not be possible to get to the bottom of this as long as the committee will not have the privilege of calling as witnesses the Minister of Finance, the Minister of State (Finance), the Prime Minister, and all the other people involved in this matter, And I suggest also that if a judge can carry out an administrative investigation, he cannot carry out a political one. That is the reason why, and I will conclude my remarks with this, I feel today is a very sad day. I just cannot accept that these two banks can go under, that Canadian taxpayers can be called upon to pay up to $1 billion, and that two Ministers can wash their hands of the whole mess by referring it to a judge and remain comfortably seated without assuming their responsibility in the matter.

● (1540)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it was with a great deal of regret that we learned today of the collapse of the Northland Bank. The Government's attempts to rescue the Bank will not succeed and the Government has decided to put the Bank into liquidation. I think this collapse will be a further blow to the economy of western Canada as well as to the taxpayers both in the West and across Canada. Perhaps I can put it into perspective, Mr. Speaker, by reminding the House that the combined cost of the collapse of the Canadian Commercial Bank and the Northland Bank is in the order of $1 billion to the Canadian taxpayer. A great deal of that money has to be put down to this Government which in 12 months or 13 months has intervened directly, has made decisions in supervising officials who, I believe, made errors and we are now seeing the chickens coming home to roost.

This has come about at a time when this House has just had closure imposed on a project of law to deindex the family allowance and to take money out of the mouths of the children of Canada, and we are doing that so that we can spend $1 billion for the depositors of the Canadian Commercial Bank and the Northland Bank, many of whom were uninsured depositors and who had absolutely no contract or guarantee that they should get their money back.

I would like to cite for the record the names of Robert Wilson, the chairman, Mr. Charles Neapole, the president and Mr. Martin Fortier, the executive vice-president of the Northland Bank who, according to this week's *Financial Post*, in August were each given, to compensate for the lack of bonus, a brand new $50,000 Jaguar automobile. That is how it is reported. I hope it is not true. However, I certainly wonder about bail-outs in this kind of stratospheric operation which is so far out of the reach of ordinary Canadians. Ordinary Canadians are spending $60, or $70 per person on the bail-out of these banks.

It is of regret to us, Mr. Speaker, that negotiations between the Government and the Northland Bank were not enough to save the bank. We will learn, as details about the Northland Bank become public, what exactly led to the Bank's ultimate demise. I note in looking at the Minister's statement that, if nothing else, there was something of a double standard which appears to have been imposed in this particular case. The Government claims that it was not prepared to accept an open-ended commitment with respect to the Northland Bank. Yet that is precisely what was done with respect to the Canadian Commercial Bank. The Government says it needed a solution which had certainty that the banks would emerge as a viable operation. It is certainly obvious now, if I can quote the Prime Minister (Mr. Mulroney) about the Canadian Commercial Bank, "There was no certainty it would emerge as a viable operation».

If the Government had been adequately informed abou the situation of the Canadian Commercial Bank back in March I wonder whether in fact the Northland Bank might have been saved by intervention at that time, even if the cost was that one of the two banks would have gone down. I noted the Minister's statement—

[*Translation*]

Mr. Speaker, I notice that in her statement, the Minister once again has blamed this mess on the economic situation in Western Canada without mentioning either the CCB's investments in California, the monitoring and administrative failure of the Inspector General of Banks, the Governor of the Bank of Canada and the Bank of Canada itself, or the administrative and political blunders of the Government of Canada.

The Minister does not recognize that the regulators, the Bank of Canada and the Ministers themselves must have played a major part in this situation which has cost so far $1 billion to Canadian taxpayers.

The Minister keeps repeating that the Government acted back in March on the basis of the best information available at

the time. In her 24-pages long statement, the Minister has failed to mention that between March 14 and the month of July, the Government did not even try to find out about the CCB's situation as to the so-called non-public assets.

The Government turned down the five chartered banks' request for an examination of the bank's assets. The banks offered to send their own people to carry out this examination. Their offer was repeatedly rejected over a period of several months, until the chartered banks decided to withdraw their investments from the Canadian Commercial Bank.

The Government refused to find out what sort of institution this was in which it decided to invest $250 million, mostly from taxpayers' money, while assuring all organizations with money invested in this institution that they would be fully compensated in case of a failure.

In her statement, Mr. Speaker, the Minister has indicated that ever since September the Government had been trying to set up a full, complete and non-partisan investigation. She has chosen to ignore the fact that it was the New Democratic Party, frustrated by the Government's refusal to provide the Parliamentary committee with the documents it needed to do its job, which last week began to push for a judicial inquiry, with the assurance that the appointed judge would have access to all the information refused to the Parliamentary committee.

[*English*]

I am distressed, Mr. Speaker I say to the Minister of Finance (Mr. Wilson), as well as to his junior minister, that when the Deputy Prime Minister (Mr. Nielsen) was asked specifically about information which would be available to the judge in making his inquiry, the Deputy Prime Minister fudged. He repeated the words which have been given time and time again over the course of debates in this House, saying, "All the information it was possible to provide would be made available to Justice Estey". Frankly, I do not feel that is good enough. We were told that it was not possible to provide the report from the United States. It was not possible to provide the report by Mr. Hitchman when he was sent in to look at the other aspects of the Canadian Commercial Bank. We were told it was not possible to provide the list of depositors because of restrictions of the Bank Act. We were told it was not possible to have witnesses come under subpoena. It was not possible to get full and complete answers from the Inspector General of Banks in the spring and we had no guarantee that the Committee would have that right in the fall, Mr. Speaker, if it resumed its inquiry.

Are we being told that a justice of the Supreme Court of Canada is going to be treated in that way by the Government? I would hope not, Mr. Speaker. Yet that was the declaration which came from the Deputy Prime Minister today.

I would like to comment today about what we think should have been in these terms of reference and also what we think Justice Estey should have been asked to do. The Minister states in her statement that there are no parameters, that there are no restrictions surrounding this investigation. That is better than an investigation which is so restricted that it is bound to become a whitewash. However, I have a sense, Mr. Speaker, that this could turn out to be an exercise in using vanishing ink. It could be used as a means of deflecting concern from the Government's activities in this particular area, especially if the inquiry is allowed to go on and on and on without any cease at all. The questions which are very simple, which should have been put to Justice Estey are, to inquire into the matter of the demise of the Canadian Commercial Bank and the Northland Bank. This is to be "Without limiting the generality of the foregoing"; that is the phrase commonly used, and then some specific questions should have been put. The Minister could have ensured that Mr. Justice Estey was not restricted, but she could also have asked the questions that we in the Opposition and the people of Canada want answered. The first question is: Why did these banks fail? The second question is: What role did the Ministers and the Government and its officials play in the failure of these two banks? I have a number of more specific questions which I will outline and which I hope Mr. Justice Estey will look into. I know, being a conscientious jurist, he will read these statements quite seriously. I respect him for that. However, the Government should have provided this guidance without limiting the area into which Mr. Justice Estey must look.

● (1550)

Over a period of three and a half weeks of negotiations, Mr. Speaker, the Government insisted that the Standing Committee on Finance, Trade and Economic Affairs conclude its inquiry by November 30. We raised this question in the House today, and if this is so, then some sense of the urgency of the matter should have been communicated to Mr. Justice Estey as well.

[*Translation*]

We are now in a situation where the House of Commons is being asked to agree to a bill to compensate the institutions for their deposits in the two bankrupt banks.

We are supposed to authorize the Government to increase the Canadian deficit by $1 billion so as to pay $1 billion to the companies and institutions which were not insured, in other words, to give out the taxpayers' money to people who are not in the least accountable.

Mr. Speaker, do we really have to make such a decision without knowing all the facts? Why did the Government not ask Mr. Justice Estey to present his report by November 30, as we had asked the Committee on Finance, Trade and Economic Affairs? This would have allowed the House of Commons to conclude its debate on the Bill before Christmas, but with the added information contained in the report of Mr. Justice Estey.

[*English*]

If the committee is expected to report by November 30, surely we can have at least a preliminary report from Mr. Justice Estey by that time, perhaps even by the end of October. To ask this House to give $1 billion to un-named deposi-

tors with no information from this inquiry is, it seems to me, prejudicial to our doing a decent job. It is a violation of the privileges and rights of Parliament. Certainly it is offensive to the people of Canada who are going to have to shell out this money without knowing why.

Given the number of areas into which Mr. Justice Estey can inquire, this inquiry could become like the Ontario commission on the northern environment. That went on for seven and a half or eight years. The report finally came down last month and everyone heaved a sigh of relief that it was out of the way. It cost $9 million or $10 million and this is far past the time when it could be of any use. Therefore, given that the Green Paper is under consideration and that Mr. Justice Estey may want to comment on such matters as regulation of the banks, the quality of inspection of the banks, the quality of the advice coming from the Bank of Canada and the Inspector General and that kind of thing, let alone about the political responsibilities, I do not think his inquiry should under any circumstances last beyond, say, six months. He should be finished by March and we should have an interim report in time to enable us to pass judgment on the Government's request for $1 billion. I do not have any assurances about that because it is not in the terms of reference. Mr. Justice Estey could go on and on and on. I suppose the Government could vary his terms of reference by putting some time limits on it and I regret it was not done at the very beginning.

The matter of information is raised, Mr. Speaker. When the Government gets to reply, either now or later, I would like assurances that the Hitchman report will be available to Mr. Justice Estey, and not barred to him as it was barred to the committee.

Mr. Wilson (Etobicoke Centre): It was not barred to the committee.

Mr. Cassidy: The Minister is shaking his head. I am not sure what that means.

Mr. Wilson (Etobicoke Centre): It means you could have had it if you had not been so stubborn.

Mr. Cassidy: I would like assurances that the Government will press the American authorities at the Prime Minister's level to share with Mr. Justice Estey the report of the Federal Deposit Insurance Corporation concerning their findings on the Westland Bank and the CCB's American operations, because that was the trigger which should have signalled to the Government that there were very serious problems. What the Americans found out about the operation of that bank in the U.S. should have been such that the Minister would not write a $1 billion blank cheque as has now been done.

We would like assurances that the list of depositors is available to Mr. Justice Estey. Frankly, I would like him to come back and indicate in no uncertain terms that this House should not give away $1 billion without ensuring that anyone who wants the money, if it is the wisdom of the House to give it, should at least have to reveal who the devil they are. If they want to maintain their confidentiality, that is fine. The rules of the market-place say that they deposited the money in the banks and they should not get it back if they are not prepared at the very least to indicate who is getting it. The Government's secrecy is, to my mind, deplorable.

I want to talk now about the more specific questions which Mr. Justice Estey should be addressing. As I said, in general the question is why did these banks fail and what role did the Government play? One of the major things we want established is the role of Government Departments and ministerial responsibility. If we do not have that determined in the report, then corrective action cannot be taken either by the House or the Government. As I have reconstructed the situation, the Ministers were involved in turning down the repeated requests of the banks to let someone go in and look at the books of the CCB to find out what the devil was happening. Again the Minister of Finance is shaking his head. I am not sure why because those are the facts. I have heard the presidents of two or three of the banks testifying before the committee on this subject. When you ask them if the names of the depositors should be made public, they say that is a Government decision. In other words, they are not going to be critical if the Government decides that should be the case. They know there is nothing to hide. It is the Minister of Finance sticking up for his friends in certain portions of the banking community.

It may become clear that the Department of Finance lacked adequate monitoring of the state of the banks. It may become clear that the Bank of Canada, with all of its resources, inadequately monitored the banks to which it provided liquidity. It may become clear in the end that the entire decision-making process was based on the inadequate advice of an overworked official who had failed to take the appropriate steps to reinforce his demand for adequate staff to do the job. I speak of the Inspector General of Banks. Under the Liberals as well as the Conservatives no action was taken to give that official the kind of resource he needed and, in my view, he should probably have resigned to take his case to the public if he was not able to do the job in the new banking environment which has emerged with the kind of corporal's guard of inspectors that he had to work with. If in fact everyone was relying on the testimony of this poor, overworked official who was stuck here in Ottawa with no real knowledge of what the devil was going on, then you have to ask questions not only with respect to him but with respect to his political masters who came in committed to a mandate for change some 13 months ago and in all that time were unable to enforce effective change in an area where it has been proven we are vulnerable, to the tune of $1 billion.

I would like Mr. Justice Estey to look into the question of the Government role in seeking a partner for the Northland Bank. The events last week were quite extraordinary. The president of the Bank, Mr. Neapole, a former president of the Montreal Stock Exchange, a man with wide experience in business—

Mr. Wilson (Etobicoke Centre): No.

Mr. Cassidy: Was it his brother? I am sorry.

Mr. Wilson (Etobicoke Centre): Wrong again.

Mr. Cassidy: Wrong again. Okay, I apologize.

Mr. Neapole went public, after agreeing not to do so, because of his frustration with the assistance he was getting from Government with respect to getting a partner for the Northland Bank. The Government has said that it did not want an open-ended commitment. However, it certainly appears from statements made by Mr. Neapole a week and a half ago that in fact the Northland Bank was less than justly dealt with in terms of its efforts to get a partner that would permit the bank to continue as a viable entity. I would like to ensure that that question is fully looked into and reported on by Justice Estey.

● (1600)

The third question is what in fact has the Government done to reinforce the capacity of the Inspector General of Banks since it was revealed in the spring that he did not have the staff. The fourth question is how much this will cost the taxpayers, both through the Canada Deposit Insurance Corporation and also directly. Finally, with respect to the relationship between the United States and the Canadian parts of the CCB, it is my hunch that because the American regulators were vigilant, they bailed out before they had to compensate depositors in that particular bank and we are paying the price for a double failure because of assets that went from the Canadian Commercial Bank into the American bank. That subject should in fact be reported on. Why was no new management put in place? If the Minister could not find any directors, why did she not put some officials from the Bank of Canada or the Department of Finance in as interim directors and tell the CCB that she would remove them when they found some decent directors since she could not find any. I know my time is up, Mr. Speaker.

[*Translation*]

In all of this, one question is left unanswered. This will cost the Canadian taxpayers about $70 each. One billion dollars was lost because of the mistakes of the Government and the mismanagement of these banks. We have to know who is responsible. Judge Estey must not be prevented from doing his job by a lack of information and his report must be made completely public.

* * *

[*English*]

PETITIONS

DEINDEXATION OF SOCIAL SECURITY PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition which came from a number of women across Canada who attended the Canadian Labour Council Conference of Affirmative Action last week. In this petition they say that deindexation of the universal family allowance and massive cut-backs in public commitment to child benefits are an unfair attack on women and families, especially single-parent mothers. They go on to say that family allowance deindexation will not be off-set by changes in the child tax credit and that cut-backs will mean about $600 million taken from child benefits by 1990, and furthermore, that the cut-backs—

Mr. Speaker: Order, please. I think the Hon. Member knows that summaries of petitions should be very brief. I thank the Hon. Member. Further petitions?

Ms. Mitchell: Yes Mr. Speaker, I also have a petition from a group of mostly women who are connected with the Ottawa Council for Low Income Support Services. The undersigned ask the Prime Minister to restore full indexation to the family allowance and child tax credit as this Budget measure will take away $50 million in family benefits by 1987.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to advise that question No. 132 will be answered today.

[*Text*]

NCC—DEFERRAL OF CAPITAL PROJECTS

Question No. 132—**Mr. Malépart:**

Will jobs be lost following (*a*) cutbacks within the National Capital Region (*b*) the deferral of capital projects and of the construction of an office building in Halifax (*c*) the deferral of capital investments for dredgers destined to the Department of Public Works (*d*) the re-examination of redevelopment projects for federal lands located in Montreal's Vieux Port and in the Chicoutimi marina and, if so, in each case, how many?

Hon. Ray Hnatyshyn (President of the Privy Council): I am advised by the Department of Public Works and the National Capital Commission as follows:

(*a*) The recent government spending reductions mainly affect the National Capital Commission's capital program and an estimated 203 person-years of labour will not be required in 1985/1986 in the National Capital Region. There will be no loss of jobs at the National Capital Commission.

(*b*), (*c*) and (*d*) There will be no actual loss of construction jobs for the projects deferred or cancelled. We are looking to a deferral only of approximately 280.5 construction jobs for the Government of Canada Building in Halifax, Nova Scotia and 200 constructio jobs due to the one year postponement of minor capital works projects. No loss of jobs is anticipated due to the deferral of capital investments. There is a potential loss of 10 person-years in 1985/1986 in the shipbuilding, repair and support industries. The decision to recall $2.9 million from Montreal's Vieux-Port will result in the loss of 36 direct and 22 indirect jobs in 1985-1986. Direct jobs refer to on-site employment while indirect jobs refer to those lost by suppliers. The decision will not affect permanent positions. With regard

to the Chicoutimi Marina, the effect will be the loss of 17 direct and 10 indirect person-years in the construction industry in 1985/1986. The cancellation of the marina will not result in the loss of jobs at Public Works Canada or the permanent loss of on-going jobs in that operational resources would have been transferred from another marina.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S.O. 31

NORTHLAND BANK COLLAPSE

Mr. Speaker: I am in receipt of an application under Standing Order 31 from the Hon. Member for Laval-des-Rapides (Mr. Garneau). The original notice I had was that it was coming from the Hon. Member for Windsor West (Mr. Gray) in the name of the Hon. Member for Laval-des-Rapides, but the Hon. Member being present—

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the reason why we are suggesting an emergency debate is that we learned officially today about the bankruptcy of the Northland Bank and we believe that the Canadian taxpayers should know more about the circumstances of this affair. Even the Minister's statement that we have just heard did not mention any specific figure of what our taxpayers might have to pay and I think that it would be entirely proper to have an emergency debate before a judicial inquiry is launched.

Mr. Speaker: It is the first time that the Hon. Member has followed the procedure under Standing Order 31. Usually, the letter sent to the Speaker is read. This is all. It is in no way a criticism.

[*English*]

In effect, the Member did send me his preference for his application and the duty of the Chair, as the House knows, is to determine whether an application for an emergency debate under Standing Order 31 meets the requirements of the Standing Order. The House will recall that the Chair received several applications for an emergency debate on the potentially imminent collapse of the Northland Bank and of the consequences thereof, and that the Chair accepted the application that was accepted on the basis that the potential failure of this bank and the consequences therefor constituted an emergency as envisaged by the Standing Order. The House will also remember that that debate took place last Wednesday, September 25.

I cite to the House Standing Order 31(16)(*d*) which states:

—the motion must not revive discussion on a matter which has been discussed in the same session pursuant to the provisions of this Standing Order;

The Hon. Member for Laval-des-Rapides is now requesting an emergency debate on the Government's winding up of the Northland Bank. With all due respect, it seems to me that the subject matter of this application is no different in any crucial respect from the subject matter of last Wednesday's application, and therefore I must say no.

May I also advise the House at this time that because of the Ministerial statement consideration of Government Orders will be extended by 57 minutes this day. So that the House is aware of these procedures, Private Members' Hour will also be affected, but will begin immediately after the vote that is called for later today. The Hon. Member for Ottawa Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, you just made a statement to the effect that the Private Members' Hour will start after the vote. The vote having been called for 15 minutes prior to five o'clock, I guess it will be 15 minutes prior to—

Mr. Speaker: Let us make an assumption that the vote is called for 15 minutes prior to 5:57. Read 5:57 as five o'clock in the rules and the Hon. Member knows what happens thereafter.

Mr. Gauthier: But my point, Mr. Speaker, is that Private Members' Hour will not be a total of one hour. It will be whatever is left after the vote is taken.

Mr. Speaker: That is absolutely correct. I simply indicated that it would begin after the vote. I hope that is what I indicated. I take it the Hon. Member is raising the confusion which arises when we talk about Private Members' Hour as a title. Private Members' business will commence immediately after the vote. I thank the Hon. Member.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to a legislative committee; and the amendment of Mr. Frith (p. 6625).

Mr. John Reimer (Kitchener): Mr. Speaker, in his remarks this morning the Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) was suggesting that it was the Liberals who

were the creators and defenders of our social programs and senior citizens. Before the lunch break, however, I pointed out to him that the Liberals had introduced the 6 and 5 per cent limitations on Government programs, that the Liberals had frozen the child allowances in 1976, and finally, that had full indexation been in place since 1976 for the child allowance it would be $51.83 today rather than $31.27.

Our seniors have nothing to fear from this Government. When seniors objected to the six and five program under the Liberals, the Liberals did nothing. In comparison, when the seniors objected and pointed out the problem in our Budget in May, this Government listened, admitted its mistake and changed. That is a tremendous difference from what we saw for 20 years from the previous administration. Seniors have absolutely nothing to fear from this Government. Bill C-70 makes very simple changes. The changes are a limitation to the increases to child allowances which will only begin after inflation exceeds 3 per cent. Therefore, if inflation continues at the present rate of 4 per cent into 1986, the increase will be 94 cents less than the present system. Therefore, there will be no reduction in child allowance and, in fact, there will be a 1 per cent increase of 31 cents. That is far better than what happened under the Liberal regime when they froze child allowances in 1976. If child allowances had been fully indexed since 1976 they would be $20.50 higher today.

• (1610)

This Bill has a twofold purpose. The first is deficit reduction, and the second is a more rational system of aiding those in greatest need.

With respect to deficit reduction, we must remember that presently we are paying $26 billion just on interest on the debt. When we consider the total federal share for health care, old age pensions—including the OAS and GIS combined—the spouses allowance, the entire family allowance system, welfare, social assistance to the needy, the federal share for medical research, we see that all of these cost less than the $26 billion just to pay interest on the debt. If we do not begin to slow the increase of our debt we will not be able to afford our social programs.

Second, we must not consider this measure in isolation but see it in conjunction with other packages in the Budget. We will be enhancing the child tax credit system which will in fact ensure that those at the lower end of the income scale will be receiving more money than they presently receive.

Therefore, I suggest that this is a responsible measure of deficit reduction while ensuring that those whose need is greatest will receive even greater aid from the Government. I commend this Bill for speedy passage.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, as I rise to speak in today's debate on the intention of the Conservatives to de-index family allowances, I find it extremely difficult to accept their decision to gag the Official Opposition.

Mr. Speaker, that is why I urge all fathers, mothers, grandfathers and grandmothers of my riding of Bourassa to get in touch with my constituency office and seek information concerning a petition which is being circulated to express opposition to the deindexation.

Mr. Speaker, I take this opportunity to thank the local newspaper *Le Point* for telling people how they can add their name to the petition.

Mr. Speaker, I would have thought that a party with such a commanding majority would appreciate that it was in its own interest to discuss and listen to the remarks and suggestions of as many Members as possible. But it can readily be seen that mum is the word among Conservatives and what the boss wants the boss gets. That fully explains the silence of Members opposite, and I direct my remarks more particularly to the Quebec Conservative Members who, during July and August, kept shouting that things would change but of course that there would be no change made in family allowances.

To my Quebec Conservative colleagues I say that now is the time to stand up and uphold the right of mothers to continue to get their family allowances.

If I were a Government Member, Mr. Speaker, I would be ashamed to face my constituents after having voted to prevent a real debate on family allowances.

Mr. Speaker, family allowances are sums of money paid to mothers in addition to wages, charitable donations and other supplements, in recognition of the expenses of families, many of whom are single-parent families. This kind of attack against Canadian mothers is tantamount to undermining the very foundations of our society.

The Progressive Conservative Government had no trouble finding and spending $55 million to change the colour of military uniforms, but it did not have $55 million to spend on Canadian mothers. The Progressive Conservative Government had no trouble finding and spending one billion dollars for the big lenders of the Canadian Commercial Bank but it was unable to find $55 million for Canadian mothers. The Prime Minister (Mr. Mulroney) and his Cabinet have doubled and even tripled their budget for offices and personal consultants, but the same Prime Minister, Mr. Speaker, and his Cabinet were unable to find $55 million for Canadian mothers.

Mr. Speaker, it is quite obvious that for the Government opposite, family allowances have no importance whatsoever. The Progressive Conservatives fail to realize that the family allowance payments made to Canadians reflect, above all, a concept of social justice. And that concept, Mr. Speaker, is totally absent on the other side. If they had the slightest notion of social justice and responsibility, Canadian men and women would not have found tainted tuna on foodstore shelves. If they knew what social justice meant, they would never have tried to deindex Old Age Security pensions. If they knew what social justice meant, they would never have decided to deindex

family allowances. The Conservatives had to backtrack on Old Age Security pensions and restore full indexation. I still have some hope if only Members on the Government side had a little more courage that the Conservatives will backtrack on the family allowance issue.

Mr. Speaker, every day, thousands of Canadian men and women are abandoning the Progressive Conservative Party for the simple reason that this Government and this party have no courage and no convictions, and are led by a man and a bunch of non-elected people who have no time for Government Members.

Last night, Mr. Speaker, during the CBC report on the election of a new Parti Québécois leader, which I followed very attentively, the Progressive Conservative Party was represented neither by a Conservative Senator nor by a Conservative Member. However, that same Progressive Conservative Party was represented by Mr. Jean Bazin, a good friend, I may say a very good friend, of the Prime Minister of Canada. Am I to infer, Mr. Speaker, that if our mothers want to retain full indexation of family allowances, they should go to Fernand Roberge ou Jean Bazin? Every day, and especially today, we are seeing examples of the uselessness of elected representatives.

They are gagging Members and deindexing family allowances.

● (1620)

Mr. Fontaine: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Lévis on a point of order.

Mr. Fontaine: The Hon. Member was referring to the Parti Québécois Convention. This has nothing to do with the issue at hand. I would therefore ask the Hon. Member to either aside by the rule of relevance or simply sit down.

Mr. Rossi: Mr. Speaker, I think this is most relevant, even though it concerns the Conservatives, and I will leave it to the Chair to decide that this is not a point of order. But it does get on your nerves!

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi) has the floor to carry on with his speech.

Mr. Rossi: I have concluded my speech, Mr. Speaker, and I would invite my colleague opposite to get a good look at the Standing Orders. And besides, he has much to learn.

Mr. Deputy Speaker: The Hon. Member for Beauharnois-Salaberry.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I welcome of course this opportunity to take part in the debate on the motion this afternoon, because from the outset, and to respond to the suggestion made by the Hon. Member for Bourassa (Mr. Rossi) that among the Progressive Conservative Members silence is golden, we have been debating the issue for quite a while speaking within our alloted time, and we do not make a habit of constantly repeating ourselves.

We are often told that we forget because we came here from the other side of the House that there is a lack of consultation as we were told this morning, and an Hon. Member opposite also told us this morning that we are running the Government as if we were operating a business and, this might not be good, although in the same speech there was a contradiction on that.

I would like to return to each of those points, Mr. Speaker, not to over-justify but to explain. My honourable friend for Bourassa (Mr. Rossi) said this morning: "You voted for a change and you were elected on a change". The least they can say is that we fulfilled our promise. My colleague referred last night to a leadership convention, he said: "At least I wanted to rank last, and I fulfilled that promise".

It is not that we are necessarily forgetting, but we must assess the situation as it is. The Hon. Members opposite are often making fun about the fact that we often mention the deficit, as we often do. But that deficit, the billions of dollars accumulated in that deficit, certainly forced us to revise certain decisions and certain directions in the statements we made. On that point, there was a change. During my election campaign, as people in Beauharnois-Salaberry will admit it, I often repeated that we should, if there was a Conservative vote . . . the Liberal Party always said: "From now on, tomorrow, it will be like yesterday, but with a slight indexation." This is what we wanted to change, Mr. Speaker, and I think we are in the process of changing it.

Indexation, Mr. Speaker, and I am now speaking on my own behalf, is an indebtedness we are laying on our children's shoulders and which we cannot evaluate right now. Honestly I do not think, and when it was stated this morning that we should not run the Government as one operates a business, I believe that quite to the opposite, indexing was not hatched by Canadian Quebec businessmen necessarily, it was devised by the Government and it was not necessarily a good thing for the Quebec Government in 1974 to introduce that. I am in a good position to know, I was a negotiator at that time, and admittedly it was quite reluctantly that I ended my negotiating career for the reason that we were giving something we could not evaluate. It is not possible, Mr. Speaker, to manage the general finances of a country by stating that next year, this or that will be indexed! And when they blame us for not having consultations, I think it is pushing it too far. There were parliamentary committee hearings on that, there were even working papers issued. This was widely discussed, to a point that in my constituency, in many constituencies and even in Liberal and New Democratic constituencies, consultation meetings were held. If we hear Hon. Members speaking here

this afternoon, certainly it is because I suppose they consulted people, and I do not question whether this was done in good faith. Let us recognize we had time to consult. If consultation means that we have to listen to everything that people want to say about the matter, no responsible Government can do such a thing. We listen, we assess the advantages and the disadvantages and we make decisions in accordance with the policy or the direction which the Government has chosen. I do not think that there was a lack of consultation. The direction taken is not that suggested by some people and I fully agree but some consultations were held, we listened and we assessed the advantages and disadvantages.

Mr. Speaker, I think that the Government must operate along the same lines as a business or an undertaking, that is on the basis of figures, results and directions, taking into consideration the capacity of the citizen to pay and especially the capacity of our children to pay.

When I was mayor of the City of Beauharnois, I used to say to my people: "I must try to build a city for my children, not for myself, for my children. I want them to stay there." I think this is what the Government is doing by putting an end to that measure which is the largest question-mark in the management of our national finances. If we want to build a country for our children, we have to be wise and acknowledge that this indexation is no longer possible.

In short, Mr. Speaker, I am going to vote for that motion not because I am in favour of reductions, but because I think that we have to stick with our present orientations.

In 1979, my hon. friend who spoke earlier was in this House when indexation was removed. The amount of pensions and family allowances would now be $20 higher each month if indexation had been maintained. I have the speech made by the Hon. Minister at the time, in 1979, and you acted cautiously. You said at one time: We have to put a stop to this automatic increase. In my opinion, it was important to do so. Otherwise, family allowances would now be $20 more a month. Do you really believe that the Canadian people could afford that? You stopped indexation because of that. The issue was quite real at the time. No Minister of Finance ever managed financial affairs of the Government that way.

Mr. Speaker, as this is a motion moved by the Liberal Party, it is very important for the other side to take a positive part in this debate, and I am happy to see that all the Liberal Members are here to defend their motion. Do not leave, everyone; one is staying. All the Members are here to defend the Liberal motion and that is very important.

You know, there is a lot of exaggeration. People have said that the Government has spent $55 million to change the colour of Army uniforms, but is not willing to give the same amount to mothers. I would like to point out that there are mothers working in the worsted and cotton industries, that a $7 million contract was awarded in Huntingdon to produce the new colour material for the Army uniforms, and that these $7 million are important for the men and women who work in these industries in Huntingdon.

It is not 94 cents a month per child which will change anything, but the colours of Army uniforms have changed, even though a lot of uniforms remained exactly the same. In any case, they would have had to be changed within two years. A comparison is being drawn between two completely different matters. We can give a different orientation to our social policy, but we can also keep a commitment which is to provide uniforms for our military. A comparison is being made between two things which have nothing in common. People do not necessarily forget when they move from one side of the House to another, but they have to make their decisions accordingly. There have been consultations and I believe that the Government should be managed in a businesslike way.

Mr. Rossi: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, I simply wanted the record to show that my hon. friend for Beauharnois-Salaberry (Mr. Hudon), for whom I have a lot of respect, said: "Do not go away, everyone!" However, I was called to the phone at the back, Mr. Speaker, and I did not leave because I did not want to listen to his excellent speech. I was simply called away and no Liberal Member left the House because he was speaking. His speech was—

• (1630)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Young Offenders Act—Request for amending legislation; the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—The Administration—(*a*) Request for review of contract awards. (*b*) Conflict of interest guidelines; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Cultural Affairs—(*a*) Canada-United States talks—Government policy. (*b*) Time magazine—Possible re-emergence of Canadian edition.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to a legislative committee; and the amendment of Mr. Frith (p. 6625).

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the move of the Conservative Government to deindex the Family Allowance Act is one to which we are unequivocally opposed. The fundamental effect of the Bill, together with the other measures proposed in the Conservative Budget, is to take from the poor and give to the well to do.

The Government was forced by the overwhelming opposition of Canadian senior citizens to back away from its plan to deindex seniors' pensions. Canadian seniors, men and women, have demonstrated that they are a force to be reckoned with fairly, and they fought off the pension grab of the Conservatives. Now it is Canadian women who are the subject of the attack of the Conservatives—women and the family. Canadian women are having to fight the Government on so many fronts in the battle for economic equality that the Conservatives think they will be able to slip this one by without anyone noticing. Canadian women are watching. They are watching while the Conservatives, frequently in an underhanded fashion, break every promise made to us, Canadian women, in the last election. On the matter of family allowances, it was Canadian women, under Thérèse Casgrain, who struggled to have the first family allowance Bill introduced in the mid-1940s. In subsequent years, family allowances were constantly eroded by Liberal Governments. At one time they even wished to abolish them; they sixed and fived them. They cut them back to the point that we have now reached. Since 1974 family allowances have lost a full third of their purchasing power, thanks to the Liberals.

Now the Conservatives want a kick at the can, as is evidenced by their present proposal to deindex family allowances. However, like the Liberals, they are underestimating the concerns and intelligence of Canadian women. The Conservatives say that they are doing this to protect and to promote the family. The Minister has even said: "This Government wants to bring forward initiatives that will both enhance the Government's position relative to the family and, more important, show that the family is the cornerstone of society". How credible can the Government be when it claims to support the family yet introduces legislation such as we are discussing today which will help to undermine the family?

The Canadian Council on Social Development concludes that the impact of the 3 per cent reduction in the indexation of family allowances proposed by the Bill, combined with other budget changes to family benefits, sales taxes and personal income taxes, will decrease the buying power of a typical family with two children by more than $1,000 in 1990. Contrary to the Government's claim that it is increasing support to the most needy, in fact the poor, middle-income and elderly lose more as a percentage of income in real terms through the combined effects of the Conservative Budget.

The Budget proposals reduce the child tax exemption and deindex family allowances and the child tax credit. In the deceptive style which has become characteristic of this Government, as it was with the Liberals, the child tax credit will be increased for three years prior to being deindexed in 1989, providing some small additional benefits to poor families for a little while. However, benefits will decline by 3 per cent per year so that even the poorest families are eventually worse off. As the Hon. Member for Vancouver East (Ms. Mitchell) indicated, the poor in Canada now number 4.5 million. This figure includes 1.5 million children. While one in every six Canadians live in poverty, the figure for children under 16 years of age is one in five. In 1982 and 1983 the number of poor people rose by 1,100 per day. In my own Province of British Columbia, one in five are living on social assistance because of years of Socred-style fiscal management. Nowhere is the depression of the eighties more vivid than in British Columbia.

British Columbians are further suffering because of another action of the Conservative Government here in Ottawa. It recently cut federal funding to the voluntary unemployed action centres of the B.C. Federation of Labour, the last remaining lifeline for many unemployed families in that province. The Government does not care, as it says it cares, about the survival of the family in British Columbia and in Canada generally.

The Government says that we cannot afford adequate family allowances and that it would rather give that money to private investors, under the naive and misguided belief that giveaways to the private sector will fuel the engine of growth and create jobs. We in this Party would like to know how the economy is better off and how growth is generated when $1 is taken away, for example, from a low or middle-income earner in British Columbia and is given to a high-income investor in Toronto to buy real estate in Florida. Where is the economic sense in this supply side miasma of the Conservative Party which squeezes the buying power of the low and middle-income Canadians to line the pockets of the well to do or rich. It is all based upon some mystical notion that the private sector, in its usual benevolent manner, will reinvest that prize in Canadian jobs and Canadian industry. Certainly that has not been the case in British Columbia, nor has it been the case in most of the rest of Canada.

These are not the actions of a Government which has a firm grip on the economic realities of this decade or on the kinds of policies which will fulfil the Government's own declared intent, namely, of supporting and enhancing the support of the Canadian family.

We in the New Democratic Party urge the Government to withdraw this regressive piece of legislation. We beg it not to make it any harder than it now is for families already strug-

gling to survive. It should reform the tax system, by all means, so that the well to do and the rich are paying their fair share and are taxed back for the benefits they receive as a result of universality. It should increase the child tax credit by 80 per cent to ensure that more tax revenues go to families in greatest need. Above all, it should not fight the deficit on the backs of those who can least afford it.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, it is a pleasure to address the House on Bill C-70. I have listened with some anticipation to the debate on this matter. I find that the Opposition has a total disregard for the truth in this Bill.

I should like to refer to what we inherited as a system. For example, a single-parent family in Ontario with two children and a zero family income receives from this whole system $1,484, whereas a similar family with an income of $50,000 nets $1,048 from it. In other words, the wealthy net 71 per cent of the amount netted by someone truly in need. The system which we inherited last September 4 from the Liberals is not a fair one. We cannot look at this whole system in a vacuum. It is really three separate distinct parts. There is a family allowance portion which is the cash which comes every month; there is the child tax credit and the child tax exemption. The family allowance is available to residents of Canada independent of the recipient's income. The rich get it and the poor get it. These benefits are taxable so they are of the greatest value to people on low income and are of progressively lower value as the income rises.

● (1640)

The second section of this over-all system is refundable tax credit which is a selective program in which a level of benefits is determined according to family income and above a specific threshold the assistance is phased out. Thus this program targets assistance to low-income people and less to the modest-income families.

The third segment of this over-all program is the child tax exemption which reduces the taxable income and thus provides benefits in proportion to the applicable margin rate. It helps the most affluent of our society.

Mr. Speaker, those are the three segments. Let us talk about what this proposal does. First, the child tax credit will be increased, commencing in the 1986 taxation year, by $70 per year per child. It will be increased a further $35 per child per year for each of the years 1987 and 1988. That Mr. Speaker, gives more money to the needy and in conjunction with this child tax credit the threshold is being lowered so, because of this modification, there will be less money available to the affluent of our society. The family allowance portion, that cash portion, is still universally available and will continue to be indexed for any consumer price index increase in excess of 3 per cent. The third segment, that exemption for dependent children, is currently $710 per child. It will be reduced until it is equal the value of the family allowance.

What do all these three things do? Basically it means that more money will go into the hands of the needy and less money will go into the hands of the affluent. Specifically, if you make a comparison of somebody earning $10,000 or less in family earnings, they will get an extra $328 per year per child between what they get in 1985 and what they will be getting in 1989. Conversely the affluent families earning $50,000 or greater in family earnings will decrease their benefits by $284. We have one increasing by $328 to the needy and the affluent decreasing their benefits by $284. I ask you, does this program help the needy? Yes. Is it less help for the affluent? Yes.

Mr. Speaker, I am very strongly in support of this program.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am glad I finally have the opportunity to stand up and say a few words against this particular feature of the Budget and against this procedure of the Government, the idea of having closure. We are now in a debate which is subject to time allocation as a way of preventing, I submit, our fellow Canadians from finding out what really is in this Budget. That is the reason we were so strongly against closure in the first place. That is the reason why the motion has been made by my colleague, the Hon. Member for Sudbury (Mr. Frith), to give the country some time to realize what is happening in this particular budget provision.

The Hon. Member across the aisle who just spoke was talking about the round one implications of this Bill. But, of course, the Bill has an impact on a number of policies that affect payments and tax credits for families over the next few years. To have talked about only the initial impact of the legislation is to misrepresent it. When one looks at the effect of this legislation over the next four, five or six years as the deindexing feature takes hold, what becomes apparent, and I wonder if my friend has the courage to recognize this and to admit it, is that those low-income families who initially benefit from an increased tax credit end up, with the impact of deindexing, further behind four years from now than they would have been if the Government had not bothered to bring this legislation forward.

It is not legislation to help poor families. It is legislation which gives a good talking point in year one, but by year four those very poor families to whom the Hon. Member opposite advertised and proclaimed this great reform will be further behind than they would have been if this budget measure had not been introduced. That is why we are standing up to oppose it. We want the poorest of Canadian families to know that this beneficent Government is looking to them and to some others over the next five years for a saving of over $11 billion in payments which would otherwise be going to families in Canada if the Government would take our advice and withdraw this feature of the Budget.

We do not think, of course, that it is as bad as the measure that they introduced for senior citizens, the one in which the deindexation caused near riots across the country and united senior citizens, maybe for the first time, to come forward and demand that that aspect of the Budget be withdrawn and that their contribution to and their interest in Canadian society be considered. If I can put it this way, they demanded that they be given a voice and be allowed to say what they felt should be

in the Budget. The Minister of Finance (Mr. Wilson) consulted with a few friends in Etobicoke Centre and claimed that he had found some senior citizens who agreed with the deindexing, but when we asked him to identify them he could not do it. As the impact of the Budget on senior citizens became known to them they managed to come forward and communicate their wishes.

I say this is not as bad but, as my leader characterized it, it is a sneaky feature of the Budget because it makes the poorest families of the country believe that they are going to be better off as a result of this measure, and therefore they would be inclined to support it. However, four years down the road, as long as the rate of inflation is not more than 3 per cent, they will be worse off than they would have been if the Government would withdraw this feature of the Budget.

I am not asking Hon. Members opposite to take the word of a Liberal Member of Parliament or of the Official Opposition. The Canadian Social Welfare Council, which is not a Liberal organization, which is not in partisan politics, whose mandate is the poor and the poorest in our society, made this observation. It said this feature takes away from the well-to-do but it also takes away, after four years, from the poorest families in the country. We on this side of the House, the Liberals, are standing up for the poorest of families. We are asking the Government to leave the social welfare programs the way they are in that respect so that the poorest families will at least derive the same benefits they derive under the existing arrangements. If the Government really had a heart it would look to different approaches such as tax credits for the poorest families, a measure we do not oppose. It is a measure in which we would be in favour, but not when meshed with another feature which would result in reducing the amount of money going to the poorest families.

● (1650)

Not too much has been said in this debate about the impact this measure will have on average Canadians and on those families which are better off. I think that is as it should be. We have to be most concerned when we talk about a social program such as this one and about its impacts on the poor. I have many poor families in my constituency, most of whom will be hurt by this budget measure. Those families look to their Members of Parliament to be their voice. I wish to make this statement for them. I wish to tell them that we will continue to fight this provision in every way we can. Time allocation has been imposed on us and very little time has been allotted to debate this Bill. A propaganda campaign has been launched by Members opposite to make the poorest families think they are getting something extra out of this measure instead of having something taken away.

Mr. Redway: That's not propaganda.

Mr. Kaplan: The Hon. Member for York East (Mr. Redway) will be able to look at the impact of this measure when the next election is called. He will have to look at what he told the poor people in Toronto because by the time the next election comes around they will be receiving less, unless the Government pulls back on this measure now. I do not want to be side-tracked by my hon. friend.

I know the Government claims it believes in the family. The Government says it wants to use the responsibilities it has and the opportunities it has to reinforce the family. That is the issue which arises when one looks at the situation of the middle-income families affected by this Budget.

We know that the average income of a family in Canada is around $26,000 to $30,000 a year. If we consider a family with around $30,000 to $35,000 of family income, Members opposite will say this is a family that does not need the benefits of a social program. Members opposite will say that the effect of this Budget will be that the best of families, and even those in the middle, the ones I have just spoken about, will receive little value from the family allowance. I wish to argue that that is a mistake. The Government should not withdraw indirectly and piecemeal the universal feature of the family allowance. We recognize the fact that a family of whatever income level, be it average or middle, deserves greater recognition by the tax system of their situation than another individual with a similar income who has no family to support.

With respect to someone who is making $50,000 a year, we have heard arguments from Members opposite that that person does not need to be the beneficiary of any social program. That is not the way the Liberals look at the situation. We consider that a person earning $50,000 a year, who has no children and no dependants, should receive the same recognition in terms of the tax system when compared with another person with the same income who has a dependent spouse or who has children they are supporting and educating, doing all the things people wish to do for their families. What the Conservatives are saying to these people earning anywhere from $35,000 to $50,000 is that they should not expect any recognition from the state. Our argument is that that type of family situation, which involves extra expenses and so on, is something that society can afford to support and that we need to support in order to have a fair system. We want to encourage the family. We want our system of taxation and social programs to recognize that fact. Of course, a family in the middle should not receive the same benefits from fellow taxpayers for the children they are raising and for a dependent spouse as poor people receive. I have already made the case that the greatest need is with poor families, which is where we have to do the most. However, it is completely wrong to take this system and work toward the elimination of any recognition that there are extra costs involved and that this society has agreed and has a contract with families to recognize that.

With respect to not being able to afford our social welfare system, and I note my time is almost up, I wish to recognize the fact that more and more analysis is being done with respect to where Canada places internationally. We are not at the top of the list with respect to providing social benefits for our people, nor are we at the bottom. Of the 20 or 25 most prosperous countries we are near the bottom of the list with respect to what we do for our families. Provision of family

allowance benefits is something which we can afford. The measure before us is a sneaky one. It is being misrepresented to Canadian people. We in the Liberal Party will do everything we can to prevent it from coming into effect.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have just a few words with respect to the Bill before the House today. I wish to begin by saying that it is very unfortunate that the debate with respect to this Bill has been restricted by time allocation. It has been placed under the guillotine. There is no difference between the Bill before us which will partially eliminate the indexing of family allowances and the Bill which was before us last June with respect to deindexing old age pensions. Last June, the Conservative Party was attacking the old people of the country. Today, the Conservative Party is attacking the children of the country. It is really the same Bill. I think the Government is afraid to give the Bill the appropriate debating time because it realizes that if Canadian people realize what is going on, then, the opposition we saw last June will occur again with respect to the deindexation of family allowances.

I remember well back in June when Madame Denis confronted the Prime Minister (Mr. Mulroney) out on the front lawn of the Parliament Buildings. In effect, she said to him that he had misled the Canadian people. She used much more colourful language than I can use in the House. She told him that he was not being honest with the Canadian people and that he had promised not to tamper with social programs such as the old age pension and family allowance. However, once in power he changed his mind and brought forward a Bill to partially deindex the old age pension. There was a massive uprising of senior citizens. If the children of the country could speak for themselves and organize as the senior citizens did, there would be as massive an uprising today with respect to this Bill as there was then.

For the life of me, I am amazed to see so many silent Conservative back-benchers in the House. During the election campaign they said that social programs were sacred and that they would not be deindexed. All of a sudden, they have changed their minds and are supporting a Bill which attacks the children of our country. They are doing this in the name of the deficit, or so they say. They say that the deficit is too large and that we have to save money. This Government has $1 billion to bail out large depositors in banks which went bankrupt, yet it cannot spend a few tens of millions of dollars for the kids of the country. This is money which goes to the women of Canada who, in many cases, are the poor people of the country.

By the year 1990, the Government will have saved around $500 million or $600 million through this partial deindexation measure. Now, with a snap of its fingers, the Government wants to spend nearly $1 billion to bail out the banks because of their bungling with respect to the bank fiasco. That is not right, nor is it proper. I do not think that is what those Members were elected for. We have to do whatever we can to force the Government to withdraw or amend this Bill.

Family allowances were instituted in the country back in 1945. Benefits were made universal for every Canadian mother in 1947. In 1947, some 7.7 per cent of our federal expenditures went to the payment of family allowances. That is down to only 2.4 per cent of the expenditures of the Government of Canada. About one third of what we spent in 1947 is being spent today in terms of relative expenditures of the Government. Yet it is saying the deficit is too large and it must cut back on social programs to save money so it can bail out "Barbara's banks". I do not agree with that and the ordinary people of this country do not agree and I am sure you, Mr. Speaker, in the chair, sometimes would like to rise and make a speech about how unfair this particular Bill is. That is not what the Government was elected for.

• (1700)

There is something else I find very strange. I remember the Minister of National Health and Welfare (Mr. Epp) standing in this House of Commons last fall saying that the Conservative Party had a heart, it had compassion for the poor and that it would do whatever it could to help the ordinary Canadians in this country. He rose in the House and said that any money the Government saved by cutting back on certain social programs would be redistributed to the poorest people in this country in terms of improving the social programs for them. He said that none of this money would be used for cutting the deficit. That is not what the Conservative Party is saying now. It is not what the Minister of National Health and Welfare is saying now. He is saying the deficit is too high, that we have to cut back so that we can lower the deficit. I believe that once again, Mr. Speaker, we are seeing a really serious change of heart by the Government. No wonder people are cynical about politicians, about Governments and political Parties, when they are promised one thing and once these people are elected, they do exactly the opposite. I ask the Government where its priorities are.

I come from a part of the country where there is a tremendous drought. The farmers are in dire need. However, we are told day after day that the Government cannot provide an acreage payment. There can be no emergency assistance for the farmer because we have a big debt. We are now told that we have to cut back on family allowances which will affect the kids of this country and the welfare people of this country, because we have a big debt. At the same time the Government wants $1 billion to bail out the bankers in this country. It will spend hundreds of millions of dollars because of the $500,000 capital gains exemption which will basically go to the wealthy people of this country. It wants to spend hundreds of millions of dollars to subsidize the oil and gas industry. All of this, Mr. Speaker, adds up to billions of dollars. Yet we cannot spend a few extra tens of millions every year to make sure we have indexation of family allowances so that if the cost of living goes up 9 per cent, the family allowance will go up 9 per cent, or if the cost of living goes up 6 per cent, the family allowance will go up 6 per cent.

There are people in this country who, if the family allowance cheque is cut back by even $2 or $3 a child per month,

will suffer. It is going to make a major impact on their budget in terms of buying milk and nutritious foods for their kids. The money that the mothers of this country receive for family allowances is money that they spend on consumer goods. That stimulates the economy and provides jobs for Canadians whether they buy milk which helps the dairy industry or clothes for the kids which helps the textile industry. They spend that money in the main creating jobs for Canadians.

I would like to conclude, Mr. Speaker, by saying that I wish the Conservative Members of this Parliament would rebel a little. I wish they would stand up for the principles for which they were elected. I wish they would support the Government child benefits' position paper which was tabled last January. It said that it would redistribute income to help the poorest but it would not take away from social programs to reduce the deficit. I ask the Government Members, where is your courage, where are your convinctions for which you were elected? I ask them not to let the Minister of Finance (Mr. Wilson) and the Prime Minister continuously push them around in terms of what is important in this country.

I remember when the Conservative Party was in opposition. Those Hon. Members used to make all kinds of speeches about the importance of universality of our social programs and how we should not be cutting back on things like that. All of a sudden they are in Government and they are doing the same thing the Liberal Party used to do year in and year out.

It was interesting to hear the Hon. Member for York Centre (Mr. Kaplan) speak about how concerned the Liberal Party was about family allowances. I only want to remind the House that back in 1970 the Liberal Party brought in a White Paper which would have virtually wiped out universality of our family allowances. It was called FISP, the Family Income Security Program. The Government wanted to put a cap of around $10,000 per family above which no family would receive the family allowance. Yet we heard a speech a moment ago about the importance of universality. After the Liberal Government tabled its particular White Paper on eliminating universality and family allowances, it introduced two Bills in the House of Commons, and the people of Canada rebelled against them and they were never passed. In 1972, we had a minority Parliament. The Government withdrew those Bills and because it was a minority Government, it doubled the family allowances and indexed them, which was a very progressive move. However, as soon as that Party received a majority once again, after 1974, we saw a cut-back in family allowances by some 20 per cent. Then we saw the family allowances being brought under the six and five program so that if the cost of living went up over six per cent and five per cent, of course, the poor families and their children lost. I therefore make an appeal for pressure to be put on the Conservative Members of Parliament, on the Minister and on the Prime Minister to be honest and true to the promises they made in the election campaign and to withdraw this Bill. The seniors of this country forced the Goverment to withdraw the Bill deindexing pensions last June. Just as that Bill attacked the seniors of this country, the Tories are now going after the children of Canada. The principle is the same and the people of Canada should rally to the defence of their kids and make sure the Government withdraws this very odious Bill.

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, I welcome this opportunity to speak to the House on Bill C-70, which concerns family allowances.

For a number of days I have heard the Opposition accusing the Government of launching an attack on the universality of social programs. The Liberals and New Democrats are saying that these measures are unfair, anti-family and regressive, and that such action is unconscionable. I wonder, Mr. Speaker. Where were these political wonders, where were the Tino Rossi stars we hear singing the same old song in the House for days on end, accusing us of launching an attack on our families? Where were they in 1982-83, Mr. Speaker, when interest rates had reached record levels amounting to sheer usury, and the Liberals even had to amend our loans legislation because interest levels were so high? Where were today's knights riding to the rescue of widows and orphans, when the cost of living index was at 12 and 13 per cent? What did they do to help families when they really needed help? They introduced the 6 and 5 program! They took away their purchasing power, they cut back their purchasing power by an annual 6 and 7 per cent. Today, those same people are here in the House, but at the time we never heard them speak. Maybe they were being restained by their Minister. That was the time their Members were told to keep quiet. At least our Ministers encourage us to speak in the House and defend legislation.

What we are proposing is for families to carry the first 3 per cent of indexation, and not 7 and 8 per cent as was the case in 1982-83. Today, those very same Members are saying: No, you cannot do that. You must give them full indexation. Ladies and gentlemen, why did you not speak up at the time? That was when you should have risen in the House and told your Government: We do not agree with that. What you are trying to do now is play for time and try to discredit the best Government Canada has had since Confederation.

You would have people believe we want to launch an attack on children, the elderly, the aged, and on just about everyone, but you are jealous of our record of activities for this first year.

I have 22 pages here, a summary of the 20 or so Bills and measures we introduced within a few months' time in the House. Looking at the economic indicators, we have more than 300,000 real jobs, not 20-weekers, no band-aid policies. We have created 300,000 real permanent jobs since September. When we came to power, interest rates were at 13 and 14 per cent, and we have brought them back to a seven-year low: 9 per cent at the present time.

An Hon. Member: Not your fault!

Mr. Ferland: Not our fault? Come on! Where were you at the time... Just because we made it possible, because it is happening, it cannot be the present Government's fault... Luckily the Liberals were there to make it happen. You should have made it happen at the time, gentlemen, when you were in power and you were able to. The trouble is, you had the support of the New Democrats in all this!

• (1710)

The consumer price index has declined. National reconciliation is something over which the Liberals never did lose much sleep. What have we done? The economic and regional development agreement signed with Quebec, British Columbia and Ontario; improved search and rescue facilities off the coasts of Newfoundland; the Atlantic energy agreement; the acid rain program; the settlement of the Mirabel dispute; the western agreement on energy; the transfer of five wildlife interpretation centres to private industry; the Yukon agreement on financing reform; the agreement with the Northwest Territories concerning the financing formula. Those are some of our achievements, Mr. Speaker, but the Liberals are trying to hoodwink the Canadian people and the Canadian taxpayers by telling them that the Progressive Conservatives are undermining the social programs.

Mr. Rossi: It is true!

Mr. Ferland: Mr. Speaker, we are not undermining the social programs, on the contrary we want to strengthen them. I will tell you all about—

Mr. Rossi: It is true, you are being unfair!

Mr. Ferland: I will tell you all about our achievements and our concerns over the past year, the joint studies on the feasibility of the Saguenay marine park in Quebec. What about consultation? We set up review committees on illegal immigrants; briefing documents on vocational training; the conference on taxation on authors and actors; the establishment of a private sector committee to review the activities of the Canada Deposit Insurance Corporation; consultation papers on child and elderly benefits. So what have we done? We have not done anything over the past year? And that is not the end of the list: consultation papers on farm taxation; perhaps you think that is of no interest to the Canadian farming community? On the contrary, they know we took action, they know we are not launching an attack against their children and their families. Then there were consultation papers on small businesses.

Mr. Rossi: How is that?

Mr. Ferland: Small businesses also know that we are not attacking children and workers. Consultation papers on the mining industry, on tourism, the national economic conference, something the Liberals were never able to achieve. National unity: you never did understand the meaning of it. The proposed minimum tax: you kept talking about if for years, but we did come up with a concrete proposal. The refundable research and development investment tax credit, the special tax credit for regional investment; the regions, something which did not even exist for the Liberals. Extension of the small business bond program. We are also taking care of small businesses. We have closed down the Canadian Unity Information Centre. We know what it was used for under the Liberals. New air traffic control techniques, improved services to small businesses through Canada Employment Centres.

Let me continue to list these extraordinary achievements, Mr. Speaker. A committee responsible for looking into the productivity mandate of Canada Post, a problem which the Liberals have failed to solve. Report of the internal task force on possible improvements to the administration of the veterans' pensions. Privatization of the Northern Transportation Company Ltd. Announcement concerning the Unemployment Insurance premiums: no change in 1985.

Mr. Deputy Speaker: Order, please. I would ask the Hon. Member to deal... I understand that he is quoting from this document, but I would like him to stick to the amendment and the debate.

Mr. Ferland: Mr. Speaker, I was merely trying to prove that the opposition parties are making every effort to divert the attention... I do not have to add anything to what my hon. friends have said about the validity of this Bill. With this filibuster, the Liberals are trying to prevent this Bill from going to committee for a clause by clause examination.

That is all what I wanted to say.

Mr. Gauthier: That is enough, you have not said much.

[*English*]

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I appreciate the opportunity to speak on the subject of family allowances. I am one of the few who will have that opportunity because, unfortunately, this important measure has had time allocation or closure placed upon it. That means those of us in the Opposition who would like to present our concerns as Members of Parliament on behalf of our constituents will be denied an opportunity to do so. It is an important subject and it is too bad that the Government feels it must muzzle us, silence us, and strangle us. Even though we have a rather small number of people in Opposition, apparently it is still too many for the Government and it has to impose upon us the silence of closure.

Nonetheless, I have this opportunity to make my voice heard today and speak on behalf of my constituents. At the moment I have in mind a single parent in my riding who is living on welfare. Her husband just walked out and left her with two children aged two and four. Her husband, of course, "cannot be found". Mrs. Smith, as I will call her, has a grade 12 high school diploma. Before her marriage she worked as a recep-

tionist. Now she has no money. Her husband cleaned out the bank accounts. She is using our welfare system to buy food and pay her rent. Of course, she is going to have to find a new and cheaper apartment to try and make ends meet. She has to find a job which is never and easy task, especially these days. She has to find someone to look after the kids. She has to cope with the devastating loss of her husband, loss of status as a married woman, her enormous financial difficulties, the hurt feelings of her children; in other words, the stress of these emotional problems. Yet this Government wants to take money away from this woman's mothers' allowance. This Government wants to deindex the baby bonus and, in due course, the child tax credit. It does not want to pay for the rising cost of living for this woman, the increase in cost of groceries or rent or clothing or drugs or whatever. The Government will only give her money in her baby bonus cheque to cover inflation in excess of 3 per cent. Most of us know that inflation right now is around 4 per cent. In other words, there will be no indexation for almost all of the inflation. This woman's ability to purchase the things she needs will be constantly reduced.

The baby bonus or, as it is sometimes called, the family allowance is often the only independent source of income for women such as Mrs. Smith who face enormous problems with suddenly having to cope in a situation. Therefore, why on earth would this Government want to do anything to hurt her even more? Perhaps we should not be surprised. The Prime Minister (Mr. Mulroney) is dumping on the poor once again. He did it to the seniors and now he is doing it to the Mrs. Smiths of this country. He is going to take $55 million from them in family benefits by 1987. Yes, $55 million by 1987. At the same time that the Minister of Finance (Mr. Wilson) is doing all this, he says he will increase the child tax credit for the neediest families.

Mr. Redway: Hear, hear!

Mr. de Corneille: They say "hear, hear". What a sad week the Tories have had, Mr. Speaker.

This all sounds good on paper, but once again this Government is trying to put one over on the people. Whether it is canned tuna or the banks or any other thing, it is another attempt to put something over, slide it by, as the Government tried to do with the senior citizens. The truth is the Government is really not going to increase the incomes of the neediest families at all. In three years the child tax credit will be deindexed and this will have the effect of reducing the actual spending money in real dollars that a needy family will get.

● (1720)

I would like to refer to an editorial in *The Toronto Star* which I hope is being read by all people who have children and by all people who have compassion, whether they are rich or poor. The editorial reads:

> According to the budget papers, an Ontario family of four whose income is $20,000 a year (below the poverty line in a large city) now receives a total of $1,673 in a child benefits. By 1989, the value of the benefits would rise to $1,812 under the proposed reforms. But these figures are misleading since they ignore the cumulative effect of inflation. If it is 4 per cent a year between now and 1989, the real value of these benefits in 1989 would not be $1,812 but $1,549, actually less than they are getting now.

That is not more for the neediest families, that is less than they are getting now. Mr. Speaker, this is a two-faced Government which gives with one hand while it takes with the other. My hon. friends on the Tory benches still refuse to look at evidence like this and refuse to listen to the counsel of social services that are the most responsible and represent the poor and the needy. They do not want to hear that evidence. They want to continue to move forward with blinders and insist that they, in their wisdom, know what is best for the poor. They do not even listen to something that is in black and white in every newspaper in the land. They refuse to hear the words as the poor cry out to them.

How is this possible? Is not one of the purposes of the Government in deindexing the universal baby bonus by 3 per cent to free up more money to give to the poorer families? Is that not what the Government keeps telling us? Is that not what the tell-the-truth Prime Minister and his Minister of Finance are telling us in their reasoning? Mr. Speaker, the Government does not seem to find it easy to tell it like it really is. It hedges and blames others as the Prime Minister has been doing in the fishy tuna incident and the investigations about the banks. This Government, this Minister of Finance, and this Prime Minister cannot seem to tell it like it is because, if they could, they would tell the Canadian public that a needy family in my riding will not gain anything by the so-called increase in child tax credits because the Prime Minister and the Minister of Finance are going to deindex the child tax credit too so that the gains this poor family might have made will be wiped out by inflation and additional taxation which the Government is also proposing in its unfair Budget.

The Tories will gouge this poor family of four which is struggling to live on $20,000 a year by $239 by 1989. This is how the Government claims it is going to help families like this. What is more, Mr. Speaker, the baby bonus comes to the single mother in my riding, of whom I was speaking, immediately and directly when she needs it month after month and she often depends upon it as the only source of cash which she can say is hers. That is going to be reduced. It is cruel to do this to our families in need. It is shameful to try to pull the wool over the eyes of Canadians and say that deindexing the baby bonus will add money to the federal treasury which will then be used to help the poor and the needy. It is not true.

The Government says that it wants to cut the deficit so it tries to deindex seniors' pensions and deindexes our taxes in a sneaky way while spending billions of dollars on a bank fiasco and giving $500,000 capital gains grants to the wealthy. The poor, the weak, and the middle class will be the victims of the Government's financing. It is no wonder, Mr. Speaker, that confidence in the Government is rapidly dissipating.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is with a great deal of pleasure that I participate in this debate today. It is amazing to see the hypocrisy of Liberals standing in the House and criticizing the Government for indexing

family allowances. It is absolutely astounding. For example, the backbench of the Liberal Party, as they were gutting old age pensions and social programs, sat like a bunch of sheep and clapped when Mr. Trudeau stood up in the House and said that this is good for people. They stood like sheep backing a Government destroying social programs. The ironic thing is that maybe today the Conservative back-benchers should have a look at themselves. Through you, Mr. Speaker, I would like to speak to some of them today.

What have they been supporting since the Government came to power on September 4 after they wandered the land making promises on both sides of issues raising expectations out of sight? Mr. Speaker, the Government has raised taxes. We are not only talking about family allowances today, we are talking about the style of Government and gutless back-benchers. What have they been supporting? Every time the dude from Baie Comeau—pardon me, the right hon. gentleman from Baie Comeau—stands up in this House we see the back-benchers cheering and clapping for the raising of taxes which will affect low and middle-income Canadians. If that is what they believe in, the next election will tell the tale. The Conservative back-benchers have been supporting cuts in Government services which affect low and middle-income Canadians and a whole wealth of programs that we treasure in this country. The sacred god that these people worship is Government cuts and smaller public service. However, the cuts and tax increases always seem to affect the low and middle-income Canadians.

The Opposition has a big caucus today, but that will not last forever, especially with what it is doing. I have seen numerous Conservative back-benchers back the deindexing of the old age pension until it was shown that it was one of the most colossal political errors ever committed by any Government. Then the Government moved back. The Cabinet and the Planning and Priorities Committee realized that they had made a terrible mistake and hung the Conservative back-benchers out to dry. The back-benchers were asked for their support and when they gave it they wound up holding the bag. Their constituents will remember whether they spoke out publicly for them. It is time to show some guts and speak up when policies are wrong. Your constituents will remember your record and we will be there to help them.

It is absolutely wrong to deindex pensions of members of the Armed Forces. Yet, back-benchers support a Budget which advocates that. None of them are speaking out against that. Their constituents will know that before the next election. They will know that they failed to speak out. Deindexation of the pensions of public servants is a wrong-headed policy and the constituents of the Conservative back-benchers will know that. A few of the back-benchers may have the guts to speak out. That is the character of this Government. We do not blame the Cabinet Ministers. We know the things they have done and the directions they have taken.

With regard to the Prime Minister's integrity, the other day a poll indicated that 30 out of 30 people thought that he was not being forthcoming, but, of course, that was not the term they used. I would challenge the Conservative back-benchers to stand up and show some guts and some leadership to their electorate. Throughout the tuna scandal, I wonder if the sheep in the Conservative back-bench—the people—

• (1730)

Mr. Deputy Speaker: I would ask the Hon. Member to speak to the motion.

Mr. Skelly: Mr. Speaker, we are building the context within which to develop the critical thoughts about deindexing family allowance. I will come to the point. Since we know the view of the Cabinet, the deindexing of family allowance shows the failure of the back-benchers to stand up and say that this is a misguided policy. They do not stand up to say that they do not believe in attacking women in Canada and eroding their income because it is the only source of income for many women who are attempting to raise children. Rather than showing independence, the Conservative back-benchers are prepared to stand up publicly and applaud those who are proposing this measure. They are attacking children in this country because those children and families depend on that income. As the inflationary process continues, they fall farther and farther back. It is not Members of Parliament or bank managers whose families fall further back, it is low and middle income people in this country. They are the ones who these back-benchers are attacking.

When will they have the courage to stand up and speak against those who are determined to deindex the old age pension and thereby leave those back-benchers high and dry? When will they speak out against those who created the bank scandal and failed to protect the interests of Canada? They assured us that they did not create this scandal but then watched two banks suddenly fail.

When will those back-benchers stand up publicly to say that they are not part of that mess and are not interested in defending it? When will they show their integrity by speaking out publicly in the interest of those issues for which their constituents elected them?

Considering the Government's past actions, it is certainly time for back-benchers to speak out and not become sheep like Liberal Members during the Trudeau era. It was sad and disgusting to see and I remember many Conservative Members opposite criticizing those Liberal Members. The Liberals deserved that criticism when one recalls the deindexing of social programs, although I recognize some Members who spoke out and now have been sent to oblivion.

The time has come and I believe that the political future of many Members opposite has been cast because people in their ridings—especially senior citizens—have listened for a public statement of solidarity to protect their interests.

An Hon. Member: We were here.

Mr. Skelly: I saw you here. Everyone else saw you here, cheering the Prime Minister (Mr. Mulroney) on, saying, "Go for it, Brian". However, we saw the Prime Minister take a 180

degree turn and drop the whole deindexing issue because it was politically dangerous for him while leaving those Members hanging in the wind.

The Bill before us today is as misguided as the proposal to deindex Old Age Security or any Bill that has been introduced. When the constituents of Members opposite ask what their position was on this issue, those Members will say that they were right behind the Prime Minister when he was taking money from their pockets with respect to the family allowance because they thought their constituents had too much money and were living too high on the hog. They will say that they were right behind the Prime Minister when he jacked up taxes affecting low and middle income Canadians because they had too much money. They will say they were there when the Government took money from the pensiona of retired members of the Armed Forces, the RCMP and public servants. They will say they were there when the Prime Minister decided to increase the price of gas and thereby take more money out of the pockets of their constituents.

The point I am making is that Conservative back-benchers are exactly like back-bench Liberal Members of the previous Government, and they know what happened to them. The day draws nigh. Let us see some courage and integrity over there for a change.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker—

Mr. Hnatyshyn: Mr. Speaker—

Mr. Deputy Speaker: I am sorry. I recognized the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Do you want to speak?

Mr. Hnatyshyn: No.

Mr. Gauthier: Even the Government House Leader does not want to speak. I do not blame him for not wanting to speak.

Mr. Hnatyshyn: I want to speak.

Mr. Gauthier: I think it is dishonourable to have such a motion before the House to cut off debate so quickly.

Mr. Boudria: Let the record show that the House Leader does not want to speak.

Mr. Gauthier: The record now shows that the Government House Leader does not want to speak. I don't blame him. Mr. Speaker, today we are speaking to a motion put by my hon. friend, the Member for Sudbury (Mr. Frith), to hoist this debate six months hence so that this measure will receive the necessary study and serious consideration it deserves.

In 1981-82, the Progressive Conservative Party published an advertisement which stated, "You have heard a lot about the Constitution lately but how much have you heard about deindexing?" It goes on to make several points which are enlightening and interesting. For instance, it states, "The less your income, the harder you get hit". That means that indexing helps those who have less income. Therefore, indexing helps those maintain their purchasing power and gives them a chance to fight inflation and fight lower income.

The ad says, "Deindexing would take away the protection you now have against inflation". That is what the Conservatives were telling Canadians in 1981. The ad goes on to say, "But while deindexing would impose the greatest economic hardships on people living on low incomes, it would mean higher and higher taxes for all Canadians living on any income". It says that deindexing would mean a massive tax increase for all Canadians. That is what the Progressive Conservatives said.

This spring I asked constituents in my riding what they thought of the Government's proposal to deindex the family allowance, the Old Age Security and family benefits, particularly the proposal to deindex the income tax table. Out of 2,733 who responded, 73 per cent said to keep the system as it is and not touch it; 10 per cent said to reduce the monthly instalments to $20; 16 per cent said to abolish the program and 1 per cent had no opinion. When 73 per cent of my constituents say that they want to keep the system, I listen.

Did the Government ask Canadians for that kind of mandate to cut indexing? They would never dare attempt that. The Minister of Justice (Mr. Crosbie) said, "If I told you what I think we will do, we would never get elected". He said that it would be unbelievable for them to tell the truth.

The Government asks for trust and understanding but it deserves to be told that they are a bunch of reactionaries. They are reacting to events and God knows that there has been enough reaction. We want leadership in this country. Canadians do not want leadership about tuna issues and deindexing family allowances, they want leadership to deal with jobs and a social security system that will be maintained. Canadians do not want the Conservatives to tamper with our social security system in order to lower the deficit.

The Government promised Canadians that the deficit would not be lowered by reducing social programs. However, in a few minutes we will vote on a measure introduced by the Government to deindex family allowances. I think we are justified in suggesting that the Government is being dishonourable by using deindexing to increase its revenues.

I want to say to all Canadians who are listening that the result of a reduction in child benefits and income tax benefits between 1986 and 1990 will cost the poorest families in Canada with an average annual income of $15,000, some $1,879. Middle income families earning $35,000 a year who have two children will see a reduction in their income of $3,452. Those wealthier families earning $80,000 or more who have two children would see a decrease of $1,125.

● (1740)

Who was taking it on the jaw, Mr. Speaker? The middle-income people and the poor, not the rich. That is unacceptable to us. We will vote against this motion for deindexing and we will vote against this Government when it brings in such regressive measures.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in the short time I have available before the Government motion to reduce debate takes effect, I would like to express my displeasure with Bill C-70 before us, which is an attempt to deindex the family allowances paid to mothers by 3 per cent per year. The effect will be to reduce money mothers have to spend on their children. By 1990, this will have reduced the actual spending power of Canadian families by $600 million. Why did it happen to mothers and children when the Government backed off on a similar proposal to pensioners?

I think it is very clear. The Government found when it was dealing with pensioners that it was dealing with an older, politically experienced, group of people. Children and mothers do not have time nor the experience to organize politically. They have other things to do. Pensioners are voters. They have long memories and they will be around for the next election. Pensioners would analyze the effects of deindexing when it came time to vote next time. Children do not have votes.

Unfortunately, this callous Government has decided that since children do not have votes, there is no one there to listen to and so the Government can go ahead and make the reduction without any thought being taken to people's special needs.

There are special needs, Mr. Speaker. In a recent report from British Columbia, it shows that 10 per cent of that province's population and 10 per cent of its children are living in real poverty. It is estimated with this change and other changes foreseen in British Columbia that fully one-third of British Columbia's children will be living in poverty by 1990.

I see your signal, Mr. Speaker. I hope the House will vote against this proposal to deindex pensions today.

[*Translation*]

Mr. Deputy Speaker: It now being 5.42 p.m., according to an order made on Thursday, September 26, 1985, pursuant to Standing Order 84, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of this Bill.

[*English*]

The question is as follows: Mr. Epp (Provencher), seconded by Mrs. Blais-Grenier moves that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to a legislative committee, and on the amendment of Mr. Frith, seconded by Mr. Robichaud that the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-70, an Act to amend the Family Allowances Act, 1973, be not now read a second time but that it be read a second time this day six months hence.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Frith) which was negatived on the following division:

(*Division No. 114*)

YEAS

Messrs.

Althouse	Frith	Marchi
Angus	Gagliano	McCurdy
Axworthy	Garneau	McDonald
Benjamin	Gauthier	(Ms.)
Boudria	Gray	(Broadview-Greenwood)
Broadbent	(Windsor West)	Mitchell (Ms.)
Cassidy	Henderson	Nunziata
Copps (Ms.)	Hopkins	Nystrom
Deans	Hovdebo	Parry
de Corneille	Jewett (Ms.)	Rossi
Dingwall	Kaplan	Skelly
Epp	Keeper	Waddell
(Thunder Bay-Nipigon)	Langdon	Young—37.
Foster	Manly	

NAYS

Messrs.

Andre	Gurbin	Merrithew
Beatty	Halliday	Mitges
Belsher	Hamilton	Moore
Bertrand (Mrs.)	Hees	Nicholson
Bouchard	Hicks	(Niagara Falls)
Bourgault (Mrs.)	Hnatyshyn	Nickerson
Browes (Mrs.)	Holtmann	Nielsen
Champagne (Mrs.)	Howie	Oberle
(Saint-Hyacinthe-Bagot)	Hudon	O'Neil
Clark	Jardine	Oostrom
(Yellowhead)	Jelinek	Plourde
Clark	Johnson	Price
(Brandon-Souris)	(Bonavista-Trinity-	Redway
Coates	Conception)	Reid
Collins (Mrs.)	Kelleher	Reimer
Cook	Kilgour	Ricard
Côté	King	St. Germain
(Lac-Saint-Jean)	Ladouceur	Schellenberg
Crofton	Landry (Mrs.)	(Nanaimo-Alberni)
Crouse	La Salle	Scott
Dick	Layton	(Victoria-Haliburton)
Domm	Lewis	Scott
Duplessis	MacDonald (Miss)	(Hamilton-Wentworth)
(Mrs.)	(Kingston and	Scowen
Edwards	the Islands)	Speyer
Elzinga	MacDougall	Stevens
Ferland	(Timiskaming)	Tardif (Mrs.)
Fontaine	Malone	(Charlesbourg)
Fraleigh	Mantha	Toupin
Fretz	Marin	Towers
Gagnon	Mazankowski	Tupper
Gass	McInnes	Turner
Gormley	McKenzie	(Ottawa-Carleton)
Gray	McKinnon	Valcourt
(Bonaventure-Îles-de-	McKnight	Vankoughnet
la-Madeleine)	McLean	Weiner
Greenaway	McMillan	Winegard—93.

● (1810)

Mr. Speaker: I declare the amendment lost.

Mr. Gray (Windsor West): Mr. Speaker, the Official Opposition would be willing to have the results of this vote apply to the vote on the main motion but, of course, in the reverse.

Mr. Deans: We are also willing to have the reverse of the vote apply, Mr. Speaker.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the offer made by the Opposition. Even if we lost the vote, I am sure we would have an overwhelming victory and come back with 250 seats.

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

Some Hon. Members: Question.

Mr. Speaker: The question is the following one. Mr. Epp (Provencher) moves that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to a legislative committee.

The House divided on the motion (Mr. Epp (Provencher)), which was agreed to on the following division:

(*Division No. 115*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bertrand (Mrs.)
Bouchard
Bourgault (Mrs.)
Browes (Mrs.)
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Coates
Collins (Mrs.)
Cook
Côté
(Lac-Saint-Jean)
Crofton
Crouse
Dick
Domm
Duplessis
(Mrs.)
Edwards
Elzinga
Ferland
Fontaine
Fraleigh
Fretz
Gagnon
Gass
Gormley
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Gurbin
Halliday
Hamilton
Hees
Hicks
Hnatyshyn
Holtmann
Howie
Hudon
Jardine
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Kelleher
Kilgour
King
Ladouceur
Landry (Mrs.)
La Salle
Layton
Lewis
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Mazankowski
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Oostrom
Plourde
Price
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Speyer
Stevens
Tardif (Mrs.)
(Charlesbourg)
Toupin
Towers
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Weiner
Winegard—93.

NAYS

Messrs.

Althouse
Angus
Axworthy
Benjamin
Boudria
Broadbent
Cassidy
Copps (Ms.)
Deans
de Corneille
Dingwall
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Henderson
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Keeper
Langdon
Manly
Marchi
McCurdy
McDonald
(Ms.)
(Broadview-Greenwood)
Mitchell (Ms.)
Nunziata
Nystrom
Parry
Rossi
Skelly
Waddell
Young—37.

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to a legislative committee.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

SOCIAL SECURITY

ADVISABILITY OF EXTENDING SPOUSAL ALLOWANCE PROGRAM

Following the interruption of Thursday, April 18, of Mr. Malepart's motion, the House resumes said consideration:

That, in the opinion of this House, the Government should reconsider its intention to limit the eligibility of the spousal allowance to needy widows and widowers between the ages of 60 and 64 and that it should extend the program to all persons of this age group living alone and having the same means, without taking their marital status into account.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I rise to reply to a motion presented by a Member who is not in the House, but I trust the information will be passed on to him.

Mr. Waddell: He is finished with debate.

Mrs. Bertrand: I am referring to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), who is asking the Government to reconsider its intention to limit eligibility to needy widows and widowers between the ages of 60 and 64.

Mr. Speaker, it is clear there is one point that must be made above all and it is that the Government has not restricted eligibility to the spousal allowance. On the contrary, it has expanded eligibility, since thanks to recent changes to the program, 85,000 new recipients will be benefiting from this allowance. I cannot imagine how the Hon. Member for Montreal-Sainte-Marie could see this improvement as limiting eligibility. The Government and 85,000 new recipients see this change as a step in the right direction and a step towards greater social justice.

Like many other social programs, the spousal allowance is not a panacea. It has evolved and will continue to do so, reflecting the changing needs of our society. I say evolve, because even in 1975 when it was introduced, the program was far from perfect. At the beginning the spouse's allowance

program was available only to the spouses of old age security pensioners who were getting both the basic old age pension and the guaranteed income supplement, provided the spouse was between the ages of 60 and 64 and the income of the couple did not exceed a set ceiling. This program had been designed to help only those low income couples whose sole source of income was the old age security benefits paid only to the pensioned spouse.

Although this new program did contribute to improve the living conditions of a category of elderly people, its promoters had excluded a fair number of destitute individuals aged 60 to 64—widows, widowers, persons living alone, and married couples, if both spouses were under age 65. Since then, however, the initial eligibility conditions have been relaxed and the program made more generous in order to better meet the needs of a greater number of disadvantaged people within our society.

First of all, in 1979, the coverage of the program was extended so that, when a pensioner died, the surviving younger spouse could continue receiving this allowance. Later, in 1985, the coverage was extended to all widows and widowers between 60 and 64 years of age whose incomes are low, no matter the age of the spouse when he or she died.

Mr. Speaker, you certainly remember that before this amendment to the spouse's allowance, there was a good time to become a widow or a widower and a bad time. If the death of the spouse occurred when he or she was 65 years old or over, the surviving spouse was eligible for an allowance. If, on the other hand, the spouse died at age 64, the widow or widower was not eligible for the allowance. We have eliminated this condition which, more often than not, resulted in disastrous consequences: in addition to being faced with the loss of a loved one, the widow or widower had to cope with a painful financial situation.

Mr. Speaker, we have eliminated this unfair situation, and I am proud of it. We have corrected an injustice against many Canadian men and women who now owe their peace of mind to an amendment to an existing program and not from a program right out of Utopia.

Since September 1985, the spouse's allowances have been made available to all needy widows and widowers between the age of 60 and 64, no matter how old their spouse was when he or she passed away. Rest assured, Mr. Speaker, that when the Government decided to grant the spouse's allowance exclusively to widows and widowers, it never crossed its mind, as the Hon. Member for Montreal-Sainte-Marie seems to believe, that they were more deserving than other Canadians because of their legal status.

Rather, it decided, in view of the limited resources available, to help without further ado one at least of the groups of early retirees in need. Would it be rational, Mr. Speaker, for the Government to deny help to one group it could assist, under the pretext that available financial resources do not allow it to help everyone? In my view, the Government has the moral obligation to help to the extent it can those who are most vulnerable in our society. The new measure now being the extension of the spouse's allowance program to 85,000 people who were excluded since its inception in 1975.

Needless to say, legislators have a difficult task. Every legislative measure has limits. Also, every social program has special eligibility criteria. Let us take for instance the unemployment insurance program. To qualify, one must have had insurable employment for a specified number of weeks.

If we look at the eligibility criteria for total or partial pension under Old Age Security, we find that a person must be 65 or older and meet certain residence requirements. There are other programs, such as veterans allowances, workmen's compensation and so on that have special eligibility criteria.

One may ask: Why do all social programs have eligibility criteria? One thing is certain, they are intended to meet specific needs, to face circumstances which Canadian men and women face in every day life such as death, disability, unemployment, old age. All social programs have different goals, but their only reason is to help persons in need. Needless to say, Mr. Speaker, we would much prefer helping every person in need, but our resources are not unlimited.

The recent change in the program will cost Canadian taxpayers $190 million for the 1985-86 fiscal year and $350 million in 1986-87. To extend the Spouse Allowance Program, as suggested by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), to all low income citizens between 60 and 64 years old whatever their marital status would cost an estimated $1.5 billion. New expenditures as substantial as this are impossible in the present economic situation. This is why we cannot introduce for the moment the kind of new social benefits suggested by the Hon. Member for Montreal-Sainte-Marie.

Before closing, Mr. Speaker, I would like to add that this Government is helping and will continue to help people who have difficulty making ends meet and who are not eligible to the spousal allowance. Indeed, these people can receive assistance under provincial programs the costs of which are shared equally by the Federal Government and the provinces. While there are still people between the ages of 60 and 64 who cannot be eligible to the spousal allowance, it still remains that, since September 1, 85,000 of them are better off than before.

● (1820)

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, I welcome the opportunity to say a few words about the motion which is presently before the House. During debate on the Bill which expanded the benefits under the spousal allowance program to include the individuals who are covered by the Bill, the Minister neglected to include those individuals who are over age 60 and, by circumstances or by choice, never married. The Hon. Stantley knowles has often said in this House that it is totally discriminatory to adopt that kind of attitude. What the Government is doing in essence is saying to women over age 60 that if they did not choose to live with a man in a common law relationship or to become married, that they would not be

eligible for any pension benefits or spousal allowance after age 60. That is the major complaint the opposition has in this measure and I presume that is why the Hon. Member for Montréal-Sainte-Marie (Mr. Malépart) presented his motion to the House.

I made the lengthy argument during second reading of that particular Bill when it was before the House and I do not intend to take up too much time at this point except to point out several things. While the Government argues that it cannot afford to include those single elderly people in this measure because of fiscal restraints, I find it strange that the Government did not use the same argument when it managed to find a substantial amount of money to bail out a couple of banks. We do not know who, because the Government will not give us the information, but in effect, the Government is going to give a sizeable chunk of the taxpayers' dollars to individuals who have invested in excess of $60,000 in that particular bank to compensate them for any moneys lost over that amount. It seems to me, Mr. Speaker, to be a little bit cynical, if not hypocritical, to make the argument that the Government cannot help the single elderly because it does not have the fiscal means to do it at the present time.

I would like to quote what someone once said about this:

> The fact that we have 600,000 elderly Canadians living in poverty in a country as rich and bountiful as Canada, in a society supposedly as compassionate and humane as ours, is a national disgrace. The fact that this has been allowed to continue month after month, year after year, is a telling indictment of the Government. The Government is breft of ideas, drained of decency and unable to recognize the priorities which must be dealt with in this society. I know the Government has its priorities: Bail-outs of de Havilland, Canadair and Maislin; bonuses for executive officers in de Havilland and the Canada Development Investment Corporation; . . . We know what the priorities of the Government are. For the people who have, throughout their lifetimes, worked for and contributed to the development of this great country, there is only a promise trotted out time and time again that some day, some time, they too will become a priority.
>
> Is it any wonder, Sir, that today we condemn the Government? We condemn it not only for its failure to introduce legislation that would meet the current needs of today's elderly poor, but also for its failure to bring about long overdue pension reform of the whole system so that we can ensure that the poverty of today will not be meted out to those who will be senior citizens in 10, 20 or 30 years' time. We must begin to come to grips with this issue and reverse what is happening.

The words I have just quoted were said by the Hon. Member for Kingston and The Islands (Miss MacDonald), who is now the Minister of Employment and Immigration, on May 10, 1984, when she was in opposition and was levelling a great deal of criticism at the previous Government for not doing exactly what we argue the present Government should be doing today.

I know that the Hon. Member for Kingston and The Islands has been a strong advocate on behalf of women and women's rights. She has been a strong advocate for adequate pensions for elderly Canadians. I know she is as disappointed as we are that the Government did not include the single elderly who have never been married under the provisions of that particular Bill.

• (1830)

What I am really saying, Mr. Speaker, is that it is time Governments stopped saying they do not have the fiscal capability of helping people who really need it at present and that they will look into it when the economy improves. The same argument has been used for many years for not increasing pensions for those between 60 and 64 who are single and elderly. It is time this Government stopped that and said it will put an end to this nonsense, do what should be done and include those individuals in this legislation.

The Government has argued that seniors, if not collectively then certainly on a selective basis, have other Government programs available which make life a bit easier. For example, there is the rent geared to income formula for CMHC housing. However, earlier this year CMHC notified tenants in buildings it owns and operates that it proposed to increase rents this year in the neighbourhood of 10.4 per cent. In one building located in my constituency, the Main Square apartment building, the tenants have been so notified. There are many elderly people living in those buildings and that increase practically eliminates the $50 increase they got in the supplement last year. It will wipe it out. They will be no better off. In my arguments to the Minister I have said that is totally unfair to seniors. You cannot give them an increase with one hand and then take it back with the other as this Government is doing.

As well, I understand that CMHC is flying kites at this time. Under the rent geared to income program you pay a maximum of 25 per cent of your monthly income in rent. I understand that CMHC is seriously considering raising that limit to 30 per cent. This, on top of everything else the Government is doing to seniors, will devastate many of them.

Most seniors that I know of have a very hard time of it living on a month-to-month basis. When you consider what CMHC will be doing in these subsidized apartment buildings, in addition to all the other items we saw in that Budget last May, things such as increased taxes on gasoline, alcohol, cigarettes, reduced personal exemptions as well as deindexation, we estimate that in all probability this will reduce the disposable income of seniors by something like $500 a year. That is $500 a year they cannot afford to give up.

Rather than talking this Bill out so that it becomes a dead issue after today, if Government back-benchers had any sense of fair play and decency at all they would agree to refer this Bill to the Standing Committee on Health, Welfare and Social Affairs so we can hear from senior citizens. They have not had a chance to talk about what the Government is doing to or not doing for them. Why not allow seniors to come before that committee and tell us how they are living today? In that way, all Members can get a better appreciation of the difficult financial circumstances they are living in, and perhaps we collectively could persuade the Cabinet to do what is right and proper to ensure that senior Canadians who have given their lives to our country are allowed to live their years of retirement in dignity.

As I said, I am not going to take up too much time. I have said what I wanted to say. It is up to the Government and Members opposite to do the right thing by the seniors of this country.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased today to make further comments on the motion presented by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) which asks that the spouses allowance benefit be extended to all needy persons aged 60 to 64 who live alone, regardless of their marital status.

It gives me particular pleasure to discuss this subject on the final day of September, because in the past few days thousands of needy widows and widowers in the 60 to 64 year old age group have already received their first spouses allowance cheques as a result of legislation passed by this Parliament on June 20 and given Royal Assent on June 28.

In his first speech delivered to the House regarding this Bill on April 18 the Hon. Member, I think rather misleadingly, stated that the intention of the legislation is to limit the eligibility of the spousal allowance to needy widows and widowers between the ages of 60 and 64. He seems to wish to imply that the Government has introduced a cut-back in this program which, in recent years, has grown into an increasingly important vehicle for assisting significant numbers of needy Canadians in that near elderly age group. However, the Government did not limit but rather expanded the existing program to provide income assistance to all needy widow and widowers in this age group.

I believe, then, it will be helpful for the Hon. Member to recognize that no single assistance program can respond to the requirements of all needy Canadians. In a democracy social programs inevitably are designed to provide the maximum possible assistance to a recognized group of beneficiaries within the limitations imposed by current and foreseeable economic realities. Improvements are possible over time in these programs. None of them are perfect and we concede that. All Members will agree that the needs of many groups in our society are of importance and concern to us. But no Government, past, present or future, would have the economic capacity to deal with all of those needs in one single step. It just cannot be done. Everyone must have the courage to look at the situation in their time with a sense of both justice and compassion and decide where the dollars, however limited, can be spent to achieve a positive goal.

To properly appreciate the intention of this Government's new legislation in extending this spouses allowance to all needy widowed persons in the near elderly age group, I think one must first look back to the benefit's introduction 10 years ago. The spouses allowance was created at that time for the particular purpose of assisting low-income couples where only one partner had reached the age of eligibility for the OAS basic pension and the income-tested GIS. Prior to the introduction of the spouses allowance these couples had to get by on benefits designed only for one pensioner and, at best, depending on the couple's assets and resources as well as available income, the younger spouse might have been eligible for provincial welfare. The spouses allowance, however, when introduced, provided these couples with an income guarantee which could be compared with that available to low-income pensioner couples where both had been become eligible for the OAS basic pension and the supplement.

• (1840)

In 1979 the federal Government extended the program so that a recipient, or even a widowed individual who became eligible for benefits at the time of his or her pensioner-spouse's death, could remain eligible for the allowance until reaching age 65 and becoming eligible for full Old Age Security benefits including the supplement.

Nonetheless, there continued to be criticism that the program could be considered arbitrary in providing benefits to men and women who, after they had reached their sixtieth birthday, were married to a pensioner-spouse eligible for the Guaranteed Income Supplement who died subsequently, but not to widows and widowers who had lost their spouse before they could become eligible for the allowance. I am gratified, Mr. Speaker, that our new legislation has corrected this anomaly. We can be proud that we have gone one step further in developing the spouse's allowance program and, consequently, in extending to more Canadians the protection of Canada's on-going system of social program benefits.

I believe I should remind the Hon. Member that the extension of spouse's allowance benefits to all needy widowed individuals from age 60 to 64 was a major recommendation of the all-Party parliamentary task force on pension reform in its final report to the House of Commons during December 1983. The task force's recommendation was made, moreover, for the same reasons that I have been discussing.

I trust, therefore, that the Hon. Member can now agree that our recent improvement to the spouse's allowance program has implemented an important expansion in benefits under the program, and not a restriction as the wording of his motion would indicate. We consider that this legislation, Mr. Speaker, is an important step toward greater social justice.

Naturally, I recognize that there are other persons in need in the 60 to 64 age group who will not benefit from this initiative. Nevertheless, I believe that this improvement to the spouse's allowance is a clear demonstration of the federal Government's firm commitment to provide assistance for all needy Canadians. I can assure the Hon. Member that the decision to extend the spouse's allowance at the present time to all low-income widowed individuals in this age group was not based on any assumption that such persons are more deserving than any others simply by virtue of their former marital status. Rather, given our limited financial resources, it was felt that we had to immediately improve assistance for at least one segment of Canada's near elderly population who have been facing severe financial hardship.

At the same time, Mr. Speaker, I must emphasize the commitment upon which all members of the present federal Government have agreed, to fiscal responsibility and, in par-

ticular, to an improvement in our control of the alarming rise in Canada's national debt. I must point out that the cost of the Hon. Member's proposed amendment to the spouse's allowance legislation would be an additional $300 million during the first full fiscal year. He may be aware, also, that there have been proposals to extend spouse's allowance benefits to all low-income married couples where both partners are between ages 60 and 65. The cost of this proposal would be in the order of $820 million annually. In fact, to extend the spouse's allowance to all single and married low-income individuals in this age group would cost in the order of $1.5 billion per year. Such a drastic expansion of social program benefits that are funded from general taxation revenues is simply out of the question in light of the nation's present economic situation. That is why the level of increased assistance that the Government has determined can be responsibly undertaken at the present time has been directed to a group of Canadians who are among those most in need, namely, 60 to 64 year old widows and widowers.

Rather than lament what might be, Mr. Speaker, we should continue to do what can be done in a fiscally responsible way to help the members of our society most in need while not imposing an unfair burden on all Canadian taxpayers.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased to follow my distinguished colleague, the Member for Erie (Mr. Fretz) and participate in this second round of debate on the motion of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). It is interesting to note that neither he nor any other member of the official Opposition is present for the discussion on such an important subject matter.

Mr. Keeper: The real Opposition is here.

Mr. Scott (Hamilton-Wentworth): Of course, as all Members are now aware, it is not just the Government's intention to extend the spouse's allowance program to include all widowed persons 60 to 64 years of age; the Government has already done so effective September 1985. Now, for the first time, 85,000 widows and widowers between the ages of 60 and 64 are guaranteed a level of income which is adequate to meet their basic living costs. This group of low income near-elderly persons, like the 89,000 persons who were previously entitled to spouse's allowance, are receiving very necessary and well-deserved financial assistance from the federal Government.

I recognize that it is very easy to criticize a social program. One can always fault the program's design, its eligibility criteria, its benefit amount, and also its cost. I for one want to see more praise for our social programs, not the least of which is the spouse's allowance program. This program is a prime example. These programs have enjoyed the support of all Canadians because they are directing help where it is most needed. Let us ensure that they will continue to deserve their support by keeping social program costs at an affordable level.

Through the application of an income test, many 60 to 64 year old persons residing in this country are provided with sufficient income to assure them some measure of comfort and security so that they can live with dignity. Mr. Speaker, the 60 to 64 year olds in receipt of spouse's allowance—the vast majority of whom are women—have supported this country in many ways over the years. In this group we find the mothers who have stayed in the home for the better part of their adult lives raising their children, caring for their sick relatives, and providing the necessary volunteer labour without which most of our community projects could not operate. This was an important role that these women played in the unpaid labour market for most of their adult lives. They depended financially on the earnings of their husbands.

These women are now widowed, and with their husband's death went the greater part of the family income. In some cases, this income had been partially protected through insurance or under private pension plans. However, more often than not, unfortunately, the widow was left with minimal, if any, income protection either through survivor benefits or through the family's personal savings. And so, what recourse do these women now have? Some are lucky and find paid employment. Very often, though, this is of the physically demanding and low paying type because these women have not had the opportunity to acquire or keep up the technological skills required in today's constantly changing workplace.

For many others, the only avenue of financial assistance is welfare. These menas and/or needs tested provincial social assistance programs are an important part of Canada's social safety net and provide much needed financial assistance to the many thousands of Canadians who are unable to provide for themselves. However, Mr. Speaker, as funds permit, I believe our elderly residents deserve special recognition, and that is exactly what the spouse's allowance program does. That is why the Government took the steps necessary to extend this income-tested assistance to 60 to 64 year old widowed persons.

I am the first to admit that there are other persons in the same age group who have given of themselves just as selflessly. However, I cannot believe that the Hon. Member who proposed this motion would have us deny much-needed financial assistance to 85,000 widowed persons because the money is not available at this time to extend the spouse's allowance program to all 60 to 64 year olds.

• (1850)

The step-by-step approach which successive Governments have followed in building good social programs is not wrong. If it were, then the spouse's allowance program would not have even been introduced in 1975. You remember that at the time, when the program was introduced, it was designed to protect only the 60 to 64 year old spouses of low income Old Age Security pensioner. It left out all other 60 to 64 year olds.

Nevertheless, through gradual steps, the spouse's allowance program has been improved. First, in 1978, the allowance was extended for six months after the Old Age Security pensioner's death. This extension was intended to give widows or widowers a chance to adjust to their changed circumstances.

Then in 1979, under a Conservative Government—as has been pointed out by some of my colleagues—the spouse's allowance was extended until the recipient reached age 65 and became entitled to the Old Age Security pension and its income tested component—the Guaranteed Income Supplement.

We wisk now six years ahead to June, 1985. Parliament took the next logical step when it gave its approval to Bill C-26 and extended the spouse's allowance program to all widowed persons age 60 to 64, regardless of the age of their spouse at death, thus ensuring that some 85,000 more near-elderly persons were guaranteed an adequate basic income. I think it is important to emphasize that the decision to extend the allowance to widowed persons was not just a whim of the Government. This was a proposal resulting from an extensive review of Canada's retirement income system conducted by the all-Party Parliamentary Task Force on Pension Reform.

After carefully considering the views of all interested Parties in that pension reform debate, the Task Force recommended that the spouse's allowance program be expanded to include all widowed persons in the 60 to 64 year age category. As responsible representatives of the people of this country, that Task Force recognized it would be too expensive to extend income tested assistance to all 60 to 64 year olds, as was pointed out by my colleague, the Hon. Member for Erie. The spouse's allowance program may still not be as good as it could be, but it is better than it was prior to September. I, for one, am pleased that the Government has moved so quickly to legislate this proposal.

The Guaranted Income Supplement is another example of a social program which, since its inception in 1967, has been gradually improved. In step-by-step increments, the level of income guaranteed to Old Age Security beneficiaries was increased so that today, all OAS pensioners are assured of a monthly income which is adequate to meet their daily living needs.

Of course, the Hon. Member for Montreal-Sainte-Marie did not suggest that we extend the income tested spouse's allowance to all 60 to 64 year olds, but rather to those in this age group who live alone. I cannot help but wonder why one's living arrangements should be added to the eligibility criteria for this program. Many people share living accommodation with relatives or friends for reasons other than financial. There are those who are not well enough to live alone and those who want the companionship and shared responsibility of living with another person.

It must be remembered that many 60 to 64 year olds live in their own homes; homes that they previously shared with their late spouses and their children. Now that their spouses have died and, in most cases the children have left home, these widowed persons are left alone to maintain, both financially and physically, the family homes.

I commend those persons who open up their homes to others. Not only do they have someone with whom to share the burdens, they are providing alternate housing arrangements to people who might otherwise find themselves living in a small apartment or, too often, a room.

I believe that the Government has demonstrated its sincere concern for elderly Canadians by extending the spouse's allowance program to 85,000 new beneficiaries. Given the enormous financial deficit we inherited when the people of Canada asked us to take charge in September of 1984, it would have been justified had we said, "Sorry, we cannot help any new groups of needy Canadians. The money is just not available". However, that would have been irresponsible. We cannot and will not turn our backs on Canada's needy. We took what money we felt could reasonably be added to the spouse's allowance program and we extended the protection of this very important social program to 85,000 needy 60 to 64 year old widowed persons.

This does not make the spouse's allowance program perfect but the Government recognizes the need to make certain that Canada's needy, particularly those in this age group—spouses aged 60 to 64—do indeed live in dignity in this great country. By working together we can improve Canada's fiscal position which will in turn result in further resources for improving our social programs.

Until that time, I think we should be proud of the help that the spouse's allowance is providing, and let us not down play the importance that the allowance is now playing for an additional 85,000 low income Canadians.

The motion by the Hon. Member for Montreal-Sainte-Marie reads:

> That, in the opinion of this House, the government should reconsider its intention to limit the eligibility of the spousal allowance to needy widows and widowers between the ages of 60 and 64 and that it should extend the program to all persons of this age group living alone and having the same means, without taking their marital status into account.

It strikes me that even the Hon. Member for Montreal-Sainte-Marie and his ghostly colleagues on the other side of the House would realize that not only is this an extremely expensive proposition, but that the Government has bitten the bullet as far as doing as much as possible for the spouse's allowance and making certain that 85,000 seniors between the age of 60 and 64 who had never been considered or been eligible for this kind of Government assistance would be included.

I am proud to be a Member of a Government that has taken the spouse's allowance program this far. I will work hard toward taking our social assistance programs for Canada's needy and elderly even further in the future.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

Adjournment Debate

YOUNG OFFENDERS ACT—REQUEST FOR AMENDING LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, during the last election campaign there were many issues in my riding, but however, there were two primary issues. First was the economy and jobs, and the second was the whole issue surrounding the question of capital punishment.

In my view capital punishment is really a descriptive term that characterizes a much broader issue. That broader issue is the whole question of the adequacy of the criminal justice system at the present time. There are many people in this country who are very concerned about the adequacy of our criminal justice system and feel that it is not working. From time to time we hear Hon. Members from the Opposition say that we have a marvellous system of criminal justice that is working fine and to which no changes are needed. However, that is not the impression of Canadian citizens. That is why I believe that the whole issue of capital punishment is so substantial and why there is a great effort to bring it back after being put aside for many years.

I believe that the issue is not really capital punishment but the criminal justice system as it relates to areas such as the sentencing by judges of those convicted of crimes, the parolling of people either immediately after their conviction or after they have served some time in prison, the whole question of mandatory release of those convicted of crimes as well as the whole question of the Young Offenders Act itself.

All of these issues are part of the question the Canadian public has about our criminal justice system. If we were able to solve some of the issues that are bound up in those questions, the issues relating to sentencing, parole, mandatory release and to the Young Offenders Act, I do not think we would have the same pressure we now have from the public on this matter of a return to capital punishment.

● (1900)

The Government has moved in recent weeks, by the introduction of Bills C-67 and C-68, to addressing the question of mandatory release. Those two Bills have been debated in this House. They have had second reading and have been referred to a committee. The next step, in my view, toward dealing with this whole criminal justice issue is to get on with the amendments which are essentially needed to the Young Offenders Act.

A great many people in recent weeks have pointed out problems with the Young Offenders Act. An example of one of those problems arose in metropolitan Toronto a few months ago. A man who had allegedly committed armed robbery with a sawed- off shotgun was captured. While in prison waiting to be brought before the courts, he escaped custody. The individual was under the age of 18. Therefore, the police were unable to protect citizens of metropolitan Toronto by disclosing the name of the person, which would have been of help in capturing and returning him to custody. They were unable to do so because of provisions in the Young Offenders Act. That is one of many examples.

Another of the problems with the Young Offenders Act involves the whole question of criminal records and how they should be dealt with. There is also the question of young offenders under the age of 12 and how they should be dealt with.

On September 23, I raised a question in the House concerning the Young Offenders Act. I asked when amendments to the Young Offenders Act to correct all of the problems would come forward. The Minister at that time indicated he was still reviewing the matter. It seems to me the time has passed for reviewing the matter. Police departments across the country have pointed out and have identified specific problems with this Act in meetings of chiefs of police and in meetings with deputy attorneys general. Recently these problems have been pointed out in meetings of provincial attorneys general. The Solicitor General of Canada (Mr. Beatty) has met with them and has heard submissions. The time has now come for action.

Can the Parliamentary Secretary tell us tonight whether the Government is now prepared at long last to introduce some amendments to the Young Offenders Act, which will set these things right and allow the police departments to protect the citizens of Canada properly.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I am pleased to respond to the question posed by the Hon. Member for York East (Mr. Redway) to the Solicitor General (Mr. Beatty) with respect to amendments to the Young Offenders Act, to correct issues identified by the chiefs of police and the attorneys general. He has just now elaborated further upon these problems?

In June 1985, the Deputy Solicitor General met with deputies responsible for juvenile justice to discuss key areas of concern. On that occasion, the provincial and territorial Governments identified four areas of concern: first, the requirements for predisposition and detention; second, to review provisions to assist in the enforcement of dispositions ordered by the court; third, the limitations occasioned by the ban on publication of the name or identify of a young person, and fourth, the administrative burdens and complexities occasioned by the provisions for the maintenance and destruction of records.

● (1905)

Since that time federal and provincial officials have been carefully reviewing these proposals for change. The Solicitor General has also stated his desire to review all these concerns and to solicit broad input.

As the Hon. Member for York East is aware, the Young Offenders Act is, for all intents and purposes, a new piece of legislation which was proclaimed in force on April 2, 1984, with the uniform maximum age provisions only coming into effect on April 1, 1985. Clearly this Act is in its formative stages. This fact is certainly evident from a number of decisions presently before the courts. As the Solicitor General noted on September 23, when he responded to the Hon. Member's question, it would be premature and indeed improp-

er to comment on matters which are before the courts and may still be subject to appeal.

Independent of these issues, however, it may be helpful to highlight the principal areas of concern. From a public perspective, media commentary has centred around the belief that the Young Offenders Act is lenient in its treatment of young criminals. Consequently, media criticism has focused upon the exclusion of children under 12; the ban on publication of names and identities; the upper age limit of under 18; and the maximum penalties available under the statute, which are perceived to protect young people at the expense of the public. From a provincial perspective, the concerns appear to focus around administrative and procedural matters. In this regard, the Solicitor General is awaiting a report of the meeting of the provincial Attorneys General which took place in Regina on September 19 and September 20.

While the concerns of citizens for public safety cannot be minimized, it is evident that many of the criticisms and the demands for change which have been advanced are the result of a serious misconception about the nature and implications of the Young Offenders Act for the administration of juvenile justice. In short, it could be said at this moment that there is no unanimity of opinion as to the problems with the Young Offenders Act, and certainly as to their solutions.

However, I should like to assure the Hon. Member that the Solicitor General is aware of the concerns of the public and the provincial and territorial Governments and is prepared to respond fairly and effectively to those concerns. In so doing, the Minister recognizes the need for countering unfounded criticisms and unsubstantiated fears about the implications of the Act, so that efforts may be concentrated on those areas which clearly require change.

CULTURAL AFFAIRS—CANADA-UNITED STATES TALKS—GOVERNMENT POLICY. (B) *TIME* MAGAZINE—POSSIBLE RE-EMERGENCE OF CANADIAN EDITION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the question I raised in the House last week with the Prime Minister (Mr. Mulroney) concerned the very urgent question of cultural integrity. It is a very simple question. Do we want to have our cultural industries up for bargain in any free trade negotiations? Do we really want to build Canadian culture in the country and ensure that all aspects of it have an opportunity to flourish? Do we want to ensure that jobs are kept for Canadians? Do we want to ensure that there are more opportunities in publishing, music, dance, theatre and all other fields of artistic expression?

The Government's answer has been a little two-faced. When it comes to rhetoric, its Members are quite clear. They are on the side of Canadians and on the side of cultural integrity. I am raising the questions and want very straightforward answers because their practice does not fulfil their rhetoric.

The then Minister of Communications at a conference in Halifax, in reply to questions, suggested that cultural industries were linked to other industries which would be in free trade talks, so they will not be exempted as clearly as they should be in any discussion of free trade. The Government's policy in Investment Canada is clear enough, that there will be exemptions for cultural heritage and national integrity. However, when it comes down to specific cases, we see that the Government does not live up to its promise.

I have raised the case of Prentice-Hall in the House, and all we have seen is delay. There has been an extended period of investigation, and we do not have any assurances. There is the take-over by W.H. Smith of the Classic book chains, which is quite unacceptable to the Canadian cultural community. It promises to have up to 20 per cent Canadian shares in the near future, but that is hardly Canadian control. It is a matter of real concern.

• (1910)

The possibility of a revival of the so-called Canadian edition of *Time* is a very troubling one inded to the magazine publishing industry. People will recall that when the previous Canadian edition of *Time,* of which the Canadian content was absolutely minimal and quite laughable, after a very protracted struggle disappeared it meant that advertising dollars were available and went into other Canadian publications. Indeed we saw a flourishing in the Canadian magazine publishing business. Smaller magazines increased their circulation. This was the time when *Maclean's* went weekly, and it has been an important news magazine for Canada.

We are very concerned that any revival of the so-called Canadian edition would not be truly Canadian in terms of its content and yet would suck off the advertising dollars that are now being spread throughout a growing and quite vital magazine publishing industry right now.

It is troubling also when we get rumours in the press of the possibility of the Prime Minister appearing at a *Time* sponsored event—perhaps later this fall, perhaps in Chicago, perhaps in November, the rumours are not terribly specific—that would name him on behalf of *Time* magazine statesman of the year.

Well, Mr. Speaker, one country's statesmen may be another country's sellout and we have to be very concerned about this kind of flattery that has been used by *Time* magazine in the past. We think of a former Prime Minister, Mr. John Diefenbaker, who was courted actively by *Time* magazine, flattered and indeed got a great deal of circulation and a great deal of press. We are very troubled to think that a Prime Minister might succumb to the gentle persuasion of a large and important mass media magazine.

The threat of the *Time* magazine revival is a very real one in the Canadian cultural community and I want the Government to be very clear that the arts community does not want more rhetoric. We do not want these statements of good book publishing policy which then get reversed in practice in Investment Canada and in other decisions that come up. We want the Government to be consistent and to accept the concerns of the arts community and indeed of all Canadians to build Canadian culture, and to make it strong. The talent is there

and we want them to have the opportunity. They can only have that by having good policies that are realized in practice.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Thank you, Mr. Speaker. It is with great pleasure that I respond on behalf of the Acting Minister of Communications to the concerns raised by my friend, the Hon. Member for Broadview-Greenwood (Ms. McDonald) on the subject of Canadian cultural policy and the possible re-emergence of another Canadian edition of *Time* magazine.

These matters are of great interest to all Members of this House. It is very timely that the Hon. Member should bring this forth at this adjournment debate on this particular day when she will know that earlier today in Question Period the Secretary of State for External Affairs (Mr. Clark) has reiterated the very clear and unequivocal statement made by the Prime Minister of Canada (Mr. Mulroney) that Canada's culture is not an issue in any forthcoming talks with the United States relating to enhanced trade.

The former Minister of Communications, the Hon. Marcel Masse issued in his release at the close of the meeting of the federal-provincial Ministers responsible for culture in Halifax this statement:

> Any trade negotiations we may enter into with any country must and will take into account the fundamental principle that it is culture that guarantees the expression of the distinctive character and identity of a people.

I stand by every word in that news release. The Hon. Member may put that down to rhetoric but not when it is stated in as clear and definite terms by the former Minister of Communications, the Secretary of State for External Affairs and the Prime Minister of Canada. I shall give the hon. lady my assurance that I share her concerns. I am making my views known to the people responsible as we head into those very delicate negotiations.

• (1915)

With respect to the question of *Time* magazine, 25 years ago the Royal Commission on Publications recommended that Canadian publications should have better access to the advertising dollars spent by Canadian companies in Canada. In 1965, the Government amended the Income Tax Act to stop Canadian advertisers from buying ads for the Canadian market in foreign publications.

Shortly after the introduction of Bill C-58, Time Inc. decided to stop publishing its Canadian edition. This amendment of the Act meant for Time Inc. a loss in advertising revenues. Canadian advertisers could no longer deduct their advertising expenses in Time Inc. from their revenues for income tax purposes.

The return of a Canadian edition of *Time* involves a transaction that would transfer 75 per cent of Time Canada's shares to Comac Publications, a large Canadian publisher of controlled circulation publications, and the transfer of 25 per cent of Comac's shares to Time Inc. of New York.

I am informed that while there have been some informal suggestions made by *Time* that it might want to start up a Canadian edition, they are strictly informal. *Time* knows what it is up against. We still concur with the philosophy behind the law. We believe that the Canadian newspaper and periodical industries must evolve in a favourable economic context which will consequently guarantee the largest possible dissemination of our Canadian cultural values.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 7.16 p.m.

HOUSE OF COMMONS

Tuesday, October 1, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO ENACT

Hon. Ray Hnatyshyn (President of the Privy Council) moved that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act to provide for certain matters in relation to the 1981 decennial census, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is a pleasure for me to be able to present this Bill to the House. On September 4, 1984, this Government was given a mandate to make positive changes in our key institutions of Government. These reforms focused on making Government more accountable to the governed for its actions. Parliament, in our democratic society, is the central institution of accountability, and this Government has taken a firm and very positive approach towards finding means by which the individual Member can play an enhanced role in the policy development process.

Very early in its mandate the Government acted on its conviction that the representatives of the people have a right to a significant role in policy development. It did so by placing a high priority on parliamentary reform. The Government took prompt action last spring to implement an important package of reforms to the rules and practices of the House. These reforms have gone a long way to giving committees of the House an important and independent role, which in turn goes a long way to enhancing the legislative and policy development role of the individual Member of Parliament.

You will recall, Mr. Speaker, that the Government has undertaken to consult widely before taking new directions in order to ensure that Canadians feel they have a part to play in the decision-making process. As part of this consultation process the Government published a White Paper on redistribution which I laid on the Table on June 11, 1985, and which was referred for consideration by the Standing Committee on Privileges and Elections. After careful consideration of the proposed amendments to the Constitution Act of 1867 and the Electoral Boundaries Readjustment Act, the committee reported favourably on the subject matter of the proposed draft Bill contained in the White Paper.

[*Translation*]

Mr. Speaker, I would like to take this opportunity to thank members of the Committee for their invaluable assistance in preparing this new legislation.

[*English*]

I would like to remind the House of some of the key features of this Bill. The first and most significant is the change in the formula for calculating the number of seats for each province. The alteration will mean that the size of the House will grow more slowly than would have been the case if the current legislation were to be left unaltered. The House will know that under the present formula there would be 310 Members in this House after the implementation of the reports of the Electoral Boundaries Readjustment Commission. Instead, the legislation we have before us now would see the House grow to only 289 seats after a new redistribution which can be in place before the next general election if we act with expedition now.

When the White Paper was published, most of the media attention focused on the direct costs of adding new Members to this House. I do not wish to dwell on this aspect but I will say in passing that we can anticipate a considerable saving by implementing the Bill now before us. Increasing the number of Members in the House will also necessitate increased expenditures on support personnel for Members, security and protective services, maintenance services, messenger and cafeteria services, and outlays for office renovation and accommodation. I think it is important that Parliament itself make cost effective decisions. The fiscally responsible approach to redistribution set out in the White Paper on redistribution may explain much of the very positive media reaction which was generated.

In the first redistribution after the passage of this Bill, even allowing for the cost of the Electoral Boundaries Readjustment Commissions, the saving will be in the order of $1 million in the first year alone based on 1984 figures. While cost should not be the sole determining factor in deciding whether the House ought to proceed with this legislation, the House cannot ignore its importance to the taxpayers of this country. If unaltered, the House would increase in size over the coming two decades to 343 Members after the decennial census of 1991, and to a projected 369 seats after the decennial census of the year 2001. Such projected dramatic increases in the size of the House have provoked many Members of the House to consider whether such growth is desirable, and to wonder if it is possible to design a better formula which would be consistent with the needs of the electorate, but would not

promote such radical growth in the number of Members. It is my view that a major improvement is possible.

● (1110)

In developing a new formula to govern the redistribution process there are a number of matters which must be borne in mind. First, one must assess the impact of increased membership on the character and quality of the House. Mr. Speaker, I am concerned that we will lose an important sense of collegiality if the House becomes much larger, and that private Members will have diminished opportunities to become involved in the legislative and policy development process. Participation in debates on the floor of the House and meaningful involvement in committee work are directly related to the number of Members who are in competition for the limited time available in these forums. House time is scarce and opportunities to participate in debate are limited.

You will be aware, Mr. Speaker, of the increasingly important role being given to the standing committees by the House. The reforms brought in with all Party consent in June have radically altered the significance of membership on committees. This enhanced role has made it certain that there will be greater competition for participation on committees. In addition, there has been a trend toward smaller committees since the reforms of 1982, and still smaller committees have been recommended in the third report of the Special Committee on Reform of the House of Commons. If accepted, implementation of this recommendation would mean that members of committees will be given even greater opportunity for meaningful contributions to the policy development process and they will be given the chance to develop some real expertise in the policy areas covered by the committees of which they are permanent members. However, it is obvious that, if at the same time the House is permitted to grow in the explosive manner contemplated by the legislation now in force, there will be greater competition for membership on these smaller committees and, as a result, fewer private Members will have the opportunity to play a significant role in policy development.

The House will appreciate that with the significant reforms the Government has undertaken since coming to office, Parliament is a very different institution today than it was a short 12 months ago. Mr. Speaker, I think that the improved quality of Parliament's contribution to the over-all development and implementation of policy argues in itself for an enhanced quality of representation instead of a rapidly expanding quantity of representation. In my view, no evidence exists that a larger House of Commons would be a better House. I must state that the only way to improve the quality of the House is by courageously undertaking a program of reform to make the institution the best that it can be.

You may recall, as I do, that not too many years ago Members had no staff, no private offices nor constituency offices, and few, if any, of the amenities that Members of this House have come to take for granted. In recent years the capacity and quality of service to constituents by Members of Parliament has increased steadily as sophisticated equipment, energetic and dedicated staff, constituency offices, householder mailings, and greatly enhanced transportation facilities have permitted Members to have an immediacy of contact with their constituents such as they have never known before. In the near future rapid technological developments, such as the use of computers and electronic mail, will allow individual Members of Parliament to communicate more and more effectively with an increasing number of constituents. For these reasons, I concluded that it would be unwise to allow a dramatic increase in the size of the House much beyond its present level. This is the first consideration upon which the proposed formula is based.

The second factor which must be borne in mind with respect to the introduction of a new formula concerns the question of whether provinces with stable or declining populations should lose seats in the House of Commons. The loss of seats has always been a matter of genuine concern in the Canadian system. By way of example, this is reflected in the constitutional amendment of 1915 which provided that no province would be represented in the House of Commons by a number of Members less than the number of its Senators. The legitimacy of such concerns was again recognized in 1982 when the so-called "senatorial clause" was made unamendable except with unanimous consent of the provinces. Such concerns of federal balance have led me to recommend that provinces which, on a strict numerical basis, would see their representation reduced should be allowed to keep those seats, even at the expense of absolute representation by population.

● (1115)

There is a third general factor which must be considered when devising a formula. It concerns provinces with growing populations. Recognition must be given to the fact that population distributions change over time. People living in provinces which enjoy population increases are entitled to expect that there will be concomitant increases in the numbers of their representatives in the House of Commons.

This reform must, if it is to be accepted, be seen to be fair. The new method of redistributing seats throughout Canada is fair because it ensures that the proportion of seats and proportion of population of each province does not significantly deviate from the present situation. This means that the relative imbalances which exist today and have long been accepted as necessary compromises on the principle of absolute representation by population will remain.

You will say that this is a typical Canadian compromise. Perhaps it is. However, in a Parliament with only one elected House, our system has come to recognize the need of finding ways of ensuring adequate regional representation in the elected body and this Bill proposes no departure from this position. It is in view of these considerations, that the formula set out in the Bill was devised.

Accordingly, it attempts to accomplish three basic objectives. First, it limits increases in membership in the House of Commons to levels as moderate as are fair and practical; Second, it ensures that no province or Territory will lose seats

in the House of Commons through redistribution. Third, it enables provinces with growing populations to get additional seats but in a way that reflects the need to maintain the House of Commons at something close to its present size.

[*Translation*]

Mr. Speaker, this Bill not only concerns the distribution of seats throughout the country but also contains proposals aimed at improving the Electoral Boundaries Readjustment Act. As Hon. Members are aware, the Act regulates the procedure by which the boundaries of electoral districts are established within the provinces.

[*English*]

The present wording of the Act obliges commissions to ensure that all constituencies in a province have populations which are within 25 per cent of the so-called provincial quotient.

This obligation has been seen by many Members of Parliament as posing problems with respect to rural and sparsely populated areas. It forces the creation of geographically huge districts in many areas of the country.

In order to try to alleviate these problems, the Bill proposes that commissions be given some added flexibility. It suggests that, in extraordinary circumstances, they be allowed to deviate from the 25 per cent rule in order to protect an historical community of interest or to limit constituencies to a manageable geographical size, where possible.

The Bill also proposes improvements in the way in which commissions conduct their hearings. I do not believe that it should be necessary for them to publish both a map and a written description of boundaries with their newspaper advertisements, yet the current legislation requires this. If only the maps had been published for the last redistribution, a saving of approximately two-thirds of the total amount spent on advertising could have been realized. This would have amounted to approximately $1.6 million. Thus, the Bill provides that only the maps be included in the newspaper inserts. Of course, written descriptions of constituency boundaries will continue to be available, free of charge, from the Electoral Boundaries Commissions' offices.

[*Translation*]

Finally, Hon. Members will now have a chance to give their views and suggestions regarding the commissions' reports. For the first time, the Bill specifically gives Members the right to submit their views to the commissions.

• (1120)

[*English*]

As well, there will be improved opportunities to debate the reports of the Electoral Boundaries Readjustment Commission.

Under the old legislation, these reports were discussed on the floor of the House, whereas this Bill would see them automatically referred to a committee for consideration. Members will know of the difficulty in obtaining sufficient time to consider legitimate objections to these reports on the floor of the House. Therefore, the Bill proposes to provide Members a real opportunity to have their concerns fully considered in committee with supporting documentation which can be tabled, together with an appropriate period of time which would be made available for each Member desiring to make representation in terms of any electoral district.

As I have indicated, time limits for each stage of consideration by committee of these reports which the Bill proposes ensure that redistribution takes place on a timely basis.

The House may wonder why it is important to ensure that this legislation is considered expeditiously, aside from the requirement to have the new boundaries for the ridings in place well before the next general election. I am convinced that this Bill, as part of the entire program of institutional reform, will help to modernize and make Canadians' key democratic forum an effective institution which will help to point the way to the next century. The Canadian people gave this Government a mandate for change. I believe this Bill helps to fulfil, as far as this institution is concerned, this part of our responsibility.

In closing, Mr. Speaker, I would like to ensure that the House is aware of the great period of renewal upon which we have embarked. Reform of this institution can only be achieved by careful attention to the reasons for its continuance and its importance in the society it serves. Reform of obscure rules and arcane practices will not necessarily make Parliament more effective. However, if we have the courage to seize this opportunity to reshape the kind of House this will be, and to raise the expectations of all Canadians for this, the most important democratic institution of our country, we will have done succeeding generations of Canadians, I think, a great service.

Finally, let me reiterate my belief that the proposals set out in this Bill not only represent significant improvements in the redistribution process, but also they will assist us all in the task of ensuring that the House of Commons becomes a more effective and productive institution, and that expanded, it fairly represents the population and diversity, which is Canada.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-74, to amend the legislation regulating the number of seats attributed to a province in Canada after each decennial census.

First of all, I may say we understand the Government's intentions and its reasons for wanting to prevent the number of Members sitting in the House of Commons to keep on increasing at a rate that is considered too fast by some, and that, as a corollary, the Government is attempting with this measure to limit spending which is necessarily proportional to the number of Members that represent Canadians in the House of Commons.

Although we approve the principle or the objectives being pursued by the Government, in other words, although we agree with the reasons for the measure being proposed, we do not, unfortunately, agree with the method.

Although we believe that the Government's intentions are honourable, we think it has not chosen the right way to go about attaining its objectives. In our view, one of the consequences of the measure now before the House will be to undermine the basic principle of any redistribution of seats in Canada, in other words, the fundamental principle of proportional representation. Another consequence would be that the Bill would create an increasing imbalance between the average populations of a riding, from province to province. We also believe this might create an imbalance between the average populations of urban and rural ridings.

● (1125)

Finally, another obvious result of the procedure the Government has decided to follow is,—and I find it rather strange, since one of the Government's objectives was to limit spending connected with representation of the people of this country in Parliament,—in fact the first consequence of this Bill will be to waste about $5 million which were spent to date by the commissions of various provinces on drawing up the electoral map now before Parliament, which could be considered in a couple of hours and become effective in relatively short order. The Government ought to realize that its decisions involve at the very outset wasting $5 million.

Let me get back to what I consider to be the main weakness of this Bill. I said earlier that I thought the principle of proportional representation would be at risk. I said there would be a significant difference between the average riding population in some provinces as compared to others. In other words, if we divide the population of a province by the number of seats, the resulting quotient will vary fairly substantially from province to province. To support my statement I would refer to certain comments by witnesses who appeared before the Standing Committee on Privileges and Elections, and especially to what was said by Professor Andrew Sancton, who appeared before the Committee on June 20. His testimony may be found on page 12:5 of the Committee proceedings. I am just going to quote what Professor Sancton said and comment subsequently. He said, and I quote:

When one divides the population of each province by the number of seats allocated to that province according to the new formula, one finds that the resulting provincial quotients vary to quite a considerable extent. Anyone who has made such calculations for previous redistributions would not be surprised by such a result. The smaller provinces, for one reason or another, always had smaller quotients, and to that extent they have been over-represented in the House of Commons.

What is most unusual about the current calculations is that they produce quotients for British Columbia and Alberta of 91,482 and 97,292 by my calculations, which are significantly higher than the quotients of the two largest provinces of Ontario and Quebec. I think the proper figure for Ontario is 88,919, which is corrected on some of the statements and not on others, and the one for Quebec 85,845.

We already see a sizeable quotient difference of roughly 9,000 between British Columbia and Ontario. Why does the Government tolerate from the very beginning that its proposed measure would create such significant differences, quite obviously built right into the system? As stated earlier by the President of the Privy Council and Government House Leader (Mr. Hnatyshyn), the avowed priority objective and main principle guiding the Government in drafting this Bill were to make sure that the proportional representation principle would be maintained. These figures clearly indicate that the result will be altogether different. More important still, we have to consider the long term impact of those differences. Again I quote Professor Sancton on page 12:5 of the proceedings:

Although the difference in the quotients between Ontario and Quebec themselves—

—since it is now only 3,000 in this case, since this quotient—

—is not large, there is no reason why they cannot become larger if this formula were to be applied in future decades.

There is a gap of more than 8,000—

—these figures are taken from documents provided by the Government—

—if one makes the calculations based on the census projections for 2001.

That is beginning to be quite important between two neighbouring provinces whose ridings have so far been roughly similar.

This goes to show why we do not quite agree on the way the Government seeks to achieve an objective which is highly commendable in itself.

The other matter which has me worried and which also undermines the basic principle of proportional representation is the fact that, through this Bill, the Government wants to achieve a second objective, namely make sure that none of the provinces will lose seats through the implementation of this new redistribution system. First I must say that there is nothing to underlay this principle, in the sense that, at the political level, the Government may want to protect itself against the dissatisfaction which might be expressed by the residents of a province slated to lose seats. From a logical viewpoint however, if we want to respect the principle of proportional representation, that is representation based on population, how can we argue in this House and reach the conclusion that, if the population of a province goes down or if a province realizes that its population is not increasing as rapidly as that of neighbouring provinces, we are justified to claim that such a province will not lose seats? However unpalatable this might be for the residents of that province, we must admit that it would amount to a serious breach of the proportional representation principle.

I therefore conclude that the Government is not proposing this measure to uphold the proportional representation principle but rather to cover its rear and avoid being the target of sustained flak from the disgruntled residents of a province. I

can understand that the Government would want to protect itself and limit the dissatisfaction of the population, but in my opinion, it would be better to make its pious wishes in other areas of interest, such as the bankruptcy of the banks and the tainted tuna. The Government would be better to try and prevent the dissatisfaction of the population in these areas. However, I cannot say that I agree with the fact that the Government is trying to fool around with the principle of proportional representation.

Once more, I would like to quote the comments made by some of those who appeared before the committee to object to what the Government is proposing, and I again quote from a statement by Professor Andrew Sancton as recorded on page 12:6 of the *Minutes of Proceedings* of the Standing Committee on Privileges and Elections for Thursday, June 20, 1985. In passing, I should point out that Professor Andrew Sancton is not just anybody. He is in a good position to comment the redistribution proposals because he is professor emeritus at the Western Ontario University, where he teaches political sciences. He was also a full member of the later Ontario Electoral Boundaries Commission. He therefore knows all about this issue. Let us hear what he has to say about the provision to prevent provinces from losing seats:

> My preference in all this is to fix the size of the House at about its current level and to follow the procedure outlined in the white paper but allow provinces to lose seats down to the level of the entrenched senatorial floor and to gain them to the full measure of their relative growth.

He then continued:

> Sure, it will be tough for provinces to lose seats—

This is what I was saying earlier.

> —but I suggest that the people most affected by such losses are incumbent MPs. If the real objective of this exercise is to limit the growth of the House of Commons and to maintain representation by population, then I am convinced that most people in and out of the House will understand that some provinces will have to lose seats.

In this regard, I think that the Government has tried to have it both ways. On the one hand, it tries to meet its objective of limiting the increase in the number of Members in the House of Commons, and on the other hand, it attempts at the same time to develop a system under which a province would not lose seats even if its population did not increase as rapidly as that of other provinces or even, in an extreme case, if its population were to decrease. Yet, these two principles are mutually exclusive and it is strange to see that the Government, by using an acrobatic scheme, has succeeded in combining them in one Bill.

● (1130)

[*English*]

Although we have to agree that reducing the number of Members of Parliament is a good objective, I would like to warn the Government that there are consequences one has to take into account, one of which is that Members will be called upon to service a larger population. There is nothing proposed by the Government to facilitate the work of the average MP. No additional tools are offered; we have no assurances that some of the recommendations put forward in the report of the committee chaired by the Hon. Member for St. John's East (Mr. McGrath) will be put in place. On the contrary, we believe that the Member will be left with a larger population to service with no additional means. We do not see how this would benefit the people of this country.

[*Translation*]

Another aspect on which I would like to comment briefly is the issue of timing. The Minister said earlier that these measures would be implemented in time for the next general elections. This does not seem to be quite the case. The Chief Electoral Officer, Mr. Hamel, told us in committee that, if this Bill received quick passage this fall, he would be able to organize elections based on the new electoral boundaries, but only in the fall of 1988. Because of a very detailed schedule which he explained to us, he could not, for instance, organize an election in the spring of 1988 based on the new boundaries. This means that, because of the time factor and the schedule presented to us by the Government, neither the population nor any political party will know whether, in 1988, which would seem to be the most logical year to hold an election, four years after the election of the present Government, the election will be based on the present boundaries or on the new ones set in accordance with this bill.

It seems to me that it is rather important for pressure groups throughout the country to know what they can expect. It is important for political parties to know in advance whether they will plan the election based on the new boundaries or on the old ones. I maintain, Mr. Speaker, that the only one in Canada who will know on which basis the next elections will be held will be the Prime Minister because he will be the one to call the elections. So I suggest that the proposed schedule or timing for bringing this legislation before Parliament would give the party in power the upper hand, for it would be aware of both the election date and the electoral boundaries for which it must prepare itself. As to the other political parties and the various organizations which would like to exert pressure on them come election time, everybody would have to prepare for both sets of electoral boundaries, the old ones and the new ones, not knowing under which set the election would be fought.

Mr. Speaker, I think I have clearly demonstrated that this Bill has serious weaknesses. Although we can understand the Government's desire to limit the growth of the House of Commons as well as the resulting expenses, we believe that Parliament and the legislative committee to which this bill will be referred will have to consider some of the weaknesses I have just enumerated and a number of amendments will have to be made to this Bill in order to make it more acceptable to more people and political parties in Canada.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not propose to take a long time to deal with this. While it is vitally important, I do not think it is terribly complex. I hope that we can get on with the committee deliberations at some early date. I can well appreciate the last comment that was made indicating that if this turns out to be the way the Government will ultimately go, then clearly the decision must be made quickly or else there will be some difficulties all across the country in adjusting to the changes.

• (1140)

Having said that, I would like to begin by expressing concerns about the direction in which the Government is going. I do not doubt for a moment that there would be general support across the country for the intention to demonstrate financial restraint. I think it is fair to say that the majority of Canadians would support that notion no matter who proposed it. Since the majority of Canadians do not pay a lot of attention to the size of the House of Commons or to the work of Members of Parliament other than when it directly affects them, I would be surprised if they were other than glad that the Government has placed such an emphasis on the need to restrain the expenditures of Parliament. I sense, however, from reading various articles and from speaking to people who are directly involved in this question, that there is little support for the way that this measure is being proposed.

I find it passing strange that a reference would be made to the guarantee that there would be no fewer Members of Parliament than there are Senators for any one region. If we wanted to bring about financial restraint, I would have thought that we might have decided to begin with the Senate. We might have decided to ask ourselves if it was appropriate to have a Senate or not. That would be a real financial restraint. Just think of what we could do with the money we would save if we did not have that group of old people from the previous administration and the current administration tripping around the other Chamber. It is interesting to talk about financial restraint and I think it is something with which everyone agrees. However, I think we could have found some place else to start looking for the restraints we need.

I would say to the Minister that we cannot achieve what I consider to be our three objectives through the structuring of this Bill. We cannot limit the size of the House while at the same time ensuring no loss of seats and guaranteeing that each citizen will, to the greatest extent possible, have an equal voice in Government. It cannot be done. Those things are inconsistent with each other. Therefore, there is no point in our trying to pretend that we can do that.

We are changing dramatically the representative system of the Government of Canada. This will not happen in the first year and not even in the second year, but with the passage of time, as we move beyond the year 2000, this measure will have a dramatic effect on the way calculations will be made and on the proportional representations of the regions of the country. Although the need to limit the number of Members of Parliament has some appeal, I would ask why we are doing it. Is it really our responsibility to say that we like things as they are and they suit us just fine? Does the congeniality of the House justify that we should keep it as it is? That is hardly a democratic principle. It may be a principle based on friendship, but if we were to carry that to the extreme, then we could argue that we only need 100 or perhaps 50 Members. Think how congenial we would be then. Look at the opportunities we would all have to take part in debates. Look at the opportunities we would have to serve on committees, assuming we could find sufficient Members to fill them.

When talking about it in this way, we begin to realize that the argument to limit the size of the House in order to preserve the congeniality of it and the opportunities for participation in debate and in committees has some appeal at first blush, but if carried to the ridiculous extreme would be totally unacceptable.

I think the argument being made by the Government is faulty. Representation by population is in fact the cornerstone of the democratic system within which we operate. Guaranteeing that the weight of one vote will be equal to the weight of another vote is a principle which we must attempt to uphold. That principle is being skewered by this particular measure. There is a democratic responsibility on the part of Hon. Members to ensure that we do not mess up the democratic system. I think that the Government is, with all the best intentions in the world, making a determination that would do just that.

The difficulty I see is that we could not, in all good conscience, argue that certain provinces ought to lose representation simply because their growth did not keep pace with others. I think it is commendable of the Government House Leader (Mr. Hnatyshyn) to say that we want to guarantee the smaller provinces representation no less than the representation they now enjoy, but in the process of doing that, I think he recognizes that it does penalize the growth areas. It could be said that it penalizes the growth areas only marginally, but that marginal penalty will grow by leaps and bounds in the course of time. Notwithstanding our best efforts, it will not be possible, come the year 2010—by which time, I hope, most of us will be gone from this place but not from this life—for those here then to redo what we have undone and to put back together what we have taken apart.

I suggest that one of the problems is in trying to find a balance between the regions in order to ensure that regions do not have a sense of alienation from the federal Government and yet, at the same time, to ensure that within those regions the representation of rural against urban areas is preserved. We should recognize that the urban areas are the growth areas and the difficulties that confront urban areas are, under normal circumstances, more complex by virtue of size and pressure than the difficulties that confront less urbanized parts of the country. In fact, it will be necessary for there to be a larger number of representatives from the growth areas, the core areas of municipalities, in order to be able to put forward adequately the many and diverse views and concerns that will

continue to arise, concerns that we probably cannot even contemplate at this point in time.

In essence, what I am trying to say is that I am not being critical of the Government for considering this measure. I think it is worth considering. I do not think, however, that it will achieve what we are trying to achieve. For example, why would we decide, when making a calculation ostensibly based on the 1971 census for the year 1991, that at some appropriate point in time we would allow for half the number of seats allowed for under the old formula? Why would we allow for only half? Why not a quarter or why not three-quarters? What is the importance of one-half? How has that been democratically determined? What does that mean in terms of representation? I do not think anyone knows. It is simply a figure drawn from nowhere. It is a number drawn from nowhere which would keep the House at a size that we could manage given the confines of the building itself, or some other determination. That is not good enough. There is room in this House for some substantial growth, if need be. I think that if the existing system, which has served us fairly well for a long period of time—

• (1150)

Mr. Hnatyshyn: It has only been in effect for 10 years since 1974.

Mr. Deans: That is what I said, it has served us well. It should not be cast away now this quickly.

Mr. Hnatyshyn: It isn't.

Mr. Deans: I think it is. The Minister says it is not, but it clearly is. We are no longer going to follow that which we determined is the way it should be done back in the late 1960s. I suppose that was about the time it was determined.

Mr. Hnatyshyn: With a slight modification, I would think.

Mr. Deans: I feel that from our point of view, first, the money saving is not a lot. It depends on how you measure it. It certainly does not measure up to $1 billion for a failed bank, when you think about it. And I do not think that for the amounts of money we are talking about saving, the risks of distorting the representative system would be justified. If we feel that that kind of money needs to be saved—and no doubt it would be nice to save it from the taxpayers' point of view—there are other ways and other places where we could turn to find that necessary capital.

I suggest to the Government that since it took office a year ago in September, there has been much said and much made of its intentions to cut expenditures and to reallocate resources. There has been a lot said up until fairly recently about the size of the deficit. That does not seem to be the big issue now, for some reason. I guess that since we found the $1 billion for the Bank, it is hard to argue that the deficit is too high. Nevertheless, if we looked carefully in other areas, I believe we could save the money which the Minister suggests could and should be saved by this measure.

To sum up, I am frankly not convinced that this direction is the direction we should take. I am concerned that it will unnecessarily alter the method previously used to determine the democratic representation. I am concerned that it will have an adverse effect over time on the way our provinces and Territories feel about their ability to participate in a reasonably equal way in the federal system.

I am not persuaded at this point that the savings we would derive from not having following the original formula will be sufficient to justify the change—not yet, anyway. I am prepared to listen to further argument on that. I enjoy the congeniality of the argument, but I am not sure it is a good argument for this kind of measure.

Mr. Benjamin: Or collegiality.

Mr. Deans: "Colleagiality" my colleague says. It is congeniality, too. With respect to the arguments about participation, I feel we can find ways to encourage further participation. We are doing it now constantly. Therefore, while I like to afford Hon. Members, as does everyone else, lots of opportunity to participate, I do not think we can do it at the expense of representation by population. If we start making that argument and following it to its logical conclusion, we can end up with a real mess on our hands.

I will conclude by saying to the Minister that I think the most important thing that can be done here is to get further input.

Mr. Hnatyshyn: I agree.

Mr. Deans: I am persuaded from reading some of the comments which were made before the committee. Certain of those witnesses are perhaps more expert in this than I am—perhaps even more expert than the Minister himself, although that is hard to believe—and some of them have expressed genuine reservations, reservations which were deeply felt, that this is not the time to tinker, that it is not necessary. There is not a sufficient amount of growth in the offing that justifies this sudden readjustment.

So I say to the Minister that for the time being we certainly cannot support the proposal. We will, however, after two or three of my colleagues have commented about it, send it to committee. It will be dealt with in the committee, giving some of those who appeared before, and many others who have not yet appeared, an adequate chance to put on the record their analysis of the effects. Then we could make some further refinement, amendment or alteration to try to take into account what I think have probably been well considered views in opposition.

One point that bothers me, and I say this just in passing, is that there is always a tendency among politicians to want to safeguard their own best interests. That is true. We cannot avoid it. It is part of politics to want to protect yourself and your opportunities. We must guard agains that. We must make sure that that does not motivate us into making changes—I am not suggesting that that is the case, mind you,

but it is something to keep in mind. There is that sort of tendency to say that we really would like to leave things the way they are, we do not want to make any changes because, after all, it would upset the apple cart, upset the way in which we play the game. It reminds me of a comment I made when I appeared before the redistribution committee in Hamilton some time ago. They were advocating a change to my electoral boundaries and I said to them that I would welcome the change from a political point of view because it added an area which was at least 80 per cent supportice of me while taking away an area which was somewhat less than 50 per cent supportive of me. I said to them that I would be quite pleased to have it that way but I thought, quite frankly, that it was wrong. I thought that the lines they had drawn were not in keeping with the realities of the community. However, I said that if they were determined to improve my lot, if they want to give me a sinecure, almost like a seat in the Senate, perhaps there were two or three streets in the middle of my riding they could take out. That would be a damn sight better than what they were proposing. They turned it down. That is what we have to watch.

Quite frequently, our own self-interest creeps into the discussions inadvertently and, in making our arguments, we fail to see the much larger picture, and the much larger picture in this case is that we have to guarantee to the greatest extent possible that the vote of a person in one part of the country will have exactly the same weight as the vote of a person in another part of the country, that when those people vote collectively, their collective vote will have the same weight in Ottawa. I venture the opinion that although the change is marginal, and I admit it, the principle which I consider to be vital is being abrogated by the proposal before us.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. At the conclusion of my remarks I should have said that there have been consultations between the Parties with respect to a motion we have on this particular Bill. I believe you would find there would be a disposition—the House Leaders have copies of this motion and have been consulted—that in view of the fact that the Standing Committee on Privileges and Elections has spent some time hearing witnesses and been seized of the White Paper on this matter—and this is not a precedent, by any means—there has been agreement between the Parties that the following motion would be acceptable:

That, notwithstanding any Standing or Special Order of this House, the motion for the second reading and reference to a legislative committee of Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be amended by deleting all of the words after the word "That" and substituting the following therefor:

"Bill C-74 An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be now read a second time and referred to the Standing Committee on Privileges and Elections".

● (1200)

Mr. Deans: Mr. Speaker, I just want to confirm, I hope on behalf of my colleague, the Official Opposition House Leader, that we did have this discussion and we did agree that it would be the appropriate way to deal with this Bill but that it should not be considered to be a precedent. We are doing it because the committee was seized of the matter previously and therefore is aware of all of the ramifications of the legislative proposal.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I understood that the Government wants to send this Bill to the standing committee rather than a legislative committee. Is that correct?

Mr. Hnatyshyn: Yes.

Mr. Guilbault (Saint-Jacques): We do not disagree in principle but we would like the assurance that the standing committee will be able to hear witnesses.

Mr. Hnatyshyn: Oh, yes. No problem.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): Continuing debate.

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, I am pleased to take part in this debate on Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census.

Mr. Speaker, the purpose of this Bill is to limit the unrestrained and very costly increase in the number of electoral ridings in this country.

Historically, the Constitution Act, 1867, as amended in 1975, provided for the readjustment of representation in Commons following every decennial census. The formula for calculating the number of members would take into account the population of each province and Quebec's special situation.

The result has been a constant increase in the number of elected representatives, so that the point of saturation in the House of Commons has nearly been reached. We must remind ourselves that the House has a capacity of some 286 seats or so.

On the other hand, it was necessary to ensure that the new formula would respect the rules of equity and provincial representation, while not limiting the rate of growth of Parliamentarians and, at the same time, the operating costs of Parliament.

Mr. Speaker, I note that our colleagues in the opposition support this Bill and I am glad they do. With the method of calculating provided for under the old Bill, based on the 1981 census, there would be 310 of us here, compared with 289 with the proposed formula.

In 1991 we would have had under the former system 343 Members instead of the 291 figure resulting from the proposed formula, and in 2001, we would have 369 Members instead of the 296 under the proposed formula.

Mr. Speaker, there are concerns voiced by Members opposite who suggest the vote should be proportional. One vote recorded in this House on behalf of one constituency has to be just as representative as one vote from another constituency.

The possibility of using the Senate formula was also suggested. One could say that whenever a seat in the Commons is lost, it might perhaps be replaced with a seat in the Senate.

Under the old formula, and speaking on behalf of Quebec, we would lose one member and gain one senator this time. In 1991 we would lose four members and gain four senators, and in the year 2001 we would lose six members and gain six Senators.

Mr. Speaker, what is important in my view is to make sure that this House has elected members who adequately represent the Canadian population.

There is provision in the proposed formula to reflect regional disparities, ethnic groups or others. Reference is made to the possibility of more or less 25 percent, on the basis established at the constituency level in each Province.

Mr. Speaker, this legislation assures the provinces of the possibility of maintaining the minimum number of seats they now have; no seats will be lost. I think this was a concern that existed at any rate in my area, as in many others in Quebec; we must make sure that the Quebec representation will remain fair, with at least the existing number of seats.

If we turn to provinces where there was a larger increase . . . We know that in other provinces, for all sorts of reasons, there is some kind of a population explosion, and we now have constituencies where there may be for instance 160,000 votes, while there are constituencies in some eastern provinces which may have only 45,000 voters. The Bill will allow an increase in the number of members in that province, of course, but instead of having the number increased at such an astronomical rate as proposed, it would be increased but in a much slower way.

This will then, Mr. Speaker, result in over-all savings just as significant, and it may also allow the possibility of providing members with better tools, in order that they may better perform their work and better represent their constituents.

Mr. Speaker, under this legislation the House would keep a manageable size, and this would make it easier for all members to be heard. Often Liberal or New Democratic Members have remarked that Government members do not often have an opportunity to speak. I understand that. We are 211 here, Mr. Speaker, and I can tell you our Liberal colleagues opposite are somewhat jealous about that. But, of course, if we are to have a greater number of members speaking in this House, it must keep a manageable size, with opportunities for positive interaction.

Mr. Speaker, I am especially happy that our Government has initiated this Bill, and I am convinced that Opposition Members will want to see it through in an expeditious manner, in order that we may send it without delay to the Standing Committee and enact it as soon as possible.

[*English*]

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

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have just a few words on this legislation. The first thing that catches my eye about it is that the extra seat which was recommended for Newfoundland will not now be put in place. Therefore, I look at this legislation which robs Newfoundland and Labrador of an extra seat in this Chamber and I ask myself: Why? We hear the Government House Leader (Mr. Hnatyshyn) say that we do not want to increase costs for the Government of Canada. We want to save some money. That is funny coming from this Government. I notice that in most of the morning papers reference was made to a new $7 million or $7.5 million electronics communications outfit going into the Prime Minister's Office. That is approximatley the amount of money that would be required to extend the House of Commons by the amount recommended. The hon. gentleman is shaking his head. He should read the figures.

• (1210)

Mr. McDermid: I thought it was more.

Mr. Baker: The cost is actually $8.9 million, for the edification of the hon. gentleman. If the Government of Canada is concerned about saving money, why is it carrying on as it is today? Is it denying Newfoundland an extra seat in this Chamber because it wants to make savings in this one particular area? Is that the real reason for doing away with the recommendation for redistribution and an increase in seats? We did not have to spend another $5 million or $6 million setting up a commission. We did not have to spend another $4 million or $5 million dealing with redistribution all over again. We only had to pass one final step in this Chamber. However, the Government said no on the basis that it wants to save money. The Government is going to introduce a new system which will rob Newfoundland of one seat and a lot of other provinces of seats in this Chamber.

The other example used by the Government House Leader is even more alarming to me. He said that if we increased the number of people in this Chamber we could not have meaningful debate. He said that the Government of Canada has embarked upon a new procedural change plan and that it is implementing recommendations to give Members of Parliament a greater say in what takes place in this Chamber. That is a very strange recommendation coming from the House Leader, Mr. Speaker. Of all the Governments that have been

elected in this country in this century, this Government should certainly not be saying that it will give Members a greater say.

The Government says that an increase in the number of seats in the Chamber may destroy representation and that an increase is not necessary because there is a new system in effect. Mr. Speaker, the fact of the matter is that Members in this Chamber will only get the freedom to speak that the Government is willing to give them. I am not speaking now of the structural changes which the House Leader spoke of in introducing this Bill. I am talking about the attitude of the Government of Canada toward individual Members of the House. The philosophy should be "the more the merrier". It would not do any harm, but would do some good, to increase the number.

Last night we had a meeting with representatives from the Department of Employment and Immigration. A policy had been adopted by the Government of Canada on which Members of Parliament on the Government side were briefed last week and on which members of the Opposition were briefed this week. What say do we have in what was gone through? What say do Members of the House of Commons have who are, perhaps, more qualified than anyone else in the country to pass judgment on things which affect ordinary people? We get their letters and telephone calls and we know what is wrong with programs introduced in this Chamber by the Government.

Last night we were told that in order to be employed in a government program, you must have been unemployed for 24 of the previous 30 weeks. When Government members were told of that last week they knew it was wrong. They could see all kinds of pitfalls in that regulation, yet they were powerless to do anything about it. They were powerless because it was the policy of the Government of Canada, it was the ruling of the Minister of Employment and Immigration (Miss MacDonald), and that is it. Members on both sides of this Chamber know that that regulation will mean discrimination against young people and women and anyone who had the gumption to work for seven weeks in the previous seven months because they do not now qualify to go to work or even for a referral. Members on both sides know that that is wrong, but the regulation stands.

For the House Leader to say that the Government has brought in a new era in which Members of this Chamber will have input into government policy is simply not true. If the Government House Leader was serious in accepting all of the recommendations of the committee on the reorganization of this Chamber, and even in going further by giving Members input into this Chamber, that would be a structural change. We are also talking about a change of philosophy by the Government.

The Government House Leader said that we probably have too many Members in this Chamber already and that members do not have a chance to participate. The way to solve that problem is through structural change and a change in the philosophy of the Government of Canada. To profess that this has been done is simply not true. You would have to give Members of Parliament an opportunity to originate their own terms of reference in committees of this Chamber. You would have to give Members of Parliament the understanding that their first responsibility is to represent the people of their constituencies and that they need not hesitate to criticize a Minister of their own Government.

You know what I am talking about, Mr. Speaker. In the British system Government members criticize Government Ministers. That is the custom in most of the legislatures of the British parliamentary system, or what remains of it. With the present Government attitude and the present situation in the House of Commons we are behind the other Legislatures which operate under the British system. For the House Leader to say that the Government has introduced changes and, therefore, an increase in representation is not necessary, is a pretty shallow argument.

The reason for my intervention is simply to point out—

An Hon. Member: Get to it.

Mr. Baker: The Hon. Member says "Get to it". He obviously has not been listening very carefully. The point is that the Government is robbing a seat from Newfoundland and Labrador. If you check with any Member of this House from Newfoundland and Labrador, no matter which side of the Chamber he is on, he will tell you that he is overworked. The Hon. Member is laughing. Why does he not ask the four Conservative Members from Newfoundland, of the seven in the House, if they are not drastically overworked? The Hon. Member is shaking his head. He does not know. He does not understand what it is to represent areas with very high unemployment regarding which Members of this Chamber, regardless of which side of the House they are on, have to answer basic questions. It is in these areas that Members, from whatever Party, must appear before boards on appeals or appear before the Federal Tax Court of Canada on behalf of their constituents. They are Members who take calls from constituents who ask why they were not hired on a social assistance program. They are Members who must carry out requests about unemployment insurance, Canada pensions or disability pensions and welfare cases. The hon. gentleman would have to agree that we need more representation in this Chamber, not less.

● (1220)

The rationale given by the House Leader is that it will result in a saving of money. The Government says that it will save money, yet, as was pointed out a minute ago, it gave a billion dollar bail-out to a bank. In fact, when one adds the figures, it comes to $2.5 billion.

I could give further examples of poor management, bad decisions and waste of taxpayers' money that has taken place since the Government came to power. Cabinet Ministers have increased the size of their staff and the Prime Minister has increased his staff by 54 per cent, to 120 people. Yet the Government House Leader does not want to give Newfoundland and Labrador an extra seat in the House of Commons

because the Government wants to save money. There is no rationale behind that argument.

He also argued that changes that have taken place in the procedures of the House have allowed Members a greater say in Government policy. Not only has that not occurred, the opposite has taken place. The Government of Canada claims that it was elected to govern and therefore no Member of the House will influence its policy, let alone the regulations.

Mr. Dick: Mr. Speaker, was the Hon. Member a member of the Standing Committee on Privileges and Elections last June when it gave approval in principle—including his Party—to this Bill?

Mr. Baker: No, Mr. Speaker, but I have the committee report before me. Why is the hon. gentleman asking the question? Perhaps he could elaborate on why he is asking that question. However, the answer quite simply is no, I was not a member of that committee.

Mr. Dick: I was wondering if the Hon. Member realizes the appearance of a flip-flop in the position of the Liberal Party between last June and September.

Mr. Baker: Mr. Speaker, perhaps this is the problem in the Chamber. The Government House Leader, who is the boss of the Hon. Member for Larnark-Renfrew-Carleton (Mr. Dick), talked about Members of Parliament having greater input, speaking their mind and so on. I was simply pointing out to the House that under this particular formula Newfoundland was going to lose a seat which would have been given to it had the other formula come into play. That is my input into the debate and it is very important.

I am not talking about committee meetings in June. I do not know what went on, I have not read the minutes, but listening to the Government House Leader, it is clear as the nose on your face why he is introducing the Bill. I simply interjected to point out that I am very disappointed that Newfoundland will not get that extra seat which we believed was assured us with the other recommendation.

Mr. McDermid: Mr. Speaker, I always enjoy listening to the Hon. Member for Gander-Twillingate (Mr. Baker) and I agree that Newfoundland, according to the new distribution, will probably lose one seat. However, when we consider that with the rest of the country, Ontario will lose some 10 or 12 new seats that would have been provided under the previous recommendation, it is not only Newfoundland that is losing seats. As a matter of fact, Newfoundland is not losing anything but simply maintaining its current level, as will most provinces across the country.

I do not want the public to be under the misconception that there will be fewer seats in the House of Commons. There will be a very small increase as opposed to an increase of 28 seats that was proposed in the old Bill.

All Members are working hard in this place. I can sympathize with the Hon. Member for Gander-Twillingate because there are 200,000 people in my constituency and I know what it is like to work hard for my constituents. I believe that all Members work hard for their constituents, and the Hon. Member should not pretend that he or Members from Newfoundland are the only ones who work hard and under difficult conditions. Every Member of Parliament works extremely hard for his constituents, no matter what part of this great country he represents.

Mr. Baker: Mr. Speaker, I simply elaborated on that point because the Hon. Member who just spoke was sitting in his place shaking his head when I was saying that we need that extra seat because Newfoundland Members of Parliament were overworked. He was shaking his head to signify no—perhaps in answer to another Hon. Member—but that is why I commented on that question in detail.

With respect to his other point, it is true that this recommendation will increase the number of Members by four while the previous proposal recommended an increase of 28. I am suggesting that the rationale used in limiting the increase to four is not correct. I am also saying that Newfoundland needs that extra seat, as do some other provinces.

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

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I want to bring a couple of points briefly to the attention of the House. We have come a long way from the rotten borough system that caused much of the historical concern about how members were chosen. However, I do not believe that we have alleviated the representation problems that we will face if we do not come to an understanding of what the formula should be.

Representation by population has never really worked in Canada because of our diverse country. There are areas which need representation but have very few people. Therefore, we recognize that while representation by population may have been acceptable in deciding the number of members to represent certain areas, it has not worked totally in the past. We should recognize that it will not work in the future.

In fact, it is quite possible to make a good argument against representation by population under the current structure in Canada because it is much easier for a member to represent a large metropolitan area which has a homogeneous population than to have fair representation of a much larger area which has a heterogenous population. I can use as an example the Prince Albert constituency as it has been proposed under the new border structure. It takes in more than half of Saskatchewan. A very small part of the population is a rural farm population. About one-third of the population is comprised of northerners who are of native ancestry and who have a very different lifestyle and interest as far as their representation is concerned. The rest of the constituency is made up of the City of Prince Albert. Not a very large city dominates a tremendously large area. Many northerners in that constituency feel it would be much fairer to have their representation based on the northern area. However, this would be more than half of

the Province of Saskatchewan but would consist of only about 35,000 people.

● (1230)

As I said, you can make pretty good arguments for not using representation by population. The power of a region or a province is more important in some ways than representation by the individual. For instance, Mr. Speaker, being a westerner you will recognize that over the years Saskatchewan, Alberta and British Columbia quite often have groups claiming that we in the West do not have enough representation in the House of Commons. It does not matter what kind of representation or what Party is in power. We do not get a fair hearing because central Canada, Quebec and Ontario form such a large part of the representation in the House that in the end any decision made will be slanted toward central Canada.

In my office I have a hat that was presented to me not too long ago. There is a map on it and it says "the Republic of Western Canada". That kind of feeling in the West arises quite often. In a number of elections lately we have had the participation of the Western Canada Concept Party. Criticism is based on the fact that people do not feel the West has had real representation in Ottawa. Although we have changed Government and have more representatives in the Government, that really does not solve the problem.

The House Leader in presenting this Bill said there was a need to save money. That is a pretty spurious reason. We cannot accept that as a particularly good argument. Over a long period of time, that would not hold much water. If the population represented by a Member gets larger, services must be maintained which will cost more money anyway.

As my colleague stated earlier, if you really want to save money, let us look elsewhere. Let us look at the other place. It costs us a lot without giving the representation which we think is necessary and which should be available, in a democracy.

Let me mention a couple of historical approaches which perhaps the committee would like to look at. There are parts of Canada which, on occasion, say they would like to have representation in the House of Commons. I speak of the City of Montreal and the City of Toronto that say that maybe they should have a Government of their own. Let me give you an example from my own experience. When I first went to Nigeria, there were 12 states there. Now there are 19. When the population of a state got too large, the state was divided in half. Northern Ontario has often said it would like to be recognized as a separate province.

Mr. Mantha: Never.

Some Hon. Members: Oh, oh!

Mr. Hovdebo: I know that would be an unpopular approach to that problem, but it does make some sense. If you took Montreal out of the Province of Quebec, the population of Quebec would be considerably smaller. It would, though, be a region separate from the rest of Quebec. I know this is an unpopular approach, but it is the kind of innovation we need to look at in order to get the kind of representation which people think they should have.

What are we trying to do? Are we trying to ensure representation by population, or are we trying to ensure that every region of the country gets the kind of representation which makes it feel it is part of the country? There are many parts that do not. I know from close proximity that western Ontario feels an awfully long way from Toronto.

Mr. Rodriguez: What about northern Ontario?

Mr. Hovdebo: Northern Ontario does too. Even if you get as far as Sudbury, you feel a long way from Toronto.

Some Hon. Members: Oh, oh!

Mr. Hovdebo: Northern Saskatchewan felt so far from Regina that the Department of Northern Saskatchewan was formed in order to give that part of the province some representation in the Government.

Power is important to the region. Power goes with representation. If you develop a program which does not make any part of Canada feel it has representation, regardless of whether representation by population is the direction you should go—that is part of my feeling and traditionally we have gone that way—it will not work. We must recognize that representation itself is our basic concern.

Let us make sure in whatever we do to solve this problem that we give all parts of Canada the representation they think is necessary to have a voice in the Government of Canada.

Large rural areas and large northern areas need some form of representation which recognizes them as a homogeneous group. They have concerns as to how the country is governed. At the moment we would not want to support this Bill in its present form. The committee, when it looks at this Bill, can examine some of these concerns and make sure that Canadians will feel in the end they are well represented in this Parliament.

The Acting Speaker (Mr. Paproski): Are there any questions or comments? If there are no questions or comments, we will resume debate. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

● (1240)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate on Bill C-74. I think we should take a minute to talk about the principle of proportional representation in the House of Commons.

[*Translation*]

I heard a while ago the Hon. Member for Portneuf (Mr. Ferland) state that he was in favour of a proportional representation system in Canada and indeed, Mr. Speaker, we have such a system but with some difference, and as you know the difference is that there is a minimum below which a province cannot go as regards its number of seats even when the population of that province is proportionally lower that

that in other areas and that minimum is the number of seats representing the province in our Senate. This means that a province which has four senators cannot have less than four members in the House of Commons.

Mr. Speaker, apart from that factor, we have to all intents and purposes a proportional representation system in our country.

[*English*]

We could say that in fact we have a modified system of proportional representation right now because of the guaranteed minimum number of seats represented by senators.

I should like to make a comment now, which I hope will elicit a reply later by the Government House Leader. I refer to Article 42(1) of the Constitution Acts in Canada, 1867 to 1982 which reads as follows:

An amendment to the Constitution of Canada in relation to the following matters may be made only in accordance with subsection 38(1):

(*a*) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;—

In its new Bill the Government is modifying the principle of proportionate representation which I have just described because it is adding a second level at which there is a guaranteed number of seats. I described the first level just a moment ago, that is, the number of seats in the Senate. There is a second level of protection, which is the present number of seats that any province has in the House of Commons. In my view it could potentially infringe upon that provision in the Constitution. It is quite clearly indicated that the only floor level shall be the number of seats in the Senate. If that is being modified, perhaps we require a constitutional amendment in order to accomplish it.

I am not saying that I am totally against what has been announced today by the Government House Leader, but I have some reservations about it. I think we should all be conscious of what we are doing. We are changing the entire system of proportional representation that we now have. From now on the existing number of seats in the House will be the guaranteed minimum for the provinces represented by Hon. Members. That is vastly different from what we have had in the past.

Hon. Members opposite should be concerned about it. For instance, Members of Parliament representing the Province of Ontario will be representing 88,819 voters in the House of Commons, on average, after this redistribution has been completed. They should also recognize that it will cost some $5 million to effect this redistribution. We have just finished redistributing the number of seats in the House of Commons, to which all political Parties agreed at the time. If this is to be changed, I believe all Members of the House should be very conscious of these facts and of the fact that it will cost millions of taxpayers' dollars to accomplish it.

Of course, I recognize the dilemma. One redistribution called for an increase in the number of seats, bringing it to somewhere in the order of 340 seats, and therefore would have created considerable expenditures in itself. We recognize that it costs approximately $300,000 or $400,000 per year for every Member of the House of Commons, that is, for support staff, office space and everything else involved. Of course, the 340 seats would have been after the next redistribution. The other redistribution we were discussing would have brought it to 310 seats, but the number we are discussing now is 288 seats. Frankly, that number is sufficient. Some Hon. Members have said in the past that if the House of Commons were represented by a number larger than that, it would become unwieldy. I tend to agree with that. In fact, at this moment I do not envy Conservative back-benchers; I would not envy anyone being a Conservative in any case. Those back-benchers have very little, if any, occasion to speak. Of course, we recognize that they do not often use whatever occasion is available to them. Nevertheless, they have very little opportunity to speak in the House because of the fact that there is a large number of Members from the same political Party. Once we enlarge the House, of course we compound that problem. There are ups and downs no matter which way we look at it.

I see the Secretary of State (Mr. Bouchard) and the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) sitting across the way. No doubt both of them will participate in this debate later. There are considerations on both sides of the issue about which we should be aware. I hope the parliamentary committee looking into the details of the Bill will take them into account.

I should like to turn to a local concern involving my constituency of Glengarry-Prescott-Russell.

Mr. Nunziata: It is well represented.

Mr. Boudria: Thank you. The people in the western end of my constituency, particularly those in the Township of Cumberland, in the Regional Municipality of Ottawa-Carleton, are becoming dissatisfied with the fact that their community is divided in half. There are two municipalities for the area of Orleans, two provincial Members of Parliament, two federal ones, two municipal councils and two of everything else. This has been very divisive in the past, and the community of Orleans has requested that every attempt be made to unite that community. Particularly, the Mayor of Cumberland and the Township of Cumberland indicated that one federal Member of Parliament should represent the area. I hope the committee bears that in mind.

There is another problem involving the area, that is, rapid growth, particularly in the eastern end of Ottawa, and its effect on the constituency of Glengarry-Prescott-Russell and, for that matter, on the constituency of Ottawa-Carleton as well. According to the 1981 census, 82,706 people live in my constituency. That is what is indicated on paper, and in theory it is just about the right number in terms of representation in the House of Commons by one Member of Parliament. However, the Township of Cumberland, according to the 1981 census, had only 18,000 people. It had 25,500 by 1984 and will have 29,860 by the end of this year according to the projections of the municipal officials. By the end of next year it will have 35,159 and 46,682 by 1991. Obviously it is a rapidly

growing area. That should be taken into account in a special way when the redistribution occurs. I hope the officials doing the preparatory work will bear this in mind. Perhaps they could arrange the electoral map under the redistribution in such a way that if they use the 1981 figures, they make ridings with a smaller number of people in those areas that have experienced the recent urban growth about which we all know. The reality is that at the time of the next election we will have an electoral map with roughly the same number of constituents everywhere. I see the Hon. Member for Brampton-Georgetown (Mr. McDermid) sitting across—

● (1250)

An Hon. Member: He is sleeping.

Mr. Boudria: He also represents a riding that has a very large number of constituents. Perhaps if such a formula, including taking into account areas of potential growth and putting a slightly lower number of people in those ridings for the purposes of redistribution, had been considered when the redistribution was made in the past, he would not have had the problem of having a constituency which is so large. For the same reason I think we are going to see the same thing happening in the constituency I represent now. We are seeing in the eastern end of Ottawa, where villages such as Orleans only had 2,000 or 3,000 people ten or fifteen years ago and are now communities of 50,000, 60,000 or 70,000 people, almost the same phenomenon that occurred in the suburbs of Toronto a number of years ago. Those responsible for preparing the electoral map should keep these rapidly growing areas in mind.

Lastly, Mr. Speaker, I believe it was the Hon. Member for Frontenac (Mr. Masse) who described the minimum representation given to provinces. He was of the view that in the past if a province lost seats in the House of Commons, it gained additional seats in the Senate, or something to that effect. That is not the case at all. The Senate level is established so that the minimum number of seats that any province has in the House of Commons is equivalent to the number of seats that that province has in the Senate. That is what the Senate minimum means. It has nothing to do with gaining additional seats in the Senate when a province loses some in the House. We have never had that situation, otherwise some of the provinces would probably be represented vastly differently in the Senate. As we know, the original allocation of Senate seats was 24 for Canada West, 24 for Canada East and 24 for the Maritimes, to be divided into 10 for New Brunswick, 10 for Nova Scotia and 4 for Prince Edward Island, had it joined Confederation in 1867, which it did not. Therefore, at Confederation the two Maritime Provinces had 12 seats in the Senate each, and they eventually lost two each when Prince Edward Island joined Confederation. That is how the present number of Senators was arrived at. It has nothing to do with losing seats in the House of Commons as such.

I bring those issues to your attention. Yes, I think that having too large a House of Commons could be unwieldy. I agree with that principle. I am frightened because we are changing the principles of proportional representation and we are effecting that now. I hope that the parliamentary committee ensures that we do not change that principle, and I believe as well that we should ensure that we do not offend Section 42 of the Constitution, which is a possibility. I invite those experts in that field to consult the document to ensure that that will not be the case.

The only reason put forward by the Government House Leader that I do not agree with is the fact that we are doing this to save money. That somewhat frightens me as a principle, because democracy is always expensive. There are those who say that elections cost a lot of money, but compared to places that do not have elections, I still think it is a pretty good deal. Adhering to the same principle, we would not reduce the number of seats because we are going to reduce costs. That is the wrong reason and it is frightening to think that that principle might be extended to other areas.

If we want to save money, of course, we could always sell the Prime Minister's (Mr. Mulroney) new computer that he brought in this morning or the limousine of the Secretary of State (Mr. Bouchard) or we could reduce the size of the Cabinet. Of course, we could make sure that the job of the Secretary of State is well protected in the Cabinet because surely he would stay. There are many ways of saving money, but the principle of reducing the number of seats in the House allegedly to save money is somewhat frightening, I would suggest.

I invite questions, especially from the Secretary of State.

The Acting Speaker (Mr. Paproski): Questions and comments? No questions? I think then it is debate.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I will be brief today.

Some Hon. Members: Hear, hear!

Mr. McDermid: I do want to participate in this debate. With a constituency that, in terms of population, is now the third largest in Canada I, of course, am very interested in redistribution and have followed the procedures very, very carefully. I agree with my hon. friend, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—

Mr. Boudria: Then I am really worried.

Mr McDermid: —when he talks about expanding areas, the difficulties we have had in the past, using the 1981 census as a base, redistribution taking place some three, four or five years later and growth areas not being taken into consideration.

I am pleased to say that that is one of the major parts of this Act which is being introduced by my friend, the Government House Leader, because it allows the committee to take a look at growth areas and not be held down to 25 per cent on either side of the average within a certain province. In considering an area, they can take a look at planning departments, which they have not done too frequently in the past, to see where the growth is going to be and how it is being phased in and take

that into consideration when they are setting up the new constituency.

I think that is very, very important, especially in areas that the Hon. Member for Glengarry-Prescott-Russell mentioned and represents, and areas to the west of Toronto such as Mississauga, Brampton, and Oakville and to the east of Toronto the Pickering-Whitby-Oshawa area, Markham and so on, where the growth is phenomenal.

I know that right now, with house sales going at record rates, both resale and new homes, due to the new Government and the confidence in the economy that we find today in Canada, we are finding that these homes are being built at a much quicker pace than had been anticipated and that constituencies are growing at a very rapid rate. I must say that with this Act that can be taken into consideration and I am very pleased about that.

I am sorry that my friend, the Hon. Member for Gander-Twillingate (Mr. Baker), is not here because he was concered about Newfoundland not having that extra seat. I will say to the Hon. Member from Newfoundland, and I would argue, that it would be better for Newfoundland to have seven seats in a 289-seat House than to have eight seats in a 310-seat House. I think you will find that it is getting better representation by population because of that than if it had the increased seat. So I think his argument is not really well founded, and I would say to him that if he rethinks his argument he will agree with me that Newfoundland will be better off under this new program.

Mr. Speaker, we are supporting the Bill and we are looking forward to it going to committee to be discussed and to have many of the questions answered. I know there is an added expense in having other hearings, but I think it will be worth it because we will more effectively represent the people in our constituencies with fewer Members here. Each Member will have a little more time available then to make his or her representations to Government, and in turn, more time will be available for consultation by Government. With the down-size increase, if I can put it that way, I think we will have far more effective representation with the Government and I think that because of that we will serve our constituents much better.

I am going to call it one o'clock at the present time, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Thank you. The Hon. Member will have 15 minutes left in his speech plus 10 minutes of questions and comments after Orders of the Day.

It being one o'clock, I do now leave the Chair until 2 p.m. this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 22

STATEMENTS PURSUANT TO S.O. 22

[*English*]

CROWN CORPORATIONS

PROPOSED SALE OF CANADAIR AND DE HAVILLAND CORPORATIONS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to take a minute and a half to call to the attention of the country the way in which the Government has damaged two very important national institutions that belong to all Canadians, the Canadair aircraft company in Montreal and the de Havilland aircraft company in Toronto. These are both companies which we recognize need more work, attention, and time before they become economically viable in the sense in which the private sector knows that expression. Yet the Government, for two reasons, has been talking about the sale of those two companies. That is objectionable and also very damaging to the companies. Stories arise indicating that the companies will be sold and there is doubt as to whether their products will continue to be made. This ideological line being taken by the Government is actually damaging the marketing of the products of these companies.

One of the reasons the Government has been doing this is because of its ideology. It thinks that it is a good thing for a Government company to go out of business. Liberal Members do not disagree that it is better, all other things being equal, to have businesses operating in the private sector. However, the way the Government is going about this is damaging to the companies.

I think the other reason for this, which only became apparent in the last few months, is a balance sheet kind of attitude. The Government wants these companies off its books, so there is a rumour—

Mr. Speaker: I would advise the Hon. Member that his time has expired.

* * *

WAR CRIMINALS

COMMISSION'S TERMS OF REFERENCE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, on Saturday the Ukrainian-Canadian Committee and several other organizations of Canadians with roots in the Baltic region and south Europe sponsored full-page newspaper advertisements asking "Why Discriminate?" The focus of their concern and anger is the Commission of Inquiry on War Criminals appointed by the Government on February 7 of this year.

It is clear by now that the Prime Minister (Mr. Mulroney) made a grievous error in focusing the attention of the Commission only on persons responsible for war crimes related to the activities of Nazi Germany during World War II. The Canadian Government should long ago have dealt with the persistent charge that our country has harboured war criminals. How-

ever, the Government made its action unnecessarily divisive by failing to authorize the Commission to look for persons who committed war crimes related to the activities of powers other than Nazi Germany.

All of the judicious qualities for which the Commissioner is noted will be required for him to fulfil his responsibilities properly. He will need to be particularly careful in ensuring that documents drawn from archives located within the Soviet Union are authentic and that witnesses testify freely. Even while he does justice in these ways, the Commissioner is finding the terms of reference he was given being criticized as being partial. When it is vitally important that justice be seen to be done regarding war crimes, Ukrainian-Canadians feel themselves the unexpected victims of an attack of "Mulroney-ism".

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AIRPORTS

GOVERNMENT EXPENDITURES ON VERNON, B.C. AIRPORT

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, last week, the Hon. Member for Papineau (Mr. Ouellet) indicated by his remarks in the House that he was badly misinformed about a certain airport in the riding of Okanagan North. This Government, through the Minister of Transport (Mr. Mazankowski), recently made available a grant of over $400,000 to improve the alignment of the runway in question and to carry out certain much needed reforms. This has been strongly supported by the people of Vernon and the Regional District of Okanagan North. Admittedly there is some opposition to this because obviously many people do not like to live next to an airport. Nevertheless, the airport is there. It is essential to Vernon and surrounding districts because it does provide the impetus for an enlarged industrial base.

As you know, Mr. Speaker, Vernon is also a tourist destination. Tourism is probably one of our most important economic factors. I would like to assure the House and the people of Canada that the Government was wise in its expenditure of over $400,000, and I congratulate the Government for seeing to a very vital need.

* * *

INDUSTRY

SHOE MANUFACTURING—CALL FOR LONG-TERM GOVERNMENT COMMITMENT

Mr. John Reimer (Kitchener): Mr. Speaker, the shoe manufacturing industry makes an important contribution to the socio-economic well-being of many people in the City of Kitchener. Indeed, in the Kitchener-Waterloo-Guelph-Cambridge area, shoe manufacturers account for some 4,500 employees who make an average annual wage of approximately $14,000, making a total yearly payroll of $63 million. These figures do not include the hundreds more people employed in related industries, such as suppliers and sales personnel.

I urge the Government to adopt and pursue a policy of long-term commitment to the shoe manufacturing industry so that it can regain and maintain at least a 50 per cent share of the Canadian market.

Certainly competitiveness within industry is a good thing, but it must be fair. A policy commitment ensuring a 50 per cent share of the market would allow the industry to protect existing jobs, enhance its technology, improve its productivity, and create some 6,000 new jobs nation-wide. Therefore, I call upon and urge the Government to protect the shoe manufacturing industry with a policy that ensures it a 50 per cent share of the domestic Canadian market.

* * *

[*Translation*]

FOOTWEAR INDUSTRY

IMPORTANCE OF RENEWING QUOTAS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, once again I would like to speak to a very important subject, namely the footwear industry.

The present quotas are about to expire, at the end of November, and we are already starting to feel the disastrous consequences. I have here a document referring to the fact that Chaussures St-Georges is shutting down after employing more than 150 people.

Mr. Speaker, I think it is imperative and extremely urgent to extend the quotas for five years for 50 per cent of the market. The only argument against extension is the interests of the consumer, which I think hardly holds water, since the interests of the consumer lie in extending the quotas, and I would say there are several arguments in favour of doing so.

I therefore ask the Prime Minister (Mr. Mulroney) to live up to his clear and specific promise to protect the footwear industry. This is your chance to make up for many of your failed endeavours.

* * *

[*English*]

SOCIAL SECURITY

FAMILY ALLOWANCES—INCREASED BENEFITS URGED

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday three very significant events took place. First the Northland Bank collapsed. Second, the Government stifled debate on Bill C-70, the first step in its plan to reduce the deficit on the backs of Canadian families. Third, the latest Statistics Canada figures showed that the real incomes of families are down and real poverty is up.

Families are the foundation of Canadian society. They are the institutions entrusted with the care and nurturing of our next generation, yet one in every five Canadian children now lives in poverty. Many are lining up at food banks while Governments stand idly by doing nothing.

Cutting family benefits and increasing family taxes will not help. Instead of closing down the Northland Bank, the Government should be closing down food banks. Instead of giving $1 billion to the banks, it should increase family benefits. The Government must begin to show some commitment and support to families by stopping the cut-backs in family benefits and reindexing the family allowance. I urge Canadians to protest the Government's attack on children and families.

* * *

[*Translation*]

AGRICULTURE

GOVERNMENT POLICY—IMPACT ON PRODUCERS

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, last week the Minister of Agriculture (Mr. Wise) announced that a draft tripartite agreement on beef and pork price stabilization programs had been sent to the provinces and producer associations, for comment and, we hope, approval.

The House will recall that last spring, when the Standing Committee on Agriculture was holding its meetings, the Quebec Minister of Agriculture refrained from appearing before the Committee, unlike his counterparts from the other provinces. He thereby deprived Quebec farm producers of their right to be represented by the Minister of Agriculture of their province within the framework of a national consultation process that is important to the future of a healthy agricultural industry in Canada.

Quebec farm producers earnestly hope that this time, their provincial Government will be involved in the discussion, since the proposals made by the Minister are flexible enough to meet the requirements of the provinces and producer associations.

Details of the proposed agreement should be satisfactory to Quebec farmers, because the agreement provides that provinces that have their own programs may still participate in the national program as soon as it is operational.

At the same time, a study will be made to measure or quantify distortions created by all provincial and federal programs in the agricultural sector. In the light of the results of such a study, adjustments will be necessary to ensure that producers in one province do not get more government assistance than producers in other provinces.

[*English*]

AGRICULTURE

FEED FREIGHT ASSISTANCE PROGRAM—IMPORTANCE TO EASTERN LIVESTOCK INDUSTRY

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, in 1941 the Feed Freight Assistance Program was introduced. It provided for the payment of 90 per cent of the costs of transporting grain from the Lakehead to eastern Canada. Between 1967 and 1976 the level of feed freight assistance slipped to 59.3 per cent of transportation costs, and the area to be equalized was arbitrarily moved east to Montreal.

• (1410)

Based on the promise of feed cost equalization, a vibrant and significant livestock industry has been built. The food and agricultural sector is the most important component in the maritime economy accounting for one-third of our total jobs. The livestock industry and its supplemental farm supply and processing industries contribute more than $1 billion a year to our maritime economy. Unfortunately, this growth has not been accompanied by research, technical development, or interest in grain production in the maritime provinces.

In 1982 the Maritime Farmers Council made a proposal to the Government of Canada which is designed to achieve greater independence for the maritime agricultural industry. It calls for the maintenance of the livestock industry and the development of feed self-sufficiency in the maritimes.

We look forward to achieving greater independence. The Feed Freight Assistance Program is an important part of the proposal to achieve that result. We look forward to an early announcement confirming the continuation of this program, an important instrument of regional development.

* * *

RAILWAYS

FUTURE OF TRANSCONA RAILWAY SHOPS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, last May 30, I asked a question in the House of the Minister of Transport (Mr. Mazankowski). It concerned the future of the Transcona railway shops. At that time the Minister said: "The future for Transcona and CN in Winnipeg is very bright indeed". That was a very cruel joke played upon Hon. Members of this House as well as upon the CNR workers. An announcement was made this week of the abandonment of the entire VIA Rail maintenance work at the Transcona shops which will permanently shut down the jobs of hundreds of workers in Winnipeg.

This is just one more example of the way in which the Government has abandoned the historic role of Winnipeg as a transportation centre. It has abrogated the agreements which were signed two years ago which designated Winnipeg as the major western transportation centre.

S.O. 22

I would suggest to the Minister of Transport that he go back to those agreements and recognize that there is still one other way in which a solution could be found. Under those agreements there was a development of a light-weight prototype grain car which could be manufactured in western Canada. I suggest if the Government has a scintilla of concern left about regional development, it would make sure that that commitment is upheld and that the light-weight prototype grain car is manufactured in the Transcona shops so those jobs can be saved.

* * *

[*Translation*]

EMPLOYMENT

GOVERNMENT'S ACHIEVEMENTS

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, I should like to draw the attention of the House to the numerous efforts made until now by this Government to improve the employment situation at the national level.

As a result of consultations, given our willingness to cooperate openly with the provinces, and considering that the various interest groups of the economic sector have promised their cooperation, our Government, through the Minister of Employment, was successful in establishing an employment planning strategy whose main objectives realistically and concretely meet the aspirations of our fellow Canadians who are faced with a disastrous inheritance—the fruit of 16 years of Liberal administration.

Mr. Speaker, the new strategy will indeed take into consideration the real and lasting needs of the labour market while stressing our commitment to justice and fairness.

Mr. Speaker, more than 300,000 jobs have been created since the September 4, 1984 elections. The unemployment rate has declined from 11.6 to 10.3 per cent. The unemployment rate among youths has dropped from 18.3 to 15.9 per cent. Those figures cannot give rise to sensational and scandalous headlines, Mr. Speaker, for they reflect concrete facts which obviously—

Mr. Speaker: I regret to inform the Hon. Member that his allotted time has expired.

* * *

ENVIRONMENTAL AFFAIRS

LOCATION OF NUCLEAR WASTE DISPOSAL SITE IN EASTERN UNITED STATES

Mr. Jean J. Charest (Sherbrooke): Mr. Speaker, I would like to draw the attention of the House to plans being made by the U.S. Government, at the U.S. Department of Energy, for the construction of a nuclear waste disposal site in the eastern United States. At the present time, the U.S. Government is considering 236 sites, including three sites near the border between Vermont and the Province of Quebec.

As soon as our Government became aware of this situation, we asked our embassy to express our concern immediately. The Secretary of State for External Affairs subsequently raised the matter with his U.S. counterpart, Mr. Shultz. The Minister of the Environment did the same with his U.S. conterpart, Mr. Thomas, and later on, the Canadian Minister of Energy, Mines and Resources also took up the matter with his U.S. counterpart, Mr. Herrington.

Recently, on September 26 in Ottawa, U.S. officials gave us the assurance that they were not considering sites near the Canadian border or sites that would require geological or other studies in Canada.

Today, Mr. Speaker, I would like to say, for the record, that the Canadian Government can hardly be satisfied with this situation or with the assurances given by the Americans at this stage.

I would also like to draw the attention of the House to the fact that ever since the beginning of this matter, Liberal Opposition Members have maintained the same silence they had always maintained before September 4, despite the fact that—

Mr. Speaker: I am sorry to inform the Hon. Member that his time has expired.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ITALIAN PARLIAMENTARY DELEGATION

Mr. Speaker: May I draw to the attention of Hon. Members the presence in our gallery today of a parliamentary delegation from Italy, led by Senator Domenico Segreto.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

CORPORATE AFFAIRS

TAKEOVER OF GULF CANADA—EFFECT OF TAX RULING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the House Leader is over-anxious. My question is really for the Minister of Finance.

Mr. Hnatyshyn: I was just laughing.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Minister of Finance and his colleague, the Minister of State for Finance, have just blown $1 billion on the bank fiasco. My question relates to another $1 billion, a result of a secret deal by way of a tax ruling in favour of the participants in the Gulf Canada deal. Would the Minister of Finance tell the House whether he knew about that ruling, whether he approved it, and whether that is going to be added to his deficit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me comment on the introduction to the Right Hon. Member's question. The Government of Canada has not "blown" $1 billion on these banks. The $1 billion has been expended on these banks because of certain bad management practices and a bad economy which led to the failure of these two banks. I remind the Hon. Leader of the Opposition that that bad economy is related to decisions taken by previous Governments in relation to the National Energy Program.

Some Hon. Members: Hear, hear!

Some Hon. Members: You know it, John.

Mr. Wilson (Etobicoke Centre): So let's get those things clear.

As to the second part of the Hon. Leader's question, matters relating to tax rulings are privileged matters between the Minister of National Revenue and the particular company concerned.

[*Translation*]

ARRANGEMENT CONCERNING SALE OF GULF CANADA'S ASSETS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I put this question to the Minister to find out whether he was aware of this tax ruling benefiting participants in the Gulf deal—

Would the Minister be agreeable to referring the entire matter to a parliamentary committee, so that all participants in this deal to sell the assets of Gulf Canada . . . so that the parties concerned could appear before the committee and recall the nature of these tax rulings and so that the Canadian people may know how much this is going to cost?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I remind the Hon. Leader who, as a lawyer, should understand these matters, that the question of a tax ruling, if there is such a tax ruling, is a matter which is a privileged piece of information between the Minister of National Revenue and the company itself.

Questions on the takeover of part of the assets of Gulf Canada by Petro-Canada are matters which the Hon. Leader might want to put to the Minister of Energy, Mines and Resources. However, we have commented on those questions fully over the past few months.

POSSIBLE COMMITTEE PROCEEDINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I offered the Minister some advice on the question of the Bank Act relating to the depositors of the Canadian Commercial Bank and the Northland Bank. He did not chose to take it. I am going to take this position with him: even conceding that the Minister of National Revenue, within the provisions of the Income Tax Act, cannot reveal those tax rulings, the taxpayers themselves certainly can. Would the Minister of Finance arrange with the Minister of National Revenue to submit the whole affair to a parliamentary committee so that the taxpayers can come up to Parliament and describe the information on the rulings they received?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what the Right Hon. Leader of the Opposition is suggesting is that certain matters be brought before a committee of the House of Commons. I cannot control what goes before a committee of the House of Commons. Maybe he would like to put his suggestion to the chairman of that committee.

BASIS FOR TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I can scarcely believe my ears.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): We can scarcely believe your tie.

Mr. Johnston: Is the Minister of Finance telling us that the Income Tax Act condones secret cosy deals which in this case may have cost the taxpayers of Canada $1 billion? A gift to a group of wealthy Canadians of $1 billion and he is not prepared to tell the Canadian public the basis upon which that decision was made.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, here we have another example of the famed outrage of the opposition Party's finance critic. He gets so wrapped up in his own words he forgets to ask a question.

Some Hon. Members: Hear, hear!

Mr. Johnston: If you are going to hide behind it on that basis, stand on your feet and defend yourself!

Mr. Speaker: Order, please.

Mr. Johnston: That was a smart-ass answer.

Some Hon. Members: Oh!

Mr. Speaker: Order, please.

Mr. Crosbie: Ask a question, mighty mouth.

Mr. Speaker: Order, please.

Mr. Clark (Yellowhead): The method actor.

Mr. Speaker: Order, please. Supplementary question.

INCOME TAX PROVISIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, is the Minister telling Canadians that the Income Tax Act, as interpreted by the Government, permits secret deals which can pass $1 billion to a small group of Canadians, of whom we know there is an acute shortage according to the Minister without examination by the Canadian public?

Mr. de Jong: You guys did exactly the same thing. What's new?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I am saying is that what the Hon. Member, who is a noted author and a tax lawyer in his previous incarnation—

Mr. Hnatyshyn: And leadership aspirant.

Mr. Wilson (Etobicoke Centre): —what he knows and what his Leader knows is that it is not possible under the Income Tax Act of Canada to discuss specific tax matters relating to a particular company or individual, in public. If he wants to bring before a parliamentary committee a question of general application or a specific element of the Income Tax Act that he would like my views on, I have no hesitation in meeting that committee and discussing the implications of that element of the Tax Act. But only in a general sense.

* * *

BANKS AND BANKING

COMMISSION OF INQUIRY—EXAMINATION OF MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister. Is it the Government's intention that Mr. Justice Estey should examine the exercise of ministerial responsibility in the bail-out of the Canadian Commercial Bank and the collapse of the Northland Bank?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered that question yesterday and the Hon. Member—

Mr. Broadbent: You did not.

Mr. Nielsen: Yes, I did.

Mr. Broadbent: You did not answer that question yesterday.

Mr. Nielsen: The Hon. Member should pay some regard to Citation 359 of Beauchesne as well.

I repeat that what I did yesterday in response to the question was to say that it would be totally inapproprite for me to be discussing or attempting to set parameters on terms of reference which were the subject of and attached to the press release and which went into some detail with respect to those terms. Why does he not have the patience to allow Mr. Justice Estey to get on with his inquiry using an approach which he sees fit, rather than requiring Government to lay down parameters for that work? He has the broadest possible terms of reference now.

Mr. Broadbent: Mr. Speaker, the Deputy Prime Minister knows as well or, dare I say it, perhaps better than anyone else in this House, that the framework within which the Judge acts is the framework provided by the Government. If he wants ministerial responsibility examined, that should have been in the terms of reference. That is what I say to the Deputy Prime Minister.

Mr. Hnatyshyn: Now, do you have a question?

TERMS OF REFERENCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in his press conference on Friday the Prime Minister said that the inquiry must include an investigation of all those responsible and they must be held accountable. If that is the intention of the Prime Minister, why was there not a specific reference to ministerial accountability in those terms of reference? Does the Government want to bail itself out of this $1 billion fiasco by giving insufficiently specific terms to the Judge looking into it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have the terms of reference.

Mr. Broadbent: So have I.

Mr. Nielsen: The Hon. Member has the terms of reference. It would be a waste of time to read them into the record of the House.

Mr. Broadbent: Oh, no; go ahead!

Mr. Nielsen: What they constitute is virtually a blank cheque to Mr. Justice Estey to conduct the widest ranging possible inquiry into all of the circumstances. What more than a blank cheque—maybe two blank cheques? I really do not know. We have gone as far as we possibly can to make those terms of reference as broad as they possibly can be.

Mr. Broadbent: Mr. Speaker, the problem with the blank cheque is that it may be zero or it may be $1 billion. It could be the whole range. The Government has a lot of experience in wasting $1 billion: we on this side of the House know that very well.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I again direct my supplementary question to the Deputy Prime Minister. If he looks at the terms of reference, two of them, Subsection (*a*) and Subsection (*b*), may cause the examiner to ignore ministerial responsibility completely. If the Government wants it looked at, as was done in the Macdonald inquiry into the RCMP, why did the Government not say so?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have more faith in the professionalism and integrity of Mr. Justice Estey than to believe that he would put that kind of distorted interpretation on his terms of reference.

[*Translation*]

LIQUIDATION OF TWO BANKS—MANNER IN WHICH GOVERNMENT PROCEEDED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wish to direct my question to the Minister of State (Finance).

Last September 1, the Government announced its decision to seek court authorization to proceed with the liquidation of the Canadian Commercial Bank and the Northland Bank. This was mentioned in the September 1 press release of the Minister of State.

Here is my question, the same one I directed to the Minister of Finance yesterday, but to no avail. Perhaps the Minister of State might give me an answer today. Why on September 1 were the Northland Bank and the Canadian Commercial Bank lumped together, which was like giving the kiss of death to the Northland Bank?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think it is very clear that on September 1 the Northland and the CCB were not put in the same situation. The Bank Act makes very clear what happens under certain conditions. The Northland had a curator, which allowed it time to try to facilitate a merger. For reasons which have become clear, I think, to the other side, having to do with economic circumstances, the management of the bank, and the curator's report, this became not possible. We did not in any way impede the curator in his role as a curator.

[*Translation*]

REQUEST FOR EXPLANATION TO LIQUIDATE CANADIAN COMMERCIAL BANK AND NORTHLAND BANK

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it would seem that the Minister is not aware of the documents she released on September 1.

In the press release she gave us here in the House it is indicated on page 3 that it was necessary to launch immediately a winding up application for each bank. She has just said it is not true. That is what she told us on September 1. So when is she telling the truth?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, once again the other side is deliberately misinterpreting what happened. The Bank Act makes very clear what action is to be taken when a bank is seen to be no longer viable. We appointed a curator and the steps thereafter were laid out in that the liquidation proceedings were not proceeded with on the basis that a curator was there acting as a curator.

• (1430)

GOVERNMENT'S VIEW

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Deputy Prime Minister. In response to my Leader he indicated that perhaps the Hon. Member for Oshawa was distorting the facts when he suggested that Justice Estey may not have to look into ministerial responsibility. Is it the view of the Government that Justice Estey should look into the question of ministerial responsibility?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is the same question again that I answered yesterday and again today. The terms of reference to Mr. Justice Estey are broad and clear, "an examination of all the circumstances and factors contributing to the condition of the bank and resulting in the cessation of their operation". If the Hon. Member cannot understand that, I would be glad to see him after Question Period to explain it to him word by painful word, if it is not clear enough now.

Some Hon. Members: Hear, hear!

Mr. Deans: That would be painful. I would prefer not, if you don't mind.

PROVISION OF DOCUMENTATION TO COMMISSIONER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is it the position of the Deputy Prime Minister that all of the documentation and information that the Minister of Finance and the Minister of State for Finance had in their possession at the time that they were reviewing the situation of the Canadian Commercial Bank and the Northland Bank will be provided to Justice Estey?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, why should the Hon. Member be so presumptuous as to assume what Mr. Justice Estey is going to call for and what he is not going to call for?

Mr. de Jong: Order. Through the Speaker.

Mr. Nielsen: In order to address the House properly I do not have to look at the Speaker. I would sooner look at my handsome friend across the way.

Mr. Speaker: Order, order.

Mr. Deans: I think you were insulting the Speaker.

Mr. Speaker: This only seems like a beauty contest.

Mr. Axworthy: It's the first good choice you've made all year.

Mr. Nielsen: After all, Sir, he only has a moustache.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I think it would be most appropriate if we allow Mr. Justice Estey to determine the approach and direction he wishes to take in the conduct of his wide-ranging inquiry, concerning which he has virtually total authority to go into every nook and cranny that he pleases.

Mr. Benjamin: What do you mean by "virtually"?

REQUEST FOR LIST OF UNINSURED DEPOSITORS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. Since the Government's legislation to reimburse uninsured CCB and Northland depositors is on the Order Paper today, will the Minister now assure the House that, as part of our consideration of this Bill, we will have disclosure of who these depositors are so that taxpayers will know where their money is going?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated to the House before that I am prepared to provide a breakdown by categories to the House committee, and that those categories will make very clear where the funds are going. I might say once again that the intent of the Bank Act is that the names of depositors do not go public. If there is not clarity on the legal aspects of the Bank Act, I am quite prepared to release the lists to the commission and have Mr. Justice Estey decide what the legality is in that case.

REQUEST THAT LEGAL OPINIONS BE TABLED

Miss Aideen Nicholson (Trinity): Mr. Speaker, we are dealing with former banks, the affairs of which are now subject to the provisions of the Winding-up Act rather than the Bank Act. Will the Minister table in the House the legal opinions on which she has based her refusal to provide this information up until now?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, when I present the legislation later this week, we will enter into a debate in the House and all the information that is required will be forthcoming.

NATURAL RESOURCES

WATER POLICY REPORT—CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Secretary of State for External Affairs in the absence of the Prime Minister. The report on federal water policy was released yesterday and it indicated that massive overland diversions of water to the U.S. raise profound environmental, economic, and strategic questions. It, however, did not oppose such exports. It did say that it was up to Cabinet to make the decision.

Given that there are a number of demands from the U.S. for more water, and that massive proposals have already been made in this country for diversion schemes, will the Secretary of State for External Affairs now exercise his political responsibility and give the House and the people of Canada guarantees that Canada's water will not be exported?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, one of the major recommendations of the Pearse Inquiry was that Canada proceed cautiously on the matter of interbasin transfers. That is one recommendation the Government will be quick to accept. We will be cautious. There are no specific proposals from the United States, or from any other country to Canada for Canada to divert, in a large scale way, water to that country. Therefore, we do have time and we will take advantage of that timetable.

REQUEST FOR EXCLUSION OF WATER FROM NEGOTIATIONS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my supplementary question is also addressed to the Secretary of State for External Affairs and is with regard to free trade negotiations. Will the Minister assure the House and the people of Canada that Canada's water heritage will not be an item at the bargaining table?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member, the House, and the country know, those are separate questions and they will be treated in that way.

Mr. Benjamin: How are you going to treat them? That's the question.

* * *

CANADIAN ARMED FORCES

PURCHASE OF CANNED TUNA

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. There are reports today that National Defence orders are being filled by Star-Kist for 131,000 cans of tuna. This is of great concern to personnel of the Canadian Armed Forces because they have been asked to accept substandard tuna in the past. Will the Minister assure Armed Forces personnel and

the employees of the Star-Kist plant about the quality of this tuna? According to the Department of Fisheries, there have been no inspection certificates issued for tuna from that plant since the month of May.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there will be no product served in DND kitchens that is not wholesome, fit, healthy and consumable.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That will be posted in all the kitchens now.

INSPECTION CERTIFICATES

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary question is directed to the same Minister. He stated in an answer to me last Friday that Armed Forces personnel eat very well. Will he reassure the thousands of people in the Canadian Armed Forces, whose well-being he is supposed to protect, by tabling all federal Fisheries inspection certifications issued prior to and pertaining to the orders of tuna that are being filled as we speak here in the House?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can tell the Hon. Member, Sir, that despite great obstacles which were inherited, the Armed Forces are now being fed better—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Answer the question.

Mr. Nielsen: —and they are equipped better and, quite frankly, it is my belief that they feel a heck of a lot better about the change.

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NUCLEAR ARMAMENTS

CANADIAN DEPLETED URANIUM EXPORTS—USE IN UNITED STATES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it is with regard to the use of Canadian uranium in the production of U.S. nuclear weapons. I have a letter in which Mr. John Longenecker, the Deputy Assistant Secretary for Uranium Enrichment of the Office of Nuclear Energy of the United States, says:

> The depleted uranium is stockpiled at the enrichment facilities. By contract, if it is not claimed by the enrichment customer, it becomes the property of the United States Government. Some of it has been . . . converted into uranium metal—

Mr. Speaker: Order, please.

Mr. Waddell:

—for applications for the U.S. Department of Energy and—

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

Mr. Waddell: Yes. It is converted by the United States Department of Defence. Given that evidence, how does the Minister square the difference between what the American officials are saying and what he and his Canadian officials are saying?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no difference between the letter that was quoted by the Hon. Member and the statements I have been giving in the House. The treaty arrangements that are in place between Canada and the United States are being honoured. As part of those treaty arrangements, there is a requirement for administrative arrangements. There is now an intergovernmental mechanism operated in the United States, out of Washington, by the Department of Energy which ensures that the equivalent amount of depleted uranium to that which is derived from Canadian sources is not being used for military purposes.

REQUEST FOR INVESTIGATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, given the fact that in the same letter the American official says that there are no separate Canadian uranium tailings at the enrichment plant, and given the fact that the Minister's Department has been quoted yesterday as saying that there are separate tailings and separate measurements, would the Minister not at least look into the problem because there is a possibility that this is not being monitored correctly and that uranium is being diverted into the production of bombs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are making some progress on this case of accusation by innuendo. Not very long ago, the Leader of the New Democratic Party, without being prepared to offer any evidence or submit any proof, made some general accusations in the House. Now the Hon. Member is saying that there is a possibility of some inconsistency in the reporting of administrative arrangements.

I give the Hon. Member the assurance again that the administrative arrangements called for in the treaty are being carried out in a way which respects Canadian treaty obligations. If he wants to send me the letter, I would be delighted to have it. If he wants to send me any proof that he claims to have, I would be delighted to have it. If his Leader has any proof, instead of innuendo, I would be delighted to receive that proof.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—ENVOYS' DISCUSSIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question, which is directed to the Minister of the Environment, concerns the important topic of acid rain. Last March, Wil-

liam Davis was appointed Canada's emissary along with Drew Lewis of the United States to prepare a report by March 31, 1986 on this vital issue.

Since they are now half way through that mandate, will the Minister enlighten the House on their progress up to this time? Is there every indication that they will meet that deadline?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member will know, the United States and Canadian envoys do not report to me. They were not appointed by me, nor by my predecessor. They report, rather, to the Prime Minister of Canada and the President of the United States.

I have met, however, with William Davis and I intend to meet with Drew Lewis. I understand from both of them, either directly or indirectly, that they are making a great deal of progress.

They are scheduled to report before the President and the Prime Minister meet again in summit, and my understanding is that they will be able to report even before that time.

* * *

PRIME MINISTER'S OFFICE

COMMUNICATIONS COMPUTER SYSTEM

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in the absence of the Prime Minister who is probably working on his new mailing machine, my question is directed to the Deputy Prime Minister. Earlier this year Canadians learned that the budget for the Prime Minister's office increased by 57 per cent. Now Canadians learn that it will cost $7 million for a new communications computer system for the Prime Minister's Office. Will the Deputy Prime Minister explain to the House or justify this kind of expenditure at a time when ordinary Canadians are told to tighten their belts and a time when family allowances are being cut by the same Government?

[*Translation*]

Hon. Benoît Bouchard (Acting Minister of Communications): First of all, Mr. Speaker, there is no question of spending $7 million in the Prime Minister's Office. The simple fact is that the Department of Communications is carrying out an experiment costing about $500,000, but I hasten to add that what is costing us $500,000 now cost the previous administration $7 million two years ago. We are simply making an experiment which has nothing to do with the Prime Minister's mail, it concerns the internal proceedings of the Privy Council and the Prime Minister's Office.

As to the $7 million in question, it relates to a general project which has not been approved by the Department, so it has not materialized any further than in the research documents of the Hon. Member for Glengarry-Prescott-Russell.

CENTRALIZATION OF POLL TAKING, CORRESPONDENCE AND INFORMATION

Mr. Don Boudria (Glengarry-Prescott-Russell): A supplementary question, Mr. Speaker.

We know that the Prime Minister wants to centralize within his own office the whole system of public opinion polls, and now, with expensive equipment, correspondence and information. Can the Minister say, explain or justify why this equipment is necessary, and what guarantee do Hon. Members have that it will not be used almost exclusively by the Progressive Conservative Party to try to solve some of their current problems?

Hon. Benoît Bouchard (Acting Minister of Communications): Mr. Speaker, it is obvious that, as usual, the Hon. Member for Glengarry-Prescott-Russell did not understand anything I told him.

I told him that there is enough correspondence within the offices of the Prime Minister of Canada to justify that, not only—if the Hon. Member would pay attention he would not have to ask a third question—not only in the Prime Minister's Office but in all the operations of the Privy Council as well. Some of the communications now originate from the Clerk of the Privy Council and if you need more details just ask him, I am sure he will give you the correct answer this time.

* * *

[*English*]

EXTERNAL AFFAIRS

SOUTH AFRICA—REPORTED PURCHASE OF COMPUTER SYSTEM

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It has come to my attention that a representative of the South African Council for Scientific and Industrial Research is visiting the British Columbia firm of MacDonald Dettwiler this week to consider the purchase of a computer program that is financed almost entirely by the National Research Council through the Industrial Research Assistance Program. Clearly the Government is giving the Government of South Africa conflicting messages.

Will the Secretary of State investigate this matter and assure the House that federal Departments and agencies of the Crown like NRC have been instructed that in no way are they financially to support exports, indluding technology transfers, to South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for her question. The statements that I have made with regard to South Africa have, of course, been drawn to the attention of Government Departments. I will, as she requests, look into the particular matter that she has raised and I will report back to her and to the House.

NOTIFICATION OF GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I thank the Secretary of State. It is an extremely serious matter because it has arisen since his announcement in the House on September 13.

While he is doing that, would he also communicate to all businesses in Canada that it is not "business as usual" any longer when it comes to exports and technology transfers to South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as it happens, I have had the opportunity to hold a number of meetings with Canadian business people who are or have been active one way or another in South Africa. I have been most impressed by the degree to which they stand in support of the policy that has been enunciated by the Government, and indeed they are looking for ways themselves to use channels that they might have that the Government does not have to bring to bear upon the Government of South Africa the sense of repugnance and revulsion that exists throughout this country—in Parliament, in business, in labour and everywhere—to the system of apartheid.

* * *

[*Translation*]

PUBLIC WORKS

CLOSING OF MILITARY INSTALLATIONS AT SAINT-ADOLPHE D'HOWARD, QUE.

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is directed to the Minister of Public Works.

With only a few months to go before the complete shutdown of the Lac Saint-Denis Canadian Forces station at Saint-Adolphe d'Howard, my constituents in that area are concerned, and rightly so, about what is going to happen to the installations on the base, assessed at more that $3 million.

My question is: Does the Minister agree with the documents submitted by the local adjustment committee, proposing that a feasibility study be financed to look into the various ways the facilities on the base could be used?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, for the time being, as you all know, the base installations still belong to National Defence. I am delighted to be able to inform my colleague today that a departmental committee will be responsible for making an assessment with a view to diminishing the potential negative impact on municipalities in the area. However, if the committee were to conclude that a feasibility study would be necessary, in response to the concerns expressed by the parishes in the area, I would not hesitate to recommend such a study.

[*English*]

FISHERIES

PLIGHT OF NEWFOUNDLAND FISHERMEN

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I have raised this question with her before but unfortunately there has been no response.

Last week the *Evening Telegram* stated that the fishing season in the Nain area of Labrador has been so bad it has left most families with little or no money and a very old tradition has been revived; exchanging clothing for locally picked berries.

• (1450)

The situation is disastrous. The evidence is there. Why is the Minister sitting idly by while her Government lashes out with a billion dollars to the banks and not one cent for fishermen and plant workers in Newfoundland? Why is that situation allowed to exist?

Mr. Benjamin: It is just like the Liberals.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have been monitoring the results of the fall fishing season very carefully. We are aware of the gravity of the situation.

I would inform the House that, in conjunction with my colleagues, the Minister for DRIE and the Minister of Fisheries, we are examining possible options for assistance to those concerned. I can assure the Hon. Member and, indeed, the people affected in the Province of Newfoundland, that action will be taken to alleviate the hardship that might otherwise occur.

REQUEST FOR MINISTERIAL ACTION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, we thought the Minister was a Cape Bretoner who understood us, a Minister with a heart, but she is not showing that she is.

In all seriousness, she cannot change the unemployment insurance system. If she waits until November she cannot start work programs. Will she face reality and look at the evidence? Will she act now to help fishermen and plant workers on the Labrador coast?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have informed the Hon. Member and those concerned that action will be taken—

An Hon. Member: When?

Miss MacDonald: —far sooner than the Liberal Government would ever have taken it.

Mr. Axworthy: We didn't cancel the program, you did.

Miss MacDonald: I can also assure the Hon. Member that the action that will be taken will be to the long term benefit of the people who are concerned.

* * *

PRIME MINISTER'S OFFICE

DIRECT MAILING SYSTEM

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Deputy Prime Minister. It pertains to the article today in the newspaper indicating that the Prime Minister's Office will have a new $7.5 million direct mailing program.

Would the Deputy Prime Minister be prepared to admit that this program, in conjunction with the polling contract about to be let, will be used to transfer the cost of campaigning from the Conservative party to the taxpayers of Canada and that it will be under the control of the Prime Minister's Office?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the suggestion contained in that question is almost as scurrilous as its source.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

GOVERNMENT POLLING CONTRACT

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my second question and supplementary is to the Minister of Supply and Services. Would the Minister of Supply and Services confirm for this House that the Government is now prepared to grant a $10 million plus contract for Government polling and that the primary recipients will be two Conservative polling firms?

Mr. Crosbie: The master of scurrility.

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I might advise the House that invitations have been extended to more than 32 firms to tender on a polling process now being considered.

Mr. Broadbent: Who is getting contracts?

Mr. McInnes: Twenty-two of those have responded. They are now being evaluated, and a large number of firms all across Canada will be involved in the final decision.

Some Hon. Members: Hear, hear!

BANKS AND BANKING

COMMISSION OF INQUIRY—EXERCISE OF MINISTERIAL RESPONSIBILITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am encouraged by the unusual frankness of the Deputy Prime Minister to my colleague, the Hon. Member for Renfrew-Nipissing. Let me, therefore, put a question to him. The Deputy Prime Minister knows that it is vital to the inquiry of Mr. Justice Estey to analyze, in the affair of the CCB and the Northland Bank, how the Minister of Finance, the Minister of State for Finance and, indeed, how the Prime Minister exercised their ministerial responsibilities during this whole matter. Does he not think the Government is putting a very eminent judge in as almost impossible position, I suggest even an improper position, for a judicial review of ministerial responsibility, which should be judged by Parliament alone and a committee of Parliament?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have read the terms of reference once today. I am certain that I do not have to read them again to get through to the Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): We know the terms. Just give us the answer.

Mr. Nielsen: I would hope that that inquiry will look into the justification of the kind of statement made September 9 by the Leader of the Opposition that the House had been "misled by the Prime Minister, the Minister of Finance and, indeed, the Governor of the Bank of Canada," and that obvious inside trading in the deposits of the Canadian Commercial Bank before the plug was pulled occurred. That statement was made by the Leader of the Opposition. A few other such wild statements were made. The terms of reference are broad enough to encompass that kind of inquiry. I would hope that it is examined.

POWERS OF COMMISSIONER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, does the hon. gentleman, the Deputy Prime Minister, believe it is the judge's role to review what happens in Parliament? Is Parliament not responsible for the actions of Ministers and for the action of everyone here? Why is that being imposed upon a judge?

An Hon. Member: What are you trying to hide, John?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): It would appear that it is necessary, Mr. Speaker, again, to refer to the words of reference where Mr. Justice Estey is empowered to conduct an examination of all of the circumstances and the factors contributing to the condition of the banks resulting in the cessation of their operations. I do not know how much broader such terms of reference could get, even to satisfy the Leader of the Opposition.

EXAMINATION OF MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister for the first time, in reply to questions on the terms of reference, has said he would like statements of the Leader of the Opposition examined. Will he now stand up and say categorically that he wants the ministerial responsibility in these cases examined as well? Will he come clean on that?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Yesterday, Mr. Speaker, I was reminded in answering a question from the Hon. Member for Comox-Powell River of a citation from *Through the Looking Glass*. I cannot help but make the analogy of Tweedledum and Tweedledee here today with respect to this kind of question.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: I just say categorically to the Deputy Prime Minister, Mr. Speaker, that he is being a complete and utter phoney in this, and he knows it.

Some Hon. Members: Hear, hear!

An Hon. Member: You are as bad as Johnston.

Mr. Crosbie: Mickey Mouse the second.

Mr. Speaker: Order, please. I think the Hon. for Oshawa knows that that language is improper.

An Hon. Member: Ed, you are the phoney.

REQUEST THAT ROLE OF MINISTERS BE EXAMINED

Hon. Edward Broadbent (Oshawa): My last supplementary, Mr. Speaker, is to the Deputy Prime Minister.

Mr. Clark (Yellowhead): Stand up and make another innuendo.

Mr. Broadbent: Having said that he wants the role of the Leader of the Opposition examined, will he have the consistency and the integrity to say that the role of the Minister of Finance and the Prime Minister ought to be examined as well? That is the question.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Nothing, Sir, could more pointedly—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Right.

Mr. Chrétien: Erik is losing his nerve.

Mr. Nielsen: —demonstrate the need for a commission of inquiry by Mr. Justice Estey than this sort of question.

With respect to the definition of my character by the hon. gentleman as being a phoney, I can only say that, unlike him, I am not the real one.

Some Hon. Members: Oh, oh!

* * *

APARTHEID

SOUTH AFRICA—CANADIAN GOVERNMENT SANCTIONS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. As you know, Sir, many prominent South African businessmen are calling upon the South African Government to move, and to move very quickly, to break down the barriers of apartheid. Does the Minister feel that the course the Government of Canada has set for its sanctions is still the right one, and does he feel that it is working?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think all Members of this House are encouraged by the increasing degree to which members of the business community in South Africa are exerting their influence to try to achieve a change in the repugnant apartheid policies of that Government.

An Hon. Member: You are losing money.

Mr. Clark (Yellowhead): Obviously, movements by the business community are only one step, albeit an important one. What we will continue to judge is whether or not there will be action by the Government of South Africa itself. In those circumstances I think it is very important the Government of South Africa understand that the Government of Canada will, if left with no alternatives, resort to the kind of sanctions I outlined in my statement in this House earlier this month.

* * *

● (1500)

BANKS AND BANKING

COMMISSION OF INQUIRY—ACCESS TO INFORMATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, following on the answers or non-answers given by the Deputy Prime Minister, I want to ask him for the assurance that the Government, facing the Commission of Inquiry, will not claim Cabinet confidentiality, and that the advice given to Ministers by the Governor of the Bank of Canada, the advice given to Ministers by the Inspector General of Banks, and these frequent consultations, about which the Minister of State for Finance has talked, between herself, the Prime Minister and the Minister of Finance—all this information—will be available to the Commissioner of Inquiry?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am really surprised at that

kind of question coming from a former Solicitor General because he knows, as well as I do, that it would be most inappropriate, if not improper—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —to proscribe in any way the conduct of the inquiry by Mr. Justice Estey. Maybe he does not have faith in Mr. Justice Estey, but I certainly do, and we on the Government side of the House certainly do. I would ask him, having been part of the administration of justice, to allow it to take its course within the very broad terms of reference that have been given to Mr. Justice Estey.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Vancouver East (Ms. Mitchell) on Monday, September 30, 1985, meets the requirements of the Standing Orders as to form.

I am in receipt of a request to raise a point of order from the Hon. Member for Windsor West (Mr. Gray).

* * *

POINT OF ORDER

USE OF ALLEGED UNPARLIAMENTARY LANGUAGE

Hon. Herb Gray (Windsor West): Mr. Speaker, during the Question Period, the Deputy Prime Minister (Mr. Nielsen), in answering a question from the Hon. Member for Comox-Powell River (Mr. Skelly), used the word "scurrilous" in referring both to the Hon. Member's question and to the Hon. Member himself.

However, Mr. Speaker, if you look at page 110 of Beauchesne's Fifth Edition, Citation 320, you will find that the word "scurrilous" has been the subject of a ruling in 1930 to the effect that that word is unparliamentary. Therefore, pursuant to Citation 323 of Beauchesne's, I would ask you, Mr. Speaker, to call upon the Deputy Prime Minister to withdraw that offending and offensive word.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is comforting to know how quickly the Liberal House Leader comes to the rescue of the NDP Member, but—

Mr. Axworthy: Of Parliament.

Mr. Gauthier: Of Parliament.

Mr. de Corneille: Of the House.

Mr. Nielsen: —I have no hesitation in withdrawing the word "scurrilous" and substituting therefor the word "rancid".

Mr. Speaker: I suggest to Hon. Members that my difficulty at the time was that the deputy Prime Minister (Mr. Nielsen) said: "the question and its source", and I did not know in fact whether he meant the Hon. Member or someone else or an outsider, or I would have intervened immediately. However, I will take that as a retraction; I think it was intended as such.

Ms. Copps: There was no retraction.

Mr. Speaker: The Hon. Member for Comox Powell River (Mr. Skelly).

Mr. Nunziata: That was not an unequivocal withdrawal.

Mr. Speaker: The Hon. Member for York South-Weston (Mr. Nunziata) is hardly in a position to talk to me about what is an unequivocal withdrawal.

Some Hon. Members: Hear, hear!

Mr. Nunziata: On a point of privilege, Mr. Speaker—

Mr. Speaker: The Hon. Member for Comox-Powell River.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I rise on the same point of order. It was with some misgiving that I heard the Deputy Prime Minister (Mr. Nielsen) use the kind of term that he did in the House in reference to the source of my question today. I think it was just in a moment of pique that he did it and I would be more than prepared to forgive him, knowing that the basic question was true and that he did not have an answer for it.

An Hon. Member: Pick?

Mr. Speaker: I take it the Hon. Member meant "pique"; it is a golf term. The Hon. Member for York South-Weston (Mr. Nunziata)—

Ms. Copps: Who is a scumbag?

Mr. Speaker: Order, please.

Ms. Copps: The Hon. Member just called us a scumbag.

An Hon. Member: Maggot.

Mr. Speaker: Order, please.

Mr. Rossi: Look at the sheep behind you.

Mr. Speaker: Order, please. The language continues to deteriorate in this place, on all sides.

Mr. Rossi: He is a phoney.

Mr. Speaker: I invite all Hon. Members—and may I use this phrase one more time—to remember who we are, who put us here, and where we are.

PRIVILEGE

MR. SPEAKER'S COMMENT

Mr. John Nunziata (York South-Weston): Mr. Speaker, after the Deputy Prime Minister (Mr. Nielsen) had spoken, I stated that it was not an unequivocal retraction in respect of his words. You replied that I am hardly one to talk about unequivocal retraction. Mr. Speaker, I would ask you to stand in your place right now and explain to the House—

Some Hon. Members: Oh, oh!

Mr. Nunziata: —and to my constituents what you meant by that.

Mr. Speaker: Gladly.

Some Hon. Members: Hear, hear!

Mr. Speaker: I meant that Hon. Members throughout the House should know that the tradition is to withdraw unequivocally. There has been, to my knowledge, only one occasion in the House when an Hon. Member has withdrawn a statement unequivocally in my presence, only one. It was not the Deputy Prime Minister (Mr. Nielsen) today, nor was it the Hon. Member for York South-Weston when it was his turn. It has happened once. It was made by the Right Hon. Member for Yellowhead (Mr. Clark) in my presence. That, to my knowledge, was the single unequivocal withdrawal.

The Hon. Member for York South-Weston asks what I was trying to get at. I will tell him what I was trying to get at. Every Member should know that withdrawals should be unequivocal. When one Member does not do it properly, it is surely wrong for that Member to say about another Member that that Member is doing it improperly. That is what I meant.

Mr. Nunziata: A point of privilege, Mr. Speaker—

Mr. Speaker: The Hon. Member for York South-Weston claims a point of privilege. What is the Member's question?

Mr. Nunziata: Mr. Speaker, I am repeating my point of privilege. You indicated that I am hardly one to speak about retracting unequivocally, and I want an explanation of what you meant by that, with specifics, Mr. Speaker.

Mr. Speaker: The Hon. Member, I take it, is not raising a question of privilege. He wishes an explanation of what I meant. I invite him to chambers, as I have before.

Mr. Nunziata: You made the statement in the House; you should explain it in the House.

Mr. Speaker: The Hon. Member will resume his seat.

Mr. Nunziata: You made the statement here—

Mr. Speaker: The Hon. Member will resume his seat. I thought, with respect, that my comment in the beginning, whether it is true or not, was inappropriate. I say that to the Member, but I also say to him that he on one occasion made a withdrawal in here, and he knows my views, because he has had them from me in private, as to whether that was an unequivocal withdrawal.

Ms. Copps: That is not relevant.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) says that that is not relevant. The Deputy Prime Minister made a withdrawal that I suggest, if the Hon. Member for Hamilton East checks the record, was just as unequivocal as that of the Hon. Member for York South-Weston.

An Hon. Member: Well, get though on him, then.

Ms. Copps: You are ruling on this point.

Mr. Speaker: The Hon. Member for Hamilton East wants to tell me my job? My job is to decide whether there was a question of privilege—

Mr. Rossi: They get away with everything.

Mr. Speaker: Order, please. The Hon. Member for York South-Weston claims a question of privilege. He has yet to present to me a question of privilege. I therefore find that he does not have a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Transport, in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

PETITIONS

SOCIAL SECURITY—RESTORATION OF FULL INDEXATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from the Ottawa Council for Low Income Support Services which represents many low-income mothers across Canada. They ask the Prime Minister (Mr. Mulroney) to restore full indexation to the family allowance and child tax credit. This budget measure will take away $55 million in family benefits by 1987.

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present a petition from petitioners who state that the deindexation of the universal family allowance is an unfair

attack on women and families. They further state that the attack will not be offset by changes to the child tax credit, and that other tax increases in the May Budget will place an unfair burden upon low and middle-income earners. They ask that the House rescind all those measures.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour to present to the House a petition signed by people from every province, from many cities all the way from St. John's to Victoria. They, the undersigned, humbly pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

● (1510)

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I too have a petition to present signed by women from across this country who are most outraged by the cut-backs with respect to family allowance and the effect of increases in taxation on families. They call upon this Government to reverse its course of action and to be faithful to the promises that were made during the election campaign.

Mr. Ernie Epp (Thunder Bay-Nipigon): Thank you, Mr. Speaker. I have the honour to present two different petitions. The first is signed by persons across the country resident at various points in the Provinces of Quebec, Ontario, Manitoba, Alberta and British Columbia protesting the plans of the Government to deindex the family allowance and stating particularly that that is a sorry contrast to the tax break such as the capital gains holiday which the Government is also proposing, and praying Parliament to change that.

LUMBER EXPORTS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the second petition is signed by persons resident in the City of Thunder Bay who are very concerned about the very real possibility that the U.S. Congress will take action in legislation soon to be before it against lumber exports.

Mr. Crosbie: Stick to the rules.

Mr. Epp (Thunder Bay-Nipigon): The woods industry is of enormous importance in northwestern Ontario as well. Thank you, Mr. Speaker.

* * *

Mr. Speaker: May I say something to the House?

Mr. Benjamin: Why not, you have been doing it all day.

Mr. Speaker: Earlier today, a few minutes ago, I did something that I think is wrong. I lost my temper, and I do not have the right to do that, and I named a specific member and I should not do that. I wish to apologize both to the House and formally in the record to the member.

THE GOVERNOR GENERAL'S ACT, THE GOVERNOR GENERAL'S RETIRING ANNUITY ACT, THE SALARIES ACT AND THE JUDGE'S ACT

MEASURE TO AMEND

On the Order: Introduction of Bills:

May 7, 1985—The Minister of Justice—Bill intituled: "An Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act".

Mr. Speaker: May I ask the Hon. Minister just to suggest that this matter stand?

Mr. Crosbie: Mr. Speaker, I have to move first reading of the Bill today. The information is already out, so rather than standing it I would like to read the title of the Act for you.

Mr. Speaker: I cannot. My problem is this, that I cannot introduce a Bill without receipt of the Bill. May I suggest therefore that in order to try to expedite matters we will, with the concurrence of the House, revert to this matter within the next 15 minutes or half an hour to give those who have to try to find—the matter must be delivered here or we cannot read it, I am afraid.

Mr. Crosbie: That would be fine with me if the hon. gentlemen opposite would agree to begin first reading a little later.

Mr. Speaker: I sense there will be consent later to revert to the Introduction of Bills.

Mr. Crosbie: They are nice guys.

Mr. Benjamin: You are getting to be like the Liberals.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: Shall all the questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act to provide for certain matters in relation to the 1981 decennial census, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Thank you, Mr. Speaker, I was just winding up my remarks on this particular Bill. There are a number of constituencies in Canada today that are of great size with over 200,000 constituents in each individual riding.

Mr. Benjamin: Or 50,000 square miles.

Mr. McDermid: Certainly, there are also very large ones as we know in the northern extremities of our country. We feel that redistribution must take place and that it must get under way and go to committee as quickly as possible.

In listening to the debate today I conclude there is general agreement on the philosophy of the Bill. Although there may be a few technical problems that have to be straightened out, those can be done in committee. I would urge the House to pass as quickly as possible on this Bill because otherwise we will not have the time to plan on the new boundaries and by the next election we will still have our old boundaries. That is going to cause considerable problems for certain constituencies, mine included, which now has close to 200,000 people within its boundaries.

One of the major problems, of course, with that number of people is to serve them properly with the limited staff we are given. So it is important that we get under way with this important work of redistribution as soon as possible. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Questions or comments? Before I go to debate, is the Minister rising to ask for unanimous consent?

Mr. Crosbie: Can we revert to the Introduction of Bills?

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

THE GOVERNOR GENERAL'S ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-78, an Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO ENACT

The House resumed consideration of Bill the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act to provide for certain matters in relation to the 1981 decennial census, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Lorne Nystrom (Yorkton-Melville): I want to say a few words on the Bill introduced by my old friend from Saskatoon, Bill C-74, on redistribution.

Mr. Benjamin: Old in ideas.

Mr. Nystrom: I am speaking of chronological age.

Mr. Benjamin: No, it is his ideas that are old.

Mr. Nystrom: Mr. Speaker, I have some concerns about the Bill and, like others in my Party, this morning I would like to see this Bill referred to committee so we can do some real questioning. I want to spend a few minutes this afternoon just talking about the whole process of redistribution in this country and the whole electoral system because I think the whole system probably needs a real overhaul. First, I believe very strongly that we must have representation by population. My colleagues, such as the Hon. Member for Regina West (Mr. Benjamin) who have big ridings, have a point when they say that there must be representation by population in a democratic system. However, in any democratic system, we also need

representation by region or geography. Those are the two conflicting principles that we have not quite resolved.

● (1520)

The American system has resolved this conflict. In the American Senate, every state, regardless of its size, has two Senators. Whether it is Rhode Island or California, North Dakota or New York, they all have two Senators, so there is representation by region in the Senate of the United States. A small state, through the electoral process, is able to elect Senators to the American Senate and that state then has as much clout as a larger state. We do not have a system like that in this country.

First, in Canada we have an appointed Senate. I think that is a tremendous slight on our democratic image. It is a throwback to a couple of hundred years ago. The Prime Minister (Mr. Mulroney) can appoint any of his pals as Senators until the age of 75. This is supposed to be a democratic country. Most Canadians would like to see the Senate as it exists now abolished. If we do keep a second Chamber, we should have it as an elected body so that the people can vote for those who sit in the other place.

I would like to suggest this afternoon that we send this matter to the committee and discuss issues other than the addition of six seats, something that merely delays the ultimate decision and is like putting a band-aid on a wooden leg. It does not resolve anything. Let us have a really good discussion in committee about the kind of representation we wish to have. There are a great many new Members of all Parties in the House of Commons. I think now is a good time to make a break with the past.

My colleague, the Hon. Member for Regina West, sat on a special committee of this House on redistribution in 1969-70. Back in those days, we kept trying to solve the problem of representation by population and representation by region by adding Member after Member. This place is growing like Topsy. We have gone from 265 Members to 284 Members. The next proposition is to have 290 Members. Soon we will have over 300 Members. I suggest that that does not solve the problem. It simply makes this place more bureaucratic, expensive and frustrating.

Mr. Benjamin: Where are you going to put them all?

Mr. Nystrom: My friend asks where we would put them all. At that time it was suggested that we take out the back doors, knock down the end wall and add another 50 or 60 seats. Another suggestion was to take down the curtains and put in two extra rows, or to do like the British House in which there is not a seat for each individual Member. Benji and I could use the same seat. One day I would use it, and the next day he would use it.

Mr. Benjamin: Oh, no.

Mr. Nystrom: I do not think that that is the way we want to go. That is certainly not the way I want to go.

Mr. Gormley: I'll take Benjamin.

Mr. Nystrom: That would not help the small provinces. Saskatchewan now has 14 Members in a House with approximately 280 seats. It would not make any difference if we had 20 Members in a House with approximately 400 seats. We would have no more clout. We would simply spend a lot more money and make the system more bureaucratic. We would slow down the entire process and increase the frustration of Members.

I would argue that we need to look at the entire system. We should try to come up with a system that recognizes representation by population on the one hand and representation by region or geography on the other. We may, for example, decide that we ought to have rep by pop in this Chamber and have rep by region in another elected chamber, a chamber with equal representation from all provinces. This would reflect the wishes of people at the provincial level. Each province would have a certain number of Senators. That way, we could have a melding of rep by pop with rep by region or geography. I think it is very important that we do that.

The present system will become very distorted, bulky and cumbersome. The electoral boundaries map proposed by the former Parliament contains some very strange looking ridings. In Saskatchewan, for example, there are now two urban seats in Regina and two urban seats in the City of Saskatoon, two of which are a little bit rural. Under the new proposition, there will be three seats in the City of Saskatoon and three in the City of Regina, and a few of those seats in each case will be almost half urban and half rural. The proposed new riding of Regina East, for example, will be about 50 per cent urban and 50 per cent rural. Those who live in rural areas have nothing in common with people who live in the cities. We get these strange boundaries because of the kind of system we have.

As well, there are all kinds of unique situations in this country. Labrador, for example, is an entity by itself and is different. Perhaps we should have a seat for Labrador. I know my colleagues from northern Ontario will be speaking later on about the uniqueness of their region. Their concern is that if we go strictly for rep by pop, there will be a loss of seats in the northern part of the Province of Ontario. There is also the unique factor of Quebec and Francophone Canada and the need for a protection of representation for Francophone Canadians. The same thing is true, of course, of native Canadians.

My main purpose in rising today is to suggest to my colleagues that we not do this on a piecemeal basis by adding two seats to Ontario, two seats to British Columbia and two seats to Alberta. Rather, we should refer this entire matter to the committee so that it can look at the whole process of representation and try to meld together rep by pop and rep by geography.

Right now there is discontent in various parts of the country. People feel alienated and left out of the system. There have been western separatist movements and unrest in Quebec. There has been alienation felt by native people and those in northern Ontario. I think we must look at the system in terms of trying to protect those differences.

Another point I would like to make is that there is a difference between rural and urban ridings. Urban Canada, and particularly the suburban ridings, can be a homogeneous community composed of people with very similar problems. Many Hon. Members say that that is not so because every individual has a different problem. However, in a rural riding like mine, there are 60 communities, eight Indian reserves and tens of thousands of square kilometres. There are radical cultural differences between one end of the riding and the other. It makes it rather unfair for those who represent rural ridings. If there were a melding of rep by geography and rep by pop, those differences would not be as important. Members with huge, sprawling rural ridings would be allowed extra staff or an extra allowance or whatever it would take to represent the riding adequately. That is not done today except in the case of seats in the Far North.

I suppose one could go on to mention a number of other things that are very important in terms of representation but I would like to stop here and make an appeal. We live in a great country with much diversity between regions and provinces. Rather than adding a few seats every now and then, perhaps we ought to postpone this entire process until the 1991 census, at which time we could make a general proposition that will change the entire system to make it more reflective of what Canadians really want. The Americans and the Swiss have accomplished this. We may not necessarily want to take those routes. Perhaps we would like to have one chamber with the melding of the two systems right here. Perhaps we could have a constitutional floor for the smaller provinces so that in Saskatchewan, for example, no matter what the population would be, there would still be 14 Members. Members from Toronto and Montreal might have twice as many electors as we have. Perhaps that is the way we will go. However, by not analysing and studying the whole thing, all we are doing is postponing making a decision and we could stumble right back into the old decision, which was to keep adding 30, 40 or 50 members after every census. I believe that is going the wrong way and making it a much more costly, complicated, bureaucratic and frustrating chamber in which to represent the people of Canada.

• (1530)

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

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I would like to make a few comments about Bill C-74. It is a Bill of which I am very supportive. Canadians do not want to see Government grow larger and larger.

Mr. Boudria: Like the Prime Minister's office, by 57 per cent.

Mr. Attewell: The people to whom I speak want us to be more responsible in our deliberations. I do not think we have to reinvent the wheel on this process. We can benefit a lot from history and I compliment the people who have spent hours and hours coming up with these final recommendations.

Rather than the House jumping in size from 282 Members to 310 Members, there is a suggesiton for six additional members. I submit that that will go a long way in alleviating a number of very large ridings such as the riding of my colleague, the Hon. Member for York-Scarborough (Mr. McCrossan), which is of a very punishing size. There are over a quarter of a million people to serve. My own riding of Don Valley East is well above the average.

In this, the computer age, when each Member of Parliament has advanced telephone equipment, I believe we can reach the people of our ridings in a satisfactory manner. We do not have to keep expanding and, as someone suggested, start to move out the walls of this House of Commons. Canadians do not want that. They want us to serve in a responsible way. However, cost savings do not start somewhere else. I feel they start with the thinking of Hon. Members right in this House. There has been some suggestion that the amounts involved are not significant. They are significant, Mr. Speaker. Many, many millions of dollars will be involved over the coming years. If we are to act in a responsible way, we should be considering that.

In summary, may I say that I support the legislation. It is not a perfect system, but we could spend 10 years trying to get a "so-called" perfect system. I recognize the uniqueness of a number of ridings. The legislation does give more flexibility and, very importantly, it does help a number of very specific ridings where the burden is too heavy by dividing them to that we can serve Canadians to the best of our talents and skills. Also it will be at a much lower cost than the original proposal. It will mean tens of millions of dollars less over the coming years.

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

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in addressing the questions posed by Bill C-74, I would like to, first, go back a little in the history of redistribution and, indeed, on the idea of proportional representation. Obviously the idea of proportional representation within a democratic system has been around for a number of centuries. However, it is equally evident that the population shifts and changes in balance of population which necessitated redistribution were not evident in the then very few democratic societies until the time of the industrial revolution.

I believe that while we can fairly state that both the American and French revolutions were founded in the initial structuring of their democratic chambers on proportional representation, the first serious effort at redistribution took place in the United Kingdom during the reform period in the 1840s, I believe—

Mr. Epp (Thunder Bay-Nipigon): Eighteen thirty-two.

Mr. Parry: My colleague tells me it was 1832, and I thank him for the correction. The pre-reformed Parliament of the United Kingdom was characterized by vast differences in representation, not only in terms of quality, obviously, but also

in terms of the area and the population represented by an individual Member of Parliament. It was said in those days that there were some Members of Parliament who literally had no constituents. The Borough of Higham Ferrers was frequently mentioned as being almost entirely depopulated yet still having two Members of Parliament to represent it. In those times they had this archaic mechanism, which one would hope, of course, never to see perpetuated in this day and age, of a two-Member constituency. Therefore, Higham Ferrers, with very few people, was electing two Members to the House of Commons as were, indeed, many heavily populated boroughs and parts of the City of London.

There were also, interestingly enough, seats established for the Universities of Oxford and Cambridge, another precedent which perhaps we would not want to see repeated in this day and age. The debate in those times was the degreee to which Members should represent equal population units within the country, equal numbers of people. Of course, there were those at that time who spoke out against redistribution on the grounds that it was best to play it safe and stick with what tradition and history had hallowed and sanctioned, that there was no advantage to be gained in having Members of Parliament actually represent people, let alone the same number of people.

Moving through history, we can see the sad tale of the redrawing of constituencies to suit the narrow political interests of a single Party, always, of course, the Party in power. It was said that a type of press conference, a public meeting was held in one of the southern states of what is now the United States—I forget which one it was—and someone pointed to the map and said to Governor Gerry, "But this, Sir, looks like salamander". He replied, "No, sir, that is a gerrymander". So the term "gerrymandering" passed into the language.

I am glad to see that we are not today confronted by a situation of gerrymandering or Rotten boroughs, however much some of us may feel that some boundary changes do not reflect community reality or the sense of the constituency which had grown up in the area. Rather, we are faced with the overhauling—and, I dare say, it is not exactly overhauling but more tinkering—of a typical Canadian practice in which inequities have been reduced but then left unattended with the obvious result that inequities of a new and different nature creep in and are then themselves institutionalized and hallowed by tradition.

I believe there are a number of examples in the present representations in Canada which I would like to speak about. Perhaps, first, I should say that I believe that what we are engaged in today, and what I hope the committee will take very seriously, is a task of great gravity and significance and one which should be accorded due attention, for it is nothing more or less than the maintenance function in our democratic system. It is said that one can have the greatest architect in the world, the most beautiful and most technically elegant design, but none of it is any good unless there is a plumber around to fix the pipes. That is a paradigm of which we should be very cognizant. In a sense we are in the position of the plumber who has to fix a little more than the pipes. It is rather more significant and we should devote our attention to that maintenance task with a full appreciation of the gravity it entails.

• (1540)

What is it, Mr. Speaker, that really governs the divisions of our constituencies as they exist today? I am afraid to say it appears that the number one determinant of those constituency demarcations is that of history; where the population was in the past, sometimes 100 years ago. I am also afraid to say that the Canadian tradition of gradualism has led to some areas of the country being grossly under-represented. I am afraid to say, also, that in the drawing of constituency boundaries great attention has been paid to lines of latitude and longitude and very little to lines of communciation, be they physical or cultural. Some attention has indeed been paid to geography but I suggest that the weight given to geography is such, and done in such an unsystematic fashion, that it does not fundamentally serve to recognize the effect of geography on the nature and quality of the representation that Members of Parliament are able to give their constituents.

There are several examples which I would like to draw out and, lest I be accused of favouritism or merely priming the parish pump in my own constituency, I would start with the City of Scarborough and its federal ridings. I acknowledge that the people in that burgeoning suburban area of Metropolitan Toronto are indeed under-represented when we see the number of electors who elect a single representative in that area. In revising our system of representation we should be taking into account the very real and legitimate concern of citizens of places like Scarborough and adjust boundaries and allocations of representation accordingly. We should also look at the example of the Northwest Territories where we have enormous geographic areas, where either of two constituencies is capable of encompassing the same geographical area as perhaps 150 of the smaller constituencies. The population is culturally and ethnically very different from the majority of Canadians in the provinces. It is not my purpose to say that, because each of the constituencies in the Northwest Territories encompasses far fewer people than the average constituency in the provinces, we should be reducing the number of seats in that area. I think the problems of geography and communications, and the differences in culture, must be adequately recognizes by our system. Let us bear in mind, after all, that the number involved are not of an excessive order of magnitude in my interpretation, being something in the order of three or four to one. I would also like to take the example of Prince Edward Island. That province is a place, and the Islanders a people, which I cannot praise highly enough. I spent my first Canadian holiday ever in Prince Edward Island and enjoyed it greatly. Yet we must question the provisions which fix the representation of that province to a number of people per constituency which is almost exactly the same as the number in the Northwest Territories.

Redistribution must not be a process which swims against trends. It must be a process which follows trends but with a reasoned gait, a measure of caution, and a step which does not

either overly weight the past or overly discount the visible trends going into the future.

I would like to also turn to my own constituency and instance the problems of an area which is slightly larger than Germany, that is both the Federal and the Democratic republics put together, and which has 110 communities spread out over most of the area, not all concentrated in one single part.

I, or indeed anyone else who represented that constituency, would be physically incapable of providing the sort of representation that every Canadian ought to enjoy and which should be extended to a number of communities, more than 20, which have no road access. I feel in a sense a prisoner of the present system's not taking into account the geography of this country, not taking into account the difficulties of transportation and communication, and above all, in that context, not taking into account the very special and unique situation of the first peoples of this country with a cultural tradition which is very much under threat—not under deliberate attack but nevertheless under threat—by the majority trends in our society. I believe that just as is done in the Northwest Territories, the boundaries of constituencies ought very much to take account of the differences between people. Where there are obvious identifiable ethnic groups, that should be something that is taken into account in the drawing of constituencies. Unfortunately, that is not the case. The Nishnawbe-Aski Nation, as the Cree and Ojibway people of northern Ontario in my constituency are known, are sliced by those lines of longitude up and down the map. There is no relation to geography, no relation to tradition, culture or the traditional or present day economies of the area. They are divided between four constituencies and thus is their collective interest and political voice muted in the conduct of the affairs of this nation. I am afraid to say that is not the only instance where tradition and culture and geography have been ignored in the formulation of constituency boundaries. In reference to that I would like to congratulate my friend, the Hon. Member for Algoma (Mr. Foster), on the introduction of his Bill which proposed to fix the representation of northern Ontario at the number of ridings it has today rather than lose ridings in an area which is so vast and so hard to represent because of an internal redistribution process within the Province of Ontario.

It is a phenomenon of the democratic process that only when a certain mass of support or pressure gets behind an issue is there really a serious examination of that issue. I would suggest that in examining the issue of redistribution we should also examine some connected and related issues. It has been suggested that there would be a considerable financial saving by limiting the expansion of this House. I, for one, am not one to advocate an extension of the House except at the most modest pace because I do not believe that a new varnish of additional layers of Members at every general election will obscure some of the flaws presently inherent in the system. I would rather see us do with approximately the number of Members we have today. However, we also have other entrenched formulas which would appear to compel the increase in the House. One of these, of course, is the relation postulated between the number of seats in this House on a province-by-province basis, and the number of seats in the Senate. I am sure you, Mr. Speaker, would not be surprised to hear me say that the best way to get out of that particular dilemma would be to abolish the Senate. I have observed in this House, and in many other places, that that is not a democratic institution but an anti-democratic institution functioning at the heart of an otherwise democratic society. My belief is that if the saving of money is an objective, the saving by abolishing the Senate would be twenty times what the addition of six seats to this House would cost. Therefore, that question should also be brought before the committee when this Bill is referred to it.

• (1550)

I would like to go on at some length about the principles which underlie representation by population and I can see, Sir, that you are only too willing to hear me, even if others might not be. However, I will content myself with these final observations. When this Bill comes to committee there is a far larger number of factors which need to be considered than have been postulated by the Government side. The process of consideration should be undertaken in a far more serious and effective fashion than seems to be predicated.

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

There being no questions or comments, I recognize the Hon. Member for York-Scarborough (Mr. McCrossan) on debate.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I rise today because I think this issue is one of very serious concern to my constituents. My riding of York-Scarborough is so well known that three of the last four speakers have referred to it as being the most populous riding in the country. It has been the most populous riding in the country for approximately 30 years even though we have had roughly three redistributions. It would remain the most populous riding in the country under the redistribution which was proposed in the last Parliament. This points out certain problems which I believe are addressed in this Bill in a positive way. I would like to indicate my support for the Bill because I think that, for the first time, we see a hint of something which will make the redistribution process fair for those people who live in the rapidly expanding suburbs of our country, particularly Metro Toronto.

The Bill as proposed does two things which I support. First, it slows down the rate of growth of the House which should have a considerable effect in savings. At the same time it offers protection to certain regions of the country in two different forms. There is protection for provinces such as Prince Edward Island, for the northern areas of the country, and for the Northwest Territories under Clause 2 of the Bill which says that the number of representatives of any area shall not decline. Clause 6 of the Bill states that special consideration shall be taken of northern and very large, sparsely populated regions in drawing up the electoral boundaries. For the first time, in Clause 6 there is also a provision that in

drawing the boundaries the commissioners should try to take steps to ensure that each electoral district in the province remains more or less within the 25 per cent average of the province. It is that particular part of the Bill which I feel is the most important part for the rapidly expanding areas, and one which I endorse whole-heartedly.

As an example, when my riding was redistributed in 1978 it was, as I mentioned, the largest riding in the country. At that time there were roughly 155,000 voters and a population of nearly 300,000. That is about 12 times the size of the smallest riding. That riding was divided into the ridings of Don Valley East, Scarborough Centre and York-Scarborough. From the 1979 summer election to the 1980 winter election, a brief period of nine months, the remaining part of York-Scarborough increased by 9,000 voters, a thousands voters a month. The riding of York-Scarborough now has almost 50,000 more voters than it had when it was first created.

The direction to the commissioners to take into account the trends in growth in various areas of Canada to try to ensure that each riding remains within the limit for the ten-year period is very important. If such a limit had existed at the last redistribution, they would not have lumped all of the remaining farmland in Metropolitan Toronto into my riding. They could not have conceivably done it. They could not have set up the ridings of Brampton-Georgetown, York North, or Mississauga North, the other three ridings in the country which have over 100,000 voters. The average riding has close to 40,000 voters. The ridings which I just mentioned were all growing very rapidly. That was known at the time redistribution came into effect in 1978, yet there was no direction whatsoever to the commissioners to take account of anything other than the numbers of the 1971 census or indeed, this time, the numbers of the 1981 census. It is because that particular provision gives direction to the commissioners that I feel this Bill deserves the support of the House. It will rectify a very serious inequity which has existed in my region of the country for many, many years.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the Hon. Member's speech? There being no questions, I recognize the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome this opportunity to speak on Bill C-74 which amends our Constitution with regard to the redistribution formula. I am very concerned, both as a Canadian and as a British Columbian, about the effects of this Bill. As a Canadian I see Bill C-74 as one more step away from the principle of representation by population. As a British Columbian I am very concerned that the historical imbalance in our representation in the House of Commons will not only continue, but will be made worse.

Bill C-74 victimizes the provinces of British Columbia and Alberta and, to a lesser extent, the Province of Ontario. The Province of Ontario is victimized to a lesser extent because at the present, on the basis of the 1981 census, it takes a smaller population in Ontario to elect a Member to the House of Commons than it does in British Columbia or Alberta. This will have a lesser effect on the Province of Ontario because our national political life is already dominated by the Province of Ontario which holds 95 seats and the Province of Quebec which holds 75 seats. The two western provinces, which have had population growth in the last few decades, have not had that kind of clout in the House of Commons. The introduction of this Bill, which restricts the rate at whch they will be able to attain proper representation, directly penalizes the voters of those two provinces.

Redistribution is always a rough tool with which to try to provide some equity of representation in a country such as Canada which has constant population shifts. The population of one area grows while that of another declines or remains static. The machinery for redistribution has always been rather cumbersome and redistribution has, therefore, always been seven or eight years behind the population growth and the census which reports on it. For example, the 1971 census showed very clearly that there should be increased representation for the Province of British Columbia but that was not taken into account in the House of Commons in the 1972 or 1974 elections. It was not until 1979, eight years after the census, that British Columbia had the increase in the number of Members of Parliament that the 1971 census indicated we were entitled to have. What was only a lag in previous provisions for redistribution will now become a permanent disability. Provinces like British Columbia are being made victims of previous agreements made to be generous to some of the smaller provinces.

● (1600)

Bill C-74 enshrines those provisions in our Constitution. It enshrines the doctrine that no province will ever have a decrease in the number of MPs, no matter what population shift might take place. This is a very generous provision that is made to some of the provinces that suffer from population decreases or have a fairly stable population growth. However, it works directly against the interests of provinces like British Columbia and Alberta which have suffered historic discrimination in the whole question of representation in the House of Commons.

When the doctrine that no province should ever suffer a decrease in its representation in the House of Commons takes precedence over the principle that there should be some equity in the representation that different parts of the country have in the House of Commons, then we have moved very far from the basic principles of democracy. The reason we have moved from that principle is that the Government has decided that it does not want a dramatic increase in the number of seats for Members of Parliament. It says that it will be too expensive. Other Members from our Party have pointed out that if the Government is really concerned about the expense of operating the Parliament of Canada, there should be some fundamental reform. The Hon. House Leader himself knows that what needs to be done is to abolish the Senate.

The previous redistribution formula tried to protect the historical number of MPs from some of the smaller provinces and to provide increased representation for provinces that had population growth. However, it was only able to do that by increasing the number of Members of Parliament as a whole. Now, the Government says that we cannot increase the number of Members of Parliament as a whole and, as a result, the entire move toward greater equality in terms of representation suffers.

In any conflict between these two doctrines—the doctrine of equality of representation and the doctrine that no province should ever lose the number of seats that it already has in the House of Commons—I believe that the doctrine of equality of representation should be paramount. However, Bill C-74 reverses that and the doctrine of equality of representation has lost out to the doctrine that no province should ever lose the number of MPs it presently has. During his speech, the Government House Leader said that it represented a typical Canadian compromise. Perhaps it is a typical Canadian compromise but democracy will still be the loser from this compromise. The long-term cumulative effects will hurt and further distort the social, economic and political union of Canada.

I do not think it can be said that somehow the population size is balanced by the geographic size of the different ridings because that is simply not the case. Let me present a dramatic example from the Province of British Columbia—the riding of Skeena. It is the largest riding in British Columbia in terms of geography and the tenth largest riding in Canada. It has 253,472 square kilometres, which is almost twice the combined size of Nova Scotia, New Brunswick and Prince Edward Island. There are 64 different communities in the riding of Skeena, all of which have diverse problems. Apart from major centres such as Prince Rupert, Terrace, Kitimat and Smithers, the riding of Skeena has a number of Indian villages, some of which are extremely isolated. The riding consists of isolated light houses, logging camps, mining towns and isolated ranches.

Many of these areas can only be reached by boat or charter plane. Some of these communities must be reached by the Member for Skeena (Mr. Fulton) travelling into the Yukon and then back down into British Columbia. Obviously, it is difficult to serve this riding which covers an area which is almost twice the size of Provinces of Nova Scotia, New Brunswick and Prince Edward Island combined.

In terms of population, Skeena is the second smallest riding in British Columbia with 75,509 people, 40,000 of whom are voters. Skeena, with its huge and difficult geographical area, had a larger population than 6 of 11 seats in Nova Scotia; 7 of 10 seats in New Brunswick; a larger population than all 4 seats in Prince Edward Island, 9 out of 14 seats in Manitoba; 11 out of 14 seats in Saskatchewan and 24 of 75 seats in Quebec. Skeena has a larger population than six urban Montreal ridings and a larger population than four Toronto ridings. This illustrates the kind of imbalance which exists in the present system of redistribution.

Comox-Powell River is another British Columbia riding with abundant geography. Many of the communities must be reached by boat and plane. It comprises 84,664 square kilometres which makes it larger than either Nova Scotia or New Brunswick. Yet Comox-Powell River, in its 1981 population, had 121,000 people. It is much larger than the Canadian average.

Therefore, we must ask how people in ridings like this, that are difficult to reach in the first place and difficult to travel within, can be expected to have some equality of service and access compared with downtown Montreal or Toronto ridings, some of which have populations that are less than two-thirds of the population of the riding of Comox-Powell River.

I want to stress that this is not a partisan issue. The riding of Cariboo-Chilcotin, held by a very respected Conservative Member of the House, has 111,474 square kilometres and a population of 85,000. The ridings of Kootenay East-Revelstoke, Prince George-Bulkley Valley and Prince George-Peace River all are huge ridings that have populations of over 80,000. Again, I compare those ridings comprising huge areas with some of the ridings that have much smaller areas and populations in other provinces of Canada.

There is a different problem with respect to the suburbs. The riding of Surrey-White Rock-North Delta has the largest population in British Columbia, with 137,642 according to the 1981 census. Four other suburban ridings—Mission-Port Moody, North Vancouver-Burnaby, Richmond-South Delta and Fraser Valley West have populations of over 120,000.

There is a similar situation in Alberta where there are 21 ridings with an average population of over 100,000. This is not fair when one compares it with the situation inother provinces. Calgary East has a population of 155,450, according to the 1981 census. Calgary South has a population of 140,677; Edmonton North has a population of 127,931 and Pembina has a population of 138,712. I expect to hear from some of the Alberta Conservatives speaking out on this issue. I think it is of great concern to them as I know it is to you, Mr. Speaker.

• (1610)

I do not believe we can deal with this kind of a problem in a patchwork fasion. We need to make a decision on principle. I suggest if Members on all sides of the House sit down and think about the principles involved, they will agree that the first one should be fairness in representation in accordance with shifts in population. Once wy accept this first principle, we can, if we want, accept a secondary principle, namely, that within reasonable limits no province should suffer a decrease in the number of Members of Parliament who represent it.

In accepting that secondary principle, we must realize we need to increase the total number of Members of Parliament, otherwise we will end up protecting a secondary principle at the expense of a first principle. I find this unacceptable. Unfortunately that is what Bill C-74 does and I find Bill C-74 unacceptable. I hope the Government will take a hard look at this whole question of principles when we look at this Bill in committee.

Mr. Boudria: Mr. Speaker, I congratulate the Hon. Member on his speech and the feeling he described about some of these very large constituencies. It is very difficult for any Members to serve constituents of such large ridings.

One of the principles we have at the present time in Section 42 of the Constitution of Canada talks about representation by population. This is a modified principle of representation by population that we have used all along. When I say modified, it refers to the base established by the number of Senate seats in any province. Apart from that, we have generally gone with representation by population. The more we see the urbanization of our country, the more we seem to be having problems in that regard. The rural ridings are getting bigger and bigger. The Hon. Member has just described how his constituency is already very large. How does he see reconciling on the one hand representation by population as a system in order to apportion the representation of this House while on the other hand trying to give some kind of a balance whereby we will not end up 20 years down the road with half a dozen members representing two-thirds of the physical land mass? Maybe we will not be quite that far, but we are certainly going in that direction.

In my own case, although my riding is much smaller, at one time in the past there was a Member for Glengarry, a Member for Prescott and a Member for Russell. As you know, Mr. Speaker, I represent all of Prescott, all of Russell, three-quarters of Glengarry and part of Ottawa-Carleton. That shows the shift of population and what is happening. I invite the Hon. Member to comment on that.

Mr. Manly: Mr. Speaker, the question points to one of the basic problems that any redistribution formula that does justice to Canada will have to look at if we are to depart from the basic formula of representation by population—we have moved a long way from that already—that there should be some basis on which there would be a recognition of geographic area.

As I pointed out in my speech, there is no recognition of that at present. We have a situation where a riding like Skeena, the tenth largest riding in Canada, has a population larger than the population in many ridings, including many urban ridings.

We have the situation of Comox-Powell River which has a very large and difficult area to serve because of the nature of coastal British Columbia. It has a population of over 120,000. In British Columbia, we suffer from having very large areas and from having very large populations. We are very proud of the kind of geography we have but it makes it very difficult to serve. All we are asking for is a little equity. We are not getting that in Bill C-74.

Mr. Boudria: I am trying to identify in my own mind how we would establish such a system Mr. Speaker. At the present time we have one base which is a representation by populaton. We add a further ingredient, which is the number of Senate seats in one province. Today with this new Bill we have a third form, which is the existing number of seats within a province.

Am I hearing a suggesiton that we should also have another mechanism which recognizes land mass as a form of a base to be incorporated in all of this? I recognize that whoever will be doing the redistribution will have a very complicated formula by the time we get to the end. Nobody said it would be easy. Am I correct that, according to the Member, we should have another form of base; beyond a certain number of square kilometres or square miles that that would guarantee representation as well?

Mr. Manly: Mr. Speaker, I would appreciate it if the Hon. Member would not try to put words in my mouth.

Mr. Boudria: I was not doing that.

Mr. Manly: I was not making that suggestion as part of my basic presentation. I was pointing to the inequity in the present situation, the fact that provinces like British Columbia and Alberta suffer from an historic gap. I said I would be open to the development of some kind of a formula that would take account of geography as well as population. I think that whole question has to be looked at very carefully before we opt for it.

The Hon. Member brought forward the very real problem that as we have growth in urban areas resulting in larger and larger populations, we will have a corresponding decrease in the percentage of the population who live in more isolated areas. There has to be some way of looking at that, and I suggested perhaps there could be a formula.

I am not prepared at this time to suggest what that formula should be or what it should contain. That is something for the committee look at.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Trinity (Miss Micholson)—Banks and Banking—Role of chartered banks. (*b*) Expenditures of taxpayers' money; the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Trade—Proposed EEC tariff on blueberries. (*b*) Effect on employment in Nova Scotia; the Hon. Member for London East (Mr. Jepson)—Pornography—Request for stronger laws.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act to provide for certain matters in relation to the 1981 decennial census, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my riding takes in the Humber Valley, a large land mass, a river and a mountain chain which go through the central part of western Newfoundland. That explains Humber. Port-au-Port is a large peninsula unto itself, 200 miles south. St. Barbe refers to the St. Barbe northern peninsula of Newfoundland. It runs about 200 miles north from the Humber Valley. In total, it consists of a land mass of about 500 miles of coastline with some 90,000 souls. That is an accurate description of my riding.

● (1620)

I should like to take this opportunity to support what was said by the previous speaker. In the system of representation which now exists in the Parliament of Canada, there is no recognition or substantial distinction between large rural ridings and urban centres. In my judgment that distinction is not made either in respect of determining electoral boundaries nor in respect of determining Members' services.

We are all Members of Parliament. We all take our responsibilities seriously. We rise in our places to speak and to put forward our views and the views of our constituents. We all have offices. We were all elected by vote. However, that is where the similarity between an urban and rural Member stops. Our system is designed, with slight exception, to provide nearly identical services and resources to all Hon. Members. That system does not recognize the incredible and dramatic difference in the work of and the requirements on a rural Member of Parliament and those of an urban Member of Parliament. It is a serious flaw which leads to unequal service being offered to constituents, depending upon whether they live in downtown Toronto or in Cook's Harbour, on the tip of the great northern peninsula in Newfoundland. That is unfortunate, but it is something with which we can deal with in the Standing Committee on Management and Members' Services.

Bill C-74 proposes to limit or to place, theoretically, some kind of cap on unending growth or increase in the number of members sitting in the House. I can understand that, and I have some sympathy for the fact that there is a limit on how many Members of Parliament can sit in this Chamber, or in any Chamber for that matter, and provide good Government. As the previous speaker suggested, the Bill is flawed in that it contains no recognition of the huge geographic land masses regardless of population which some Hon. Members represent. In the previous Bill there was to be an increase in the number of members because the principle of representation by population was acknowledged. However, even that old Bill made no recognition of geographic land mass.

I should like to refer to the situation facing those of us in the Province of Newfoundland and Labrador. The land mass of Labrador exceeds the size of the Island of Newfoundland, the Province of Prince Edward Island, the Province of Nova Scotia and the Province of New Brunswick. This area called "Labrador" does not have its own Member of Parliament. The communities of Labrador are not accessible, except by air, for six months of the year. That land mass and its various communities are not accessible by road any time of the year. At least in the summertime there is air and water transportation. People literally live thousands of miles apart in communities separated by thousands of miles of open tundra and northern terrain. There is no means of contact except by air. The people in this land mass do not even have a single Member of Parliament to represent their interests.

When one considers that to be available in a Labrador community, a Member of Parliament has to fly from Ottawa to Montreal, on to Newfoundland and then to Goose Bay, to pick up a chartered boat to sail up to Nain, one begins to understand the demands on a Member of Parliament serving not only Labrador but a good chunk of the Province of Newfoundland. One also begins to appreciate that the Parliament of Canada has not done justice either to the Member or Parliament or to the people of Newfoundland and Labrador in not recognizing their need for a separate Member of Parliament. The current Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) has been eloquent and persistent, in the interests of the people of Labrador, in suggesting, as the Member of Parliament who currently represents all of Labrador and a good chunk of Newfoundland, that his riding needs to be split, that Labrador needs its own Member of Parliament. Yet, we see absolutely no recognition in Bill C-74 of that huge geographic land mass.

I chuckle when I think about urban ridings. God bless their Members of Parliament; they work hard and their demands are certainly as much as mine. However, I think they are able to do more with their time than I am. I chuckle when I hear them talk about a tough weekend. When I want to return to my riding to meet with the fishermen of Port au Choix who have had a disastrous year, for example, I leave Ottawa at 7.15 in the morning. I leave Montreal at 10.05 and I arrive at Stephenville at 1.30; I jump in a car and I arrive at Port au Choix five hours later, at 6.30, at which point I start my meeting, a meeting for which departed 11 hours earlier. I spend a day travelling to have such a meeting, and it takes me a day to return to Ottawa. If I want to leave Port au Choix and go to Cape St. George, I have to spend another nine hours driving there.

The Government has not attempted in this Bill—and I suggest that the previous administration, of which I was a Member, did not attempt it hard enough—to come to grips with the reality of Canada where 25 million people are spread

across the second biggest nation on the face of the earth. If citizenship and if service from Government and from Members of Parliament are to have some degree of equality, no matter where one lives, we in Parliament have to begin to address the nature of Canada. The nature of Canada is not only Vancouver, Calgary, Toronto, Montreal and Halifax. Our primary producers do not live in those centres. The people who make their living off the land and from the sea, the people who have dirt under their fingernails, do not live in those centres. God bless the people who do. We in the rural areas envy the amenities which have been provided to them. We as parliamentarians have to do our homework and to take another look at Bill C-74. We have to reach out in all ways and do everything within our power to make Canadians feel that, no matter where they live, they are part of the mainstream and their votes count. We have to make Canadians feel, no matter where they live, that their voice can be heard. We have to make them feel these things by the way we divide political boundaries or constituency boundaries, *circonscription, en français*. This is a bilingual country; I started my French last weekend. I guarantee in six months that I will talk the leg off a brass stove *en français*. We have to begin the process.

I heard an Hon. Member opposite say that I cannot even speak English. That is a frequent complaint made about Newfoundlanders.

Mr. Clark (Yellowhead): You made that up.

Mr. Tobin: We may not be very articulate. Although we are people of few words, although we come here with the handicap of being shy and quiet and unable to express ourselves without the benefit of a written speech, we know our duty and we stand and do our best. I see the Secretary of State for External Affairs (Mr. Clark), who sits next to the Hon. Member for St. John's West (Mr. Crosbie), grinning.

Mr. Clark (Yellowhead): With approval.

Mr. Tobin: As I said a few moments ago, I plead with the Government to take another look at the Bill and to give it another shot by bringing in a Bill which recognizes the rural nature of Canada and the huge geographic land masses and how they are currently represented in the Chamber. I do not necessarily disagree with the Government that it may not be wise to proceed with a formula which will result in ever increasing numbers of Members of Parliament sitting in this Chamber after each census.

● (1630)

I accept the concept that if we simply let it go on *ad infinitum* we can eventually develop a system where we have more Members than are necessary and a cost borne by taxpayers that is not ncessary. As a Member who represents a rural riding I have quite frankly, Mr. Speaker, felt frustrated knowing that I am provided with a budget for a constituency office just like the Hon. Member for Ottawa Centre (Mr. Cassidy), for want of a better example, who is provided with a budget for an office for his constituency which is two square miles and he has his office in the middle of it, when my constituency is 500 square miles. I have my office in the middle of it. I have felt the frustration of knowing that my constituents do not have the same access to their Member as the constituents in Ottawa Centre because they have access to only one office. They might as well be going to Montreal as to try to come to my office to see me from the tip of the great northern peninsula. I have felt the frustration quite frankly of knowing that I have x number of dollars to travel within my riding.

Mr. Waddell: They could hear you for 500 miles.

Mr. Tobin: That's right, I have to speak loudly so they can hear me, echo off the northern lights. An urban Member has basically the same kinds of provisions to do his work. If we are not going to make the changes in the House of Commons within the formula provided under Members' services to recognize the disparity in requirements between an urban and a rural Member, then certainly we have to make changes within the provisions of the Electoral Act contained in Bill C-74 to recognize the geographic differences in the ridings in this country.

I urge the Government, because I think its Members are well intentioned to this point, to go back, to have another look, to seek advice from the Right Hon. Member for Yellowhead who smiles and nods his head with compassion and understanding—

An Hon. Member: And leaves.

Mr. Tobin: —and to do the right thing. Mr. Speaker, I can tell by looking at you and I know from your long years in this place and your distinguished record of integrity and compassion and understanding for we poor, young, inexperienced, rural MPs that you have an appreciation for what I am trying to say today. I recommend to the Government House Leader that he confer not only with the Speaker but confer with the Secretary of State for External Affairs and listen to the modest words of wisdom, the plea of desperation spoken on behalf of the people in the large geographic areas and rural areas of this country.

The Acting Speaker (Mr. Paproski): Any questions for the humble Hon. Member for Humber-Port-au-Port-St. Barbe (Mr. Tobin)? Any questions or comments?

Mr. Waddell: The Hon. Member is so articulate I think if he is ever defeated from this House he could be a good vacuum cleaner salesman.

The Acting Speaker (Mr. Paproski): Are there any other questions or comments? Debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Thank you, Mr. Speaker. The question before us is Bill C-74 which has to do with the representation of the Canadian people in the House of Commons. The proposal of certain safeguards is designed not to recognize the growth of population in some parts of Canada or the shifts in population which have taken place through the past decade and which were reflected in the 1981 census. It

seems to me that the proposal the Government has put before us is pretty clearly a depression proposal. It reflects quite obviously the concern of the Government to avoid expenditure and to undertake desperate measures in order to achieve that.

I am reminded of events of something over a half century ago in the Province of British Columbia, which is one of the provinces which will suffer from the proposal the Government puts forward, which were very much like this. A poor Conservative Premier named Simon Fraser Tolmie was staggering under the burden of Depression problems and he felt sufficiently desperate that he was prepared to consider the advice of a collection of Vancouver businessmen who would tell him how to solve the problems of the province. When this collection of businessmen reported, they had all kinds of drastic measures for balancing the province's budget, as they were convinced in those early days of the 1930s that the very source of the evils under which the people of British Columbia suffered was a budget in deficit. They did not appreciate that it was the falling revenues, on the one hand, resulting from Depression circumstances and the increased costs that produced this deficit situation. They felt that if they could only balance the budget they would save the people of the province.

The Tolmie Government, so convinced of the truth of these principles, which have never been heard of again, listened to this commission of Vancouver businessmen who had proposals for balancing the budget. Those proposals included drastic measures in the educational system of the province including drastic action against the University of British Columbia. For our purposes this afternoon the really interesting proposal was the one to reduce drastically the size of the provincial legislature and see one particular area of expenditure by the provincial Government reduced markedly.

It is a very similar Depression mentality based on similarly primitive economic thinking that the Government has brought before us. We heard this morning from the President of the Privy Council (Mr. Hnatyshyn) a number of arguments for the proposal and I must say in a fairly skillful way—new Members of the House always listen with interest to see what tricks we might learn for passing things off in later years—he had a number of arguments in support of the proposal. One of them was an argument for a more accountable Government and Parliament.

That particular proposition strikes me as quite contradictory to the reality with which the Government has faced us. How it is possible to slow down the legitimate growth or expected growth of the House of Commons and achieve a more accountable House I fail to understand. How it is possible to prevent the people of Canada in the natural increase that occurs and the shifts, the movements of people across the country, how it is possible to force more of them, if you will, to talk to a Member of Parliament and yet achieve a Government that is more accountable, is hare-brained reasoning. It is the kind of argument that this Government will want, I suppose, given 211 Members, numbers it hardly know what to do with in the House, and the conviction it can do anything it likes, and in those circumstances it surely is not necessary for it to add to the number of Members of the House of Commons. There are more than adequate to do the job.

Mr. Benjamin: I would not bet on that.

Mr. Epp (Thunder Bay-Nipigon): As I said, based on the desire to economize, it seems quite contradictory for the Government to suggest that it is going to economize in the area of adding to the number of Members of the House of Commons and consequently hold down somewhat the growth of the salary bill and expense accounts and so on, make savings in those areas and yet begin this new regime by sweeping away millions of dollars spent over the last few years in carrying out the work of redistribution, the work of boundaries commissions, work which was in a state that could have been accepted by the Parliament of Canada quite readily without very much more effort, and obviously without a great deal of expense. That sort of waste by a Government that is anxious about savings strikes me as a second contradiction in what the President of the Privy Council put before us this morning.

Another argument was that to increase our numbers will somehow make it more difficult for Members to participate. Although coming to this House for the first time last fall with a knowledge of the opportunities for participation that Members have had in years past, opportunities to speak at real length on topics, I must say the Standing Orders of the House which restrict one to 20 minutes for most of us private Members on both sides of the House seem to me already a real restriction on participation. There has in fact been a proposal before us which we have accepted and upon which the Government has acted through the new Standing Orders under which Bills will be considered in legislative committees. I am sure Members will have plenty of opportunity to participate. The growth of the House by a dozen Members rather than six would not in fact represent a significant infringement on the opportunities to participate given the way in which the rules of the House presently operate. It seems to me that the argument put before us this morning were contradictory to reality. We have every reason to look very carefully at what the Government is proposing.

• (1640)

It seems to me that with the majority this Government holds and with the conviction that because of the choice of the people, it has the right to do anything it wants, we could end up in highly undesirable circumstances. On our side of the House, we have been pointing out a variety of failures of commission and omission on the part of the Government. I would suggest that the same is true of this Bill.

What I find curious about the way in which this Bill has been debated today is the silence from government Members regarding the proposals in this Bill. One of the features of this Bill, on the face of it, is the doing away with the well established recognition of the Province of Quebec. I am surprised that a Government with so many Members from that province has allowed itself to make this particular proposal in the legislation.

I must also say that this deflation of representation which the Government is putting before us affecting the Province of Alberta and to a lesser extent the Provinces of British Columbia and Ontario should have aroused other Members to protest. I realize, Mr. Speaker, that you, as a Member from the Province of Alberta, are constrained from saying anything. However, I would expect that in private, it would be possible for you to put a little pressure on Members to debate this issue.

As a Member living far from the Province of Alberta, I could, of course, wonder if there is a particular slyness involved in this proposal, the assumption being that after the 1991 Census, it will become clear that the numbers from 1981 would not have justified representation because of the migration from the Province of Alberta that has occurred over the last several years. However, that is a rather sly and insidious notion which I should hesitate to mention since I am trying to create a context of concern for the people of each province of Canada. It seems to me that when Members of Parliament from the provinces of Alberta and Quebec sit silently and let the Government carry on with these proposals to deflate the expected growth of the House of Commons, something quite insidious is going on.

In fact, this action is a revision of the Constitution Act, one of the basic documents of the country. It is a document which created parliamentary monarchy which is based fundamentally upon the will of the people as expressed in the election of Members who serve in the House of Commons. To think that that Constitution can be changed in these insidious ways without arousing Members from all the provinces of Canada is a sorry reflection on the state the Government has reached since September 4, 1984. There is much more reason for concern than has been reflected in today's debate.

In considering the particular problems that will arise if this Bill becomes law, I would like to deal quite particularly with the "province" of northern Ontario. I should, of course, for our friends in the *Hansard* office, put quotation marks around the word "province", although those who recognize Canadian realities realized many years ago that the only appropriate way to deal with the geographic and demographic realities of this country would in fact have been to recognize a province of northern Ontario. Since there is no such province in the Constitution of this country, the operations of Bill C-74 need to be considered very carefully by all of us who are Members of Parliament from northern Ontario.

We have already heard some representation of the difficulties that arise from the present anomalies in sizes of ridings. Before the last redistribution, northern Ontario had 12 ridings. After the last redistribution, that number was reduced by one. The question that will surely arise when the new formula is worked out for the Province of Ontario is what its effect might be on northern Ontario. According to this Bill, Ontario will only get two more seats while there has been very significant growth in population in various areas like Ottawa and Metro Toronto. In fact, there are inequities in representation there and that will create pressures which we in northern Ontario will do our very best to resist.

The challenges to representation that now exist in northern Ontario ought not to be exacerbated in any way. To have only two more seats to deal with all of those difficulties while the population has grown so much in southern Ontario creates a very great pressure on us in northern Ontario. Particularly in northwestern Ontario, the difficulties involved in providing service to constituents, something which is surely fundamental in fulfilling the functions of a Member of Parliament, are very great. I recognize, of course, that my colleagues from the Metro Toronto area have 100,000 or perhaps even 200,000 constituents—

An Hon. Member: More.

Mr. Epp (Thunder Bay-Nipigon): Or more. I heard the figure mentioned before. The Hon. Member really does not need to remind me. There will be some deflation in those realities as well given the Bill before us. However, those Members are still able, without long-distance telephone charges and without unusual amounts of travelling to provide for their constituents. Compared to that, I am inclined to single out the provincial riding of Lake Nipigon because of the incredible problems I see faced by my provincial colleague. The provincial House has 125 seats. One would think that that would make it possible to avoid difficulties. However, the riding of Lake Nipigon which begins about halfway across the north shore of Lake Superior and wraps around the City of Thunder Bay some distance to the southwest is a riding that is very large. The MLA can get to most of the communities he serves only by road. Of course there are northern areas into which he can fly but that requires chartered flights in most cases. The MLA finds himself spending hours and even days on the road simply in order to be able to meet with his constituents in various areas.

I mentioned that particular challenge as a way of indicating that in my own Schedule III riding of Thunder Bay-Nipigon, I face challenges not quite as severe, but a change in distribution along the lines that this Bill suggests would certainly move me in the direction of the challenges faced by the provincial Member for Lake Nipigon. I find myself with communities to which it takes four hours to drive. I leave at 9.30 in the morning, spend some time at a meeting and some time en route and I arrive home at 10.30 that night, as I did just a week ago when I visited one of the small Indian communities. That is a community to which I do not believe I could fly. I have not investigated a charter but I do not think I could fly there. If I wanted to take the train into some of these communities on the northern CN line, Armstrong and Collins on the one side, Ferland and Mud River on the other, around to Auden and through Aroland and Nakina—and I have carefully examined the schedules—I find that a train that goes in one direction is matched by a return train three days later. Using that particular form of land transportation hardly provides for any reasonable form of travel, and that is a line on which there is no matching road at all. A number of those

places are located on lakes or rivers so there is a possibility of flying in but no one is going to tell me that getting to those sites is going to save the people of Canada any money. No one can tell me that there are not costs for the people of Canada involved in extending the size of these ridings. One can take the subway in Toronto and be anywhere one wants to be in Metro and there are streetcars, buses and so on at a quite reasonable cost. However, the expense of serving these northern areas is something which should be kept in mind at a time when we have a Government with a Depression mentality, and which is only concerned about saving costs in a number of areas.

• (1650)

Recognizing that it is access to the Member of Parliament and it is the Member's service to each of his constituents which is a fundamental principle of a democratic Government, I suggest that the proposal put before us by the Government slights those principles. In the desperate pursuit of some saving of money, the Government is prepared to violate time-honoured principles in distribution of representation of the House of Commons, particulrly in the Province of Quebec. I have assailed Members of the Government for their silence on this. It is quite incredible that we have had all of this put before us, a few Members of the governing Party having spoken, and the battle being left to us in the opposition who recognize the challenges which can result from what the Government has put before us, which is an enormous mistake.

Mr. Boudria: Mr. Speaker, I have a brief comment and a question which I would like to raise with the Hon. Member for Thunder Bay-Nipigon (Mr. Epp). The Hon. Member and I represent two Ontario constituencies. I have in the past travelled on a number of occasions to the area represented by the Hon. Member and can relate to the provincial riding of Lake Nipigon which he describes and which was so well represented for a number of years in the legislature by Jack Stokes. The constituency in question, we were told by the Hon. Member, was larger than the country of West Germany and was being served in the legislative assembly of the province by one person. At the federal level, many of the constituencies are even larger than that. I wonder if I could come back to a point I raised earlier. I must preface my remarks by saying I am not trying to put any words in anyone's mouth. I am trying to elicit information and obtain constructive suggestions as to how to reorganize this whole system of electoral redistribution.

I wonder if the Hon. Member could give me his views as to whether he could see some sort of a formula which would use the land mass as a basic criteria, at least for certain regions of the country, such as exist, as I understand it, in the Province of Ontario for its electoral redistributions. I wonder if the Hon. Member would like to comment on that?

Mr. Epp (Thunder Bay-Nipigon): My thanks to my colleague for a challenging question. I am not going to be able to provide him with any formula in any neat way, although I understand that the work done by the provincial legislature, through commissions to establish arrangements, have led in fact to a very complex formula. I realize also that there are dangers in exaggerating representation of land as such. Our system of Government is based on representation of people. However, the key principle linking these two is surely that need for access to the Member to which I referred at the end of my speech, and it is in that context that there must be some recognition of the distances Members face in reaching their constituents, and even more—given the fact that our constituents do not have the travel budgets and funds we have—their difficulty in getting to us. That is a reality which needs to be respected.

We have tried, I suppose over the years, to do that to some extent by being conservative in the representation of areas which were not growing proportionate to the country or to the new regions, and being realistic in recognizing the population growth which was occurring there. What this legislation fails to do is to deal realistically with growth while still, of course, honouring the principle of maintaining or, at least, not decreasing what exists in areas where population is more stable or, conceivably, even falling in relative terms. I think it is a sound principle and democratic for Government to ensure that constituents, in terms of access to their Members, are given some leeway in the arrangement of distribution.

The Acting Speaker (Mr. Paproski): Are there are any other questions or comments? Debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to use the few minutes remaining to say that I was on the Standing Committee on Privileges and Elections and the Committee on Election Expenses from 1968 to 1974. We went through then what we are going through now with respect to the matter of reconciling the principle of representation by population and taking into account our geography and where our people live. This is a non-partisan debate because it affects all Hon. Members and all Parties. Therefore, where I might part company with some of my own colleagues and my own caucus, so be it. I will be parting company with some Hon. Members in the other Parties as well. An Hon. Member who represents an urban riding with 100,000 voters within 50 square miles can keep in touch with his constituents as easy, if not easier, that the Hon. Member who has 50,000 voters within 50,000 square miles. That is what we tried to resolve in 1968, 1969, 1970 and 1971.

In my province we had 25 Members of Parliament with one million people. Then we had 21 Members of Parliament, then 17, then 13, then back up to 14, which is supposed to be the minimum. We have smaller representation with the same population to accommodate the parts of the country which have a larger population. We still have to continue to reconcile the principle of representation by population and at the same time we must take into account where the heck our people live and how accessible they are to their Member of Parliament. If they have to cover a riding of 50,000 square miles, it is a lot tougher than covering a riding like mine with 50 square miles and 95,000 people. That has to be taken into account by all Members. This country does not just consist of downtown

Toronto or southwestern Ontario. It has to take into account whatever we deal with here, every region and every part of the country.

● (1700)

The principle of representation by population is not disagreed with by any other Member of this House, but over the last 15 or 20 years this House has succeeded in reaching some reasonable representation for those with large populations in small ridings and those with small populations in large georgraphical areas. Surely, in a country like this, we can do no less than continue with that. I do not agree that we should increase this House to 350 or 400 Members. Where the hell are you going to put them? Let's have an elected Senate, if we are not going to abolish it, and take care of the other ones there.

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Hnatyshyn, seconded by Mr. Kelleher, moves that Bill C-74, an Act to amend the Constitution Act, 1867, and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be read the second time and referred to the Standing Committee on Privileges and Elections. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Epp (Thunder Bay-Nipigon): On division.

Motion agreed to, Bill read the second time and, by unanimous consent, referred to the Standing Committee on Privileges and Elections.

The Acting Speaker (Mr. Paproski): Order, it being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

MISSING CHILDREN SEARCH ACT

SUGGESTED MEASURE TO ENACT

Mr. Howard Crosby (Halifax West) moved that Bill C-230, an Act to require assistance in the search of missing children, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, as indicated in the motion before the House, I have presented a Bill, the short title of which is the Missing Children Search Act. I will deal with the content of the legislation in a moment. Before I do so, I want to explain in broad terms my purpose in presenting this Bill relating to missing children to the House of Commons for consideration.

For many years those engaged in the administration of justice—police officers, prosecuting officers, social workers and the employees of the provinces and the federal authority who are concerned with justice in Canada—have been faced with the problem of missing children. More important, the problem has had to be faced by the parents and families of those missing children. It is in those interest of the parents and families that I ask the House to give consideration to this matter. While it is a matter of great interest to those responsible for the administration of justice, and while there are a great many technicalities involved in legislation that might be designed to protect children and assist in the search for missing children, we have to put aside those technicalities when we consider the plight of the parents and the families who are the victims of this social situation involving missing children. I want Members to remember that as they consider this Bill. We are not concerned with the mere technicality of the legisative provisions before us. We are concerned with the problem that is presented to Canadian society by missing children. I underline that because I want Members to know that it is not just my idea to do something about missing children. The public has the same idea. An organiation called Victims of Violence wrote to all Members Parliament in January of this year outlining the plight of missing children. I want to read part of the letter. It begins:

> As parents of murdered children, we are deeply concerned with the lack of a good system in Canada to track, and hopefully find missing children.
>
> Firstly, policies must be changed at local levels as far as officially considering a child missing. Usually, since most missing children do show up within a number of hours, police do not respond to missing children reports with the seriousness they do with a missing car.

Without blaming the police across this nation and without condemning anybody involved in the administration of justice, a fact of life in the administration of our penal laws is that a missing child does not receive the same attention as a missing car. Parliament surely has to do something about that. I ask Parliament to consider this legislation that I presented because of that fact. It has been stated by a parent of a missing child. It goes on to say, just to underline the point—as if it needed underlining—that if you were to ask the police in Canada for a list of missing children they would not have one, but if you ask them for a list of missing motor vehicles or recreational vessels, they would have such a list. That is the horrible situation in which we in Canada find ourselves.

I want to again refer to some literature on the subject of missing children. I came across an article in a periodical, *Teaching Today*, which was sent to all teachers in the Province of Alberta. This is from the spring 1985 issue. The author of the article, Aaron Bushkowsky, states that the slowness of local law enforcement authorities with respect to investigation of missing children cases is disheartening. He states, and I want to make this point very clearly:

> —to be missing is not a crime:

Because being missing is not a crime, the police are often excluded from the process and procedure involved in the

search for missing children. That is exactly what this Bill is designed to deal with. Let me very briefly outline the provisions of the Bill which I have introduced.

What it does is define a missing child. It simply says that a child under the age of 16 whose whereabouts is unknown to his or her parent is a missing child. It is as simple as that. When a child is missing, the parent under this legislaiton has the right to execute a warrant which is then given to any police officer in Canada. The police officer is then required to commence a search for the child. I am sure the representative of the Minister of Justice (Mr. Crosbie) if he has an opportunity to speak on this Bill, will say that this Bill creates difficulties with respect to jurisdiction between the Parliament of Canada and the legislatures of the provinces of Canada. I certainly admit that that is a problem. I have attempted to overcome that problem by declaring that the missing child procedure as outlined in the Act is to be part of the criminal law of Canada. Clearly the Parliament of Canada has the right and authority to legislate with respect to criminal law. Whether that disposes of the argument I am not prepared to say except that it is the best attempt that I can construct. I want to return to the real heart of the problem which is the missing children across Canada.

Statistics are lean. Inquiries have been made. The Ministry of the Solicitor General of the Province of Ontario had a missing children project and it attempted to compile some statistics. The indication was that approximately 1,081 children are still missing in Canada. That does not include the thousands and thousands of cases involving missing children which are resolved quickly or over a period of time. In the United States it is considered to be an even greater problem with literally thousands and thousands of cases being reported. I have an article here which indicates that no one is sure of the exact numbers but it is estimated that 1.5 million children are missing from their homes each year. The report indicates that many or most of them are returned but some of them end up as victims of abuse or victims of homicide.

If the Parliament of Canada cannot act to at least provide some method or process to deal with the problems, then we are shirking our responsibility to the people of Canada, in particular to the parents and families of missing children. We want to find a viable method that can assist in resolving the problem. Nothing is perfect. Let me depart from that point by saying that so often in the House of Commons and legislatures across the country we abandon any hope of taking action for fear that our action may not be as effective as it could be. In other words, we do not make a start. Missing children is an area in which we have not made a start. At some point we must put some legislation on the statute books which at least recognizes that there is a problem under the laws of Canada and the provinces with respect to missing children.

● (1710)

I do not want to reflect badly on the police, but the problem is that missing children do not fit into our framework of criminal law. The extent to which they fit into the framework of child protection laws is lacking in effectiveness. Child protection laws are affected by provincial boundaries which are difficult to cross in search of a missing child. In some cases it is even difficult to cross municipal boundaries in search of a missing child because quite often child protection agencies are confined to a municipal territory. It has been demonstrated time and again that there must be a national vehicle for dealing with missing children.

The second point which gives rise to legal difficulty with respect to missing children is the characterization of that state. If a 15-year old simply wants to escape the wrath of a person in the home, or for some almost legitimate reason wants to leave home, we must consider whether the child is not entitled to protection outside the home. Consequently, in that kind of a situation, the police authorities are unwilling to become involved and often the child protection authorities act without haste. We get confused in terms of trying to characterize the case. Once you recognize that there are almost legitimate cases of missing children, you tend to colour all the reported cases with that possibility and give the benefit of the doubt and some police agencies and other persons engaged in the administration of justice prefer to take no action. The result is that nothing happens and the missing child is then endangered by being subjected to harmful treatment or even, in some cases, homicide.

We are trying to characterize the cases of missing children which should be assisted by the legal process. That is the first task of this or any Bill which purports to deal with missing children. The second task is to provide a process which will allow a search for missing children and for the return of them to their proper homes. The fact that this Bill may not accomplish that and that some more perfect means can be imagined is not an excuse for not making a start.

I do not want to take all of the time which is available to me because I know there are other Members who want to speak on this Bill. However, I should not leave this subject without referring to the fact that there has been a great deal done by various organizations which are concerned about the subject of missing children. A program called *Adam*, which was aired in the United States on NBC Television and subsequently in Canada, brought a great deal of national attention in the United States and in Canada to the subject of missing children. It also brought attention to organizations such as Child Find and its programs. There is an organization called the National Centre for Missing and Exploited Children which regularly publishes pictures and identifying material concerning missing children. In many cases, this has resulted in the lost child being found, often in very difficult circumstances.

I do not want to imply that there are not a great many Canadians and other people across North America vitally concerned with this matter and who have taken steps to resolve it by forming organizations in the hope of getting all of the people who are interested in the problem together. I would like to emphasize the fact that most of this work is being carried on by volunteers in our society. That does not excuse Government from taking a specific interest in the matter and seeking

techniques, processes, and procedures that will assist at Government levels in resolving this problem.

I would like to end my remarks by repeating that my motivation for bringing this matter before Parliament is to get recognition of the fact that missing children are a problem in Canadian society. We have seen heinous crimes involving missing children. We have seen difficulties experienced by families of missing children. I have responded to this problem by formulating Bill C-230, the Missing Children Search Act. That is only to demonstrate that it is possible to have legislation. I am sure that there are greater legal minds than mine which can formulate more effective legislation. I hope that those minds will be put to work on this subject rather than having it merely swept away and forgotten to become another musty record of the House of Commons. I appeal to all Members of the House of Commons to take into account the concern that has been and will be expressed with respect to missing children. Let us make a start.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I congratulate the Hon. Member for having brought Bill C-230 to the attention of the House. It is a very important subject indeed when we consider that over 1,200 children over the age of 10 are known to be missing. There are 160 children under the age of 10 who we know are missing in this country as we speak right now. In any given year 2,000 children are reported missing. This happens as a result of many things. Some children leave the home, some are abducted by strangers, and some are abducted by family. It is with regard to the latter that I want to make my remarks this afternoon.

On October 13, 1982 a child by the name of Tina Lynn Malette was abducted. At the time the child was in my daughter's class at school. She was abducted by her natural father who, for all intents and purposes, had never seen the child. The father had only lived in this country for a short period of time. He came from another country, abducted the child, and took her to Tunisia. To this day we are still looking for a way to bring the child back to this country. We have found out where the child is and the mother can speak to her by telephone, but we are not able to return her to this country. I have asked for the assistance of the Right Hon. Secretary of State for External Affairs (Mr. Clark) and I believe that he has done all that he can. However, unfortunately, there are no extradiction treaties between Canada and Tunisia and we are, therefore, powerless to do anything.

The father was never married to the mother and never lived with her for any length of time. For all intents and purposes, he was a complete stranger to that child before the date of the abduction. Since this man is the father of the child, Tunisian authorities claim to have sufficient legal grounds to allow her to stay there. They claim that they have no authority to deport the child. Of course, this is the daughter of a citizen and therefore the child is a citizen as well, even though she never lived with the father, does not bear his name and the father does not even have a birth certificate which attributes him with the paternity of that child. Nevertheless, the child is there.

• (1720)

On several occasions I have attempted to do what I could about this situation. In July, 1983, I wrote a letter to a Member of Parliament from Tunisia whom I met at a parliamentary conference and who purported at the time to be interested in the case. He never responded. In December, 1983, I wrote again to that same Tunisian Member of Parliament about the same issue but the letter was never answered.

I wrote on two other occasions to the leader of the only political party, as I understand it, in that country. Those letters were never answered either. It was only this year, once I became a federal Member of Parliament and raised the issue in the House that we could at least get some reaction from the Tunisian authorities. At that time the Tunisian Ambassador finally said that there was nothing he could do about the case. It is strange that if they thought they were so right in their actions that they would find it so difficult to express it publicly before.

Be that as it may, after writing to the Tunisian Ambassador in December, 1984 and February, 1985, we managed to get some form of a statement from the Ambassador in April or May of this year when he expressed the position of his country which I have already enunciated.

The Secretary of State for External Affairs tells us that the only way to bring this child back to Canada is to launch legal proceedings in the courts of Tunisia. A number of people whom I know have started a Tina Lynn Malette trust fund. A number of prominent people from the Ottawa-Carleton area are trustees of this particular fund. We have begun to raise the money necessary to hopefully launch a successful legal campaign in order to return the child to Canada.

As a father of two children, with one child who was in the same class as this particular girl, one really discovers how powerless each one of us is if someone wants to come to our home and take our child away to another country or even a different province in certain cases. Even if that man was the natural father of the child—because he was otherwise a total stranger, not even in possession of a birth certificate or anything else acknowledging the paternity, much less a passport or visa—what would be the difference if someone came to my house and took away my child who was the same age, her best friend and in the same class at school? I suggest the situation would be almost identical.

If it was my child who was over there, what would I do to bring her back? I would probably do the same as the mother of Tina Lynn Malette and cry a lot and try hard without success to this point. I do not believe that all those officials with whom I have dealt on this issue had anything else but good intentions. Certainly, the Right Hon. Secretary of State for External Affairs and his precedessor as well as others have made a legitimate effort to assist me and, of course, my constituent in bringing this child back. However, we have not had any success as yet. I commend any Member of the House who attempts to work in such a way as to enhance the chances of bringing lost children home.

The situation that I have described is somewhat different than the one brought to our attention by the Hon. Member who proposed the Bill, but it is another example of lost children in this country and how each one of us, as parents, are really powerless and helpless when these things happen. We always think that it happens to someone else, but this incident happened so closely to me that I really believe I would be totally powerless. I am sure when Members think about it seriously, they will see that we are powerless in such cases.

I tabled a petition in the House earlier this year, consisting of some 7,000 names of Canadians who are concerned about the case of Tina Lynn Malette and wanting a resolution to the problem, urging the Government of Tunisia to bring her back. Of course, it still claims that under its law it is not possible.

It is my hope that the legal action that has begun will be successful. I cannot wait for the day when we will go to Mirabel Airport and hopefully take the child off the plane. However, it is bound to be a while yet. Certainly I, and I am sure my colleagues, intend to allow this Bill to pass. It is a good Bill with good intentions.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on behalf of the New Democratic Party to speak to this interesting Bill. Before doing so, I want to make a couple of comments. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) made a very powerful and interesting speech. For the record, I would like to associate myself and I believe my Party with the cause of Tina Malette. I hope that the Government and the Ambassador of Tunisia are listening and will be sent a copy of *Hansard* to see that there is unanimity in the House of Commons with respect to this issue.

Second, I want to take this opportunity to say personally, Godspeed and recovery to the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens). She is a wonderful person and a great friend to all of us in the House. It would be nice if she were watching—I do not want her to become more sick by watching the House of Commons—and I hope she will get better and return to the House quickly. I believe that hope is shared by all Members.

Let me make some remarks about the Bill and the speech made by the Hon. Member for Halifax West (Mr. Crosby). I wanted to hear some facts and figures from the Hon. Member for Halifax West but they were given by the Hon. Member for Glengarry-Prescott-Russell. I believe it is necessary to have more detailed facts on the number of missing children to determine the number missing as a result of a family situation, a non-family situation or whether it is a poor family home situation where the child seems to have run away.

I attempted to find those facts in the Badgley Commission but there is not much information with respect to the problem of using the police power to return missing children as proposed by the Hon. Member in his Bill.

I certainly agree with the Hon. Member that it must be a terrible experience to be a parent of a missing child. As I listened to the speech by the Hon. Member for Halifax West, it appeared that there is a grass roots movement to deal with this problem as often happens in Canadian society. Members will recall the group called MADD. These were people against impaired drivers. They campaigned for tougher penalties because some of their family members had been victims of impaired drivers. They began to pressure Members of Parliament. They were not represented by any funded group, business or labour body. They were ordinary Canadians who were concerned about this problem.

Members of Parliament did receive a letter from a group called The Victims of Violence and I thank them for writing to us. We appreciate the kind of grass roots nature of this group. I will come back to that in a minute.

• (1730)

The Hon. Member for Halifax West says that the police do not respond as quickly to missing children as they do to missing cars and boats. That is a pretty sad thing. I cannot believe, although one notes the concern with property in our society, that that is the situation. The Hon. Member tells we there is no list of missing children but there is a list of missing cars and boats. I agree with him that that sounds wrong and it is terrible. He said that to be missing is not a crime. He is right. This is one part of his Bill I did not understand. Perhaps when it gets to committee the point will be clarified. Is this an amendment to the Criminal Code or not? I think it should be, and it should not stand as a separate Bill. If it becomes an amendment to the Criminal Code, there are certain aspects of the Bill we should look at very closely. We have to balance our concern against missing children and the ability to do something in terms of an investigation and in getting the children back.

Some of the wording in his Bill is not crystal clear. I know he said that this was a general approach to flag he issue and to keep pressure on so that something will be done. I have looked at Clauses 6 and 7 of the Bill. Clause 6 calls for a person to advise the Minister in writing that a police officer has refused to assist in the search for a missing child and that the Minister may order the police officer to take certain actions. In Clause 7 there can be a search warrant to search premises and so on when people suspect a missing child is involved. This goes a little far, and there are some civil liberties concerns here. Do we want to give the police that kind of power? Can that kind of power be abused? We have to weigh that against the concern of getting the bureacracy, and I include the police, to pay more concern to missing children as opposed to missing cars and boats.

The Hon. Member said that 1.5 million children went missing each year in the Unites States.

Mr. Crosby: Mr. Speaker, I rise on a point of order. I do not want to interfere with the debate and I hesitate to interrupt the Member, but since there are people listening to the presentation, I want to make it clear that I was taking the information from a presentation made by an organization called Victims of Violence. It is that organization which made the statements about missing children in relation to cars and other matters.

Mr. Waddell: I will accept that statement, Mr. Speaker. I can see that happening.

The Acting Speaker (Mr. Paproski): That really is not a point of order. It is a point of clarification. I hope we will not get into an argument.

Mr. Waddell: The organization made the statement. It is a serious allegation, Mr. Speaker. We are more concerned about property than we are about people. We are more concerned about missing cars and boats than about missing kids. If that is true, it is something we have to change.

The Hon. Member said that 1.5 million children went missing each year in the United States. That is an awful lot of children. We could do well when this Bill gets into committee to debate why that situation is happening. Is it because our victims, in a sense runaways, are a product of home abuse? Are they taken away by another parent because of marriage breakdown and the difficulties associated with that? Are they abducted by the Clifford Olsons of this world because of crime in our society? It would be good to have a breakdown of those figures.

We need to look at the cause of the situation. Is it racism in the United States in terms of black families? Is it poverty? There is certainly a lot of poverty in the United States and in Canada. That should be investigated when we consider the Bill in committee.

I can tell the Hon. Member that there are different ways of dealing with—and I don't think they are mutually exclusive—missing children. One is enforcement; putting some fire under the police in a procedural legal way to search out and take serious reports of missing children. Another way is to deal with the matter in a preventive state so children never go missing in the first place.

In my province of British Columbia, the Government has cut back family services. It has cut back services to children. It has cut back on the number of social workers and on abuse centres. We should be looking at those as preventive measures. If we can ensure strong families, ensure that people do not live in poverty and ensure that there is no family abuse, then things at the other end will change and we will have fewer missing children.

I have to point out that this is a Government prepared to cut back on family allowances while spending a billion dollars to bail out a bank. If the Government cuts back on family allowances, it will guarantee more family problems because income is being cut back to families that really need it. You cannot have it both ways, Mr. Speaker.

The Badgley Report of which I spoke listed a number of preventive measures. It suggested minimum standards of service be set up for the police and for the social workers. The report talked about sexual abuse cases. In this context, the same could be said generally about missing children. A way of reporting to the police, getting the information to other provinces and agencies, ways of making people aware should be approached. It was suggested we have an office of a commissioner for children which would bring some of these departments together. These are useful suggestions. I think the Hon. Member and I agree that what he was reflecting today is the general grass roots feeling saying that bureaucracy is not doing enough, the police are not doing enough, and it is of real concern that no one is listening and we are frustrated. These are real problems and they must be listened to.

There is alienation and frustration in our society which is reflected in problems like missing children. I know some of it is inevitable and it has always been with us. It seems in our materialistic society that there are more breakdowns and less stability in the family and in society. This is reflected in prostitution where the frustrated in a less caring society find they must resort to prostitutes. It is reflected in children running away and in the crazies in the streets, the Olsons of this world, who murder children. It is reflected in all sorts of ways. That is the negative aspect to society. On the positive side the Hon. Member has taken the time to bring this Bill forward. He is responding to a grass roots situation. I have some concerns about the wording of the Bill, the civil liberties aspects and the way it fits in with the Criminal Code. Also I have some concerns about whether it would really be effective. However, I say to the Hon. Member that it is an initiative well worth looking into.

• (1740)

I will take my seat now and hope that the Bill will pass into committee today so that we can discuss the matter further.

Mr. Alan Redway (York East): Mr. Speaker, I welcome the opportunity to say a few words in support of Bill C-230, standing in the name of the Hon. Member for Halifax West (Mr. Crosby), an Act to require assistance in the search for missing children. As he has indicated, the propose of the Bill is to make it possible for the parents or persons responsible for a child who is missing to obtain assistance to locate that child in Canada. Human and other resources are part of the administration of justice and should be made available for that purpose. Of course the purpose of the Bill is to try to make them available.

I am particularly interested in supporting it because of my own personal experience with a friend, Mrs. Inge Cant, who has gone through a terrifying experience of a similar nature with her own child. Mrs. Cant separated from her husband in about 1981. They had one child. They fought a very bitterly contested custody battle. She received custody from the courts. Her husband appealed and received access to the child on weekends. On one of those weekends, he and the child, Jonathan, disappeared. Mrs. Cant then spent 20 months trying to find her son, Jonathan. Not only did she spend that length of time, but she spent a lot of her own money. Mr. Speaker, you may have read about this case in the newspapers. I should like to quote from an article which appeared in *The Toronto Star*, on February 16, 1984. In part, it reads:

> With painstaking accuracy, Inge Cant has kept accounts.
>
> From the $100 long distance telephone bills, to the $20,000 legal bills, the search for her abducted son, Jonathan, cost more than most people could afford.

Certainly more than Cant, a legal secretary who made about $20,000 a year, could ever hope to pay for on her own.

But from the day Jonathan was taken from Cant's estranged husband . . . the search was on. In total, it cost Cant, her family and friends more than $100,000.

That $100,000 was spent as follows—$40,000 for private detectives at $35 per hour, $20,000 in legal fees and other expenses for long distance telephone calls, travel and accommodations. Finally, her search took her to Australia; after 20 months she located her son in that country.

She took with her to Australia a police officer who kindly agreed to accompany her. She paid all the expenses of that police officer to go with her to Australia to try to bring back the child. Once they had boarded the airplane with the child, Australian police got on and took her and the child off the airplane, because the estranged husband had obtained a court order to fight for custody in that country. She had to go through the custody struggle all over again.

Finally, she is back here in Canada with her son, Jonathan. However, the estranged father, who went to Australia on a stolen passport, still has it. She lives in terror that everything will happen again. As I said, it cost here some $100,000 to find her child. That is the type of problem which the Bill tries to address and tries to find a logical solution for.

Just this afternoon I talked with the Deputy Chief of Metropolitan Toronto, Jim Clark, about this problem. He told me that in the last 10 years in Metropolitan Toronto there have been 64,000 reports of missing children and that that figure did not include those abducted by their parents. Of that figure, six have remained missing for a period of over one year. Also he said that from 35 to 70 cases involving missing children are outstanding in Toronto at any one time.

The Hon. Member for Halifax West referred to a number of voluntary organizations which are interested in and try to assist with this problem. Child Find is one to which my hon. friend referred. It takes the fingerprints of children and tries to use them for assistance. There is the Child Photo Program which takes photographs of children, and of course there are the block parent programs which try to keep an eye on children in neighbourhoods. All these organizations are helpful, but it is a sad commentary, as other Hon. Members have said, that it has to be done by volunteers and that the Government is not involved in the program. It is high time the Government became involved.

Also Deputy Chief Clark of Metropolitan Toronto said that the United States had a federally funded program called the National Centre for Missing and Exploited Children. It coordinates information on missing children. We do not have such an organization in Canada. Our police departments are linked by computer and they have to try to search out information via computer when they obtain a report on a missing child. Unfortunately they cannot necessarily access the computer information of all other police departments. The present system is ineffective in dealing with the problem. We need something like a national centre for missing children. It may well tie in with the program under the divorce legislation as well as the maintenance and custody legislation currently before the Standing Committee on Justice and Legal Affairs. Perhaps that information system can be used to assist in these situations.

The Hon. Member brought forward another excellent suggestion as to how this matter should be dealt with. In one way or another, I believe that the matter has to be dealt with quickly by Parliament. We should refer the Bill to the Standing Committee on Justice and Legal Affairs today so that we can get on with solving the problem.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I should like to begin by congratulating the Hon. Member for Halifax West (Mr. Crosby) on bringing forward Bill C-230. I assure him and all Hon. Members in the House that the Liberal Party supports the Bill in principle. We in Her Majesty's Loyal Opposition would like to see the subject matter referred to either a legislative committee, especially set up to deal with the subject matter, or to the Standing Committee on Justice and Legal Affairs, so that we can look into the entire question of missing children. The Hon. Member made an excellent submission. I assure him of our full support in having the subject matter dealt with as expeditiously as possible.

I need not articulate the pain and anguish which parents suffer as a result of their children who go missing. If there is anything that we as parliamentarians can do to try to assist those parents in finding their children, I think we will have served this subject matter well. The fact remains that nationally we are not doing what we can to assist parents. The Hon. Member for Halifax West has introduced a particular Bill which will address the problem in a particular fashion. As other Hon. Members have indicated, as of January, 1984, a total of 1,224 children between the ages of 10 years and 16 years went missing in Canada. An additional 160 child under the age of nine years were also missing. In total, over 2,000 children are reported missing each year. The Canadian Police Information Centre usually has an accurate record of the number of children missing but not the circumstances of their disappearance. Some police departments across the country may enter incomplete descriptions or conflicting information. As the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) pointed out, missing children fall into three categories—runaways, stranger abductions and parental abductions. Contrary to popular belief most police departments do not wait a prescribed period of time, for example 24 hours, before recording a child as missing. They treat each case individually, taking into consideration factors such as whether the child is known to be a runaway or there are feuding parents where parental abduction is likely.

● (1750)

As other Members have indicated, corporations are eager to get involved in searches for missing children. There are more than a dozen corporations who want to put their names and dollars into any program involving missing children. So we have the private sector that is quite prepared to get involved in this particular area, to try to assist in whatever way possible. What we need is a federal Government initiative. We all know

that there is no Canadian legislation dealing specifically with missing children.

In the U.S., as has been pointed out, the Missing Children Act was signed into law in October of 1984. It provides a $4 million fund administered by the Department of Justice to co-ordinate the work of volunteer groups and help them establish toll-free telephone lines and information clearing houses. I think the Government of Canada should look at that particular legislation as a model and as a basis to develop our own procedures to deal with missing children. The United States also requires Attorneys General in each state to allow parents access to police computer systems to ensure that their missing children's names have been entered and if not to find out why not. In this regard it is important to note that RCMP officers and officials of Statistics Canada have not kept national statistics on missing children since 1976 because of conflicting reporting methods. This is another subject matter that ought to be considered by the appropriate committee.

The Liberal Party as well as, I am sure, all Hon. Members in this House are extremely concerned with respect to the problem of missing children. Last February Mr. McGuigan, an Ontario Liberal Member of Parliament, released the results of his three-month study on missing children. He concluded that police departments lack the resources to conduct proper investigations, that Governments have been slow to pass legislation to protect children and that there is a low level of public awareness of this particular problem. His report is an important contribution to the literature that we already have on this particular subject. Mr. McGuigan debunks many of the myths concerning missing children. Some of his conclusions are that most children who run away do so because of intolerable conditions at home, not because they are searching for fun and adventure as some would argue. They are often fleeing from physical, emotional or sexual abuse.

While about 95 per cent of missing children are runaways, an increasing number are victims of abduction. Few children abducted by strangers are recovered alive. The abductors include pedophiles, pornographers, black market baby peddlers or psychotics. He says "Child prostitution, sexual and physical abuse, mental anguish and torment and even death await many of these children in such unfortunate circumstances".

There are an increasing number of cases involving the abduction of children by parents, usually after a divorce or a custody battle. The McGuigan Report said that the main motive is revenge against the other parent, not love for the child. It is a mistake to assume that children abducted by parents are in no real danger. Organizations which are concerned with such children have reported that the majority of them were either beaten, molested or neglected.

Mr. McGuigan also noted in his report that there were 22 children murdered in Canada last year and that children frequently are the victims of serial murderers such as by Clifford Olson in British Columbia and by U.S. mass killer Henry Lee Lucas.

Mr. Speaker, may I take this opportunity to applaud the efforts of Mr. McGuigan on that in-depth study in which he was involved. He indicated that he plans to introduce a resolution in the legislature in Ontario asking for a full scale inquiry into the problem of missing children and hopes that this inquiry will be conducted by the Legislature's Social Development Committee.

Among some of the recommendations in the McGuigan Report is that a province-wide and eventually nation-wide registry of missing children should be established. I think that is an excellent suggestion and something that Parliament can address and can do so quickly. He also noted that police forces are hampered in their investigations by the lack of an up-to-date central data base. Once again, the federal Government can assist with respect to an up-to-date data base to ensure that as much information as possible is available to parents and others, including police departments in the search for missing children.

It is important to note that most abducted Canadian children are taken to the United States, where provincial custody orders are not always enforced. The McGuigan Report stressed that there has to be a broader international agreement to respect foreign court orders. I call on the Government of Canada to address the problem of parents who abduct their children and take them to foreign jurisdictions, especially to the United States. I should point out that several nations have signed an international agreement called the Convention on the Civil Aspects of International Child Abduction which binds the signatories to help return missing children within their boundaries. France, Portugal, Switzerland, Ontario and several other Canadian provinces have ratified the agreement. Britain and the United States have signed it but have yet to ratify it.

In conclusion I would urge all Hon. Members in this House to support this particular Bill in principle and to refer the whole subject matter of missing children to a parliamentary committee to ensure that whatever can be done is done by this Parliament to assist those who have searched in vain to find missing children. I think it will be a tremendous step forward and a credit to each and every Member of this House.

Thank you, Mr. Speaker, for giving me the opportunity to speak on this most worthwhile proposal.

Mr. Don Ravis (Saskatoon East): Thank you, Mr. Speaker. I do not have very much time but I certainly intended to make a presentation on this Bill and I will go through some of the highlights very quickly.

I support this Bill particularly because it is national in scope and because of the fact that we are bringing to the recognition of all Canadians that there are many Canadian families who are undergoing a great deal of anxiety and suffering. In the City of Saskatoon with a population of 180,000 we had something like 1,205 children reported missing in 1984 and 1,200 were found. Five of those children are still missing and I say that that is five too many.

I would like to very quickly touch on a program that has been operating in Saskatoon as a result of the Child Find Program which operates across Canada and in the United

States. This particular program is called All About Me ID and it was referred to by a number of other speakers this afternoon. The instigators of this program, in conjunction with a number of corporate sponsors and a number of media, designed a passport—I have a copy of one here—which includes the picture, fingerprints, and medical history of the child and also a fair bit of information in terms of preventative care. In the City of Saskatoon I am sure we would not have had 1,200 missing children if many parents had taken some of these precautions.

As it is very close to six o'clock I will not have an opportunity to make my complete presentation here. I think there are a number of excellent points in this Bill and one of the things I want to touch on, which may be in opposition to what I have heard from some of my colleagues, is that in my view Government cannot do everything in this country. I very much applaud the gentleman from Halifax West who is suggesting that we have this Act passed. However, I think the private sector, as proven in Saskatoon, can play a very important major role in seeing that they, too, can become involved in assisting the police, the national agency and of course the provincial agencies through the Attorneys General. I would certainly like to see this Bill passed by this House and referred to the Committee on Justice and Legal Affairs for further consideration.

● (1800)

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, sitting through this debate has been a highlight for all present because it has shown us the kind of message that the committee on enhancing the role of the private Member has been trying to convey, namely, that the private Member has an extraordinary opportunity to bring to the attention of the House issues that might be overlooked by Government and by other leadership. As we have seen today, it is possible for a Member to rouse the House of Commons to focus its attention on a pressing and important human issue. I know that we are all grateful for that.

[*Translation*]

The Acting Speaker (Mr. Paproski): The hour allocated for the consideration of Private Members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

Adjournment Debate

BANKS AND BANKING—ROLE OF CHARTERED BANKS. (B) EXPENDITURES OF TAXPAYERS' MONEY

Miss Aideen Nicholson (Trinity): Mr. Speaker, on another occasion during the Adjournment Debate I stressed my agreement with the Minister of State for Finance (Mrs. McDougall) when she spoke of the importance of confidence to the health and stability of our financial institutions. I pointed out that when Opposition Members ask questions in the House, it is not out of a desire to undermine confidence or create doubts or uncertainty; on the contrary, it is because we have a responsibility as Members of Parliament to assure ourselves and the taxpayers that the decisions made by the Government are sound, reasoned, considered and based on full and complete information.

Since the Government first announced its intention to bail out the Canadian Commercial Bank on March 25 we have tried repeatedly but with limited success, to assure ourselves of the Government's care in examining all the information before committing large sums of taxpayers' money.

We in the Official Opposition supported the Government in the original rescue operation because, although we were not given a full account of what had occurred, we expected to get one when the matter reached committee stage. We also believed that the Government's statements about the Canadian Commercial Bank's viability were based on fact and analysis.

The Standing Committee on Finance, Trade and Economic Affairs was in fact given relatively narrow terms of reference when it came to study the CCB issue. We were operating under significant time restraints and for various reasons much of the information requested by the committee was not provided. We were not much better informed after the committee's examinations than we were before. This is why, when the CCB's closing was announced on Labour Day, we came back into the House asking many of the same questions we had been asking all along, questions to which we still do not have full answers.

We know enough from what has been said in the House and from what has been said by players in the financial and banking community to be sure that the Government's many assurances about the effectiveness of the bail-out and the viability of the CCB were not, as we had believed, based on knowledge of the facts. I have not counted the number of times the Minister of State for Finance has said that she acted on the best information available at the time. She has said it often but she has never told us just what that information was.

We know that the decision to bail out the CCB was reached without a full assessment of the bank's loan portfolio. Some of the banks taking part in the bail-out offered to provide expert staff to conduct a complete audit over the weekend the negotiations were taking place. We know that this offer was refused, and that instead the unprecedented decision to use taxpayers' money to bail out a bank was taken with only partial analysis of the bank's loan portfolio and, furthermore, that the CCB itself decided what segment of its loan portfolio was made available to the bail-out group.

● (1805)

The Minister had access to the reports of the external auditors of the CCB but she has not given any assurance that this information was used in the decision-making process. It seems as though there was information available that the Government did not use when it decided to bail out the CCB, and since we are not getting any specific answers about what information was used, we must conclude that last March the Government took an enormous and unwarranted leap of faith.

Not until mid-July did the Government set about finding out just what it had got itself into, and not until mid-August when the results came in did the Government know what little basis there was to believe the bail-out would have saved the CCB. This is an error of truly mind-boggling proportions.

We have had an attempted bail-out which resulted in the failure of two banks, and which will cost the taxpayers of this country up to $1 billion. We have seen the Government bail out a bank, then liquidate that bank and another. Shortly we will be debating the legislation to reimburse uninsured depositors in those institutions, and those who made the decisions that are now costing taxpayers $1 billion are refusing to provide information to this House and refusing to give straight answers to the questions that we as responsible Members of the Opposition have been asking.

The establishment of a commission of inquiry, as announced by the Prime Minister (Mr. Mulroney), takes the matter outside of Parliament. While the commission may be a useful and valuable exercise, it does not answer for the fact that the Government and its Ministers are accountable to Parliament for their decisions and actions and that so far they have not seemed willing to satisfy the House that they have acted properly.

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, it is unfortunate that Hon. Members of the Liberal Party and the New Democratic Party did not agree at an earlier stage some three or four weeks ago to the proposal of an all-Party committee and it is unfortunate that they have not asked proper and straightforward questions because they would have received proper and straightforward responses.

The Hon. Member and her colleagues have on several occasions suggested that the arrangements for the support of the Canadian Commercial Bank in March were put in place by the three Governments, six chartered banks and the Canada Deposit Insurance Corporation without adequate knowledge of the condition of the assets of the Bank, and that they relied solely on information provided by the Bank. It has also been suggested that one or another of the chartered banks offered to provide personnel in sufficient numbers to have carried out a more complete examination and that the Government declined such offers.

It is the case, however, that an independent review of certain of the assets was made by a team drawn from a number of the participating banks, working under the direction of an official of the office of the Inspector General of Banks. During the week of March 18, assets booked in both Edmonton and California were reviewed. In the course of discussions with the participating banks, the question of asset values naturally received a great deal of attention.

Accordingly, on Friday, March 22, arrangements were made to have credit officers of some of the participating banks review a sample of the loans to be included in the support arrangements. That work was carried out on Sunday, March 24, by 10 or 11 bankers at the two locations. As mentioned, those officers devoted their attention to the loans identified by the bank as being unsatisfactory.

Following the completion of the support arrangment, two bankers were appointed as special representatives of the Inspector General of Banks as required by the agreement. Over a period of several weeks those individuals reviewed all of the accounts included in the support arrangement.

As the Minister of State for Finance (Mrs. McDougall) has said more than once, the decision to proceed with the support package was based upon the best information available at the time. Of necessity, in the circumstances, that information was primarily prepared by the bank but it was subjected to a degree of independent review by experienced bankers. The support group of banks offered to participate in a review. The offer was accepted by the other participants, including the CCB itself, and a group of bankers was made available for the prupose. All participants recognized, however, that the final decision and announcement had to be ready for the opening of business on Monday, March 25, 1985.

● (1810)

TRADE—PROPOSED EEC TARIFF ON BLUEBERRIES. (B) EFFECT ON EMPLOYMENT IN NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton-East Richmond): On March 21, Mr. Speaker, I asked a question of the Minister of Agriculture (Mr. Wise) concerning a commodity in my province which was being cited by the European Economic Community. They were to impose a sanction, if you will, on the importation of blueberries into the EEC.

I want to say at the outset that the whole issue of trade and trade policy is very important and very germane to any economic policy the Government wishes to see followed. In my province of Nova Scotia we have a number of products which are earmarked for export, both to the rest of Canada and to the international market. We think it is very peculiar, if not strange, that the Government of Canada has been somewhat slack in meeting its responsibility to protect those markets for our producers, whether they be producers of blueberries or any other commodity.

I am not talking about protectionist measures, I am talking about a policy whereby those markets could be improved upon. I do not see from this Government or the Minister of Agriculture any coherent policy to assure those markets which we have enjoyed over the past number of years. Those markets create hundreds of jobs for Nova Scotians in an area where the economic situation is not al that good. I had hoped that the

Minister of Agriculture would have shared with us the answers to the questions I had raised.

For example, is there a Cabinet directive? If there is, will it be considered by the relevant committee? Who are the negotiators in Brussels in this regard and what will they do or not do? Unfortunately, he has not. What we have found is a sort of jump here, jump there, jump everywhere approach by this Government. There is no coherent, well thought out policy.

Then, of course, the issue of competence and being able to execute such a policy is certainly in question by all members in view of the disastrous steps which had been taken concerning the collapse of the two banks and the bail-ou of—

Mr. Dick: Blueberries or banks?

Mr. Dingwall: He chides me regarding this industry in Nova Scotia. I want to tell him that this industry is an important one to approximately 800 people. It is important that the Government of Canada be sensitive to the industry and those people involved. I hope the Hon. Member, when he stands in his place to give me a response, will be very forthcoming with the answers I have requested of the Miister of Agriculture on this topic. I hope he understands what I and my Party are attempting to do.

We are not trying to play one region off against the other. We hope the Government will initiate policies which will give us an opportunity in the poorer provinces of this country to raise our families and enjoy a good lifestyle. It does not serve us well in Atlantic Canada, including those workers, for the Hon. Member opposite to make fun, to laugh, and to accept these representations in jest. He should be more serious and diligent on behalf of all those workers in the economy of the Province of Nova Scotia.

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): First of all, Mr. Speaker, a note should be made that no one was laughing and that nothing whatsoever was taken in jest. If the Hon. Member would like to try and tailor his remarks to the question he put, he might do an awfully lot better. The question has nothing to do with banks, and in fact this question first arose before there was any collapse of any bank. Considering that the Hon. Member did not know what he was talking about, although he comes from an area in which this product grows, it is rather unfortunate that he was not better prepared.

● (1815)

I am pleased to elaborate on the answer that was provided to the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) on March 21 regarding the hypothetical imposition of a tariff on Canadian blueberries entering the European Economic Community.

As the Hon. Member pointed out last March, the ECC had officially notified GATT of its intention to retaliate against quotas that the Canadian Government imposed on imports of beef and veal when we invoked the Meat Import Act on January 1, 1985. The European Economic Community threatened to impose a 25 per cent tariff on imports of Canadian blueberries. The tariff was supposed to go into effect on April 15 and last until the end of the year. Retaliatory actions were also threatened against our exports of beef, veal and pork offals, natural honey, mustard seed and flour, maple syrup, rye whiskey, feeds and unmanufactured, unstemmed tobacco.

The European Economic Community is our leading customer for blueberry exports. In recent years the European market has accounted for nearly 60 per cent of our blueberry exports worth an average of $15.5 million per year. Last year our exports gained strongly, thanks in part to the lower value of the Canadian dollar compared to the U.S. dollar, the absence of tariff barriers, and a strong market development effort by Canadian producers in co-operation with the federal Government.

I should explain that under GATT rules Canada has the right to take action restricting beef and veal imports, but adversely affected trading partners, such as the EEC, also have the right to retaliate if it is not possible to negotiate a mutually agreed upon solution. Mr. Speaker, officials from the Department of External Affairs have, in fact, negotiated an equitable solution to this problem and the blueberries were not affected.

PORNOGRAPHY—REQUEST FOR STRONGER LAWS

Mr. Jim Jepson (London East): Mr. Speaker, I welcome the opportunity to raise the issue of pornography in the House of Commons once again. I am sure that every Member of Parliament agrees that this is one issue which must be kept on the top of the agenda. This House has an obligation to give as much attention as possible to this matter until significant progress can be made in arresting the harm that is being inflicted on our children, our families, and our society.

There are not very many issues which enjoy such a broad base of support as does the opposition to pornography. Everyone recognizes that pornography is a bad influence on those who are directly involved. As well, I think everyone would agree that even those who choose not to involve themselves, including most of society, are in many ways hurt by it. Many innocent young people, and indeed Canadians of all ages, become victims of those depraved individuals who feed on the warped moral values depicted through the pornography industry.

People who buy pornography, and people who become wealthy in promoting it, do so with the justification that they are not hurting anyone. Who are they kidding? It is very clear in speaking to police, doctors, and social agencies, that this industry is claiming more victims with each passing day. People who buy pornography, first and foremost, hurt themselves. It is quite clear that it draws people into a vortex of dependency and addiction leading to increasingly more difficult tastes to satisfy and to a host of related personal problems. More importantly, the person who buys pornography contributes to the health of a vast and growing industry.

This industry does not exist without supporting a great many undesirable industries, including drugs, prostitution, crime, and the exploitation of women and children.

Finally, those who say that pornography does not hurt anyone are ignoring the effect it has on a community where it is permitted in plain sight in the local variety stores, and now in the shops that rent videos for home use. Our children begin to take it for granted when they see adults making use of such material. Do we want the children of our country to consider such trash as the norm? Absolutely not.

• (1820)

The political and social traditions of our country have overwhelmingly supported our community's proper role in defending itself from the creeping social disintegration that is, in a continuous cycle, both a result and a cause of pornography, and a direct attack on the family unit which I believe is the foundation stone of our country.

The Minister of Justice (Mr. Crosbie) has indicated that the Government will present a package of legislation to deal with pornography some time around Christmas. The Government will, to some extent, anchor this legislation on the recommendations of the Fraser Report on Pornography and Prostitution.

The Fraser Report presents a very sophisticated analysis of the problem, but there was a strong suggestion of tolerance toward the pornography that is not of the most offensive quality—that is explicitly violent, or featuring children. In fact, the report recommended that if pornographic material does not reflect these two themes, then it should be freely available if it is marked clearly and only sold to adults over 18. This is totally unacceptable.

Most Canadians do not want pornography in their corner stores, and most do not want to encounter it at all. There is absolutely nothing good or of redeeming value about pornography. So if some people do want it, let us not make it easily accessible.

Because of the increasing flood of pornography on the market today, I believe the time has come for Parliament to deal with its removal in a decisive and forthright manner. Too often in the past, our legislators have been handcuffed by a definition of pornography that is at the same time narrow and vague. Too often material has been defended because it might not be associated with some overt violence, or because it has some transparent claims of artistic merit. Only if the Government provides a broad and sweeping definition of pornography will significant gains occur in reducing this problem.

I believe the stiffest penlaties should be reserved for material exploiting children, or displaying violence. The publishers, wholesalers and retailers of these materials must be held accountable through our courts.

At the same time, let us never for one moment show the slightest tolerance for other forms of pornography. I hope the Government will show the decisive leadership that is necessary to reverse the alarming trends that have been developing. A good example is reflected by the adolescent-oriented material we see daily on television that is obscene in every sense other than the graphic depiction of obscenities. This process can only start with the Canadian people clearly stating, through the Government in Parliament, that pornography in our society is both undesirable and unacceptable. I believe it is our responsibility as legislators to provide the necessary laws to protect our children, not only from the harm inflicted by those individuals who absorb pornography, but more important, from the gradual destruction of their collective sense of moral standards. The future of Canada, above all, depends on the healthy and mature attitudes of our younger generation. I urge the Government to act on this before it is too late.

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I am pleased that my hon. colleague has brought this topic up for a more detailed reply than can be given during Question Period. Of course, I am happy to see that so many Members of the House here tonight who want to be informed further on this subject.

Recent years have seen a dramatic upsurge in the availability of sexually explicit material, a significant diversification of form of that material such as paperback books, comic books, movies, video tapes, so-called marital aids and other paraphernalia and an ever extending system of distribution of the material.

In 1981, the Ministers of Justice and National Health and Welfare created the Committee on Sexual Offences Against Children and Youths, known as the Badgley Committee. The report was submitted on August 22, 1984. It contains recommendations for amendments to the Criminal Code to prohibit the use of a person under the age of 18 years in the making of ponorgraphy and to prohibit the possession and distribution of such material. Further, it recommends that the sale of pornographic materials to persons under 16 should be a criminal offence and that measures should be adopted to improve the investigation and enforcement of these offences. These recommendations are being reviewed by the Department of Justice.

On June 23, 1983, the Minister of Justice announced the creation of a special committee to study pornography and prostitution, under the chairmanship of Mr. Paul Fraser, Q.C. of Vancouver. The committee held a series of public hearings in 20 cities across Canada. The interest generated by the work of the committee was apparent at the public hearings, where there was very active participation of both organized groups and concerned citizens. The Department of Justice conducted a program of empirical research for the committee. This program included: a national population survey on the attitudes and views of Canadians concerning the control of pornography; a comprehensive review of the literature on the impact of pornography; experimental studies on the effects of pornography, and several other related studies of areas not covered by existing research findings.

• (1825)

The report of the Special Committee on Pornography and Prostitution, the Fraser Committee, was tabled in the House of Commons on April 23, 1985.

The proposals of the Fraser Committee with regard to pornography would fundamentally alter the present Criminal Code provisions on obscenity. Mere possession of certain clearly defined pornographic materials, most notably child pornography, would be a criminal offence. The distribution or sale of materials falling within a category of "sexually violent and degrading pornography" would be proscribed unless the material could be shown to have educational or scientific purpose or artistic merit. All other sexually explicit materials would be required to be enclosed in a wrapper and clearly labelled so those who wish could avoid exposure to such materials. Sale of all types of pornography to those under 18 would be prohibited.

The recommendations of the Fraser Committee are now under review by officials in the Department of Justice, and following a period of consultation with provincial Governments and private sector groups, the Minister of Justice (Mr. Crosbie) will announce the Government's response to those recommendations and those of the Badgley committee.

Until a Federal Court of Appeal decision in March, 1985, *Luscher and the Department of National Revenue, Customs and Excise*, customs officials could interdict at the border materials which they deemed to be "immoral or indecent" pursuant to a provision of the Customs Tariff. The court struck down this legislation as unconstitutional on the basis that it violated Section 2(B) of the Canadian Charter of Rights and freedoms,—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Parliamentary Secretary but his time has expired.

Mr. Dick: Could I have unanimous consent to continue, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I regret but the three minutes provided for the answer have terminated.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, October 2, 1985

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

CORPORATE AFFAIRS

TAKEOVER OF GULF CANADA—TAX RULING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the federal Government has granted an extremely unusual, if not unprecedented tax ruling to participants in the Gulf Canada takeover. Up to $1 billion in tax revenue is at stake in this issue. I believe it is critical for Parliament and Canadian taxpayers to know whether there was ministerial involvement in this tax ruling or whether the matter was determined solely by officials of the Departments of National Revenue and Finance. Parliament has a right to know whether the extraordinary tax break was the critical element in the Gulf takeover bid.

This tax ruling raises extraordinary matters of ministerial responsibility, concentration of economic power, and the appearance of fairness. I have repeatedly stated that the most effective means of attacking the federal Government's deficit is by a thoroughgoing examination of corporate tax breaks. This tax ruling is a classic example of my point.

I have no doubt that the businesses involved in this matter acted within their rights, but it is not clear whether Cabinet Ministers acted in the public interest. The tax deal and the huge sums of money involved in the Gulf deal should be examined by Parliament in detail. For a business to seek a favourable tax ruling is perfectly legitimate. It is equally legitimate for Canadian taxpayers to know whether and why a tax break of up to $1 billion was granted.

* * *

NATIONAL DEFENCE

OVERHAUL OF DESTROYERS

Mr. Derek Blackburn (Brant): Good news, Mr. Speaker. Canada's aging St. Laurent-class destroyers are finally coming out of the dry dock. They have been stranded for months while major refits have fallen further and further behind schedule. Now we know that the first destroyer will indeed be ready in time to take up its vital task in defending Canada—to be scrapped or mothballed. That's right. The Government is spending $15 million to overhaul these 30-year-old ships at the same time as it is taking them out of service.

Won't Canadians be proud to know that their navy won't have to be shamefully towed to the junkyard? Instead, Canada's navy can hold its head high as its once proud vessels steam steadily on to the scrap heap. Can't you just see all hands on deck in their spanking new uniforms, saluting their commander as he hands over the keys to the highest bidder? Won't taxpayers be proud to know that the metal that gets melted down into their next Toyota will be taken from the finest fighting ships Canada can muster?

You would think that the Government would be proud of its latest effort to streamline Canada's navy and create jobs at the same time. Think of the benefits to the museums and scrap dealers of Canada. Why does the Government want to cover up this great success story?

* * *

SCIENCE AND TECHNOLOGY

GOVERNMENT COMMITMENT

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, Canadians had a vigorous debate in recent months on Canada's participation in SDI. I welcomed the Government's decision not to participate. I did so for a variety of reasons, but primarily because I felt strongly that as Canadians we should set our own research agenda. I believe we should concentrate our research initiatives in areas crucial to our economic and social well-being; on things such as transportation, telecommunications and related aerospace systems, on health care, agriculture, forestry, mining, microelectronics, robotics, and our ability to live and work in northern terrains.

It is essential that we compete in the technological world of tomorrow. To do this, we must ensure that we have the scientific and engineering capability to be at the leading edge of future technologies. We must fund the academic and research components of our colleges and universities to ensure the future availability of those required skills, expertise, and new technologies.

Technology is one of our greatest engines of economic growth. Support for research is fundamental to establish a new era in science and technology to meet future challenges of our economic planning. I commend the federal Government for its commitment to exploit this opportunity.

S.O. 22

[*Translation*]

THE ECONOMY

GOVERNMENT ACHIEVEMENTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, everybody, including the members of this House, knows that the Liberals, sadly bereft of Members and funding, can no longer afford proper research services. They have to rely on their instincts and the headlines in the media. That is the basis on which they are using, and will continue to use, the time of the House: by asking insinuating and insidious questions which mislead Canadians by camouflaging the real issues. The Liberal Government failed miserably on the important issues, specially those related to energy. And the few remaining members have failed in their role as parliamentarians.

During the election campaign, Mr. Speaker, we said that we intended to put the economy back on a sound basis and get this country out of the situation it was put in by the Liberals.

Today, the *Globe and Mail* published the following headline with commentary on pages B1 and B10: "GDP grows 1 per cent during July". So far, since we came to power, the economy has outperformed the expectations of our forecasters. The output for 1985 will be 4 per cent higher than in 1984, and this will apply to all sectors: housing, manufacturing and durable goods.

Mr. Speaker, these statistics were published yesterday by Statistics Canada. I wish the Liberals would learn to read and comment on the important issues instead of indulging in this eternal nit-picking.

* * *

[*English*]

EXTERNAL AFFAIRS

ISRAEL—AIR RAID ON TUNIS CONDEMNED

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, it is my imperative duty to call the attention of Parliament and of the Canadian people to the unbelievable aggression of Israel against Tunisia which is located over 2,500 kilometres away from Israel. Not only is that bombardment an inexcusable aggression, but moreover, it is targeted against the most moderate Arab country whose President, Mr. Habib Bourguiba, has advocated, since 1965 in Jericho, an approach different from that of every other leader in the region with regard to the fact of the existence of Israel.

Besides these tragedies committed against Tunisians, that aggression has jeopardized the peace process and the imminent negotiations between the U.S.A. and a joint delegation of Jordanians and Palestinians.

I do appreciate the condemnation issued by the Secretary of State for External Affairs (Mr. Clark) who stated unequivocally the illegality of that aggression.

[*Translation*]

Mr. Speaker, I am very sad to see that the State of Israel is getting involved in institutionalized terrorism.

Throughout the world, including in Lanarca not long ago, there are people who commit crimes, but this does not mean a Government should kill or mutilate innocent people as the Government of Israel has done in Tunisia.

* * *

[*English*]

CORPORATE AFFAIRS

TAKEOVER OF GULF CANADA—POSITION OF LEADER OF THE OPPOSITION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, what is it about Petro-Canada that causes the Liberals to have such selective memories? Last December we heard the Leader of the Opposition (Mr. Turner) call for an inquiry into tax questions surrounding the PetroCan purchase of Petrofina. Today he calls for another inquiry. He showed no embarrassment that it was a Liberal Government, rather than a Conservative one, which gave $200 million in tax breaks to the Belgian owners of Petrofina enabling them to avoid payment of capital gains tax in Canada.

Now he is hot on the trail—after *The Globe and Mail*, of course—of the Olympia and York-Gulf-Petro-Canada dealings of last summer. He tells us that the partnership agreement between Gulf and Norcen to own and then resell the Edmonton refinery to Petro-Canada will cost the taxpayers millions of dollars. He selectively forgets that this artificial partnership arrangement, part of the corporate take-over game, was a Liberal tax law.

● (1410)

The Conservative Government gave special tax breaks to the Reichmanns to help them pay for Gulf, and Canadians deserve to find out just how much was given away and how. However, Canadians should also know that it was Liberal give-away tax laws which were used by the companies and the Government, the hypocrisy of the Opposition notwithstanding.

* * *

MARINE SAFETY

TRIBUTE TO MARINE RESCUE AUXILLIARY

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, this past weekend I had the privilege of attending a dedication ceremony of a new marine rescue vessel to be based in Sidney, in my riding, and named after Mr. Jack Simpson, the first westerner to be elected National President of the Power Boat Squadron and a founding member of the Marine Rescue Auxilliary.

Marine safety is a matter of growing concern for Government as even greater numbers of Canadians are taking to the

water for their recreation. Others have spoken in the House, and I identify with their remarks, about the need for increased funding of our Canadian Coast Guard. Frequently lost in this debate is the very valuable role played by the Marine Rescue Auxilliary, those men and women who contribute so generously of their own time and their own money so that all of us can enjoy our waters in greater security. I know that you, Mr. Speaker, and other Members of the House would wish to join me in giving recognition and expressing our gratitude to Auxililiary members like the late Jack Simpson for this important voluntary service.

As a footnote, I would ask that those involved in disposal of Crown assets give serious consideration to making available to the Auxilliary, at book cost, marine equipment judged surplus through normal replacement. In this way the valuable work of the Marine Rescue Auxilliary can be enhanced and expanded to provide even greater security to those many of us who enjoy recreation on the water.

* * *

[*Translation*]

DISASTERS

HELP PROVIDED BY CANADIANS

Mr. Gilles Bernier (Beauce): Mr. Speaker, in recent weeks, several events have disrupted the lives of people in Mexico and the United States.

The earthquakes in Mexico and the damage caused by Hurricane Gloria, specially in the New England states, have once again given Canadians a chance to show their generosity.

Mr. Speaker, I would like the House to pay tribute to all Canadian men and women dedicated to helping those in need, and this includes Governments, public servants, relief organizations, rescue teams, workers and private citizens. I think it is only natural to congratulate those involved on the good work they have done in these and similar circumstances.

Mr. Speaker, I would like to pay special tribute to the teams of workers who agreed to go to the United States to help restore power supplies in areas that were badly hit by the storm. Hydro Quebec and its employees are doing fantastic work and are worthy representatives of our country. Thanks to their contribution, our relations cannot but improve.

Mr. Speaker, to all those dedicated Canadian men and women, I want to say: Bravo! and thank you on behalf of all Canadians who are proud of what you are doing.

S.O. 22

EMPLOYMENT

CN LAY-OFFS—IMPACT ON MARITIME PROVINCES

Mr. Fernand Robichaud (Westmorland-Kent): Last Friday, Mr. Speaker, the CN announced 1,328 lay-offs in various yards throughout Canada.

An Hon. Member: Shame!

Mr. Robichaud: Not only are those job losses considerable, but Eastern Canada yards will be hardest hit by the lay-offs.

Two hundred and twenty-five jobs will disappear in Moncton, New Brunswick, including 73 as early as October 11 and the remainder slated to be gone by December 31. Mr. Speaker, the CN's decision shocks me and makes me very upset.

The fact is that Moncton CN yard workers got together last summer and forcefully demonstrated against the impending CN lay-offs. Through the Hon. Member for Moncton, the Minister of Transport had assured the demonstrating workers that he would speak out against massive lay-offs. There again, Mr. Speaker, the Government chose to betray the workers.

I therefore urge the Government to reverse the decision of the Crown corporation which has been insensitive to the plea of its workers. It has to realize that the loss of those jobs will have dire consequences in the Maritime Provinces.

* * *

MUNICIPAL AFFAIRS

ANNEXATION OF VERDUN TO MONTREAL CITY

Mr. Gilbert Chartrand (Verdun-Saint-Paul): This coming November 3, Mr. Speaker, most of my Verdun-Saint-Paul constituents will vote in a referendum on Montreal's proposed annexation of Verdun.

Federal Members of Parliament have no say in matters such as this one which falls under exclusive municipal jurisdiction. Still, Mr. Speaker, may I urge all my fellow citizens of Verdun to become fully cognizant with all the implications of this important vote, particularly by attending the forthcoming public gatherings. I emphasize that as many Verdun residents as possible should vote in the referendum so that the voice of the people might be heard quite clearly, for the future of the City of Verdun is theirs alone to decide.

The simple fact that the Cities and Towns Act calls for a referendum when enough people are against annexation attests to the great significance of this decision and should be reflected in the interest shown by the people. I intend to follow the debate very closely, convinced as I am that the residents of Verdun will vote in the best interests of their community.

● (1415)

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA—REPORTED TOUR OF PLANT BY MEMBERS OF PARLIAMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. This morning, in St. Andrews, New Brunswick, former and current plant employees of Star-Kist stated at a press conference that eight Conservative Members of Parliament from New Brunswick toured the Star-Kist plant on April 22, one week before the former Minister of Fisheries overruled his inspectors and released tainted tuna on the market on April 29.

Does the Prime Minister still expect Canadians to believe that after eight Members of Parliament from his caucus toured the plant, assured the workers they would raise the matter in the highest councils of the Government, they did not raise the matter in caucus or with him directly? Is he asking the country to believe that?

Right Hon. Brian Mulroney (Prime Minister): Yes, indeed, Mr. Speaker. What I have said is exactly what transpired.

The only major item that I can remember, where there was a conflict between a Member of this House and someone else, involved the Leader of the Opposition when Mr. Trudeau accused him of misrepresentation of events in his recollections of events.

Some Hon. Members: Oh, oh!

Mr. Mulroney: My recollection has been consistent and honest from the beginning, unlike some other Members of this House.

Some Hon. Members: Hear, hear!

REQUEST THAT CORRESPONDENCE BE TABLED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are not on the hustings. We are not in an election. We are in Parliament.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I think the country expects a straight answer from the Prime Minister of Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have a supplementary question for this Prime Minister. Would the Prime Minister table in this House correspondence between himself and his office and the eight Members of Parliament concerned from New Brunswick relating to this issue or other relevant matters?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not aware of any such correspondence. But I will tell my right hon. friend that not only has the country been getting a straight answer, but I have stood in this House and I have responded fully to questions from my hon. friends. I have challenged the Right Hon. Leader of the Opposition that if he has anything at variance, let him put his seat on the line and I will meet him.

Some Hon. Members: Hear, hear!

REQUEST FOR MINISTER'S CORRESPONDENCE

Right Hon. John N. Turner (Leader of the Opposition): That kind of bravado and that kind of bluff are not going to fool anybody, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): Let's have a full-fledged sword fight.

Mr. Turner (Vancouver Quadra): The only Member from New Brunswick who did not attend the Star-Kist plant was the Hon. Minister of Forestry, who happens to be the regional Minister from New Brunswick.

Would the Prime Minister instruct his Minister of Forestry to table all correspondence relating to the Star-Kist matter?

Mr. Clark (Yellowhead): Put your seat on the line.

Right Hon. Brian Mulroney (Prime Minister): I should refer to a document released by the Prime Minister's Office on May 11, 1984, Mr. Speaker. When my hon. friend talks about the accuracy of recollections, Prime Minister Trudeau in reference to this gentleman said:

> The Prime Minister responded that that was surely a misrepresentation of events.

That was Liberal Prime Minister Trudeau speaking about a Liberal leadership candidate. That is what happened in 1984.

* * *

● (1420)

[*Translation*]

DISARMAMENT

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I think the Prime Minister would be well advised to concentrate on the problems facing this country today instead of talking about problems that existed a long time ago.

Mr. Speaker, my questions are directed to the Right Hon. Prime Minister.

[*English*]

I would like to ask him a question. A major obstacle to the current Geneva disarmament negotiations is the refusal of President Reagan to place the star wars program on the negotiating table. Yesterday, Canada's disarmament ambassador, Doug Roche, advised a committee of the House that the Government had "consistently" taken the position that the star wars issue should be placed on the negotiating table. Would the Prime Minister confirm that this has been consistently the position of his Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, perhaps the Hon. Member would be able to be more current with these events if he had more time to spend in the House. He would know that this question has not only been raised but has been answered. He would also know that when the Geneva talks first commenced involving Mr. Gromyko, the then Soviet Foreign Minister, and Mr. Shultz, the question of space was on the agenda. It remains on the agenda.

[*Translation*]

GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to put a supplementary to the Right Hon. Secretary of State for External Affairs.

Yesterday, the ambassador for disarmament stated it was the Government's position that star wars would have to be put on the negotiating table and be part of the negotiations. Is that the Government's position, yes or no?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the position of the Canadian Government is that the space issue must be on the negotiating table. It was the Government's position when the Geneva Conference was called and it was the Government's position yesterday, and today, when the ambassador for disarmament discussed that position.

* * *

[*English*]

FISHERIES

SALE OF CANNED TUNA—REQUEST FOR COMMITTEE REFERRAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. The whole tuna episode is becoming more bizarre with every passing day. Given that the information comes out in dribs and drabs about who was involved and who knew what, does the Prime Minister not now feel that it would be appropriate, in the public interest, to have this whole matter reviewed by a committee of Parliament in order that the public of Canada can know what actually happened?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I stood in this House of Commons, as a Prime Minister must, and I responded for a week fully, completely, and accurately to every question that was put forward including some, I think my hon. friend would agree, that were unworthy of the House in the manner in which they were put.

Mr. Deans: Not asked by me.

Mr. Mulroney: The Prime Minister's responsibility—and it is the responsibility of any Minister of the Crown—is to respond completely and totally to questions put to him. That is exactly what I have done. I can think of nothing that would improve upon that at all.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is directed to the Prime Minister. Surely he recognizes that, notwithstanding what he may believe to be true, there are any number of people who have made contradictory statements. It is important, in the public interest, that the public be able to hear the answers given by those individuals to the questions from Members of Parliament. Does the Prime Minister not recognize that this is not an internal Conservative matter? It is a public matter which ought to be looked at in a public forum, and that public forum is a committee.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks the same question, but in a different decibel tone, I will admit. It is the same question coming back and forth. The fundamental question is that matters, as raised by Hon. Members on the floor of the House of Commons, were responded to fully by the Prime Minister and his colleagues. I went further and suggested to any Hon. Member of the House that if he or she has any information at all at variance with that, let him or her produce it and accept the consequences. That is the way the parliamentary system is supposed to function, and that is the way we propose to have it function.

Some Hon. Members: Hear, hear!

● (1425)

OFFICIALS' KNOWLEDGE

Mr. Ian Deans (Hamilton Mountain): In a different decibel tone, if I may, Mr. Speaker, the facts are very clear. There are those who are now employed within the Ministry of Fisheries and Oceans who have direct information relative to what took place leading up to the decision by the Government to take the tuna off the shelves. Those people have not been able to answer the questions—

Mr. Speaker: Order, please. This is a third question.

Mr. Hnatyshyn: He's calling you to order. You have to sit down when he stands.

An Hon. Member: He can do his job without you.

Mr. Speaker: Order. May I look at both sides and say there has been a great deal of back and forth today which would be nice to avoid.

Mr. Deans: Notwithstanding the Prime Minister wants to answer everything himself, would he agree that those individuals who have direct knowledge, who were involved in the process, should be able to answer to the Parliament of Canada and should be given a chance so to do through the parliamentary system?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I never sought to answer everything myself. What I did do, and as a Prime Minister ought to do, I think, was to respond to every question no matter how discourteous or unworthy from some quarters of this House. That is the essence of parliamentary behaviour. All of the information that my friend sought—

An Hon. Member: You are stonewalling, Brian.

Mr. Mulroney: —I have provided fully—

Mr. Deans: No.

Mr. Mulroney: —and completely.

Mr. Deans: No.

Mr. Mulroney: That is what Question Period is all about. That is what this House of Commons is all about, and Canadians know that.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—STATEMENT ATTRIBUTED TO UNITED STATES AMBASSADOR

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed as well to the Prime Minister. Since the statement last Thursday on the proposed negotiation with the United States, the Government has given no information to Canadians about what kind of industries will be part of that negotiation. At the same time we have had a wide variety of American officials giving us the benefit of their wisdom on what should or should not be negotiated by Canada.

In particular, Mr. Speaker, the United States Ambassador in Saskatoon yesterday said: "Vital issues on national identity and regional development should be involved in the negotiation". He named banking, publishing, broadcasting, and lumber as examples.

Mr. Hnatyshyn: Question.

Mr. Axworthy: When will the Government begin to give us a clear idea of what industries will be involved in the negotiations? And when will he begin answering those U.S. officials so that we can set our own negotiating position and not have to rely upon U.S. officials to tell us what we should be talking about?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Ambassador of the United States is, of course, free to indicate what the United States would like to see in any negotiation, if there is to be a negotiation. The Prime Minister of Canada and I, and other Ministers of this Government, have made it clear that in negotiations which might proceed, the cultural identity of Canada is not negotiable by this Government, which has recently asserted the sovereignty of Canada after the former Government declined to do that—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Too much to late.

Mr. Clark (Yellowhead): —for 16 long years.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Canada's social programs are not on the table because they are part of the fabric of Canada. Those assurances have been given. The Hon. Member should stop trying to sow fear in the country.

Mr. Axworthy: Apparently, Mr. Speaker, the Secretary of State for External Affairs is incapable of understanding the difference between trying to get the proper information so that Canadians can properly debate this issue, and sowing fear.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): I want to ask the Secretary of State for External Affairs specifically, does he agree, or is the Government rejecting the position of the U.S. Ambassador that we should restrain our lumber exports, that we should put banking, publishing, agriculture and other issues of a cultural nature on the bargaining table. Is the Minister denying at this time that the U.S. Ambassador is wrong? Or is he saying he is right in saying those things should be negotiated?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it may not be asking for much, but I hope this answer is clearer than that question.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The American Ambassador is free to state what he wants to state regarding the position of Canada.

Let me make two points, if I may, briefly, Mr. Speaker. I believe that Canadians, as we anticipate these negotiations, are interested in looking at two things. First, we want the interests of Canada to be protected, culturally and socially, and very much our commerical and economic interests. Second, we

know that if negotiations proceed we will be entering into negotiation with a very tough group of negotiators in the United States. What I am being invited to do here is to convey in advance, by way of the Liberal Party in the House of Commons, the negotiating position of Canada that we might take to the table. That would be a recipe of failure for Canada. I do not intend to indulge in that Liberal approach to failure.

• (1430)

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I suppose it clearly is Wednesday.

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DISARMAMENT

GENEVA DISCUSSIONS—UNITED STATES STRATEGIC DEFENCE INITIATIVE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Prime Minister, and indeed only the Prime Minister can answer it.

Some Hon. Members: Oh, oh!

Mr. Nystrom: I would ask Joe if I were you.

Ms. Jewett: However, my question is for the Prime Minister. The important point about which Ambassador Roche spoke yesterday was that he understood that the Prime Minister will be bringing up with President Reagan, when they meet later this month, the matter of the Strategic Defence Initiative being on the table at Geneva. Will the Prime Minister confirm that he will be asking the President to put SDI on the table in Geneva?

Mr. Nystrom: And Joe.

Ms. Jewett: Joe isn't the person we were talking about.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have always respected the status of the Hon. Member as the spokesperson on external affairs for her Party and I hope that, since the matter falls within my jurisdicton, she will accept my reply.

First, although I would have to check the "blues" of the committee, something which may well be unparliamentary, I believe that the Hon. Member has inadvertently characterized the remarks of Ambassador Roche in a way that is not strictly accurate. I would have to check that out. The point is that Canada has welcomed from the outset the inclusion of the question of the discussion of space in the Geneva Accord. It is entirely possible that that matter may be raised when the Prime Minister and other Summit leaders meet with President Reagan prior to the Reagan-Gorbachev meeting. There is no new development. Nothing new has happened.

PRIME MINISTER'S MEETING WITH UNITED STATES PRESIDENT

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I made very careful notes and I quoted the remarks exactly as I took them. I would not like to ask a question of the Secretary of State as he is not meeting the President. I wish he were, but he is not.

Mr. Nystrom: He's better than Brian anyway.

Ms. Jewett: Therefore, I would like to ask the Prime Minister if, when he meets the President, he will press him to do the very thing that Ambassador Roche understands he has already agreed to do, namely, be sure that star wars is on the agenda in Geneva.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, through the intermediation of the Prime Minister, the Ambassador for Disarmament and many others, Canada has worked consistently to try to bring an end to an arms race that we believe is threatening to all Canadians. We intend to continue to proceed with that posture.

We believe that the meeting that will be occurring between Mr. Gorbachev and Mr. Reagan is a meeting of historic proportions. I think it is helpful that the United States has decided to consult with its allies prior to that meeting. The Prime Minister of Canada will speak in the interest of a peaceful world at that meeting, as he has at others.

Ms. Jewett: I need to ask a further supplementary question.

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FISHERIES

SALE OF CANNED TUNA—REQUEST FOR COMMITTEE REFERRAL

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. In view of the statements made this morning by former employees of Star-Kist in St. Andrews, New Brunswick, in view of the continuing series of contradictions that have been so evident with respect to the entire tuna question, and because we in this House have to accept the Prime Minister's statements, I would ask the Prime Minister why he will not agree with the request made by both opposition Parties that this whole matter be referred to a parliamentary committee for review and that all those involved in the tuna question be given a chance to testify so that we can get to the bottom of the matter. Why will the Prime Minister not agree to that?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Nielsen: Again I would draw to the attention of the Hon. Member the fact that this kind of question has been answered over and over and over again.

Mr. Hopkins: But with no answer.

Mr. Nielsen: As the Hon. Member knows, being an experienced Member, he ought not to do so in such a repetitive fashion because it is offensive to Citation 359 of Beauchesne's.

Some Hon. Members: Oh, oh!

Mr. Nielsen: In addition, perhaps the Hon. Member is unaware that the Standing Committee is meeting. If he is so all-fired anxious to ask all these questions and have the answers repeated, why does he not do so before the Standing Committee that has been authorized to deal with all of the Estimates of the Department?

STANDING COMMITTEE HEARINGS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I would say with respect to the well experienced Deputy Prime Minister that the public is not aware of Citation 359 but is aware of contradictions in statements from that side of the House.

Mr. Speaker: Order, please.

Mr. Tobin: Is the Deputy Prime Minister now telling us that if the Standing Committee on Fisheries is prepared to examine this matter, he will make available to that committee Mr. Anderson, other employees of the Prime Minister's Office and employees of the Department of Fisheries, along with their documents, to explain the obvious contradictions with which the public is fed up, regarding this entire matter?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the only really glaring conflict between two national figures of which I am aware has already been brought to the attention of the House by the Prime Minister, and that was when the then Prime Minister Trudeau responded that the now Leader of the Opposition was surely misrepresenting events.

Ms. Copps: Cover up.

Mr. Nielsen: If the Hon. Member is so interested in the fisheries problem—

Some Hon. Members: Cover up.

Mr. Speaker: Order, please.

Ms. Copps: Mulroneygate.

Mr. Speaker: With respect, I am sure it is difficult for others if the noise is such that I cannot hear the answers.

Mr. Nielsen: I never thought that I would have any difficulty being heard, Mr. Speaker.

If the Hon. Member is genuinely interested in the fishery, he will keep track of events as they are occurring with respect to the organization of the Standing Committee. If he were doing that, he would know that arrangements are being made for a briefing of the Standing Committee members by the Department. I would urge him to stay in town, attend those meetings and bring himself up to date.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—CULTURAL INDUSTRIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Prime Minister. The U.S. trade representative responsible for Canada, William Merkin, has now followed the path of Ambassador Niles by specifically mentioning Canadian control in book publishing as a policy the U.S. wishes to change through free trade negotiations. Will the Government take the opportunity to make it crystal clear to the Americans that our cultural industries including book publishing, movies, radio and t.v. are excluded from the forthcoming negotiations, or is the Government going to permit U.S. officials to—

Mr. Speaker: That question is very long.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I welcome the opportunity to make it crystal clear again that Canada's cultural identity and integrity are not negotiable.

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex-Windsor): The Minister has used the same phrase which causes the same confusion in the cultural industries of the country. Why is it that the Government is being so weak willed on this issue when last week the provinces unanimously indicated that the cultural industries, not cultural integrity, should be left out of these negotiations? Why is it so weak willed—

Mr. Speaker: Order.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member may recall, and certainly other members of his Party would, that it was in 1979 under a Progressive Conservative national Government that, for the first time, the public policy of Canada began to address directly the importance of cultural industries as industries contributing to the growth of this country.

Some Hon. Members: Hear, hear!

• (1440)

Mr. Clark (Yellowhead): That was the commitment of this Party at that time. That is our commitment now and will be our commitment in the future. What we are looking to is a Canada that is not only culturally stronger but a Canada that is economically stronger. We believe that involves taking initiatives—

Mr. Speaker: Order, order.

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—GOVERNMENT DEPOSITS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. After the March 25 bail-out of the Canadian Commercial Bank, the Government assured us on many occasions that the bank was viable. However, by the end of July the Government had reduced its own deposits at that bank from $30 million to $11.6 million. Why?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the story as published this morning was accurate. It indicated that Government deposits are spread throughout the banking system according to a formula. It indicated that those deposits were at a level of 0.563 within the banking system in the spring and that they remained at that level until August as Government balances went down.

GOVERNMENT PRACTICE

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Government has powers to change formulae. The Government encouraged other depositors to keep their money in the bank to prop it up. Why did the Government maintain normal practice in an abnormal situation?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is not the job of the Receiver General to maintain liquidity within the banking system. It is the job of the Bank of Canada, which is exactly what it did.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is for the Secretary of State for External Affairs. Yesterday U.S. Ambassador Niles encouraged Canadian lumber producers to join in an unlawful combine voluntarily to restrain their exports to the U.S. Meanwhile leaders of the U.S. Congress are insisting that limitation of Canadian lumber exports must precede negotiation of any free trade agreement with Canada. Will the Minister remind the U.S. Ambassador and his Government that calls for illegal restraints on exports are incompatitible with an open and fair trading relationship between our two countries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would have to check to see whether or not the Hon. Member's characterization of the illegality of the proposal is correct. If it is, then of course I will convey it.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, last Thursday people in the industry in Thunder Bay certainly thought such suggestions were illegal.

SUGGESTED TRADE PROMOTION IN UNITED STATES

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, in responding to a question from the Hon. Member for Skeena a couple of weeks ago the Minister recognized the need to take the battle for Canadian lumber exports outside Congress—

Mr. Speaker: Order, please. Does the Hon. Member have a supplementary question and not a new preamble, please?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, what can the Minister tell us with respect to any actions he has taken since two weeks ago with respect to taking the battle for Canadian lumber exports to the United States outside Congress and across the country to builders, realtors, and consumers of Canadian lumber, to encourage them to put pressure on members of Congress to change their minds with respect to Canadian lumber exports?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I indicated the other day we are, in fact, embarking on that type of program with respect to lumber and to other questions which involve a threat to the livelihood of Canadians. I cannot provide all the details; I do not have them at hand. However, I will get them to the Hon. Member.

I would like to make two points quickly. First, it would be helpful if Members of this House in all Parties would join us in this effort. Second, the Hon. Member identifies precisely the difficulty we now face. There is not only the very major and important challenge to the lumber industry, there are 300 to 400 protectionist Bills in the U.S. Congress which today threaten existing Canadian jobs. This Government wants to protect those existing Canadian jobs.

Some Hon. Members: Hear, hear!

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BANKS AND BANKING

APPOINTMENT OF COMMISSION OF INQUIRY

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Prime Minister. Last Friday morning at his press conference the Prime Minister repeated his commitment to have the Canadian Commercial Bank and Northland Bank matters studied by a parliamentary committee. Yet the following Monday morning he appointed the Estey Commission. Will the Prime Minister tell the House why he did not carry out his commitment? Was it because last Friday afternoon both opposition House Leaders confirmed publicly to the press that they wanted to have the Northland and Canadian Commercial Banks matter studied by a parliamentary committee? Is that why he conveniently forgot his oft-stated commitment that Parliament should look into this serious matter?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, during the course of the week, I believe it was Wednesday, some of our hon. friends from the New Democratic Party suggested that, perhaps, the best and most objective manner by which this important matter could be handled would be through a judicial inquiry. That was one of my suggestions made and considered by the Government. The decision to appoint the Commission of Inquiry headed by Mr. Justice Estey, a jurist of uncommon distinction, was in the interests of all of the facts being brought out in a fair and appropriate manner.

PRIME MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, several weeks ago the Prime Minister, I believe at Baie Comeau, told the press that he not only wanted to see this matter looked into by a parliamentary committee but he even wanted to see it on television. What has happened to his oft-stated belief that Parliament should be enhanced in reputation and activity? Why has he gone back not only on his statement about Parliament but given a slap in the face to the Conservative Chairman of the Finance Committee and the Conservative majority on that committee? Why does he not have any confidence in them, much less—

Mr. Speaker: Order, please. That is very long for a supplementary question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is pretty obvious, if not to the Hon. Member, then at least to the entire country, that the irresponsible and dilatory conduct of the Opposition has prevented an objective examination of this matter.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: There can be no doubt about the vexatious, frivolous, and irresponsible behaviour of the Opposition with regard to this matter, as a result of which the Government appointed Mr. Justice Estey with the broadest possible terms of reference so that the full truth can come out, including the conduct of everyone involved and the policies that went into the matter. Mr. Justice Estey will put the spotlight on those people who are responsible.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—PROJECTED IMPACT ON AGRICULTURE IN SASKATCHEWAN

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, my question is for the Secretary of State for External Affairs on the matter of enhanced trade. In the Province of Saskatchewan there has been a great deal of fear fostered and even promoted, I suspect, by the New Democratic Party with respect to the impact of free trade on agriculture. Will the Minister explain to the House the projected impact of a new trade agreement on agriculture in the Province of Saskatchewan?

Mr. Deans: Hypothetical! Give him a hypothetical answer.

Mr. Crosbie: Yours is a hypothetical Party.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was faced with a similar question in the House of Commons when I made it clear that, as a Member of Parliament from western Canada, I understand the harm which has been done in the past to the agricultural industry by certain trading arrangements which were entered into. The determination of this Government is to ensure that if there are new trading negotiations with the United States we will act in ways which will ensure not only the present viability, but a much greater viability, of Canadian agriculture as a result of those talks.

Agriculture, farmers and ranchers, like the rest of Canadians, have an interest in a strong economy. That economy is threatened by protectionism now. We intend to—

Mr. Speaker: Order, please.

* * *

AGRICULTURE

PRAIRIE DROUGHT—GOVERNMENT ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in the absence of the Minister of Agriculture my question is for the Minister of State responsible for the Canadian Wheat Board. My question is with respect to the drought disaster relief for the Prairies. Will the Minister tell us if the Government is planning to pay the $50 per acre in relief which has been suggested, or does the Government have a more flexible formula? What will be the federal-provincial contributions to those payments? When can farmers expect those payments?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, phase two of the recommendations of the committee chaired by the Hon. Member for Assiniboia was to have been reported at the end of last month. However, as the Hon. Member opposite will know, conditions have changed very much on the Prairies. There is now a severe problem with respect to harvesting the crop. There has been a tremendous amount of rain. We are waiting to see what will happen over the next couple of weeks to see what type of assistance will be necessary, since conditions have changed so drastically over the past six weeks as a result of the weather.

FARM CREDIT CORPORATION LOANS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, a second phase, if you wish, or even a third phase, of that disaster relief was with respect to a moratorium being placed

on Farm Credit Corporation foreclosures. Could the Minister tell us if the Government is allowing the interest on FCC loans to pile up, or is it also being "moratoriumed"?

● (1450)

Some Hon. Members: "Moratoriumed"?

An Hon. Member: That must be a western expression.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I think the Member, in one of his previous incarnations, was a teacher. I do not know whether he was an English teacher and wants to coin some new words.

Mr. Hnatyshyn: John Diefenbaker would be proud.

Mr. Mayer: The Minister of Agriculture has put a moratarium on farm foreclosures by the FCC. I do not think anything has been ruled out pending the report of the FCC as to what should be done regarding farm financing. As I said, the Minister is looking for suggestions from right across the country and we are still waiting to hear from many people involved.

Regarding the previous question, I am also informed that the committee chaired by the Hon. Member for Assiniboia will be meeting in Regina tomorrow to discuss some of the very things—

Mr. Speaker: Order, please. We will have Statements by Ministers later.

* * *

CORPORATE AFFAIRS

TAKEOVER OF GULF CANADA—TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, could the Prime Minister tell us whether he gave his blessing in advance to the tax ruling which permitted the acquisition of the assets of Gulf Canada?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, if I might attempt to respond to the Hon. Member, I thought I answered that question last Thursday. I am sure he realizes that this type of question involves the very fundamental principle of confidentiality which is so much a part of our income tax jurisprudence and these matters cannot be discussed.

REQUEST THAT PRIME MINISTER REPLY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I find that quite astonishing. I simply asked—

Some Hon. Member: Oh, oh!

Mr. Johnston: I simply asked whether the Prime Minister of this country gave his blessing to a tax ruling which may have cost Canadian taxpayers $1 billion, in advance of that ruling being issued. I do not see how the Minister of National Revenue can reply to such a question.

Mr. Speaker: Order, please.

Mr. Johnston: Can I not hear from the Prime Minister?

Mr. Speaker: Oh, that is the supplementary? All right.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the inference in that question is totally unworthy of the Hon. Member.

Some Hon. Members: Oh!

Some Hon. Members: Yes or no.

* * *

[*Translation*]

AIRPORTS

ACCESS TO OTTAWA INTERNATIONAL AIRPORT

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, my question is directed to the Minister of State for Transport. Could the Minister give her officials instructions that at Uplands Airport in Ottawa, passengers arriving and leaving by car be allowed to use the lane next to the airport? Right now, the handicapped, the elderly and young children have to cross two lanes. Could she also ask her officials to use the airport at Gatineau while work on the expansion project is going on, and perhaps they could make a habit of this and make the airport—

Mr. Speaker: Order. The question is quite long enough.

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I want to thank my hon. colleague for her question, in which she has pinpointed a situation we all encounter when we have to get on the plane in Ottawa. Current construction has created a problem for passengers when they get out of their cars to enter the airport. I believe that in the circumstances, we must make every effort to correct a situation that makes things particularly difficult for the elderly and the handicapped.

* * *

SOCIAL SECURITY

COALITION OF WOMEN FOR FAMILY ALLOWANCES—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister.

Yesterday in Montreal I met with the *Coalition des femmes pour les allocations familiales*. Is the Prime Minister aware of

this coalition of more than one million Quebec women? Does he know that the coalition is a strong advocate of complete indexation of family allowances and full respect for the principle of universality?

Right Hon. Brian Mulroney (Prime Minister): Indeed, Mr. Speaker, I am aware of the coalition and I happen to know as well that a good many of those Quebec women have said how favourably impressed they were with our tax credit program under which the more destitute stand to gain increased benefits.

An Hon. Member: No, it is not true!

An Hon. Member: Yes, it is true!

[*English*]

ELECTION DEBATE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the women at this coalition meeting in Montreal yesterday quoted to me the words of the Prime Minister: "Yes, I can give you the assurance that no social program at all affecting anyone in need shall be touched—"

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

Ms. McDonald: Yes, I do: "—by a Progressive Conservative Government." Will the Prime Minister, who surely remembers these words from the women's debate in the summer of 1984, concede now that at that time he was lying to the people of Canada about the family allowances?

Mr. Speaker: Order. The Hon. Member for Calgary East.

* * *

EXTERNAL AFFAIRS

ISRAEL—BOMBING OF TUNIS—EFFECT ON MIDDLE EAST PEACE INITIATIVES

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns a serious matter, the bombing of Tunis by Israel. Could the Minister indicate to the House whether this situation is going to compromise the peace initiatives in the Middle East?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada has been, through the years, a strong and good friend of the State of Israel and we always will be.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It is precisely because of the strength of that friendship that we feel compelled to deplore the bombing in Tunis. I think it goes without saying that this event underlines how important it is for all of us to contribute in any way we can to the peaceful resolution of disputes in that region.

* * *

NATIONAL DEFENCE

ORGANIZATIONAL SOCIETY OF SPOUSES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of National Defence. With the presence today in the gallery of the President of the Organizational Society of Spouses—

Some Hon. Members: Order.

Ms. Copps: —I would like to ask the Minister why he has denied military spouses, who have been trying to organize for almost a year to fight for their concerns about traffic safety, rental costs and dental plans, the right to organize, suggesting that instead they would be violating the Queen's Regulations and Orders?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, there is a long and honoured tradition in Canada that political activity and the military do not mix, and they ought not to. As to the fundamental concerns about traffic safety and what have you that this group is interested in, there is no prohibition against approaching military spouses in this regard. Indeed, when the group approached CFB Calgary, the commander said to go ahead and talk to the spouses on the base. The spouses at CFB Calgary were not interested in this political action group, so it is wrong to suggest they have been denied that kind of access.

Ms. Copps: I asked my question of the Minister because I wanted the facts. I did not ask his sidekick.

Some Hon. Members: Oh, oh!

ACCESS TO FAMILY PLANNING INFORMATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would also like to ask the Minister why military spouses have not only been denied the right to organize on these fundamental issues, they have been denied the right to access family planning information on the base and they have further been denied the right on certain bases even to organize social functions like Tupperware parties. I would like to ask the Minister—

Mr. Speaker: That was a question, I thought.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Order, please. The Hon. Member is entitled to put a question and have it answered in the absence of noise.

Ms. Copps: Can I finish my question?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I want to assure the Hon. Member that I have nothing against Tupperware parties. Absolutely nothing. I also think the Hon. Member would be showing more respect for the House if she had her facts right—

Ms. Copps: I have my facts right.

Mr. Andre: —and put the questions properly when she does.

Ms. Copps: The organization is here in the gallery today; they have the facts.

Some Hon. Members: Shhh!

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

ESTABLISHED PROGRAMS FINANCING

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. He is aware that present legislation which allows Established Programs Financing for equalization, medicare, and post-secondary education continues to 1987. Would the Prime Minister confirm that when the Minister of Finance met with the provincial Finance Ministers last Thursday he announced that the federal Government plans to end that program one year early?

• (1500)

Mrs. McDougall: Mr. Speaker, may I ask for the question to be repeated?

Mr. Murphy: Mr. Speaker, I presume this is not my supplementary. My question is directed to the Prime Minister but I am not sure which Minister should answer. Did the Minister of Finance indicate to the provincial Ministers of Finance last week that it is the intention of the federal Government to cut back next year on the funding to the provinces for medicare and post-secondary education?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my understanding is that there was a range of issues discussed including established programs funding, which would be normal at a meeting of Finance Ministers.

Mr. Speaker: A very short supplementary, please.

FINANCE MINISTERS' DISCUSSIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the Prime Minister. Since the Minister does not appear to know, who in his office should know whether or not the federal Minister of Finance made that threat to the provinces?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, in the course of conversations and statements in this House the Minister of Finance has indicated that there will not be cut-backs in the kind of spending programs that have been raised here today. We are working very hard to reduce the deficit, which we must do, but there will not be the kind of cut-backs that the Member is talking about.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, October 1, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Vancouver East (Mrs. Mitchell) does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I rise today on behalf of people from Delta, Richmond, and Vancouver, British Columbia, in which they indicate their opposition to the Government's plan to remove the full indexation provisions of the family allowance and make changes to the child tax credit. They ask that the Government, led by the Prime Minister of Canada (Mr. Mulroney) restore the full indexation of the family allowance and child tax credit.

I rise also, Mr. Speaker, on behalf of the people of my riding of Sudbury who indicate that they as well are in opposition to the plans of the federal Government to deindex the family allowance and the child tax credit.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present a petition from Overbrook residents in my constituency of Ottawa-Vanier urging the Government to restore the full indexation of family allowances and the child tax credit.

I present to the House another petition signed by constituents of the riding of Gatineau in Quebec who also ask the Government to restore the full indexation of family allowances and the child tax credit.

Mr. Speaker, yet another petition signed by many residents of the riding of Ottawa-Vanier who plead with the Government to reconsider its position and restore the full indexation of family allowances and the child tax credit.

Petitions

REINSTATEMENT OF DEATH PENALTY FOR CERTAIN CRIMES

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, I have the honour of presenting to the House two petitions from my constituents in Verdun-Saint-Paul, with more than 8,000 signatures.

Mr. Speaker, these petitioners, most of whom have young children, are appalled at the increasing number of crimes of a sexual nature committed against defenceless children. They are asking Parliament to impose capital punishment on persons found guilty of the crime of infanticide, aggravated by sexual assault.

[*English*]

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition on behalf of about 100 constituents from the federal riding of Algoma which calls upon the Government to reinstate full indexation of the family allowance.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a petition from a number of low-income earning women from Ottawa who ask the Prime Minister (Mr. Mulroney) to restore full indexation of the family allowance and the child tax credit.

RELEASE OF INFORMATION FROM 1891 CENSUS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I have the honour to present a petition on behalf of the Moose Jaw branch of the Saskatchewan Genealogical Society requesting the release of certain information from the 1891 census.

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition signed by a number of individuals from across the country. Those petitioners state that the deindexation of the universal family allowance is an unfair attack on women and families. They further state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle income earners. They petition the Government to overturn that decision.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have two petitions to present. One is signed by people from my own riding of Broadview-Greenwood as well as from Spadina, East York, and a number of other Toronto constituencies. It is with regard to the family allowance. The petitioners believe that children are the responsibility of everyone and that parents should receive Government assistance of a value at least as high or higher than present family allowance levels. They, therefore, pray that Parliament will act to protect the cost of living increase in the family allowance.

The second petition I have is signed by a large number of people from the Ottawa area, most of whom are parents with low incomes. The petitioners ask the House to restore full indexation to the family allowance and child tax credit.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour of presenting a petition on behalf of my constituents and more specifically, those from the village of Saint-Louis-de-Kent.

These petitioners humbly pray the Government to refrain from proceeding with partial de-indexation of family allowances.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition signed by petitioners from the riding of Ottawa Centre who beg the Prime Minister (Mr. Mulroney) and this Parliament not to deindex the family allowance, but to maintain it, particularly because of its importance to families on low incomes and to women who get the family allowance cheques which will be depleted by the moves of the Government.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 292 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 292 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

NATIONAL CAPITAL COMMISSION PROPERTY

Question No. 292—**Mr. Gauthier:**

1. What are the addresses of all properties, lands and/or buildings owned by the National Capital Commission and, in each case, what is the (*a*) lot size (*b*) building size (*c*) number of units in each building where applicable, and is the property commercial or residential?

2. Which of the properties owned by the NCC is (*a*) occupied or otherwise used by the Commission (*b*) rented or otherwise occupied by others and, in each case, what is the name of the tenant or occupant?

3. What is the market value of each of the NCC's properties if offered for (*a*) sale (*b*) lease?

4. What is the annual revenue (*a*) gross (*b*) net derived from each property owned by the NCC?

Return tabled.

[*English*]

Mr. Dick: I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed from Friday, September 27, consideration of the motion of Mr. Layton (for the Minister of Agriculture) that Bill C-42, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate this afternoon on the dissolution of Canagrex. When discussing the issue of Canagrex we should remind ourselves of the commitment that the Government made to the farmers of our country last year. When it came to making promises to the agricultural sector, the Tories did not spare any. They promised the farmers of this country just about everything. The Conservatives made no less than 20 different promises to the farmers of Canada. These are listed in the convenient booklet which I have entitled *Three Hundred and Thirty-eight Tory Promises*, which I think I have spoken to you about on a few previous occasions, Mr. Speaker. However, at no time did the Conservatives speak of the abolition of Canagrex. As a matter of fact, they promised to improve the farming sector. The Conservatives promised to establish boards. They promised greater assistance to the agricultural college. They promised to refinance farms and, as the Hon. Member opposite will know, they promised a farm review board and amendments to the Grain Stabilization Act. In other words, the Conservatives promised just about everything to the farmers of this country.

● (1510)

However, the first thing that farmers were subjected to after the election was a massive set of cut-backs. On November 8—

a day which is normally known as "Black Thursday"—the Minister of Finance (Mr. Wilson) launched his first hatchet job on the taxpayers of Canada with his massive cut-backs in agriculture and other sectors. One of those cut-backs announced in the statement of last November 8 was specifically the cut involving the Crown corporation of Canagrex.

During the deliberations of the Agriculture Committee last winter, members of the committee had an opportunity to interview the Chairman and members of the Board of Directors of Canagrex Corporation. We asked members of the board if they believed that this corporation would be useful, recognizing that it had been cut off by the Government in its embryonic stage. Canagrex had never been given a chance to get off the ground and seriously attempt to sell Canadian products abroad. Just as it was beginning, it was cut by a radical, right-wing Conservative Party which believes that the Government should not be involved in ventures like Canagrex. The Government believes that its Tory right-wing philosophy is appropriate, that is that farmers and others who are best able to fend for themselves will do all right while others will disappear. The farmers of this country do not agree. They have said repeatedly through the various farm organizations, such as the Canadian Federation of Agriculture, the Farmers' Union, the Ontario Federation of Agriculture and others, that the Canagrex Corporation was never given a fair chance by the Tories.

Notwithstanding the fact that the Government is not concerned about those who are unable to manage at times without such assistance, it essentially broke its promise to the people of Canada. Not only did the Government break the commitments made by the Conservative Party, it broke those commitments made by the preceding Government when the Canagrex Corporation was formed. Many employees who came from the private sector and other areas of Government had joined that organization. In my opinion, that organization had a high level of expertise, with high calibre people who were well able to lead that Crown corporation and make it work to ensure that Canada has a good and strong international marketing arm in the area of agriculture.

During the last year we have witnessed deterioration of the agricultural sector. We have seen those involved in pork and beef production having to contend with greater international pressures. People in the beef industry are competing against imports from the European Community that are robbing Canadian farmers of their market. Pork producers in Canada were not only subjected to very low prices domestically, they have also had to deal with countervails from the United States of America against Canadian pork that was exported to that country. That has created a very difficult situation for Canadian farmers in the last year.

If ever Canadians farmers needed all the help they could get, including appropriate marketing tools, it is precisely now. At a time when prices are very low, we could use an expanded external market for our products. At a time when our farmers are facing these difficulties, a better tool for marketing our products could potentially bring higher returns.

Let us examine what other countries are doing. When one watches television advertisements for such things as New Zealand spring lamb and other products coming from other countries, it becomes evident that those countries obviously have means by which they encourage the export and marketing of products from those countries. They have done it so well that they have now acquired world-wide reputations for the marketing of their products. Why can we not have that kind of vision when we have such vast agricultural potential with the commodities we produce and have produced so well in the past, even if it detracts from the right-wing principles of the Tories to refuse to accept Government involvement in marketing and other areas?

It is difficult to understand why the small amount that will allegedly be saved by closing Canagrex will not be used elsewhere in the agricultural industry.

I see the President of the Treasury Board (Mr. de Cotret) in the House. He is responsible for dissolving Canagrex and cutting the subsidies in other areas of agriculture. I understand that he represents a riding with a rural component and I am sure that the people of his riding are concerned about these massive cut-backs in an area of our economy that needs all the help it can get right now.

If the Government believes in the benefits of cutting back on agricultural subsidies and dissolving Canagrex, one must ask why the Conservative Party did not campaign on that theme. Why did the Conservatives not tell the farmers of my riding that if they voted Conservative there will be cut-backs to their subsidies? That certainly was not advocated in my riding by my Conservative opponent. Being the objective person you are, Mr. Speaker, I am sure you are faced with partisan rhetoric in your riding as well. Conservatives from across the country were telling farmers that the Liberals had not done enough for them and that only the Conservatives would rescue the farming industry.

● (1520)

I see the Hon. Member for Selkirk-Interlake (Mr. Holtmann) here. I know he has a lot of farmers in his riding. I am sure if the President of the Treasury Board and other senior people in the Conservative caucus allowed him to speak he would say—I am sure he would because he is an honourable Member—that the farmers have been betrayed by the Tory Government. He is a Member who sits on the agricultural committee as I do. He would know that the actions of the Government have been most improper and have betrayed farmers.

There have been several other areas in which Conservatives have betrayed Canadians, such as for instance, in the area of farm finance, the agri-bond program which my Conservative opponent had put in front of my face during the whole of the last election campaign. Let me remind Hon. Members about the agri-bond program. Revisions to Section 31 of the Income Tax Act and the capital gains issue were three main issues in the election campaign of last summer affecting farmers.

The Conservatives, after the cut-backs of last November 8 in which they cut the Canagrex Corporation, announced at the same time that they would be releasing a Government paper outlining the reforms necessary to deal with the three issues I described a moment ago. When the so-called White Paper of the Minister of Finance appeared, it was nothing but a scathing attack on the farmers. It sort of said that farmers were well off and other such nonsense. You and I know, Mr. Speaker, that that is not the case and that the Government was not telling the truth, as has been the case of late.

The Standing Committee on Finance met and deliberated over this White Paper and issued a report. In that report, members of committee said there was a major problem in the area of farm finance. Not once did the committee recommend cuts; it recommended help. We advocated a system of agri-bonds, revisions to the Income Tax Act, as well as the complete removal of capital gains for farms that were to be used only for farmland in the future. What happened, Mr. Speaker? We heard of the removal of capital gains for everybody, including those who wanted to sell yachts, castles in Spain, horses in Kentucky and other things. This will only partly assist farmers but it will benefit the rich investing in all kinds of other things that I have described.

In terms of meaningful assistance to keep farmers in the farming business, there was not word in the Budget of the Minister of Finance. The only thing the Minister of Finance has stated, along with his friend "Erik the Dreaded"—the Minister in charge of cut-backs—the Deputy Prime Minister (Mr. Nielsen), a further set of cuts in the agricultural sector to condense and streamline, which is a euphemism for cut, other Government programs.

Farmers in my constituency after the Budget met through their local federation of agriculture and issued a resolution condemning the Budget. I presented that resolution in the House. I am sure you recall it vividly, Mr. Speaker, that resignation called upon the Minister of Finance to come to his senses and help the farmers the way the Conservatives promised last summer. It called upon the Conservatives not to keep cutting various programs, like Canagrex and other meaningful programs established by the previous Liberal Government. In so doing, we all hoped that the Minister of Finance, when he changed his mind on that other disaster in which he got himself involved—the cuts to senior citizen's pensions—would have the good sense to say, "I just did not make one mistake, I made more than one", and would take the golden opportunity to backpeddle and announce that he was going to inject a fair amount of funds into the agricultural sector. We hoped he would see the light and restore Canagrex, allowing it to function, and at least giving it a chance to market Canadian products internationally.

Farmers are feeling more and more the very difficult financial situation in which they find themselves. More and more they feel betrayed by a Government that promised during an election campaign that it would do major things to help out their industry. More and more farmers are going under. Pork producers in the constituency that I represent issued a resolu-

tion the other day that I want to read into the record. This motion was sent to the Minister of Agriculture (Mr. Wise). It reads:

> The Prescott County Pork Producers' Association requests that a national referendum be held in order to allow individual pork producers to freely express their opinion on the subject of supply management in their industry, all this in conformity with pledges made by the federal Government.
>
> Further we wish to inform the authorities that they reject all systems that would not take into account regional disparities regarding the costs of production, and we reaffirm our solidarity with the arguments raised by the Fédération des Producteurs de Porcs du Québec and by the Pork Producers Association of Ontario, such as Bruce County and others.

Clearly pork producers on supply management have asked for help. They want protection to ensure they have good prices. They do not want to be rich. They only want to have a decent living. Canagrex could have assisted in the international marketing of their products and, hopefully, provided to them that decent standard of living, which is all they were asking for, but again they have been betrayed by this Government.

Mr. Angus: Mr. Speaker, although the Hon. Member talked very clearly about the farmers, I do not believe he indicated how this lack of an agency would have an impact on his riding in particular, either in terms of what kinds of products are produced—and I am not that familiar with his riding—or in terms of consumers in his area and of not being able to have a full market abroad to sell agricultural products that would ensure a reasonable rate for products in Canada.

Mr. Boudria: Let me thank the Hon. Member for his question, Mr. Speaker. Much of the agricultural industry in Glengarry-Prescott-Russell consists of dairy, pork, beef, potatoes, some livestock feed, cereals and corn. By and large, that industry in my constituency is suffering quite a bit. Perhaps dairy producers are not suffering as much as others. Only a few years ago there was the view that a dairy producer did well. Now it is said that a dairy producer is not quite as badly off. It is a far different story from what it used to be. Nevertheless, others are worse off than dairy producers.

● (1530)

In fact, pork producers are the worst off. Recently we saw how being dependent on only one international market can affect that industry. I draw the attention of the House to the threat of and the subsequent countervail by the United States of America against pork products which we sell abroad. That countervail had the effect of reducing the price of Canadian pork. It also had a depressing effect upon the market. Prices went down somewhere in the area of twice the countervail rate. That countervail rate varied between 3.5 cents and a little over 5 cents per pound, but the depressing effect of the countervail on the market was almost twice that amount. It understandably created a form of panic in the industry. People were wondering what would happen, whether there would be subsequent increases in the countervail charge and so on.

I recognize that the area which I represent is a part of Ontario where the cost of pork production is greater than in other areas. The southwestern part of the province produces pork for perhaps 4 cents to 5 cents per pound cheaper. Of course there are differences, depending upon the specific way in which individuals run their farming operations. Eastern Ontario already had a smaller profit margin because of higher freight costs, food costs and so on. Therefore that countervail duty resulted in an even further loss. In other words, the disaster was accelerated.

In direct response to the Hon. Member's question let me say that if we had a good, strong network to market agricultural products world-wide, we would not be so dependent upon one market and we would be able to sell more. Those are not my comments; those are the comments of representatives of various agricultural federations who appeared before the Standing Committee on Agriculture. Of all the groups which appeared, none subscribed to the view that Canagrex should be abolished.

If the Conservatives purport to speak for Canadian farmers, how can they reconcile closing down Canagrex when there is not one agricultural group, of which I know, that agrees with their view? One can only conclude that it is the philosophical view of the Conservatives to get out of this business or not to be involved. It is unusual that they have a different view when it comes to bailing out some of their rich friends such as bankers and other groups in society like people purchasing oil companies, as we saw last week. Of course that will involve an expenditure far greater than the cost of the retention of Canagrex. Now we know the priorities of the Government.

Mr. Holtmann: Mr. Speaker, I cannot help but rise to make a few comments on the speech of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) and his idea that he knew what I would say regarding the termination of Canagrex. Apparently he knew how I felt about my Party. He indicated that I would condemn my Party for taking the actions it has taken. I tell the Hon. Member that I support the termination of Canagrex. In fact, the producers and farmers of my area do as well. They did not like seeing another glorified, bureaucratic, very expensive nightmare organization which had no idea as to what it would sell, where it would sell, when it would sell or any such thing. The Hon. Member seems to think that it was a miracle for farmers. From where did he get that dreamy, "schemey" idea? It was never indicated in the formation of Canagrex what it was able to accomplish, although a lot of money was assigned to the things it might be able to do. The Hon. Member used broad statements. He said that it would probably make farmers rich and that it would be their salvation. Can you believe that, Mr. Speaker? Also he said that we should have given it a chance.

The past administration cost Canadians billions of dollars. We were close to $180 billion in debt as a result of giving such programs a chance and we had the highest unemployment rate ever. That is the Liberal idea of trying another program. Instead of only $180 billion, I suppose we would have hit the $250 billion mark by now, had they still been in power. That is the reason for the attitude of the Hon. Member for Glengarry-Prescott-Russell not having any merit in form. It is the typical attitude. He decided what I thought about the particular Bill. He must be a soothsayer. Perhaps he would have predicted the

Ides of March, had he had the chance. I just wanted to clarify his statements about what I thought.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-77

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. There have been discussions among House Leaders with regard to the order of business for today. We have agreed—and I think Your Honour will find that disposition in the House—to interrupt this interesting debate on Bill C-42 and move to another item until its conclusion, at which time we would refer it back to the debate in question. I am referring to Bill C-77, an Act to amend the Criminal Code in relation to pari-mutuel betting.

In connection with that change of business, there has been further discussion with respect to the disposition of the Bill. I think Your Honour will find unanimous consent to receive the following motion and to accept it without debate. The motion reads as follows:

That, notwithstanding any Standing or Special Order of this House, when the Order of the Day for the second reading and reference to a legislative committee of Bill C-77, an Act to amend the Criminal Code (pari-mutuel betting), is called and is disposed of this day, it shall stand referred to a Committee of the Whole; and

Provided that no later than the end of the time provided for the consideration of Government Business this day, the Speaker shall interrupt, if necessary, any proceedings then before the House and shall put forthwith all questions necessary to dispose of the then remaining stages of the said Bill without further debate or amendment.

Mr. Deputy Speaker: The House has heard the terms of the motion of the Hon. President of the Privy Council (Mr. Hnatyshyn). Is there unanimous consent to accept it?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING PARI-MUTUEL BETTING

Hon. Ray Hnatyshyn (for the Minister of Justice) moved that Bill C-77, an Act to amend the Criminal Code (pari-mutuel betting), be read the second time and, by unanimous consent, referred to a Committee of the Whole.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, certainly it is a pleasure to speak on behalf of the Government on Bill C-77. I think a couple of things need to be said. Needless to say, Mr. Speaker, with a name like I have, I think it is entirely appropriate that I should speak to this Bill. Aside from that, though, I have had a fair amount to do with horses and at least a little to do with racing.

• (1540)

Having said that, Mr. Speaker, I believe one of the things of which Canadians are not generally aware is the size and importance of the racing industry. It is an extremely large industry which generates in the neighbourhood of $1.5 billion a year. It employs something like 40,000 permanent employees and, according to the figures I have, approximately 13 million people attended at race-tracks last year which is more than the attendance at professional hockey, football and baseball games put together. I am sure that a lot of people are unaware of the size and significance of this industry.

It is also very much of a renewable resource. What we are attempting to do today is to pass some amendments to the Act which is presently in place which will provide for a better operation for everyone concerned.

The changes are designed to stimulate the economic health of all segments of the racing industry in Canada, and to ensure fair racing for the betting public. To enhance the marketing power of the sector, we would permit Canadians to place legal bets in Canada on foreign races such as the popular and prestigious Kentucky Derby, the Belmont Stakes, the Preakness and others and, when feasible, important races in Europe and even in Japan. I want to assure Hon. Members that because we will permit betting on foreign races, we will not in any way relax Canada's stringent drug control standards. The number and quality of foreign races offered to Canadian bettors will be regulated to ensure that betting on races abroad does not displace live racing in Canada.

All money bet on foreign races will stay in Canada. It will increase revenues for both the tracks, the horsemen and, through them, all sectors of the industry. Racing associations will be able to set and adjust the percentage of the betting dollar they deduct up to the level established in regulations. Most associations split these revenues with the horsemen as prize money on a fifty-fifty basis.

To provide more comfort and convenience for the public, racing associations will be permitted to use other buildings on their property adjacent to the track for the purposes of pari-mutuel betting. In addition, they will be permitted to broadcast their own races and associated betting data live on television. The change will remove the uncertainty as to the legality of this common practice.

I want to assure those who may feel that the Government is in any way encouraging gambling, that by legalizing betting on foreign races, we are ensuring that the revenues which at present have the potential to leave Canada, will stay in Canada to help support the industry.

The proposed changes will also discourage illegal bookmaking. Such betting will contribute to provincial and federal tax revenues through the taxes paid by racing associations. The federal levy, not to exceed 1 per cent on all bets, remains constant. Agriculture Canada's racetrack division conducts all drug testing on horses, videotapes of all pari-mutuel races, and carries out other necessary racetrack supervision to ensure

protection for the public on a complete cost recovery basis financed by the levy.

Other amendments to Section 188 to bring regulations into line with modern communications technology and veterinary practices. For example, videotape will replace film as the medium for recording races as an aid to officials.

Tests on other bodily substances such as blood will be officially added to the urine and saliva tests conducted routinely on all racehorses. Regulations will now allow analysis of body tissues from horses which die immediately before, during or after a race.

Other clarifications include the definition of a racing association as an association which actually conducts horseracing, and not merely has racing as its purpose, or one of its purposes. Essentially, these changes are good housekeeping. They are designed to ensure that our legalization reflects reality, protects the public and does not inhibit the viability and potential of the industry.

Race-tracks, as I said, are important economic generators in many of the smaller communities right across the country. I think it is important to mention, Mr. Speaker, that we have racing basically throughout the country, especially during the summer season when there are a lot of smaller fairs which have, as part of their attraction, pari-mutuel betting. Those are my comments on second reading, thank you.

Mr. Maurice Foster (Algoma): Mr. Speaker, Bill C-77, which is before us today, is designed to expand the arrangements for betting at Canadian race-tracks, to provide for broadcasts of races taking place in the United States or in other countries and to allow betting on them here in Canada.

I think that people who are concerned about gambling could well be concerned that this will actually increase the amount of gambling which takes place in our country. However, I think we have to balance that with the prospect that this will be gambling under a controlled situation at Canadian race-tracks rather than people going to the United States. I am told that something like $157,000 was wagered on the Kentucky Derby by Canadians. It has been found that on important race days in the United States, the number of people attending our race-tracks is dramatically reduced. As the Minister indicated, there are something like 40,000 people involved in the race-track industry, and it is one of the major sporting events in the country.

This legislation before us today would provide for the broadcasts of races in other countries at tracks in Canada at a time when live races are taking place here. I have been assured by the Department of Agriculture that this will be a controlled situation and that there will be regulations as to the number of races which are carried in this way.

I also believe it is important that the legislation which now exists is tied in to meet modern day standards with regard to the use of videotape as opposed to film, and with respect to the technical aspect of blood tests and body fluid tests which are carried out on the racehorse. I believe the Department of Agriculture which regulates these horse races which are televised, must take into account the over-all impact on the nearby tracks. For instance, I am told that when live races are carried on television in Toronto, it does have a negative impact on the turnout at the five tracks involved in the jockey club. So I think it is important there be some equity exercised in the operation of this inter-track racing arrangement which would now take place.

I believe those are the only items which I want to mention. I understand that the Minister is going to be proposing amendments at the committee of the whole stage. I hope he will be able to explain the provisions of that amendment. So with those few comments, Mr. Speaker, may I say that we are agreeable to see this Bill passed through committee of the whole stage.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to speak on the "sin" Bill. It reminds me of a story of a chap who was at a race-track. He was standing in the pari-mutuel line to buy a ticket. He was at the $100 win window. There were six horses in the race. He said to the clerk at the window, "I want to put $500 on number six to win". The teller cranked out the ticket, but the fellow behind him tapped him on his shoulder and said, "Look, buddy, number six is not going to win." The guy said, "Oh, yeah?" So he said to the clerk, "Give me another 500 bucks on number six to win." The guy taps him on the shoulder again and says, "Look, what's the matter with you? Are you crazy? Number six can't win". The guy says, "Yeah? Give me another 500 bucks on number six to win". The other guy got completely frustrated and said, "Look, I own number six and I have told the jockey we're only out for a ride today". The guy turned around and said, "Well, this is going to be one heck of a slow race. I own the other five".

• (1550)

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Mr. Speaker, I do not want my remarks to be interpreted as those of a socialist arguing for sin.

Mr. Gormley: We were waiting to see what you were going to do.

Mr. Rodriguez: I do not want it to appear as though we socialists who believe in economic planning would depend upon the exigencies of betting. I would like to lay odds of five to one that Members of the House cannot tell me what the Government will get on the 1 per cent on foreign races on which Canadians will bet.

I am not here to argue that betting is an essential source of income for the Government. However, I think pari-mutuel betting and horse racing in Canada is a civilized and accepted form of recreation. There is no doubt about that. Indeed, as far as I can tell, what this Bill attempts to do is to modernize betting to make sure that the regulations controlling it are in fact up to modern standards. These things include what happens when a horse drops dead after it finishes a race. It provides that we can examine body parts of the animal rather

than do only urine or blood tests to detect foreign substances. Indeed, for some horses it does not matter. One can give them anything but there is no way they will win.

I do not think that I could oppose this Bill. After all, there is a race-track in my riding.

Mr. Foster: Conflict of interest?

Mr. Rodriguez: Not at all. Indeed, it is a small "B" track which operates two days a week. In fact, it provides employment opportunities not only for those who are trainers but also for those with few skills. There are very few other opportunities for employment in that regard.

It will be possible for a track like the one to which I just referred to broadcast foreign races of a premier standard including the Kentucky Derby, the English Derby, the Grand National, the Belmont Stakes and the Preakness. I think that Canadians who want to place bets on those races ought to be able to do so at a facility in Canada. I do not think they should have to shuffle off to Buffalo to off-track bet on races occurring in the United States on which they cannot bet in Canada. I think we are now recognizing that betting here is a civilized thing and that such facilities should be available to Canadians.

The other day as I was preparing for this debate, I recognized the considerable investment there is in horse breeding and racing in Canada. For example, in 1983, investment capital in the race-track business was $2.2 billion. We have a surplus trade balance with the United States regarding the whole question of breeding and selling horses. For example, no one can forget Northern Dancer who, at 24 or 25 years of age, still services about 16 mares every year. In fact, all of his offspring has made Northern Dancer, a Canadian-bred stallion, the world's most famous stallion.

We must recognize, Mr. Speaker, that E. P. Taylor did not achieve all of that simply by pulling himself up by his own bootstraps. The provincial Government of Ontario made grants available to horse breeders to improve the breed and to make Canadian-bred horses very attractive to foreign markets. As a matter of fact, through the Income Tax Act under the agricultural section, the federal Government provides tax relief for those who are involved in the businesses of the breeding and racing of horses. I believe that we are finally becoming more civilized with respect to the way we respond to the entire question of horse racing.

One good aspect of this Bill, of course, is the possibility that it would eliminate bookmaking. Bookies take bets and if they get too many heavy bets on one horse in a particular race, they lay them off on bookies in Buffalo or elsewhere in the United States. This Bill will effectively put the run on that kind of illegal activity, activity which is a part of organized crime. That is a step in the right direction.

We are not prepared to oppose this Bill. When it gets to committee of the whole, there are, however, some questions I would like to ask vis-à-vis betting on races across Canada.

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I would like to add a few words to this discussion because I am sure all of us are very conscious of the considerable number of Canadians who may be troubled by this kind of legislation. I think it is very important for the Parliament of Canada, particularly when there is all-Party support, to indicate why this kind of legislation is desirable.

This legislation certainly does not point to an indifference on the part of this Parliament to the moral problem that is faced by many compulsive gamblers, a problem which brings great unhappiness and misery to their families and dependants. However, we also know that there is very little good that comes from the law being used to prohibit and to restrain. There is, however, real good to be achieved from the law being used to control, to ensure honesty and wholesomeness and to ensure the fairness of the facility for all Canadians who wish to participate. I take it that that is the intent of this legislation.

On the negative side, I have some concern that this legislation, like so much legislation in the various provinces and in Parliament, still gives considerable weight to the interests of the major race tracks and confines its benefits to race tracks and the pari-mutuel facilities. There is some argument for that. However, I doubt that the expectations of the Hon. Member for Sudbury (Mr. Rodriguez) regarding the elimination of bookmaking will be fulfilled because of the limitations of this legislation. Notwithstanding that, these amendments are taking us a step forward, and perhaps at a later time we can consider a further step that will provide more facilities for the people of Canada who have an interest in this sport.

• (1600)

[*Translation*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows: Mr. Hnatyshyn, for Mr. Crosbie and seconded by Mr. de Cotret, moves that Bill C-77, an Act to amend the Criminal Code (parimutuel betting) be now read a second time and, with unanimous consent, referred to a Committee of the Whole.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, with unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

[*English*]

Mr. Deputy Speaker: Order. House in Committee of the Whole on Bill C-77, an Act to amend the Criminal Code (parimutuel betting).

On Clause 1—

Mr. Belsher: Mr. Chairman, I would like to ask the Minister what sort of regulations he envisions being put in place to regulate the number of races which will be permitted to be used for this purpose which originate from outside the country.

I am sure it is not the intention of the Government to supplant the races which are taking place in Canada at the present time. While everyone knows the Kentucky Derby and similar races hold a great attraction, there are also many other famous races which take place in Europe and other countries. What sort of regulations does the Minister envision being put in place to prevent an over-abundance of races from outside the country?

Mr. Mayer: Mr. Chairman, the Hon. Member raises a valid question. The number of races held will be strictly limited by regulations set by the Minister. Presently, the number being considered is 40, which does not mean races held on 40 different days but 40 different races. For example, if we consider the Breeder Stakes to be held this fall, on one day there will be 10 races covered. We are certainly not looking to a proliferation of races whereby Canadians will be allowed to bet on every race held anywhere. We are talking about the prestigious races. If we consider the number 40, then I believe that would satisfy most people with respect to the concern suggested by the import of the Hon. Member's question.

Mr. Boudria: Mr. Chairman, will the Minister indicate to the Committee of the Whole what percentage of winnings will be returned in the case of foreign races? Will it be the same formula which we have in place for domestic races or will it be a larger amount? A larger amount would give some sort of preference to Canadian races, if that is all possible. Will it be the existing rate which I understand to be somewhere in the vicinity of 80 per cent? Will that be the case for foreign races as well?

Mr. Mayer: Yes, Mr. Chairman, that is precisely correct. The rules will be exactly the same as those which govern races presently held in Canada.

Mr. Boudria: Have any Canadian racehorse owners or race-track operators indicated any concern along the lines of the concern expressed by the Hon. Member for Fraser Valley East with respect to whether or not that move would encourage people to bet more on foreign races as opposed to Canadian ones, especially if there is no incentive to ensure that betting is encouraged on Canadian horses as opposed to foreign ones? Have there been any worries to that effect expressed by any of the groups concerned?

Mr. Mayer: Mr. Chairman, that is a difficult question to answer. It is my understanding that track operators and owners, everyone, want this, not so much to make money but to see that the same type of percentage on return stays in Canada.

To return to the question raised by the Hon. Member for Fraser Valley East, that is a concern. I would like to assure the House that we are not looking to a wide proliferation of races; we are talking about prestigious races in the very strict sense of the word.

Mr. Boudria: I gather, then, if I can be so blunt, that this is almost a Kentucky Derby type of provision we are looking at. I conclude that there seems to be a great deal of money leaving the country and being bet elsewhere. Perhaps the Minister mentioned that in his opening remarks and I missed it. However, if that is the case, is there any estimate at the present time with respect to the amount of money which leaves Canada and is being bet on races such as the Derby and other races? I recognize that some of this may be illegal right now and it would be difficult to estimate. However, is there any type of estimate at all as to how much money we are losing right now as a result of not having the provisions of this Bill in place at the present time? In other words, how much will we gain as a result of this Bill being enacted? Does the Minister have any idea as to what amount is involved?

Mr. Mayer: Mr. Chairman, there are a couple of sides to the question. There are some benefits which will flow to us in terms of the advertisement and promotion of the sport itself as a result of televising some of the prestigious races which are held outside the country.

In answer to the Hon. Member's first question, obviously what he suggests is illegal and the money leaves the country. There may be people in the industry who may be able to give the Hon. Member an estimate with respect to the amount of money. However, I certainly cannot. I have not even heard an estimate. If we could keep a percentage of that money in the country, under the same type of rules which exist in the racing industry now, then that will be of benefit to us. With respect to how much, I am certainly not able to begin to give an answer.

Mr. Rodriguez: Mr. Chairman, I wish to ask a question with respect to the integrity of the whole pari-mutuel system. When a better goes to a race-track in Canada and bets, he is betting in the full knowledge that there are certain rules enforced by Agriculture Canada with respect to certain forbidden substances, such as drugs, which a horse can be given. For example, butazolidin is forbidden, and there are others. There are certain standards which we have which is a guarantee the bettor has when he goes to place a bet. If we are to allow Canadian bettors to bet on foreign races which are run on certain conditions in a foreign country, then we are not able to give the same guarantees. Thus, we are in a way short-changing the Canadian bettor, are we not?

Mr. Mayer: Mr. Chairman, no, I do not think that is the case. There is no question that if you bet on a race run outside the country, you are going to bet on a race that is run in a different jurisdiction. However, it should also be recognized that we will not be allowing races to be televised and bet on in Canada unless they are run in accordance with similar or, at least, very strictly supervised rules, similar to what we have in place in Canada. On the one hand, it is a very good question; we cannot totlaly supervise. On the other hand, we can decide, if we think it is not going to be supervised properly, not to list it and carry it as far as pari-mutuel betting is concerned.

• (1610)

Mr. Rodriguez: I also wonder about the odds. Will the pay-out be based on the pay-out shown on the tote board at the

foreign track on the day of the race, or will it be determined and the odds established by the amount bet at the particular track in Canada on the particular race?

Mr. Mayer: The latter is correct. It will not be based on odds and betting outside the country, it will be based on what goes on here.

Mr. Rodriguez: Regarding prestigious races in Canada at the moment, can a person bet on the Manitoba Derby at a track in Ontario?

Mr. Mayer: Yes.

Mr. Rodriguez: How about telephone account betting? Can a person place a bet through the telephone account betting on a foreign race as envisaged in the Bill?

Mr. Mayer: I am informed that that is the situation in Manitoba and British Columbia but not in Ontario, as far as telephone betting is concerned.

Mr. Cook: Mr. Chairman, I want to phrase this question carefully. Is the Minister aware that in British Columbia, when the Kentucky Derby was run in the first week of May at Long Acres race-track, approximately two hours from the Canadian border, approximately $500,000 was bet on that race alone? With the handle at that track, generally speaking one-third of their betting action is from Canada. In this case, because we were not permitted to have the Kentucky Derby at Exhibition Park in Vancouver, it is estimated that approximately $150,000 to $175,000 Canadians went south for bets on the Kentucky Derby. That is one of the good reasons for this legislation; Canadians will not be encouraged to cross the border at Detroit, Buffalo or Washington State to bet on some of the premier races. Was the Minister aware of that?

Mr. Mayer: No, I was not aware of that. I am sure my friends from Glengarry-Prescott-Russell and Nickel Belt, indeed the House in general, are glad to hear those figures. The illustrious Whip of our Party is certainly well-known in racing circles throughout the country. He has a keen interest in this sport as does, I might add, the Queen of our country who has a tremendous racing stable. It is truly a sport of kings and we are very pleased to have this information.

Mr. Rodriguez: Mr. Chairman, we have established that the return on a dollar bet is 80 cents. That is, by the way, double the return on lotteries. The track and the provincial and federal Governments take 20 cents on the dollar. We all recognize the need to take 20 cents on the dollar. There are certain costs involved with live racing, for example, veterinarian and all sorts of other services which both Governments and the track provide. Given that, why could a greater percentage of the bettor's dollar not be returned to him on foreign races? Why is it essential for the Governments to take the maximum percentages when there are no costs involved for them? All they are doing is simply throwing a picture on the screen and the cashiers are taking the bets.

Mr. Mayer: Mr. Chairman, as a matter of fact, the same amount of supervision will go on. Agriculture Canada officials will be at the track supervising the betting and essentially carrying out the same kind of services they would provide if it was a race being run in Canada. Essentially we will be conducting the same kind of supervision, therefore the costs will be roughly the same.

Mr. Rodriguez: Not exactly, Mr. Chairman. You do not have the in-stable supervision, the people who do the urine and saliva tests and all the rest. You do not have the circuit patrol. You do not have all these other services. Why do you need to take as big a return when you are not supplying the same amount of services?

Mr. Mayer: First of all, the question is valid but if you look at the scale of things, we are talking about something like 40 races throughout the year. I am told that there are approximately 46,000 races conducted in Canada. The number of races involved in this question is so insignificantly small that to adjust the percentage would not really make any sense. Just doing some quick arithmetic, I think that is one one-thousandth of the number of races conducted in Canada. If you look at it from that point of view, you will find that that is why the percentages will remain the same.

Mr. Rodriguez: It is just a small point, Mr. Chairman, but in fact races like the Kentucky Derby, the Belmont and the Preakness, many of the breeder's stakes races, are broadcast on TV. So the betting public is sitting at home and they can watch the race. The coverage starts in some cases almost an hour before the race, or at least 30 minutes. People do not really need to go down to the race-track to watch it on the screen, they can pick up the phone and call in their bet.

I come back to the point that these races do not involve the same costs as live races, and therefore I would suggest that a greater return should be given to the bettor.

Mr. Mayer: Again the Hon. Member is talking about a very, very small amount of money. I would also point out that the federal Government does not have any jurisdiction over what goes on provincially in this respect. Given the small number of races we are talking about here, to have a different set of rules or guidelines does not seem to make a lot of sense.

Mr. Rodriguez: The Government Whip mentioned that $500,000 alone in Canadian bets was placed on the Kentucky Derby. Can you imagine that across the country? Once this facility is provided to the bettor I am sure more people will take advantage of it. If you have 40 prestigious races a year, we can see that we are not talking about nickels and dimes. It is a considerable amount.

Mr. Mayer: Mr. Chairman, if I heard the Government Whip correctly, he did not say $500,000; he said that was the amount bet, of which approximately one-third would be Canadian betting. The Hon. Member makes a good point, but it does cost a certain amount of money to supervise the races anyway. We will take the comments as notice because it is a

valid point. The Government is not looking for ways to make money from this. I think it is generally recognized by everyone that Agriculture Canada has done an exceptionally fine job of managing its jurisdiction in this area, and it will continue to do so. If there are some areas which Hon. Members suggest need to be looked at, they will be looked at.

● (1620)

Mr. Rodriguez: Just to satisfy my curiosity, what is the rationale for the inclusion of the reference to being able to bet in a building that is within 900 metres of the grandstand, I presume? If you are going on site to bet, you go on site to bet. If you start going to 900 metres to bet, very shortly it will be 1,900 metres and then 6 kilometres. I think we will then end up with betting parlours and turf accountants as they have in Britain.

Mr. Mayer: Mr. Chairman, the 900 metres is stipulated in the Act, and if we wish to change it we will have to come back to the House at which time I am sure the Hon. Member will raise his objections that we are moving further and further away. This is simply for the convenience of the people on the track. The facility has to be on the track. In order to ensure that it is on the track a distance of 900 metres was determined. Rest assured that it cannot be changed by regulation. It is part of the Bill, and in order for it to be changed we will have to come back to the House. I am sure that if we do want it changed the Hon. Member will raise some very legitimate objections at that time. There is no intention to change it. I am just reasurring him that it cannot be changed by regulation, as the Hon. Member knows from looking at the Act.

Mr. Boudria: Mr. Chairman, if I understand this correctly, at the present time the federal Government's portion of a bet is eight-tenths of 1 per cent, or thereabouts, the provincial Government gets 7 cents of every dollar, 12.2 per cent of every dollar goes to the track and horses, and 80 per cent is the return on winnings. The Hon. Member for Nickel Belt has advocated that in the case of foreign races we should have a higher return on investment. I would like to express my disagreement with that to the Minister. We were discussing a while ago how we did not want to create any situation in which there would be no incentive to keep the money here. If we are creating an incentive to bet on horses outside the country, we are doing exactly the opposite of what we were all saying a little while ago. In other words, if you receive a high return on your investment by betting on horses outside the country, you are actually creating a circumstance that most Canadian track and horse owners are not going to be pleased with.

The only portions with which the Minister could be concerned are the eight-tenths of 1 per cent going to the federal Government or the 12.2 per cent going to the track and the horses. I do not think the federal Government would change the 7 per cent provincial share or, if it did, it would not be very well looked upon.

Of the 12.2 per cent which goes to the track and horses from races in Canada, is there a set breakdown of how much goes to each? In the case of a race run outside the country, does a portion go to that country in the form of royalties in any way shape or form for the owners of the horses there, or does it simply mean that there is more profit for the track owner here in those cases?

Mr. Mayer: There will have to be some arrangements made between the foreign track and the track here to split fees on whatever basis may be arrived at by the various tracks. I can also advise the Hon. Member that the fee varies from province to province. Some claim 7 cents as the Hon. Member said, and some claim as much as 10 cents.

Mr. Boudria: In the case of betting on races outside the country, am I to conclude that the 12.2 cents that goes to the track and horses in Canada now will be split in some way between the Canadian track and that of the other country? How do we know that the present formula of 80 per cent will be adequate if we do not know what return we will have to give to the track owner outside of the country? Or have we made preliminary arrangements with those tracks which the Minister has referred to as prestigious? If so, will we be able to accommodate that with the present structure of winnings to bets which we have right now?

Mr. Mayer: With regard to the 20 per cent that stays in the system, there would be negotiations between the track and the horse owners. I am informed that "split" is perhaps the wrong word to use and that "fee" would be more appropriate. There would be negotiations between the horseman and the track to decide how the remainder would be split up.

Mr. Boudria: Within the 12 cents?

Mr. Mayer: That is right. We have an amendment forthcoming that will address some of the legal aspects of allowing the track to set that fee.

Mr. Cook: Mr. Chairman, I have one question which I would like to have clarified. The Minister keeps talking about 40 races. In British Columbia we have a six-month thoroughbred racing season. We would be interested in the Queen's Plate, probably the Rothman's race, perhaps some of the major races from New York, and two or three races from California. Those races from California would be of no interest to eastern Canada. Due to the timing they would take place at eight o'clock or nine o'clock at night in the east when, generally speaking, tracks are not open. When you talk of 40 races, you are talking about 40 races which may or may not be picked up by various parts of the country at various times. It does not mean that any single racetrack is going to carry foreign races. In fact, I doubt that any of them would carry more than 10 or 15 in the entire season. Would you agree with that, Mr. Minister?

Mr. Mayer: Thank you for that well put question.

Mr. Rodriguez: The answer is yes?

Mr. Mayer: The answer is yes. I am getting all kinds of coaching from all sides of the House and I appreciate that, but the answer is obviously yes. Because we are such a diverse country there are areas of interest on the West Coast which would not interest people in the central part of Canada. That is entirely correct.

Mr. Rodriguez: I presume that this also covers standard bred racing including such races as The Little Brown Jug. I see a nod from the Minister.

Mr. Mayer: Yes.

Mr. Rodriguez: I disagree with my friend who said that if people got a bigger return on foreign races they would want to bet on them. I understand from the legislation that the particular races on which pari-mutuel betting would be allowed would have to be decided by the Minister. Is that correct?

Mr. Mayer: Yes, that is correct.

• (1630)

Mr. Rodriguez: I presume there is some criteria that will be used to determine which ones are prestigious races as opposed to dog races. Can the Minister elaborate and tell us what sort of criteria will be used to indicate a prestigious form of race?

Mr. Mayer: Obviously there has to be a judgment. Again, I presume that the Minister would be relying for advice and input from people in the industry so that we would in fact know what determines the words "prestigious race". I agree with the Hon. Member. I think that some of the pacers and trotters, if you are talking about harness racing, are very exciting to watch. It is not exclusive to thoroughbreds, but standard breds as well.

Mr. Rodriguez: Out of curiosity, the Bill provides for expanding the testing of bodily substances taken from horses in a race. I presume that that is one of the safeguards to protect the public. How does the Department update its testing procedures? It would seem to me that that is the kind of change that ought to have been made by regulation a long time ago.

Mr. Mayer: I think the Member is correct. We have a research farm and we are continually updating the testing procedure and trying to keep abreast with technology as it is expanded. However, I think the Member makes a very good point that there should be some room, possibly to have some of these procedures added on an ongoing basis without going to the House for amendments. I think he raises a good point.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Layton (for the Minister of Agriculture) that Bill C-42, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) had approximately a minute and a half before the end of the period for questions and comments.

Mr. Boudria: Mr. Speaker, when the order of the House was changed, I was about to respond to questions posed by the Hon. Member for Selkirk-Interlake (Mr. Holtmann). He indicated that I did not reflect his view when I expressed to the House that I knew him to be a Member who would oppose this Bill and favour more support for agriculture than what the Conservative Government was giving. I notice that he took objection to that. I am sorry that I credited the Member for Selkirk-Interlake with caring for agriculture. If he says he does not, then probably he does not.

Mr. Deputy Speaker: Resuming debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to speak to Bill C-42, the Bill to wind up Canagrex. When the Government was first elected we in the agricultural industry had great hopes because of the many promises to the agricultural sectors of the country. In many ways, these were very logical promises and suggestions that anyone who knew something about the agricultural industry would accept and support.

When the Conservatives formed the Government it was our hope that they would fulfil these promises and become the first Government in many years to take agriculture seriously. Many Conservative Members from the West were farmers in the past and had given the kind of voice to agricultural policies which we considered reasonable and worth while. We anticipated that they would be Members who would help farmers and the industry. Although there has been much talk, so far there have been few results from those promises.

The winding up of Canagrex was an unexpected result because the Government did not mention this policy during the election campaign. It is a direct blow to a number of farm groups who believed that they finally had an organization which would do something for the export of farm products. There is no doubt that even during its short tenure, Canagrex demonstrated a very important need for export assistance to the agriculture industry in Canada.

Of course, export assistance is not a new concept because most other sectors in Canada have specific bodies which are used to provide concrete and substantial help when they need it. Assistance to sell Canadian products abroad is common except in the agricultural industry. For instance, the industrial sector has the Export Development Corporation with a budget of approximately $20 bnillion for contingent liabilities with

which to provide specific financing to sell particular products in foreign markets. That financing is essentially speculative as the money is lent to the purchasing countries as insurance to help reduce any possible losses that might incur when selling abroad. The producers of military equipment and capital projects operate under another Crown corporation, the Canadian Commercial Corporation. It also provides specific assistance in order to implement projects abroad. Therefore, the idea that Canagrex was new and untried is false. In fact, the dissolution of Canagrex is a direct attack on the ability of the agricultural sector to export its products and develop markets abroad.

● (1640)

I know the Conservative Government in its statement on the wind-up of Canagrex said that other agencies are in place and that people attached to embassies can do the work. However, people have been attached to embassies for the last 25 or 30 years, and they have not succeeded in developing markets that we know can be developed.

Long before Canagrex, it was recognized that the agricultural community needed an instrument to attack the complex world of international trade. In fact, I looked at the history of Canagrex. It is interesting that the idea of an agricultural export agency was brought before this House during the Diefenbaker Government by the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who was the Minister responsible in that Government. He suggested that it was time to put an agricultural export agency in place. This concept was discussed again by the Trudeau Government.

During the short-lived Clark Government, the present Minister of Agriculture (Mr. Wise) prepared and had in place everything to go ahead with an agricultural export agency. Unfortunately, that Government did not stay in power long enough to put the agency in place. When the concept was brought forward later on, the present Minister of Agriculture actually supported the idea of the export agency. On December 9, 1980, we find on page 5540 of *Hansard* these words of the present Minister of Agriculture:

> We have supported the need for such a structure since 1974. While we were in office the necessary cabinet document had been prepared. What has happened? Has someone canned Canagrex?

Mr. Boudria: Who said that?

Mr. Hovdebo: The present Minister of Agriculture said that in 1980. During the period of time Canagrex was being debated in the House, the Conservative caucus supported it initially. However, some of the Conservatives friends in the export areas were a little concerned that an agency would cut into the possible development of markets of other agencies. Consequently over several months as the Bill was before the House and Committee, many of changes were made, a number of them at the behest of members of the Conservative caucus from across the country who felt there were some dangers in the Bill. Those dangers were taken out of the Bill and the Bill was passed in 1983.

To go back to the need for Canagrex, it was quite apparent to people in the agricultural community that some sophisticated method, some agency, some expertise, was needed to develop agricultural markets around the world. An agency was needed to open new horizons for domestic producers in Canada.

When the then Minister of Agriculture suggested such an agency, he got support from all sides of the House and from all areas of the agricultural industry. That support did not wane as the Bill was developed. It did not disappear after Canagrex was put in place. When this Government presented the wind-up of Canagrex before this House, the issue rose again. A number of farm groups came forward, stating they were disappointed that they were to lose what they considered, for the first time, to be an agency that dealt specifically with them and worked for them in the export world.

In 1980 the idea of Canagrex finally started to bear fruit. A Bill was placed before the House early in 1981. During the parliamentary debate on Canagrex, as I mentioned, particular concern was expressed by some Opposition Members over one clause. I want to zero in on that clause because it seemed to be the basis of the opposition.

Opposition Members said that they feared legislation would be used by the Government to interfere in normal commercial trade. Others felt instruments already in place were being duplicated. During the time this Bill was before Committee, a number of amendments were brought forward. Those amendments were put in place to ensure the agency received plenty of guidance and scrutiny, both from the private and the public sectors; that it would engage in trade only on a state to state basis in the development of markets and that it would not interfere in any private development of trade. Other things were passed in the Bill.

That kinds of corporations have a tendency to grow like Topsy was another concern. People say they will do only a certain amount, but the net result is they do considerably more. They start at $12 million and before you know what happens, they hit $60 million. To be sure that kind of thing did not happen, that the agency did not invade the private sector and raise concerns, very sophisticated control was put in place. No Crown corporation was every established with as many controls or with as much authority and guidance as was Canagrex. Everything was done to make sure that Canagrex did not cut into the trade of the private sector or into any other market sector which might possibly be affected. Everything was done to make sure it would be financially responsible and that it would not expand beyond the references given within the Bill. In fact the Auditor General was given the authority to call a comprehensive audit at any time he felt that it was necessary, so there was no concern about the financial responsibility of this particular organization. It was the first time in Canadian legislation that any corporation or agency was so well controlled or financially regulated by the Government. The Auditor General felt that no other organization or agency was quite as well as scrutinized as Canagrex. It was a bit of a shock, not only to those of us in the House but to those in the

agricultural community, to find that it was to be wound down, after a substantial investment and after an auspicious start on the part of the corporation, in that it was starting to do some work and starting to sell products.

● (1650)

Mr. Glenn Flaten, who was chairman of the 11-member Board of Directors of Canagrex, had been the president of the Canadian Federation of Agriculture and a member of numerous other agriculture-related associations and boards. He had an interest in ensuring that the board and its staff had control over what went on. He paid close attention to what happened in the debates in the House of Commons. He knew the concerns of Members of Parliament and of agricultural organizations. He was an excellent choice for chairman. The board worked very closely with the executives. Its members travelled and established many contacts. They worked particularly hard and particularly quickly. The Bill was passed in May, 1984, and toward the end of the following summer the money was put in place for the organization. In fact, an August 29 press release indicated that a $15 million line of credit had been arranged with a Cuban organization for sales and that many other contacts had been made, but of course time was running out. It is interesting to note that in September, when the new Government came into power, it immediately withheld the money voted by Parliament for this organization. As the company was beginning to operate and to show its value, the money was not available. Then, on November 8, 1984, without any consultation or examination, the Minister of Finance (Mr. Wilson) indicated in his economic statement that Canagrex was to disappear. Many farm organizations felt that they had been betrayed. They were consulted and made recommendations in favour of the development of Canagrex to help them sell their products. Suddenly, without examination, without a fair trial and without consultation, the Minister of Finance cancelled it, making a farce of the parliamentary system and of the consultative system. The Conservative Government allowed agriculture to drop to third or fourth place in Canadian trade. The Government is trying to develop trade, but it has refused to finance and has withdrawn from an active role in the one agency which could have helped around the world.

Mr. Angus: Mr. Speaker, it is interesting that the House allows us an opportunity to learn more about our country. As I looked at the legislation affecting Canagrex and as I listened to my colleague's speech, I could not help but wonder whether there was a parallel. Is there a parallel between the agency which is now being eliminated by the Conservative Government and the Canadian Wheat Board in terms of their function as between Canadian producers and potential markets elsewhere in the world?

Mr. Hovdebo: Mr. Speaker, I appreciate the Hon. Member's question, in that it gives me an opportunity to expand somewhat on the kind of structure which has been in place.

The Canadian Wheat Board is an agency of the Government and Canagrex is a Crown corporation. Technically they are somewhat different. As far as their mandates are concerned, there is much similarity. The Canadian Wheat Board has the responsibility to go out and sell grains and to develop markets to ensure an even flow of grain, as much as possible. Of course other factors are affected as well. Canagrex had eliminated from its responsibility grains which were under the auspices of the Canadian Wheat Board and other products already under other marketing boards. However, it had responsibilities in terms of any other product which could be considered an agricultural one. Honey, apples and other products which came under other boards were not affected. It could work with any of those boards to develop markets overseas. It was aimed at developing the agricultural market and working with existing marketing and producer boards. There is a marginal parallel. It was intended to help those boards.

I suppose one of our most sophisticated marketing boards is the Canadian Wheat Board. It does not need help in developing its market, although it can be prodded on occasion. I see that the Minister is present; we will prod him when it is necessary. The Canadian Wheat Board has very sophisticated marketing in place, and it can help those boards which do not.

Mr. Boudria: Mr. Speaker, I listened very attentively to the Hon. Member's speech. It was very interesting when he said that the Conservative Party had made an about-face. I find it strange that it would do this. I guess it was the first time in the last half hour that I heard about Conservatives changing their mind on a major issue.

What does the Hon. Member think could have possessed the Minister of Agriculture (Mr. Wise) to change his mind from his good intentions in 1979 and shortly thereafter? Does he think that the Minister of Finance (Mr. Wilson), "Mike the Knife" as he is affectionately known to all of us, had anything to do with this twisting of opinion which seems to have happened? Once again the Tories have contradicted themselves. Would he like to comment on that?

● (1700)

Mr. Hovdebo: We, of course, have to surmise the answer to that question. It is very uncharacteristic for the Conservatives to change their mind, as we all know.

Mr. Boudria: They haven't done it in the last half hour.

Mr. Hovdebo: The Minister was no doubt in favour of an export marketing agent for agriculture, and the Party was in favour also, otherwise the Minister, who had been a Minister in the Clark Government, would not have brought it forward. I would think that to some extent the decision to cancel Canagrex was based more on the fact that the Conservatives had publicly opposed it during committee hearings, and across Canada, and felt that they had to follow through in some way even if, in the process of opposing it, they had done a lot of good with improvements and making it a very responsible agency. I have to give Hon. Members of the Conservative Party who were in committee at that time a lot of credit for picking out faults and getting the Government to change those areas about which they were concerned. We did not always

agree with those changes but if that was their concern, they did well.

I feel, therefore, that the cancellation of Canagrex is purely political. It is really a disaster because it is done without any basis. They did not look at how well it could do and how much good it could do for the country.

Mr. Deputy Speaker: Are there any more questions or comments? Debate.

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, it is indeed a pleasure to enter this debate, although I do feel that the Canagrex situation has been discussed many times. However, people are still wondering what happened to it. I think it boils down very simply to the fact that we had an agency which was spending somewhere in the area of $6 million and had $50 million worth of orders. I do not think we could call that very efficient.

One of the reasons I am entering into the debate today, Mr. Speaker, is because I am troubled by some of the things I have heard today. I believe this Government has been one of the most sensitive Goverments to the needs of farmers that this Parliament has seen for many years. I have a list in my hand, and I do not wish to go over them all for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), of some 90 achievements of this Government since September 4, 1984.

Mr. Boudria: That must be plain paper you have in your hand.

Mr. Caldwell: I can read them, Mr. Speaker. This Government has spent somewhere in the area of $1.53 billion since the election on agricultural issues. I am not too sure we have the time to go through all of the excellent programs the Government has put forward.

Mr. Young: Go for it.

Mr. Caldwell: I believe we are all very cognizant of the fact that we do have problems in agriculture today, but this Government and the Minister of Agriculture (Mr. Wise) have faced up to them.

Perhaps I will read a few of the programs this Government has put into effect. As early as October 1, 1984, a $60 million federal-provincial prairie livestock drought assistance program was announced by the Minister. A few days later on October 17, 1984, $181,340 was granted through the Agricultural and Rural Development Subsidiary Agreement to Brookside Farms, B.C. On November 2, 1984, a $123 million final payment under the Western Grain Stabilization Program was announced. On November 5, 1984, the Minister of Agriculture announced that up to $627,286 in funding for projects under Agriculture Canada's new Crop Development Fund. Then, of course, the Minister showed his concern for the agriculture community. Many farmers were facing foreclosures due to mismanagement by the previous Government which had told farmers to go out and borrow, borrow, borrow and grow, grow, grow, and we will sell it. That is the reason, Mr. Speaker, that the Canadian farmers are in the difficulties in which they are today. Some farmers took the advice of the Liberal Government over the past number of years and now they find themselves unable to pay back those tremendous debts incurred during that period of time. However, the Minister of Agriculture, as early as November 5, two months after the election, put a moratorium on FCC loans which helped the farmers at that time and, of course, he has done it again very recently.

On November 26, 1984, $15 million was given to help the grape growers in the Niagara Peninsula who were suffering from over-production. What were they supposed to do with their grapes? The Liberals have told them in the past what they could do with them. But this Government showed some compassion—

Ms. Copps: That's nonsense, and you know it.

Mr. Caldwell: The Government showed some compassion and bought the crops of the grape growers.

Ms. Copps: Let them eat grapes.

Mr. Caldwell: I know it hurts. I am only down to number nine and I have 89 more to go.

Mr. Althouse: What about the western grain stabilization?

Mr. Caldwell: We can talk a little about the western grain stabilization, if the Hon. Member likes, Mr. Speaker. Bill C-25 was the Western Grain Stabilization Act. The previous Government sat by for many years. It did not have the guts to put the stabilization program through. At that time it would have been much simpler to have a stabilization program in Canada than at the present time because each province had to develop its own programs in order to keep its farmers on the land. The federal Government sat back and said, "Let the provinces do it". Now we have a system whereby every province is top loading. It is almost impossible in some cases to get a national agreement. However, our Minister and this Government have decided that we are going to have an agreement. It will be the best agreement that can possibly be achieved at this present time. It would have been a lot easier had the previous Government moved on that type of legislation. We would not then be in the situation we are today.

I will just highlight some of the programs which had been announced by this Government. On November 30, 1984, a $3.3 million emergency cash advance under the Prairie Grain Advance Payments Act was made available. On December 3, 1984, it was announced that land was being purchased for the construction of a $10 million research centre on pest control in London, Ontario. On December 7, 1984, $200,000 worth of evaporated milk was donated by Canadian dairy farmers to relieve the starvation in Ethiopia. On December 10, 1984, the Minister of Agriculture announced the Farm Credit Corporation loan rates dropped by .75 per cent to 1 per cent and, of course, they are still going down.

Mr. Brightwell: Four per cent over the year.

Mr. Caldwell: It was 4 per cent over the past year. That is one of the things which this Government has done which the farmers of today certainly appreciate because there was nothing that was hurting them more than the high interest rates which were imposed upon them by the previous Government. As I pointed out before, that is the reason that agriculture has the problems it has today.

Farmers are as good at farming as they were then. The only problem is they could not pay the exorbitant interest rates which were put on to them by the previous Government.

Mr. Guilbault (Saint-Jacques): Explain.

Mr. Caldwell: On December 20, 1984, Royal Assent was given to petroleum tax rebates which will save Canadian farmers nearly $100 million annually in operating costs. That was something which we promised during the election campaign and we lived up to it.

Ms. Copps: Why don't you talk about the 18-cents-a-gallon-increase in gas in the Budget?

Mr. Caldwell: I could go on but I know Hon. Members are getting—

Mr. Boudria: Please do.

Mr. Caldwell: I could give them a copy of this and they could examine it for themselves. It all adds up to $1.53 billion which this Government has spent on agriculture in Canada in the past year. That is something which has not been done by the Liberal Government for the past 15 years.

Ms. Copps: What about Canagex?

Mr. Caldwell: Canagrex? That is very simple. Why did we get rid of Canagrex? Because it was not doing its job. Perhaps it is Liberal economics which says it is good for an organization to spend $6 million and to sell $50 million worth of goods.

Ms. Copps: Fifteen million dollars in the first year of operation was good marketing to open up the international markets.

• (1710)

Mr. Deputy Speaker: Order, please. Will the Hon. Member please address the Chair when making his remarks?

Mr. Caldwell: It is difficult to address the Chair with these kinds of interventions. I would point out that if the Hon. Member would like a copy of the list of 90 achievements of this Government over the past year, I would be happy to provide it to her. I am sure the list would make very interesting reading. If she read it, prhaps we would not hear the kinds of things we are hearing today.

Mr. Althouse: Mr. Speaker, I listened with care to the list presented by the Hon. Member for Essex-Kent (Mr. Caldwell) and I was not very surprised to notice that there was really no mention of any new initiatives in spending with the possible exception of the $30-per-head cattle payments to western farmers in drought zones, and that initiative is a copy of a similar program that was in effect on an *ad hoc* basis in 1981. All of the other programs to which he referred would have provided the same level of service whether this was a Conservative Government, a Liberal Government or no Government. They are programs that have been in effect for years.

The grape program to which he referred was paid for under the Stabilization Act, something which he says his Government put into place. That is an old Act. It has a power which permits the Commodity Board to purchase products when they are in surplus supply so that farmers can have some money. The grape growers of this country have been protected by that action more than once and at least four or five times under previous administrations. I do not know exactly when the pay-outs occurred, but I recall that the grape growers have used that program many times in the past.

Other pay-outs including those under the Western Grain Stabilization Act are automatic payments which would occur whether this Government was in power, that Government was in power or a Government of our own was in power. Of the $1.5 million made available under the drought assistance to livestock, perhaps $30,000 to $40,000 was not initiated by the Government. That particular initiative required the making of an executive decision. I would point out that a similar decision was made under the previous Government and it has become almost an accepted practice that such an *ad hoc* form of aid will occur during drought season.

To portray $1.4 billion that the Hon. Member says has been paid out to help Canadian farmers as being money that would not have been paid out were it not for this Government is really not being fair or accurate since those programs have been established for many years and would have triggered pay-outs even if the House were not sitting. The way he is portraying this to the House is not accurate and I just wanted to make sure that the record was made clear.

Mr. Caldwell: Mr. Speaker, as I pointed out, I was not nearly finished reading my list. If the Hon. Member wants—

Ms. Copps: What about grapes?

Mr. Caldwell: I could keep on reading the list, but I will not do that. Just off the top of my head, I could mention the fact that this Government took an initiative to save UCO in Ontario, something which is now in a profitable position. How much has the capital gains tax exemption of $500,000 helped farmers? How much has 4 per cent and lower interest rates helped the Canadian farmer?

Ms. Copps: The UCO assistance came from the federal Government before you, you should keep your facts straight.

Mr. Caldwell: The Hon. Member should know—

Ms. Copps: I certainly know because I was in the provincial legislature at the time.

Mr. Caldwell: The Hon. Member should know that the Government came to the rescue of the UCO this past year.

Ms. Copps: And they did it under previous Liberal administrations so you should get your facts straight.

Mr. Caldwell: I think I know what the facts are. This Government put somewhere in the area of $7 million into the UCO program and UCO is now back on a profitable basis and serving the interests of the farmers of Ontario.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Richmond-Wolfe (Mr. Tardif), for questions or comments.

Mr. Tardif (Richmond-Wolfe): Mr. Speaker, I think the comments made by the Hon. Member opposite are simply absurd. It is like asking: What have you been doing since September 4? and getting the following answer: Listen, we paid so many billion dollars in family allowances, so many billion in Old Age Security benefits and so many billion in Unemployment Insurance benefits. All these payments arise from legislation that has been in effect for years.

If you want us to consider what you referred to, of which you apparently are very proud, I would ask you this... I represent the interests of Quebec producers. You mentioned 90 achievements. My question is: How many of those 90 achievements affect or concern Quebec producers? You also talked about more than one billion dollars. How many of those more than one billion dollars went to Quebec producers? Finally, I would like to know what you have done about the real issues. What about the $13 million that pork producers expected to receive? Thirteen million compared to one billion is peanuts. Why did you not pay up? What about the dairy policy you promised for the first of August? What are you waiting for? You promised that during the election campaign.

As for stabilization... Look at the newspaper articles... There are Quebec Members in this House! Read the papers—and I can assure you farmers read them—read what they say about stabilization, and I think you will have to change your tune somewhat.

[*English*]

Mr. Caldwell: Mr. Speaker, if the Hon. Member wishes to debate the pros and cons of Bill C-25, I think he should do so when Bill C-25 comes before the House again. However, I would say that—

Mr. Boudria: We are debating your speech.

Mr. Caldwell: I do not want to debate that now because I know that the Hon. Member has some opinions and I respect his opinions. I also have some opinions as a Member from Ontario.

As far as the initiatives that have been taken for the Province of Quebec go, there are many listed. I do not particularly want to read the list at the present time, but I do recall that on June 19, 1985, the former Minister of Fisheries and Oceans opened a $16-million research facility at Saint-Jean-sur-Richelieu, Quebec. That is just one of the things that have been done. There are many more but—

Ms. Copps: Who planned it?

Mr. Caldwell: The Hon. Member asked if I could find an example and I quickly found one for him. There are many, many more here. The Province of Quebec has not been neglected by this Government.

Mr. Gormley: Mr. Speaker, I would like to address a question to the Hon. Member for Essex-Kent (Mr. Caldwell). Obviously, as evidenced by his speech, the Hon. Member has made a great contribution to this House not only in debating agriculture but in debating this particular provision. I would like to question the Hon. Member about the matter of political will.

Certainly opposition Members are correct in saying that there are many government programs that do in fact transcend the political events of year to year, programs which continue regardless of elections. Conversely, there are some matters that require political will, the will of the cabinet table, the will of the caucus and the will of the Members of the House of Commons. These include the fuel tax rebate, the capital gains tax exemption and the decision to undertake a comprehensive review of the Farm Credit Corpotation. As well, they include the moratorium on farm credit foreclosures. It should not be mistakenly believed that these are things that came from the last Government because even members of the Liberal Party would have to admit that these are new measures that require political will.

I would like to ask the Hon. Member who has made such an excellent contribution to this debate so far about political will. Does this Government have a political will toward agriculture that, in his mind, is any different from the political will of the Liberal Party of Canada?

Mr. Caldwell: Mr. Speaker, that is certainly a very important question coming from a very honourable Member who represents a rural riding. I am sure he keeps very close contact with his constituents.

I am finding, and I am sure the Hon. Member is finding the same thing, that once we explain the Government policy on agriculture to our constituents, they are very, very pleased with what we are doing. They realize that we have a very tough job to do. We are going through a time that has been one of the toughest times for many, many years. However, the people realize that this Government is willing to try to do the impossible and to try to straighten out a mess that was created by bad management over the past 15 years and a Government that neglected agriculture.

• (1720)

Mr. Deputy Speaker: The period for questions and comments is over. Without commenting on the speeches which

have been made on this matter thus far, I would like to ask future speakers to be more specific and address Bill C-42.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am of course very pleased to be taking part in this debate, but, with your permission, I would like to digress somewhat before starting my comments. In answer to the question I asked earlier, my hon. colleague opposite said that the Government's achievements included a research centre in Saint-Jean, which cost $16 million. I might remind my hon. friend that this project is merely the implementation phase of a project we had already developed. If my time had not run out, I would have asked him what happened to the centre for Victoriaville, which was cancelled outright. This was a project worth $16 million.

An Hon. Member: The Conservatives did that. Incredible!

Mr. Tardif (Richmond-Wolfe): That being said, Mr. Speaker, I would like to get back to Bill C-42, which is actually a very short Bill, since it contains only one section I find important and that is Section 3, which says: The Corporation is hereby dissolved. One section, and there you have the whole Bill. However, I think it is a real tragedy to see something that had become a veritable institution, and that was the result of an unprecedented round of consultations, die like this.

Canagrex was the result of consultations with all the main parties concerned, without a single exception. Throughout those consultations, a number of concerns and issues were raised. However, I beleive that anyone who took the trouble to really understand and analyze the potential of Canagrex understood that the Corporation would have a positive impact on the entire agro-food industry. Bill C-42 has proved to be a golden opportunity to see the true colours of this administration.

For the first time since September 4, 1984, we can see what kind of policy this Government has with respect to agriculture. Of course, they have tried to camouflage their problems with all sorts of mechanisms and strategies. They were supposed to make a number of decisions and then postponed them, giving the impression or inferring or saying that consultations were not yet completed and a decision would be delayed. I am of course referring to the dairy policy, which was supposed to be known or made public on August 1. This is the first time we have been able to grasp something tangible and significant about this Government's true intentions and its true face. Without going very far back into the past, it is interesting to note how this Government has been administering the country and what kind of image it gave the people, particularly those in the agro-food industry. Of course I am more familiar with the commitments and promises made by different spokesmen to the agricultural community throughout Quebec. For instance I have in mind a man who should be taken at his word—at least I would think so since I am referring to the Minister of Public Works, the Hon. Roch La Salle—who stated in rather colourful words before the largest gathering of farmers in Longueuil: We in the Conservative Party have learned that a man must eat if he wants to go on living. As you can appreciate, it was his way of saying that agriculture was a basic industry, that it was one of the Government's priorities, and he went on to explain what would be done in that sector. That was the principle which, in a way, summed up the electoral commitments to the food producing industry.

Some of those commitments were indeed very specific and very formal. Among other things, and I mentioned this earlier, the Minister of Public Works put his signature to a $13 million symbolic cheque. Well, Mr. Speaker, they are telling you today that they spent over $1 billion to promote agriculture, but they just could not spare the $13 million for pork producers.

They also promised a long term dairy policy. Knowing as we do that this strategic sector is the mainstay of Quebec's agriculture, we can readily imagine the anxiety and concern of producers who have now been waiting for this famous long term policy since August 1 last. It has been put off, practically hidden as a result of what appears to be a tactic of further consultations, but it seems quite clear that we should be prepared for rather drastic cut-backs in that sector.

And then the matter of stabilization about which they said: We will do absolutely nothing! We will not tamper with that. We will consult you and, after reaching a consensus, we will go ahead. We all know what has happened to stabilization. Indeed my colleague opposite was again patting himself on the back a moment ago when he said: This is something fantastic, something of which we are quite proud, something which has been in the interest of Canadian food producers. Unfortunately that is not my opinion and since my opinion might be viewed as biased, or demagogic as my colleague from Lévis (Mr. Fontaine) said earlier today in a statement under Standing Order 22, because it seems that we do not have the research facilities of Members opposite—

But I think that he then opened the door for me so that I could indicate to you ... not the personal view of the Hon. Member for Richmond-Wolfe (Mr. Tardif), but what those who live and develop in close contact with the Quebec farm industry think that you have done since you came to power on September 4, 1984.

Concerning the dairy policy, I should like to quote from an article which was published in *La terre de chez nous* and which was entitled "Western cereals preferred to milk. Ottawa has broken its promise". I quote:

> Brian Mulroney's Conservative Government has broken another of its election promises. It is already certain that the long term dairy policy will not be announced on August 1.

Here is another quote under the following heading:

> "Quebec farm industry will go through a difficult year following the major gains made in 1984. The producers' indebtedness has increased by 25 per cent—

Here is another quote referring again to the dairy policy:

Dairy producers would like Wise—

—the Minister of Agriculture—

—to know that he might find the weather in late summer quite hot and stormy.

Another quote, again from *La terre de chez nous*:

The industrial milk industry is in a crisis. New reductions in quotas would have a catastrophic impact on the Quebec economy. Milk producers do not want any more cut backs. They have done their share. They are now calling on the Prime Minister.

These are newspaper quotes which clearly indicate what we are aware of Quebec farm producers in general and dairy producers in particular. The Government should not brag about its performance, for the report I have just made of the situation in Quebec is far from good.

I referred earlier to the hog industry where the Government had promised $13 million.

The Federation of Hog Producers will sue the Federal Government.

And I quote:

Early last week, the Federation of Hog Producers decided to sue the Agricultural Stabilization Board, a Federal Government organization.

The Federation hopes in this way to recover the $13 million which were more than promised to them, as the Minister of Public Works signed a symbolic cheque in the amount of $1 billion and some million dollars. However, the Government cannot find $13 million to fulfil its election promises.

Let us go on to another matter about which the Government seems also to be very proud, the stabilization measure, Bill C-25. I would invite the Quebec Members to speak up on this issue, if there are any here.

This is what we find in the newspaper *La terre de chez nous* of August 23, 1985, and I quote:

Quebec farmers protest that they have been betrayed—he also denounces the 58 Conservative Members of Parliament, "these men and women who have abandoned us at the first opportunity and who did not stand up to oppose passage of Bill C-25".

This was said by Mr. Proulx, who is President of the UPA. These are not the words of your Member for Richmond-Wolfe (Mr. Tardif), but of Mr. Jacques Proulx, President of the UPA.

According to Mr. Proulx, this is an unacceptable intrusion in Quebec affairs, but the Quebec Conservatives did not even realize it.

Here is another quote on the same issue: "The UPA is outraged!"

This article also deplores the way Bill C-25 was debated in the House and given hasty passage at the very end of June.

Let us look at other newspaper cuttings. I shall deal with them more quickly and give only their titles: "Stabilization Bill—Systematic Hypocrisy in Ottawa." These are the comments of Mr. Jacques Proulx, the President of the UPA. I am not the one to say all this.

There is more: "The most centralizing legislation ever adopted by the Federal Government" "Garon—" and this is someone that my colleagues from Quebec are supposed to know; this is Mr. Jean Garon, the Quebec Minister of Agriculture,"—Garon would accept a Parliamentary Commission on Agriculture." He also added: "What the Conservatives have proposed is worst than what we had before."

Mr. Boudria: These are the comments of a Member of the Parti québécois with conservative leanings!

Mr. Tardif (Richmond-Wolfe): Here is another comment from Mr. Garon: "Bill C-25 will not be accepted in Quebec."

As concerns the Crow's Nest, if I refer to the Longueuil meeting—

• (1730)

[*English*]

Mr. Gormley: Point of order, Mr. Speaker. I have been listening with interest to the Hon. Member as I am trying to improve my French. I would like to thank the Hon. Member for his speech. However, he has been referring to the Crowsnest Pass freight rate, Bill C-25, and a number of other subjects, and I am just wondering precisely what he is trying to get at and if the rule of relevance applies in this debate.

Mr. Deputy Speaker: The point raised by the Hon. Member is, of course, well taken by the Chair. However, prior speakers in this debate have spoken in general terms on matters of agriculture. I made a comment prior to the speech of the Hon. Member and I hope he, like other Members in this House, speaks to the Bill as much as possible.

[*Translation*]

Mr. Tardif (Richmond-Wolfe): Thank you, Mr. Speaker. If the Hon. Member had listened to my remarks, I think he would not have voiced that objection.

Mr. Speaker, Bill C-42 deals with Canagrex. Canagrex was created for the purpose of promoting internationally the Canadian agro-food industry. To my knowledge, agro-food activities cover milk, apples, as well as all other products referred to in my earlier clippings.

Anyway, Mr. Speaker, I was coming back to Bill C-42 but you will allow me, before I do so, perhaps more specifically and with relevance to Bill C-42 . . . I would like, with your permission, to simply refer to a last clipping headed: "Farm bankruptcies" This is how I relate that to Bill C-42.

"Farm bankruptcies—figures and human impact" Over the last year, there has been a 20 per cent increase in the number of farms sold through TCN because of bankruptcy. While we look at bankruptcy data, we also consider the social, environmental and human damage caused by bankruptcies.

Mr. Speaker, Canadian farming has reached a point where it is essential, absolutely necessary that government should help, support and invest in agriculture. Unfortunately, the

farming industry does not have the ability to pay, the capacity to create organizations which would promote its products overseas or on foreign markets. That was indeed the role of Canagrex. That was the purpose, the ultimate goal of that corporation and it is now being destroyed through Bill C-42. That purpose would have been, in difficult periods such as the one Canadian farming is now going through, to open up markets, to help producers faced with tremendous difficulties make ends meet, and hope that at some point in time they will increase their production and thereby make their operations more viable.

Canagrex is and was more specifically in my view an essential tool, for a number of reasons but especially because Canadians, as we all know, do have a very large country with a relatively small population, unfortunately. We are 25 million Canadians. But because of this large country of ours, we have the opportunity, the possibility and the power to develop our farms, to expect to profit from those extremely large farms, to produce, to foster, to develop products which unfortunately our population cannot absorb in all cases, as seen from that little test.

So we must hope, if we want to develop farming, to take our rightful place on foreign markets, to take our place among countries which are privileged with having a much larger population than ours. But the demise of Canagrex, this Government's move to abolish it, mean that suddenly, they are flushing down the drain that absolutely vital tool needed for the Canadian economy really to expand.

We also are in a situation where people talk about competition, and productivity, where everyone agrees that the agro-food industry is no exception, that there are incredible economies of size to be sought out, unbelievable economies to be expected by investing in research, which directly results in increased productivity, and increased production. Canagrex was the tool designed to find markets for those surpluses, and of which clearly the economy has an obvious need.

I feel that the Canagrex move is a direct, unacceptable and most cruel attack against small family farms. Of course, those who have millions of dollars invested in that industry can afford to have a salesman, a sales force, public relations teams to sell their products. However, the small farmers or the families who need every minute of their time to make both ends meet cannot invest in the exploration for new markets and cannot put new funds into marketing. And this was precisely the purpose of Canagrex. And this Government which said it was in sympathy and wanted to support agriculture dissolves Canagrex after just about everybody has recognized its effectiveness and the fact that it could have been a necessary tool.

In conclusion, Mr. Speaker, I would say that Bill C-42 is by a long way the best proof that the concerns and the awareness of this Government are to a much larger extent related to multinationals, banks, big corporations than to small family businesses. This Government wants to apply to the agri-food industry the rules of capitalism and competition to the extent that this will result in countless bankruptcies and breakups, and larger corporations will gradually take over the small family businesses which in my opinion are the true fabric of our agriculture, especially in Quebec.

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

• (1740)

Mr. Nystrom: I should like to ask a question, Mr. Speaker.

I agree with many things which the Hon. Member has just said, but I wonder why the Liberal Government took so long to set up Canagrex. I know Mr. Whelan quite well and I agree with the project, but the Liberal party was in power for 20 years, Mr. Trudeau was there for 15 years, Mr. Whelan for 12 or 13 years. Why did it take so long to set up an organization such as Canagrex, considering the fact that it began operating 18 months ago?

Mr. Tardif (Richmond-Wolfe): My hon. colleague knows perfectly well, Mr. Speaker, since he probably took part in the debate, that the Canagrex Bill did not come out of the blue. Consultations were held for several months and even years, and I know, because I was here in the House, that in 1979, the first step was made, and at that time, if I remember correctly, the Progressive Conservatives, the party opposite, had expressed a number of objections, so that the realization of this concept, which could have come in the eighties, had to be postponed. But the Canagrex Corporation was a fact, and it was generally recognized, and I would like to take this opportunity to recall some of what was said by my hon. friend of the New Democratic Party who said earlier that the Auditor General had to admit that this Crown corporation was one of the best administered and best organized and one likely to generate the best results.

Mr. Deputy Speaker: The Hon. Member for Yorkton-Melville (Mr. Nystrom), for a supplementary.

Mr. Nystrom: I would like to ask a supplementary question, Mr. Speaker. I approve of Canagrex. But why did the Liberal Party wait twenty years before proceeding to its creation? You referred to consultations that lasted several months, I agree with that, but why wait twenty years? Because you must not forget that Mr. Pearson won the 1963 elections and Mr. Trudeau those of 1968. Producers experienced so many problems. So why did it take twenty years? I know the Liberal Party is slow, but my God!

Mr. Tardif (Richmond-Wolfe): The Liberal Party is infinitely faster than the New Democrats.

Mr. Boudria: More dynamic also. The New Democrats will never be in office.

Mr. Tardif (Richmond-Wolfe): Here is my answer. Parts of it lie in the question itself, Mr. Speaker. One must go back twenty years. My colleague said that was twenty years ago. The premise of his question seems to me somewhat odd since twenty years ago, we were not even capable of a production such as the one we had in 1982-83, and the problems Quebec's and Canada's agriculture experienced in the 80s cannot be compared to those of the 60s. I think that in reality the appropriateness of that corporation appeared in the 80s. Even though there might have been a delay of one, two or three years, the parliamentary system being what it is, I do not think it is surprising that the corporation was established under our administration. We can see how slowly things evolve under the new administration.

[*English*]

Mr. Brightwell: Mr. Speaker, I have a comment and some questions. I listened carefully to what the Member for Richmond-Wolfe (Mr. Tardif) said. I thought he may have spoken a little about how Canagrex duplicated the services that are otherwise available within Government and private enterprise, about the fact that we sell 40 per cent of our products of private enterprise abroad, about how Canagrex only succeeded to the small extent that it did because it was able to extend credit, and about how it competed with the private enterprise that opened the Japanese, Polish and Chinese markets.

Instead of speaking of those things, the Member spoke of how the federal Government is now interfering in Quebec—I forget the term he used—by offering Quebec, under the tripartite plan, 3 per cent of its domestic sales if it wishes to come into the stabilization plan. I do not know how he believes that the Government is somehow hurting Quebec by offering to give it money for its scheme. I do not know how the Member can talk about getting additional $13 million from the Agricultural Stabilization Act when the people who would receive that money were already protected by a Government-funded bipartite scheme paying their expenses as well as a specialized wage. I believe that last year they got approximately $28 a hog and they still wished to have the $6.75 per hog which came out of the Agricultural Stabilization Act.

Does the Member for Richmond-Wolfe think it is fair for a Government which must look after the whole of Canada to give hog farmers in Quebec the stabilization plan for the 2.1 million hogs in the Quebec market on top of the very rich plan which is in the Quebec arena at the present time?

[*Translation*]

Mr. Tardif (Richmond-Wolfe): What I would like for Quebec finally is an amount similar to that Western Canada is getting in the first place. Secondly, you raised three points: To start with, you said a number of factors and circumstances affected the sale of farm products overseas. I would like to say that, in terms of farm business, your notion of profit must be wrong, for if it were to be taken to the letter, you would just have caused about 80 percent of the farm businesses to go bankrupt. This is an area where the Government has no choice but to get financially involved. It has to support Canagrex, and even if Canagrex had done nothing else but to provide for its management needs, there was a justification for it, and its activities should be allowed to go on.

The problems of agriculture are so desperate that the Government has to support it. You mentioned stabilization schemes. The answer is dead simple: if you have two programs, with a net result of $10 for one and $1.50 for the other, knowing you as I do, you are bound to opt for the $10 one. That is what we have now. In Quebec, we have a stabilization program which is very generous to producers. There is no damn sense in what you guys are saying, that is: get rid of your program and get in on ours.

The third aspect is hog production. On the matter of hogs, since you are making so much fuss about equity, I will tell you that hog producers are taxpayers just like you, they pay the same taxes as you do. Why should they be deprived of their fair share, the same share as Ontario and Western Canada got, and which they are denied for bureaucratic reasons? That amount is due, the Minister of Public Works pledged it, and it should be paid.

Mr. Boudria: Mr. Speaker, I would like to congratulate my hon. colleague on an excellent speech. He is clearly able to defend the interests of Quebec in this House, Mr. Speaker. I would like to ask him if I was right in understanding that the present Minister of Public Works (Mr. La Salle), the Hon. Member for Joliette, during the election campaign, did indeed promise to give $13 million to the producers of Quebec and even wrote out a cheque, and that cheque was made out of rubber, as they say in my riding. Is that indeed what the Minister of Public Works did, and if so, how can it be said that such a Minister, and such a Government are indeed interested in agriculture when they keep backing off from their promises? Did I understand correctly?

Mr. Tardif (Richmond-Wolfe): That is indeed what happened and there was I believe ample coverage of that matter in the newspapers. The present Minister of Public Works who was in a generous mood, signed his name—he was not the honourable at the time—Roch La Salle, on a $13 million cheque. He did much more than that, because that is one problem. It is a 13 million problem. But there is another one, a $450,000 problem, the sheep problem. There has been less talk about the smaller producers, because there are fewer of them to speak up and defend their interests. But on that day, in Longueuil, the Minister of Public Works also signed his name on a $450,000 cheque.

Those sheep producers now have to go to court to get what is rightfully theirs. And hog producers have done exactly the same thing, they had to institute proceedings against the Government in order to get back those $13 million. This is quite unacceptable in my opinion! It is unacceptable that this problem should have been allowed to drag on for so long and

the reason we were given is that if we paid those $13 million, it would bring about a more or less favourable decision from the United States.

The Minister even recognized in Committee that he had consulted the Americans about the Stabilization Act but that he had not take into account the demands of the province of Quebec. Therefore, the Minister who was obviously feeling very uncomfortable and unhappy about paying those $13 million, because it would affect a decision yet to be taken . . . So, that decision was taken and it was in fact acceptable. We asked the question: Why not pay those $13 million? We were given another reason. Because of that, unfortunately, those to whom that money belonged have to go to court to get what is rightfully theirs.

● (1750)

[*English*]

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, this is an interesting afternoon in the House. Anyone who was watching this debate—although I am not sure anyone would want to watch what has been going on here—would have to conclude that the Government is made up of a bunch of shysters—

Some Hon. Members: Hear, hear!

Mr. Rossi: You are the one who said it.

Mr. Mayer: Let me repeat that anyone listening to what the Opposition has been saying about us would think that no Government Member who is a farmer would dare to go home on the weekend to visit our constituents because the farmers are totally upset with us and at variance with everything we do.

Certainly there are things we would like to do as a Government that we are unable to do for various reasons. However, we have been able to accomplish some of our goals and I think that the Opposition would be more credible if it would acknowledge some of our achievements. We realize that the Opposition will condemn us on most matters but surely they must recognize that we have accomplished some of our goals.

The Opposition may object to our stance on Canagrex but those Members who were here for the part of the debate leading up to the creation of Canagrex will know that there were some major problems associated with that Bill. None of us dealing with the Bill at that time could say anything against the necessity for advertising or financing and promotion of agricultural products. Canada is more dependent than the United States or the European Community on exports of agricultural products for the well-being of its farmers. We recognized that but we also disagreed with a major proposal in the Bill that Canagrex be authorized to own and further process products. We supported the provision of the Bill dealing with the financing and promotion of agriculture and would have been happy to support it on that basis. Perhaps, once Canagrex had a reputation and the expertise was developed in the agency it could have been expanded further as needed. However, Canagrex should not have been created with so many extra powers.

When we took office we took a different approach with respect to Canagrex. Again, let me point out some of the action our Government has taken. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) says that we have done nothing.

Mr. Althouse: No, I did not. I said that those things would have been done anyway.

Mr. Mayer: Let me finish. He said that we have done nothing that has required initiative on the part of the Government. That is entirely not the case. Let me explain some of the initiatives our Government has taken. Without our initiative there would not have been an interim payment under the Western Grain Stabilization Act which pumped some $250 million into the Province of Saskatchewan. I have stated in the House previously that this initiative was supported by the Opposition and we appreciate that. It benefited western farmers. It is wrong for the Opposition to say that we have done nothing that has required initiative on our part. It is simply not the case that the action we have taken is a result of ongoing Government programs.

Furthermore, for the first time, we made use of the provisions under the meat import law which resulted in a reduction in the amount of meat coming into the country. Regardless of what is said, the amount of meat coming to Canada from offshore will be smaller this year than it was in 1984 as a result of the initiatives taken by this Government.

The Opposition talks about the November 8 economic statement. The Minister of Finance found over $100 million to use as a rebate on farm fuel. Surely Members opposite will not stand in the House to say that they are opposed to that measure and state that objection to farmers in their ridings. The Minister of Transport (Mr. Mazankowski) froze the seaway tolls. That was an initiative of the Government that saved producers a significant amount of money. That initiative will benefit farmers.

Last spring, we took the initiative to study the sugar beet industry in this country. It was an initiative that resulted in an interim measure to allow producers in Alberta, Manitoba and Quebec to plant sugar beets. Although we were unable to reach an agreement in Alberta, and Alberta producers did not plant sugar beets, there would have been no sugar beet industry at all without that initiative.

We made a campaign commitment to establish a procedure by which tobacco farmers could establish a marketing board. That was one of the first pieces of legislation passed in the House, in fulfilment of that commitment. However, listening to the Opposition, one would think that we have done absolutely nothing for agriculture and are totally abandoning that sector. That is simply not the case and I think the Opposition would have much more credibility and add a great deal to the demeanor of the House if they would give us credit for some of the initiatives we have taken. The Opposition may criticize the Government for not taking enough action or not taking it soon

enough and give us its suggestions but it should not be totally negative and disregard everything we have accomplished. It does not do the Opposition, the House or the agricultural industry any good at all—

[*Translation*]

Mr. Lapierre: Mr. Speaker, the Hon. Minister blames us for all the sins of the world, but I would like to remind him that the purpose of today's debate is to allow Members of Parliament to speak on Canagrex and not to give the Government credit it takes for itself.

I would urge him to speak on the Bill and not on what he calls in other—

[*English*]

Mr. Mayer: Mr. Speaker, obviously the Opposition does not want to hear about those positive steps we have taken on behalf of farmers. However, if it is fair for a Member of the Opposition to take 20 minutes to do nothing but berate the Government about matters which have nothing to do with Canagrex, at least it should be fair for a Member of the Government to take some time to demonstrate what the Government has done for agriculture. I suggest that it is just common courtesy and good manners, if nothing else.

Let me make some remarks about Canagrex. We all recognize that one of the reasons for the creation of Canagrex was that farmers need as much export earnings as possible. We have taken some initiatives in terms of agricultural financing. As of yesterday, a program under the Export Development Corporation was established to assist in short-term financing with respect to bulk agricultural products. The Minister of Agriculture (Mr. Wise) is presently in the Soviet Union conducting trade promotion in that part of the world. I was pleased to be invited to the Soviet Union in June. That country is our largest customer for grain. We have not abandoned Canadian farmers in their efforts to export products. I repeat that the Opposition is wrong in using this Bill as a basis for saying that the Government has totally abandoned agriculture. That is certainly not the case. I see that you are signalling that my time is almost up, Mr. Speaker.

One of the other things Canagrex was attempting to do was to provide more advertisement and more market intelligence. We are currently doing that through increased awareness around the world via our embassies. That is the kind of thing going on and about which Hon. Members need to know in terms of this Government taking its responsibilities and seeing that we continue to export as farmers. Canadian farmers have a tremendous record around the world. We are very well thought of.

Some Hon. Members: Hear, hear!

Mr. Mayer: That is one thing on which we all agree. I shall conclude on that happy note.

Mr. Deputy Speaker: It being six o'clock p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.01 p.m.

HOUSE OF COMMONS

Thursday, October 3, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

Hon. Flora MacDonald (Minister of Employment and Immigration) moved that Bill C-62, an Act respecting Employment equity, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, it is my pleasure to rise today to move second reading of Bill C-62. Sir, this Bill is an historic piece of legislation. For the first time in the history of this country we have legislation before this House which enshrines the principle of equality in the work place throughout Canada.

Some Hon. Members: Hear, hear!

Miss MacDonald: Sir, we have legislation that guarantees the removal of employment barriers for women, native people, handicapped persons and visible minorities. This Bill is about opportunity, because employment equity is about opportunity, opportunity for Canadians everywhere to earn a decent living and participate fully in our society, opportunity for people to be judged by what they can do. Bill C-62 is a crucial step forward, the first major step in ensuring equal access to new opportunities for all Canadians.

[*Translation*]

The fact that we are giving employment equity legal status creates an important precedent. We are showing, as legislators, that we are committed to bringing greater social justice to the work place. We are proving that this House believes strongly that every Canadian is entitled to equal opportunities for employment, and furthermore, we are promoting a spirit of fairness, co-operation and understanding which, I firmly believe, will be reflected throughout the country.

[*English*]

That spirit of fairness which I speak of, Mr. Speaker, that same spirit of fairness which is fundamental to the legislation, is also reflected in the commitment to equity and equality which characterizes the Canadian job strategy, because employment equity is fundamental to the Canadian job strategy. Again, Sir, that spirit of fairness is reflected in the announcement that was made by myself and the Minister of National Health and Welfare (Mr. Epp) just two weeks ago. From now on social assistance recipients, many of whom are really the very people affected by this particular piece of legislation, will have opportunities for training and employment that were really not accessible to them heretofore.

The legislation before us today breaks new ground. It is not enough just to say that we are for equal opportunity. For years people have been saying that what we need is real change, we need to shake up the workplace. For many years women and other target groups have demanded legislation on employment equity. Sir, we are providing it. We have gone beyond the removal of barriers. We have demanded in this legislation that employers take special measures to ensure that women, native people, handicapped persons and visible minorities are able to participate fully in the workplace. We are telling employers: look at your operations and make the change now.

This legislation represents a milestone for many Canadians in their struggle to gain proper recognition in the workplace, recognition which, I may say, is long overdue. For too long, Sir, Canadian women have been denied a chance to reach their full earning potential. Native people and visible minorities have been refused job interviews, not because of their competence but because of the colour of their skin. Sir, disabled persons have been rejected because it was thought that it might be too difficult to accommodate them. This Government is not prepared to sit by and let discrimination, whether overt or unintentional, deny these people a chance to get ahead, to grow, to show what they can do and to contribute all their talents, skills and abilities to our society.

• (1110)

This legislation testifies to our readiness to act in the interests of fairness and social justice, to eliminate obvious cases of discrimination and to root out less obvious ones. This kind of systemic discrimination has unfortunately become part of traditional employment practices.

Fairness and equality in the workplace is not just a watchword for social justice. It is also, I may say, a vital element in our economic growth and development. Put simply, we need these people. We need their talent, their skills and their energy if we are to remain productive as a society and as a country.

We face tough competition in the years ahead. If we are to be able to face the challenge posed by rapid technological change and new trade patterns, then we will have to draw on the full range of human resources. We need to build a strong, highly motivated, skilled workforce that will be able to compete with anyone, anywhere in the world, that will be able to increase our productivity and efficiency.

Bill C-62 is the first step, the first step in mobilizing a full human resource potential for the huge challenge that we have ahead.

What does the Bill do, Mr. Speaker? It requires all federal employers, all federally regulated businesses, which have 100 or more employees, whether Crown corporations or businesses in the private sector, to remove employment barriers and to eliminate discrimination in the workplace. This legislation covers all federally regulated employers in the fields of banking, transportation, communication and natural resources.

[*Translation*]

Mr. Speaker, employers will have one year to put the appropriate systems in place in order to collect essential data. They will have to examine their hiring methods without delay and find ways to correct unfair practices that have been tolerated far too long. It follows that changes must be initiated as soon as possible. Employers who fail to comply with the obligation to file reports will be liable to a fine of up to $50,000. Each year, a consolidation of these reports will be included in a progress report to Parliament.

[*English*]

Under this legislation, employers must identify barriers to target groups, and they must remove them. They must adopt special measures that will involve senior level commitment and management accountability. They must begin immediately hiring, training and developing target group members in all areas of their organization, by moving women into occupations from which they have been excluded in the past. They must show the progress they have made.

Beginning in 1988, these employers will be required by law to report annually to Parliament. This means that by January, 1987, just over a year from now, employers must have their systems in place so that they can collect the date needed to provide a full report on 1987 operations.

● (1115)

All employers must provide a detailed breakdown of their labour force by designated group so that we can check the status of designated group members within occupational areas. Employers must report on hirings, on promotions and on terminations of designated group members, and they must supply specific data on the salary ranges of designated group members within the organization. The annual reports, which are submitted by employers, will be made available for public scrutiny and media scrutiny across the country. We will bring the strongest possible pressure to bear on employers—the force of public opinion.

Data will be made available to the Canadian Human Rights Commission. This means that for the first time the commission will have access to data on the participation of women, of native people, of disabled persons and of visible minorities. It will have that data available, data which it has never had before and therefore has never permitted the commission to do the job it should. For the first time the commission will be in a position, not only to respond to complaints received, but to initiate its own investigations based upon information contained in a company's report.

Of course, we recognize—and we have been asked about this—that this will place an extra burden or demand upon the Canadian Human Rights Commission. For this reason we are committed to providing that commission with the additional resources required to carry out this work. In effect, we will have a two-tiered enforcement system. The first is the court of public opinion, and I can say to Hon. Members on all sides of this Chamber that the court of public opinion is the strongest court there is. As well, we have the full force of the Canadian Human Rights Commission.

Mr. Waddell: As well as the criminal division.

Miss MacDonald: The Hon. Member opposite in the New Democratic Party derides the Canadian Human Rights Commission.

Mr. Waddell: No.

Miss MacDonald: As a Member of Parliament, I am proud that the Canadian Human Rights Commission will be involved in this.

What will we achieve through Bill C-62? First of all, we will ensure that all organizations within federal jurisdiction implement employment equity measures. However, there is a further gain.

[*Translation*]

We want to show all Canadian employers who are not federally regulated that the underlying principle of employment equity is a concept for the future. I believe that in addition to its regulatory aspect, the Bill introduces an element of change that is very instructive.

By setting an example, we intend to demonstrate that distinctions between black and white, men and women, normal and handicaped do not exist when we are talking about employees. Only one criterion counts: the ability to hold a job. We intend to prove to employers and to all Canadians that employment equity is worthwhile.

I would like to share with the House some comments made recently by the President of Xerox Canada Limited, Mr. David McCamus. During an interview for the *Financial Times*, he said:

If we consider women as a separate group, we are limiting our scope, and we cannot afford to do so in the competitive world we live in today. To remain competitive, we must be able to tap the broadest possible range of ressources.

● (1120)

[*English*]

That is the kind of thinking that we want to achieve through Bill C-62, not grudging acceptance but a realization that employment equity makes good sense.

In addition to this legislation we will require federal contractors, that is firms doing business with the Government, to implement employment equity. Businesses with 100 or more

employees bidding on contracts for goods and services of $200,000 or more will be subject to stringent employment equity guidelines. A formal review process will monitor this policy. Contractors who fail to live up to their signed declaration of action will be denied the opportunity of competing for future Government business.

This new policy will have a far-reaching impact on Government contractors. It will cover about 500 major Canadian firms and well in excess of half a million employees. This policy will cover federal contracts for goods and services with a projected total dollar value of at least $5 billion. At the same time, we are making vigorous efforts to ensure that all contractors, large and small, implement employment equity.

Mr. Speaker, Bill C-62 represents a bold new move. It goes further than any Government in this country, federal or provincial has ever gone. Federal Governments in the past have not touched this issue and provincial Governments have not moved as far in this direction.

The issues it raises are complex and they affect a large number of Canadians. We must move carefully to ensure that measures to achieve this goal, which for far too long has eluded us as a society, are now firmly put in place. I know very well that all Members of this House share in the goal of employment equity and I hope that Members will take this opportunity during this debate to share their ideas and their views on this very critical matter.

I would say that if we lived in a perfect world we really would not need legislation like Bill C-62. Unfortunately, we do not live in that perfect world. As long as we do not, then we have to remain vigilant to see that those who suffer from discrimination have an equal chance to share in the rich potential of this country. This Government intends to be more than vigilant. It intends to act. It intends to redress imbalances in the workplace which have existed for far too long. It intends to create a society of equal opportunity in this country, and this legislation will help to achieve that goal.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, before I deal with the substance of this Bill I simply want to say a few words about the way the Government has organized its House business and the fact that we are debating this Bill today when it was not listed on the list of business announced by the Government House Leader last Thursday. The Government House Leader usually on Thursdays lists the business, the Bills to be debated for the following week. That gives all Parties involved an idea as to how to prepare themselves. This Bill was not so listed. It was not listed the week before or the week before that. However, it was listed four weeks ago but did not proceed.

● (1125)

Because we only heard yesterday about the fact that this Bill would be debated today, our critic on women's issues and our critic on issues facing the handicapped cannot be present to debate the Bill because they have to attend an important women's conference outside of Ottawa. This leaves us unable to debate properly an important Bill like this one. When the Government says that it believes in parliamentary reform, and I believe it is serious about that, it should keep in mind these kinds of situations in which we are not able to give proper consideration and debate to an important Bill.

When the Government House Leader (Mr. Hnatyshyn) rises on Thursday to read to the House the list of Government business, that list should be adhered to unless people are sick or there are important crises that require a change in that list. Aside from those important exceptions, the Bills that are listed on Thursday should be proceeded with in the order announced by the Government House Leader so that all Parties that wish to take part in the debate can prepare themselves and participate in it.

With respect to this Bill, on June 24, 1983, the then Minister of Employment and Immigration appointed Judge Rosalee Abella to head the Royal Commission on Equality in Employment. The Abella Commission was to look into effective and equitable means of eliminating discrimination and promoting employment opportunities for four target groups: women, native people, visible minorities and disabled persons. Judge Abella reported in November 1984 and her report recommended that legislation was required to ensure equality in employment. She said that voluntary measures do not work and that quotas were inappropriate and not recommended by the report. She said that legislation of equality requires an enforcement agency, and she put forward three alternatives for an enforcement agency. She said that all federally regulated agencies should be subject to employment equity legislation. She recommended that provincial compliance of international and federal legislation on equal pay for work of equal value was required and she also recommended a national child care Act.

The appointment of the Abella Commission and the report of Judge Abella was a logical follow-up to the Charter of Rights adopted in 1981 and in particular Article 15, the equality section, which has been in force as of the spring of this year. Further legislation with respect to Article 15 is now being studied by a special committee of this House.

As well, it was a logical follow-up to the passage of the Human Rights Act in 1977 and the establishment of the Human Rights Commission, all important accomplishments along the road to equality, not only in the workplace but in society.

It was the logical follow-up as well to several task force reports prepared in the last Parliament including the task force report on visible minorities which made recommendations along these lines, the task force report entitled *Obstacles* dealing with the problems of handicapped people and the report on employment opportunities in the eighties. All these task force reports recommended the removal of barriers to equity to designated groups in the labour market-place.

We see that there has been a great change in attitude with respect to the matter of employment equity. According to a Gallup poll that was taken in March 1985, Canadians have reversed their position on equal job opportunities for married

women in the past 25 years. Today, 77 per cent of Canadians believe that married women should receive the same opportunities as men in the market-place and only 18 per cent would give men first chance at a job. Some 25 years ago only 23 per cent of Canadians favoured that type of equal opportunity. There has been a great change in attitude in this country with respect to equal opportunity for women in the labour market.

• (1130)

On the other hand, systemic discrimination still exists and is fairly widespread in the country. In a report handed down in May of this year by the Urban Alliance on Race Relations of Toronto that organization reported, and I quote from an article found in *The Globe and Mail* of May 14:

Bigotry, prejudice and discrimination against visible minorities are widespread and entrenched in policies and practices of small and large employers in the Metro Toronto labour market—

The alliance found that slightly more than half of management participants in the study had negative things to say about racial minorities. Only 9 per cent of 199 large employers stated a firm belief in racial equality. That is rather shocking.

In the alliance's 121-page report entitled *No Discrimination Here?*, it is stated that 28 per cent of employers said they felt non-whites in general do not have the ability to meet job performance criteria when compared with whites. As I have said, that is shocking indictment with respect to those employers in the Toronto area. I have a feeling that that sort of sentiment exists in other parts of the county as well.

On March 8 of this year, the Minister of Employment and Immigration (Miss MacDonald) made a statement in the House responding to the recommendations of Judge Abella in which she announced the Government's intention to take up some of Judge Abella's recommendations but not all of them. In responding to the Minister on that date I said that the Government's announcement was a step in the right direction but that it was enough. I said that some key Abella recommendations had been left out which should not have been left out.

Bill C-62 which is before us today and which was given first reading on June 27 is intended to carry out some of the intentions announced by the Minister on March 8. In examining the Bill we find that in many respects it is even weaker than the indications made in the Minister's statement of March 8. If we look at Clause 2 of the Bill we will see that it states the purpose of the Bill, which is:

—to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and person who are, because of their race or colour, in a visible minority in Canada—

We give full support to the principles and purposes set out in the clause. However, when we look further at the Bill we see that the measures introduced are not adequate to accomplish the goals set out in the Purpose. They do not put forward the sort of measures which were recommended by Judge Abella, nor do we believe that the definition of employer is broad enough. The definition takes in a certain number of employers. For private employers under federal Government jurisdiction, which is a minority of employers in the country, it includes all those who have 100 or more employees. The same is true with respect to employers performing a function on behalf of the Government of Canada, other than a Department as defined in the Financial Administration Act. We find that provision could be strengthened as well.

My principal criticism of the Bill is that it simply instructs employers to introduce employment equity while making no provision for a monitoring agency. There are no penalties for employers who do not move ahead with the introduction of employment equity. It is true that employers must file reports with the Minister and there are penalties if they do not file the reports. However, if the report does not show sufficient progress, the penalty set out in the Bill is for not filing the report as opposed to a penalty for not proceeding with employment equity.

If we look at the Bill we will see that the requirements placed on employers are very vague and subjective. In Clause 4 it states:

An employer shall implement employment equity by

(*a*) identifying and eliminating each of the employer's employment practices, not otherwise authorized by a law, that results in employment barriers against persons in designated groups;

That leaves to the employer the identification of those employment practices which the employer believes are employment barriers against persons in designated groups. The employers are the ones who decide what the barriers are. The barriers are not spelled out, nor are they defined. The guideline is too vague. There are no firm requirements applied to employers. There are no provisions for policemen or enforcement agencies and no penalties for employers who do not move ahead. There are only penalties if they do not report. Judge Abella clearly stated in her report that this was not acceptable and that it does not work. She stated that voluntary measures with guidelines have been tried, they have not worked and that it is unfortunate but that is the fact.

When we look at the wording of the report it states that the commission has concluded that voluntary measures are an unsatisfactory response to the pervasiveness of a systemic discrimination in the Canadian workplace and it has therefore recommended that all federally regulated employers be required by legislation to implement employment equity. Judge Abella also states that the commission's review of the American experience of mandatory affirmative action confirmed that legislated enforceable requirements are essential to the success of affirmative action programs. The commission concluded that the enforcement of employment equity requires an independent agency which has a qualified staff familiar with labour relations, employment systems and human rights issues and which has sufficient resources to discharge its mandate. The Bill does not do any of that. It does not have the provision for an enforcement agency. It does not have clear-cut requirements for employers with respect to employment equity.

What do others say with respect to this measure? I have given Hon. Members my criticism of the Bill, but what do others say? I have in my hand a release put out by a group called the Coalition on Employment Equity for Persons with Disabilities which announced:

> Over 100 consumer activists and agency advocates met on April 10 at the Advocacy Resource Centre for the Handicapped to form a new coalition with the express purpose of ensuring that the recommendations of Judge Rosalie Abella's Royal Commission Report on Equity in Employment are put into effect by government.

In a statement prepared by the coalition it says that the proposed government plan, that is, this Bill, is "ineffective and unacceptable". The coalition states that the program has no effective enforcement mechanism and what is required is equal access to jobs. The report goes on to state that the Government appears to have rejected the recommendations of both the Special Committee on the Disabled and the Handicapped in its report *Obstacles* and those of the Abella Royal Commission.

Further in this regard I read from a statement of the Canadian Advisory Council on the Status of Women as reported in *The Gazette* of September 17. The council says that it wants Ottawa to put sharper teeth in its Bill to force Crown corporations and federally regulated companies to hire more women and minorities.

A few moments ago I referred to the Urban Alliance on Race Relations of Toronto. The alliance also put out a statement which it distributed to all Members of Parliament in which is set out a criticism of this Bill. I quote from the statement in part:

> What is missing from the legislation is the following: (1) one central enforcement and standard-setting agency for all four sectors—departments, crown corporations, contractors, and federally-regulated businesses, with powers to:
>
> (1) Define program requirements;
>
> (2) Set standards for goals and timetables;
>
> (3) Receive, analyze, and publish employers' workforce data;
>
> (4) Impose program requirements and penalties on non-complying employers;

The alliance states that the legislation is missing mandatory programs for all four sectors and that it is also missing contract compliance for all government contractors with over 50 employees and $200,000 worth of government contracts per year.

I also refer to a report in which a good cross-section of business also agreed that enforceable standards are required if there is to be equity of employment in the workplace. I have a quote of William McEwen, Chairman of the Resources and Equal Opportunity Committee of the U.S. National Association of Manufacturers. He said, and I quote:

● (1140)

> There's no such thing as voluntary compliance with affirmative action laws. If voluntary compliance worked, Moses would have come down from the mountain with the Ten Guidelines.

The article goes on to say that if all employers are going to be treated equally, and if we are going to see real advances among employers, we will need clear-cut standards for employment equity which are enforceable.

Several of my colleagues, as I mentioned, Mr. Speaker, have responsibility for the designated groups referred to in this Bill. My colleague, the Hon. Member for Outremont (Mrs. Pépin), is responsible for the status of women for our Party, and my colleague, the Hon. Member for Mount Royal (Mrs. Finestone), was the former critic for the status of women. The Hon. Member for York West (Mr. Marchi) is responsible for visible minorities. The Hon. Member for Eglinton-Lawrence (Mr. de Corneille) is responsible for the handicapped and the Hon. Member for Cochrane Superior (Mr. Penner) is responsible for Indians and native people. These issues are all touched by this Bill and these Hon. Members will all want to put on record their views as to how this Bill does not satisfy those designated groups in the way that it should. I am sure they will want to participate in this debate.

In committee, Mr. Speaker, we will want a full opportunity for these designated groups to be heard. We would like them to have an opportunity to give their views to the committee. As a result of those hearings, we would hope that the Minister will leave the door open to amendments so that this Bill can be made a much better Bill as a result of the committee system.

We have moved into a new era with respect to committees and if we are serious about greater powers for committees, I would hope that whatever committee deals with the Bill, after hearing many of the things I have said here today, will bring forward amendments and that the Minister will agree to those amendments.

This Bill attempts to move in the right direction. It is a small step in the right direction but it is inadequate and a disappointment. It does not implement the Abella recommendations and it does not satisfy many of the designated groups, nor the Official Opposition.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I believe there is no doubt that employment equity is the goal which all in this House share. I believe the whole area of employment equity is very, very important.

What we are really talking about today is a need in this country for greater fairness and for more jobs. We are talking about fairness in jobs for the women of Canada who still face massive discrimination in the workplace whether in the federal Government, the provincial or municipal Government, or the private sector. What we are talking about is fairness in jobs for the disabled Canadians who, because of their disability, face even more problems when they try to get a job.

We are talking about fairness in jobs for visible minorities who, because of the colour of their skin or other characteristics, face discrimination when seeking a job, and we are also talking about fairness and justice for native Canadians who, despite the fact that they were the first Canadians and have lived here for hundreds of years, face perhaps more discrimination than anyone else when it comes to job training and jobs throughout Canada.

[*Translation*]

Mr. Speaker, on September 4 last year, the Governemnt was given a massive mandate. During that election campaign there

was a lot of talk about job creation, but this country still has 1.5 million unemployed, which means an unemployment rate of 10.3 per cent.

The situation is even worse for Canadian women and minority groups including visible minorities, the handicapped and our native peoples. Despite the fact that we live in a very rich country with a great deal of natural ressources, and that we have a large number of highly educated people, there still is a lot of discrimination in Canada today.

[*English*]

Even though the Minister is talking very positively, using all kinds of rhetoric and talking about all kinds of goals and objectives in her speech, and even though she is using all kinds of very fine clothing to dress up the Bill, the Bill before the House has major problems. We can see these major problems by examining the Abella Report. The Bill before the House is voluntary in terms of fighting for affirmative action. In fact, the only thing in the Bill which is mandatory, Mr. Speaker, is the requirement that there must be a report every year.

Second, there is no enforcement mechanism in the Bill in any mandatory sense, and the Minister knows that. Third, the Bill does not strike goals and objectives or give timetables for achieving employment equity for women and minorities. Finally, the Bill is not comprehensive. It does not deal with the concept of equal pay for work of equal value, the whole problem of daycare and all kinds of other problems which women and minorities face in this country.

Miss MacDonald: That's already law.

Mr. Nystrom: The Minister says it is already law.

Ms. Mitchell: It's not in force.

Mr. Nystrom: We have all kinds of problems with those concepts—

Miss MacDonald: It doesn't need legislation.

Mr. Nystrom: —as the Prime Minister (Mr. Mulroney) himself said in the election campaign. And if we are going to have real employment equity for women and minority groups, we need a more comprehensive approach.

I do think we need mandatory affirmative action in this country. We do need an independent enforcement agency and goals, objectives and timetables which are spelled out in the legislation, and we do need, I feel, a more comprehensive Bill.

[*Translation*]

Mr. Speaker, I have also talked to many groups in Quebec, and a number of unions and other Quebec groups have expressed their dissatisfaction with this Bill. For instance, the Vice-President of the *Fédération des travailleurs du Québec*, Marie Pinsonneault, stated during the conference held by the Canadian Labour Congress last weekend that the Bill itself was an insult to Quebecers . . . Even the French text—

[*English*]

Perhaps we can get the Minister to take a look at this.

[*Translation*]

The French text does not reflect the intent made clear in the English text. For instance, on page 2—

[*English*]

—where they speak about employment equity in English.

[*Translation*]

In French this is:

ÉQUITÉ PROFESSIONNELLE

It is certainly not *équité professionnelle* but equity for any woman and any minority group in this country. But in the French text, it says:

"ÉQUITÉ PROFESSIONNELLE"

In English, it says employment equity.

Mr. Speaker, I have another example in Section 4 of the same Bill, where we read in English:

[*English*]

"Plant employment equity by . . ."

[*Translation*]

But in French, it reads:

L'employeur vise à l'équité professionnelle par les actions suivantes:

Mr. Speaker, "vise" implies an objective but not an obligation.

Mr. Speaker, this is a distortion. There is a distinct difference between the two versions. Mr. Speaker, there is a lot of discrimination against women here in Canada. In the Abella Report, in Table 5, we read that in the executive and administrative groups only 25 per cent are Canadian women, while 75 per cent are men; in the technical, scientific and mathematic groups, only 14 per cent are Canadian women. In Table 10, the Report says that the gap between men's and women's salaries is enormous, when we consider that the average income of women is only 64 per cent of that for men here in Canada. In her report, Judge Abella also says there are many similar statistics that demonstrate very clearly that discrimination exists against native peoples, visible minorities and the handicapped in this country.

• (1150)

[*English*]

The Canadian experience in affirmative action programs is very short compared to that in the United States. In the United States they had voluntary affirmative action programs for many years. About 25 years ago they decided that they had to have mandatory programs which were enforced because voluntary programs were not working at all.

I have an article which was in *The Globe and Mail* very recently. The headline is, "U.S. Big Business Bullish on Affirmative Action Laws". In the United States they found that if

affirmative action programs are mandatory it is good for big business, for the economy, and for making a profit. Despite the fact that Ronald Reagan has recently been trying to backtrack on some of the mandatory aspects of affirmative action laws in the United States, big business sees it as a very good thing.

In this country we have tried voluntary equal employment opportunity programs in the past. In most cases they have not been very effective. Judge Abella relates in her report how the proportion of women or minority groups which she studied has not been increased in terms of job opportunities and that discrimination has not really lessened in our country despite voluntary programs. We have the Human Rights Commission and human rights laws, but they only act when someone files a complaint. That is why we need some mandatory action in this country.

I think that Bill C-62 is a signpost that the Government has not really learned that voluntary affirmative action programs do not work. It has not really learned from the American experience and it has not really understood what Judge Abella is saying in her report. Mr. Speaker, the Government is trying to reinvent the wheel. It is trying to do the same old thing that has not worked in this country for years and years. This Bill is only a timid step forward which will not change things in any substantive way. The only part of the program that is mandatory is the reporting procedure and there is a $50,000 fine if someone does not report what they are doing in terms of affirmative action. That is all there is in the Bill and both of the Ministers responsible are fully aware of that.

The working paper of the Minister herself which was issued some time ago says that employers will not have to submit specific operational plans for approval by Government or report on specific initiatives. The Minister is saying that there is only the court of pulic opinion. She says that if it is publicized that Company A is doing a bad thing by not hiring enough women or Canadians from various minority groups, the sheer force of public opinion will force it to change its mind. That has not worked in the past, it has not worked in the United States, and I suggest that it is not going to work here now because there are no penalties. It will not bring fairness or more jobs to this country. In fact, on page 195 of her report, Judge Abella said that voluntary programs do not work. The Minister often speaks of this excellent report of Judge Abella and I will quote from it. It reads:

> A voluntary program with a mandatory reporting requirements is nonetheless voluntary in the absence of a requirement to remedy the discriminatory practices disclosed by the information reported.

She says that it is still a voluntary program if reporting is all that is required. In her report she says time and again that it must be mandatory, that there must be timetables, and that we must ensure that the employment equity requirements are enforced by law. That is why we need mandatory affirmative action in this country.

Another thing we need is an enforcement agency, which we do not now have. We have no goals or timetables. All of this is so despite the fact that the Prime Minister, when he was campaigning as Leader of the Opposition, promised that we would have goals, timetables, and objectives in this country to bring about greater fairness for the women of Canada. He said:

> We support the need for effective human resource planning within the federal bureaucracy which includes goals and objectives to achieve parity for women at all levels of government operations commensurate with their skills and expectations. Numerical goals are one of the several measures required. Training and retraining are others.

Where are the numerical goals, where are the targets, where is the timetable, where is the fulfillment of this particular election campaign? I do not see it, Mr. Speaker. It is another promise made and another promise broken by the Prime Minister of Canada. Time and again reference was made to the need for goals and objecties by Judge Abella, the Americans, women, other groups in our society, and the Prime Minister in his appeal for votes. Yet, it is not in the legislation introduced by the Government.

We have heard much talk about the Prime Minister being a union man, representing working people, and driving a truck on the north shore of the St. Lawrence. We hear that he believes in participatory democracy and that people should have more involvement in their own lives. Yet there is no mention whatsoever of the fact that workers who are unionized can have any participation whatsoever in achieving the goals of employment equity. Why is it that, through their unions in a co-operative way, workers cannot participate in achieving the goals of employment equity on behalf of women or other groups which are mentioned in this particular Bill?

I would also like to discuss contract compliance. Last March and April the Minister made much of the need for contract compliance, of the fact that the Government spends billions of dollars a year buying goods and services, and of the fact that we need more awareness of affirmative action programs by the companies from which we purchase goods and services. Yet, there is nothing to force companies to comply with what the Government wants them to comply with. There is nothing mandatory. There is no penalty. In the United States there is mandatory contract compliance. As I said before, in Canada it is voluntary for companies with over 100 employees or contracts of over $200,000. Why not make it mandatory? Does the Government not believe that that should be the case?

I went back through my records and I see another promise made by the Prime Minister when he was Leader of the Opposition. That guy made a lot of promises, some 300-odd.

Mr. Boudria: Three hundred and thirty-eight.

Mr. Nystrom: Three hundred and thirty-eight promises. When appealing for the votes of women last summer he said the following with regard to contract compliance:

> When seeking government business, these companies will be required to detail their action plans, timetables and programs for attracting, training and advancing women within their operations. This, in my view, is a legitimate and fair requirement.

I ask the Minister of Employment and Immigration (Miss MacDonald) to show us any clause in the Bill which will put into law the promise of the Prime Minister that these compa-

nies will be required to detail their action plans rather than merely to report on what they have done for affirmative action employment equity. I see that one Conservative Member of Parliament is so embarrassed he is already over here on the opposition benches. The Prime Minister said that they would be required to detail their action plans, timetables, and programs for attracting, training and advancing women. If you get elected because you have made certain promises and commitments to the people, then I think you should keep those promises in the legislation you bring forward. It is no wonder that the people are becoming very cynical about this Prime Minister. Did he hear about the tuna? Did he hear about a Minister resigning? What did he say about old age pensions? What is he saying about family allowances? I know that the Minister herself would not break a campaign promise, but she is afraid to take a tough stand against the Prime Minister, or she has tried and cannot do it.

• (1200)

Mr. Turner (Ottawa-Carleton): Are you kidding?

Mr. Nystrom: One of the back-benchers says: Are you kidding? That is a pretty big insult against the Minister. I have more confidence in her than he does. I am sure she has fought for this promise. I am sure she stood up in Cabinet and tried to point out to the Prime Minister that he made a promise of goals and objectives and timetables.

Mr. Hnatyshyn: And he is delivering. Where was the NDP? It was silent.

Mr. Nystrom: The NDP has not been silent. We have said many times in this House and in the campaign that you must have mandatory goals and targets and objectives. The Prime Minister said, "That is a good idea, Ed". He made that promise and commitment himself. So once again I ask the people of Canada to contact the Conservative Members of Parliament and the Minister and tell them to keep their word. It is a sacred trust, the Prime Minister said. Well, keep your promise to the women and other people of this country. When we talk about affirmative action in contract compliance we are talking about some $12 billion a year of government expenditures, if not more. That is a lot of money, a lot of influence and a lot of impact this Government can have on the private sector from coast to coast.

I said before that I do not think the Bill is comprehensive enough. The whole concept of equal pay for work of equal value is not being enforced in this country as it should be. I do not think you can have any kind of employment equity without a comprehensive Bill which makes sure we have equal pay for work of equal value. We also need more money for daycare. The Minister herself knows that more and more mothers are working when they have small children. Judge Abella said in her report that in 1980 there were some 760,000 children under the age of six whose mothers are in the workforce. We do not have adequate daycare centres in this country.

I think there should also be more initiatives at the federal level to co-operate with the provinces on employment equity and getting rid of discrimination.

Miss MacDonald: Where was the NDP Government in Manitoba?

Mr. Nystrom: In that way we can have greater social equity in this country, if I can coin a phrase. We still have tremendous discrimination in access to education for people from poorer families, native families, and all kinds of other groups. We do not have equal access to training in this country. We have all kinds of discrimination against disabled Canadians. You can see this in the architectural design of our buildings and the fact that there are all kinds of public services not available to them. We have all kinds of additional costs for disabled Canadians. We should be taking a lot more action and stronger stands on matters of social equity.

I am very disappointed that the Minister is not implementing the recommendations of Judge Abella to make sure that we have mandatory employment equity in Canada. As I said before, we can quote page after page where she says we need it, that voluntary employment equity and affirmative action will not work. As the Prime Minister said in the campaign, we need to have it in force and written into the law. I ask her why she is so timid. Why is she taking this very tiny step when she has a massive majority and a mandate to act and when she has an absolutely excellent report by Judge Abella to use as an authority? We need timetables, goals and objectives, and we need enforcement. You cannot just go to a big company like General Motors or any other company—perhaps the tuna affair is a good example—and say that we are expecting it to implement affirmative action.

These programs are becoming more and more important as time goes on. We have a changing world economy, world-wide recessions, along with the whole problem of international finances. When unemployment is created it is usually the disadvantaged groups who are laid off first. That is another reason why we need some mandatory affirmative action. Then we have technological change, jobs which are disappearing very rapidly. We have automation in the offices and in banks. Once again it is women and disadvantaged minority groups who are the first to be laid off. We do not want to create more and more job ghettoes in Canada, and it is for those reasons that we must have goals and enforcement if we are to achieve fairness in this country and create more jobs for one and all.

I want to conclude by saying that I have always believed that if you give people the tools and treat them equally, they will build a tremendous country for one and all. They will make a contribution to our society which will make us all proud. Certainly it is the role of the Government to enforce equality and fairness.

Mrs. Mary Collins (Capilano): Mr. Speaker, it is a great pleasure for me this morning to have an opportunity to speak on this very important Bill, and I hope to deal with some of the misconceptions which have been portrayed by Members on the

opposite side of the House about the objectives of this Bill. As we know, at this point we are talking about the principles of the Bill and I think I can speak with some authority. For a number of years I was actually involved in the development and implementation of employment equity programs, both for women and for native people. I know what it is like on the ground to have to do it, not just to mouth the words of criticism we hear in this place. It is a lot more difficult than perhaps the Hon. Member on the other side of the House would have us believe.

During the past six months I have been fortunate as a member of the Special Committee on Equality Rights to travel across the country and hear representatives of the target groups included in this Bill. I have heard from women's groups, visible minority groups, the handicapped and native people. I heard their concerns about achieving equality of opportunity and employment equity and I would like to address some of those concerns as well. In addition, we heard from other Canadians who had great fears and misunderstandings about employment equity, and we have a responsibility as parliamentarians to address those fears and concerns as well. From what I have heard in the House so far this morning, I think there is as much misunderstanding in this House as there is among the general public about what employment equity is all about and the best way of achieving it. I will come back to these points later, but I want to assure my hon. colleagues that the Bill before us does provide for mandatory employment equity and an enforcement mechanism.

There has been lots of talk for many years about employment equity. I know that 25 years ago when I entered the workforce it certainly was not easy. We were saying that there should be more opportunities for women. But how do you go about doing that in effective ways? My colleagues on the opposite side had, of course, many years in which to address this subject and there were a number of reports which brought to their attention the inequities and problems, but really very little was done. It is only in the last year that positive action has been taken on the part of this Government to show our commitment to all Canadians to provide for employment equity.

The report of Judge Abella has been discussed in the House this morning. It was an excellent report by an outstanding woman of our society. It was laid before the House in November, and the Minister of Employment and Immigration provided a comprehensive response in March outlining the focus of Government initiatives. In June of this year we tabled the legislation and we are now debating it. I hope that we will see early passage and we do not waste more opportunities for more groups, many of whom have appeared before various government committees in the past. I would like to see us get on with this very quickly.

● (1210)

I would like to address the points I heard from across the country, and there are points of concern that come from my constituency, about why we need this legislation. Perhaps for most of us here it is easy to understand that, but there are some Canadians who do not understand. They see Canadian society as a society which prizes individual freedom and individual responsibility. They ask, why are special actions needed for certain Canadians? We had the myth that if you had a strong back, common sense and determination, you could do anything you wanted to do. The Horatio Alger myth is perpetrated in Canada and a lot of people think that that is the way you should do it, a lot of women, too.

We had women appearing before our equality rights committee who said "I don't want special treatment. I got there on my own. I don't think the Government needs to do anything for us". We have a responsibility to listen to those people as well. Unfortunately, the facts that we know are different.

As Sherry Stein of the Coalition for Employment Equity for Disabled Persons who expressed her view before our committee said:

> In an ideal society you do not need affirmative action. But in a society such as ours, where it has been recognized that certain groups of people, including handicapped adults, are at a disadvantage, you do need some kind of measure to catch up to bring these people to a point of equal competition on the job market.

We know also from statistics that there are many groups of disadvantaged. We know that 77 per cent of women in the labour force are in only five of the 22 major job categories. In 1982, a woman with a university degree earned the same as a man with a high school education. Whites have three job prospects for every one for blacks.

My colleague earlier this morning referred to a report done in metropolitan Toronto about discrimination on the basis of race. We know that, unfortunately, it exists in our society still. We know that among employable disabled persons, 50 per cent are unemployed. We know that in many native communities, unemployment is higher than 70 per cent.

Clearly action is required. Also, action, as the Minister said earlier, makes economic sense. We feel all Canadians have a stake in our economic society, that they should have the opportunity to participate and to add to the wealth of society.

It is also consistent with the very beliefs outlined in Section 15 of the Charter of Rights and Freedoms that we should have positive action to ensure that all Canadians have equal opportunity. We are not prepared to waste the talents and abilities of so many Canadians just because they may be members of a group which, in the past, has suffered from discrimination.

To my mind, it is the mark of the kind of society in which we all believe that we truly provide for equality of opportunity, that we do not allow the weaker in our society to become still weaker, economically or socially, and that it is justified to have special measures to ensure that the economically weaker members of our society have an opportunity to improve their status.

Although I know there is some concern about the kind of approach employment equity will bring, I feel confident myself that if it is done in a sensible, reasonable kind of way, it will be truly to the benefit of our society.

How do you balance employment equity with our concept of a merit system? I do not think they are incompatible. We are

still saying, with employment equity, that people have to have basic qualifications to do a job. We are not saying that unqualified people will be given jobs. We are saying that through adequate training opportunities people, who traditionally have been disadvantaged because they are part of minority groups, will now be given the appropriate consideration for employment opportunity.

As you know, Mr. Speaker, this legislation is result oriented. I think that is the only benchmark we should have in this kind of legislation.

We heard this morning, and I have also heard from other groups, that this legislation does not go far enough. Some people would say to us, "We want the full power of the state, whole new bureaucracies to force companies to hire people", but with that goes tremendous paper work and all sorts of things which, quite honestly, I do not think are very meaningful. You can have all sorts of bureaucrats running around with all kinds of reports and statistics, but when you get to the bottom line, the employer himself or herself has to understand the goals and objectives and has to make up his or her mind that a company is really committed to the program. It must not be a bunch of paper work being propounded by bureaucrats.

We also have to have the baseline data. Let me turn the attention of the House to Clause 4 of the Bill. I think this is the important section. Perhaps my colleagues on the other side of the House have missed the importance of this clause. It reads:

> An employer shall implement employment equity by
>
> (*a*) identifying and eliminating each of the employer's employment practices, not otherwise authorized by a law, that results in employment barriers against persons in designated groups; and
>
> (*b*) instituting such positive policies and practices and making such reasonable accommodation as will ensure that persons in designated groups achieve a degree of representation in the various positions of employment with the employer that is proportionate to their representation
>
> (i) in the work force, or
>
> (ii) in those segments of the work force that are identifiable by qualification, eligibility or geography and from which the employer may reasonably be expected to draw or promote employees.

That is what this is really all about. First, you have to know what that data base is; how many employees there are in certain racial minorities, among the disabled, women and native Canadians for certain occupational categories from which you can draw. It is not a matter of saying that there should be 30 per cent women or 20 per cent of people with physical handicaps in this or that company. That is totally unrealistic.

What if I am running an operation in Toronto? We get the information and we know there are people with physical handicaps who have the basic qualifications or through training can achieve those qualifications. What if they make up 20 per cent of the potential workforce in a particular category? As a company, we will problably set a goal for ourselves. No goals can be set by legislation. Each employer in each geographic location, dealing with each kind of employment has to do that.

To me, that is the only rational and reasonable way you can go about implementing employment equity. All this talk about quotas and targets is a red herring. First, nobody wants quotas. Even Rosie Abella said, "No quotas".

Ms. Mitchell: Have you talked to women's groups lately?

Mrs. Collins: I think the kind of approach that we are presenting in this Bill is workable. With the guidelines the Minister is putting forward, employers will understand how they can go about meeting the requirements of Clause 4 and putting them into effect.

Finally, let me speak about the comment on an enforcement mechanism that there is not a great policeman pounding on the door saying, "You have not achieved 20 per cent or you have not done this". But there is an enforcement mechanism. We have the Canadian Human Rights Commission, which already has the power in legislation to initiate complaints and initiative work. I do not think we need another bureaucracy to be the policeman. We have the highly respected Human Rights Commission, which is willing and able—

Ms. Mitchell: They can't make systemic changes in companies.

Mrs. Collins: —and with the resources the Minister has already said will be made available to it, can do this effectively and bring about the enforcement as it is required under this Bill.

I am very confident that this Bill will provide the start we need to bring about employment opportunities for all sectors in our society that so badly need them. We recognize it as a start. We will see by the results what happens.

I see two possibilities. I see, and I hope it is a possibility, that through public education and public participation—because the Minister and her people will be working with employers, unions and target groups—we will achieve employment equity, and ultimately we will not need this legislation. I would like to see a sunset clause. I think that is the ultimate goal. In a way it is an interim measure to bring us up to those standards.

● (1220)

If I am wrong, if I am too optimistic, then perhaps we have to look at other measures. Personally, I do not think that that will be the way in which Canadians will respond to this legislation. Drawing from my own experience in the private sector, when the opportunity was given or the issue was drawn to the attention of the people with whom I worked, they were more than willing to make the accommodation and, with the assistance of the Minister and her officials, to help provide the mechanisms. I think there will be a very positive response throughout the country to this legislation.

Employment equity is not only a goal cherished by Utopian dreamers. It represents a fair approach toward equality and greater efficiency in the labour market. That is really the bottom line; all legislation has to be fair, and I believe this

legislation is just that. Also, I believe that an overwhelming majority of Canadians agree with us. The public will support employers who are making an honest attempt to promote equity in the workplace.

As I said, this is the first step. It is the beginning of a process of co-operation on the part of government, large employers, labour, and special interest groups for women, native people, visible minorities and disabled persons. Together we can show progress. The optimal use of our human resources constitutes an essential element of economic development. This legislation testifies to our commitment to social justice and economic renewal. All Canadians will welcome this long overdue step toward employment equity for all Canadians.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Mr. Speaker in this period provided for questions and comments, I want to deal with three different areas. During my speech I raised the difference between the French text and the English text. Perhaps the Hon. Member opposite could explain why the English text indicates "Employment Equity" above Clause 4. I think that would pertain to everyone and to employment in general, not just to professionals. I realize that she talked about employment in general, but the French text indicates "*équité professionnelle*". Why is there a difference between the two texts?

Also the Hon. Member indicated that the goals and targets were unreasonable. If that is so, why did the Prime Minister (Mr. Mulroney) make a very specific promise that we needed goals and targets in law? If they are unreasonable, why did he make that promise and why, now that the Conservatives are elected, did he break that promise?

Finally, she talked about our not knowing the legislation and she quoted Clause 4 of the Bill, which in part indicates that an employer shall implement employment equity, at least, that is what is indicated in English. It is somewhat different in French. In French it just urges employment equity. However, she did not talk about Clause 5 which tells us how that is to be done. Clause 5 indicates that it will be done through reporting, and that is spelled out in detail. It talks about reporting on how many employees there are in each sector or in each designated group, and so on. It indicates that employers must report about all of that.

If she looks closely at the Bill—and I am not sure whether she has read it—she will find that Clause 6 is the only part of it which deals with an offence. It indicates that it is an offence for these employer groups not to report to the Minister and states that there is a fine of up to $50,000. The only thing that is mandatory is the forcing of each group to report. On page 195 of the Abella Report, it was indicated that the court of public appeal was not good enough and that there had to be something mandatory. Why not make Clause 6 stronger and ensure that there are sanctions if a company fails to comply with employment equity? Why not do that? In Clause 6 there is only a sanction if it fails to report, and in Clause 7 the Minister has to lay a report before Parliament within a year or several months.

Those are my questions. Why is there a difference between the French text and the English text? Does it only apply to professionals or does it apply to everyone? Why was there a campaign promise about targets and goals, if that Party did not mean targets and goals being mandatory or in the law? Finally, can the Hon. Member explain to the House how it is mandatory when the sanctions only apply to reporting, not to forcing a company to comply with the wishes and the words in the Bill? I agree that they are good words, good wishes and good sentiments, but only the court of public appeal enforces them. That is not good enough. The Minister should know that; she is an old-time politician.

Mrs. Collins: Mr. Speaker, I object to my hon. friend saying that I might not have read the Bill. I think that is entirely uncalled for.

Mr. Nystrom: You said that about us.

Mrs. Collins: Any Member of Parliament who has an intense interest in this subject, as I have had for 20 years, will have read the Bill thoroughly and understood it.

With regard to the French version, I am advised by my colleagues that *équité professionnelle* does indeed mean equity for all. I am sure, if there is any drafting misunderstanding, that this can be cleared up. Certainly the intention is that the meaning be the same in French as it is in English.

Turning to Clause 6, perhaps my hon. colleague might look at Subclause 5(2) in which it is indicated that a report under Subsection (1) shall be made in the prescribed manner. That manner will be outlined by the Minister in the regulations. It is not just that a report be made, but that the report be done in the prescribed manner. This will provide all the information about which we have been talking. It will have to show the data base upon which the employer obtained the information, how many women were in that geographic area and what their plans are to deal with them. All these things will be in the prescription set out by the Minister. It is not just that an employer can come along and put down a piece of paper. The report has to be done in the proper way. Perhaps my colleague might look at that in some detail.

As well, as the Minister and I have said, if these reports do not indicate that the employer is living up to the spirit of the legislation and if, for example, 60 per cent of the women were qualified according to the target qualifications and there was an obvious example that attempts were not being made to bring their own employment up to that, the Canadian Human Rights Commission will have that information, will be able to lay a complaint and conduct a thorough investigation. I really do not understand what more my hon. friend would ask for, other asking perhaps than policemen to go into places. That is not the kind of Government we want. We have perfectly adequate arrangements under this Bill to ensure that our intentions are honoured.

Mr. Nystrom: Mr. Speaker, I have a very short supplementary question. Why was the campaign promise of the Prime Minister not honoured that there would be targets and goals in

legislation? Why was the promise made but not honoured? The Hon. Member seems to think honour is important.

Mrs. Collins: Mr. Speaker, I dealt with that in my earlier discussion. Again, if we turn to Clause 4, it really deals with the concept. I do not know what the Hon. Member wants. Does he want us to put in place a piece of legislation that every employer will employ 40 per cent of a certain target group? The Hon. Member knows that that is ridiculous, that that cannot be put into a piece of legislation. This is the approach which is appropriate.

Mr. Nystrom: Why didn't you say that?

Mrs. Collins: Because you are trying to take someone's words and put them in the wrong context. We are providing legislation which will enable people to implement employment equity fairly throughout the country.

Ms. Mitchell: Mr. Speaker, I have a question for the Hon. Member. Has she really discussed the Bill and the practices which the Government is applying, particularly the whole question of enforcement, with recognized women's groups, even with that government body, the National Advisory Council on the Status of Women? Those groups have certainly expressed considerable concern that there is not enforcement in the Bill. There is a requirement to report, but let us not forget that it is only for a few large companies. It is certainly not general throughout the federal jurisdiction, much less among those outside the federal jurisdiction. After the Hon. Member has answered that question, I have another one for her.

Mrs. Collins: Mr. Speaker, I know the interests of my hon. colleague in this particular area and her work in this respect. I certainly respect that. We heard representations before the Standing Committee on Equality Rights from a number of groups representing women. Although they were dealing with a wide variety of issues, many mentioned concerns about this particular Bill, as I am sure they will when this Bill is before committee.

● (1230)

However I think, upon looking at this Bill and thoroughly understanding its relationship with the Human Rights Commission, that perhaps there has been some misunderstanding of how the two Acts together will provide an effective enforcement mechanism. I look forward to the opportunity of discussing this further with delegations from women's organizations.

Ms. Mitchell: Mr. Speaker, on the question of the Human Rights Commission, the Hon. Member and also the Minister have referred to this a number of times. The Minister in particular referred to it and I think the Hon. Member did also, from the point of view of equal pay for work of equal value. Judge Abella made the point that equal pay for work of equal value should be enforced as part of the employment equity policy. There is an Act now that allows individuals to make complaints to the Human Rights Commission. But what women's groups are talking about—and I would certainly think that this is what Judge Abella was talking about—is systemic change, first within the Government and, secondly, within any Crown Corporations or any corporations that the Government does business with. This systemic change would ensure that women are not paid on a different basis than men for jobs of equivalent value. Women should not have to go on a case by case basis to complain—I wish the Minister would allow me to make my remarks without heckling. She sounds very defensive, I might say, Mr. Speaker. It is my belief that women should not have to go through all the trouble of getting their own legal documents and so on and go to the Human Rights Commission to appeal this on a case by case basis, that there should be requirements within legislation and within Government Departments as well that apply to companies that would change the system so there would not have to be these kinds of individual complaints.

Miss MacDonald: She is way behind the times.

Mrs. Collins: Mr. Speaker, I will have the opportunity perhaps of discussing this with my colleague more fully later on, but there is provision in the Human Rights Act for investigation into equal pay for work of equal value cases. I do not think it is really necessary to do that in this particular Bill. I know, from the discussions we have had with the commission, that it is are developing guidelines, as is Treasury Board, to have more implementation of that concept of equal pay for work of equal value within an establishment of an employer.

Ms. Mitchell: We want systemic change.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am very pleased with this opportunity to take part in the debate, but I am disappointed that I did not know until the very last minute that we would have this debate today. Nevertheless, I am happy to speak to this subject, and perhaps to reflect a little and report on the thoughts, wishes and comments of the groups we met while attending hearings of the Commission on Equality across Canada.

I can assure you, Madam Minister, that some of these groups will not be as delighted as you would wish them to be today because equality in the workplace, equal opportunity, equal access to the workplace were concepts they would welcome and which could be implemented through this legislation. It is unfortunate, but I do not think the legislation is going to be as successful as we would have liked.

That being said—

[*English*]

I would really like to suggest to you that it is a particular privilege to participate in the debate on the second reading of Bill C-62, an Act representing employment equity. The Bill, which results from the recommendations of the Abella Commission Report released last year, does represent a step forward. We have come some way from 1870 when the first two women were employed by the Public Service and from 1882

when the Toronto Labour Council first supported equal pay for equal work. We have come a long way from the concept of equal pay for equal work, and we have now moved into a concept to respond to systemic discrimination, which we call equal pay for work of equal value, which is a much fairer measure with respect to how we want to look at the society of today and tomorrow.

It has been a very long, hard struggle for these many groups—the women, the native people and the disabled—who have suffered from discrimination in the labour market and continue to be denied equal opportunity.

For them the goal of equality in real practical terms is still a distant goal and not yet realized. In the discussions leading up to the inclusion of Section 15, the equality section of the Canadian Charter of Human Rights and Freedoms, many expectations were raised that the disadvantaged groups in our society would finally achieve equal access to the labour market and that past injustices would be rectified. For these groups I believe the Minister's legislation has been a disappointment, and I say that in full awareness of what these groups have been saying to us we have criss-crossed the country. We thank the Minister of State for Immigration and Minister responsible for the Status of Women (Mr. McLean) who helped the special interest groups, that is the disabled, the visible minorities and the women's groups, with some financing so they could put their reports together for us. In essence, what they had to say in their reports was that perhaps there is a way that the legislation could be amended and moved forward so that the intent behind this legislation in all reality can be realized.

During the election campaign the Tories promised that they would implement an effective affirmative action program with adequate control, monitoring and evaluation mechanisms within the Public Service, its agencies and Crown corporations and that their Government would make clear to companies doing business with the federal Government that their performance in hiring and promoting women would be a key factor in obtaining contracts for goods and services. I would suggest that there are many, many companies which have less than 100 employees and which do business on a scale of less than $200,000 a year that really should be responding to the criteria that the Minister would like to see applied.

In the Throne Speech the Prime Minister (Mr. Mulroney) stated, "Economic equality is the vehicle through which women will come to full partnership and participation with men in our society". These are laudable principles and are basically the reason the previous Liberal Government appointed Judge Abella to do the research and to set this commission in place so that it could find the reasonable avenues substantiated in fact that would indicate the route by which systemic discrimination could be removed.

I find that the present Government's commitment to all these recommendations has not been matched by its actions and, hopefully, that can be remedied en cours de route. Equality of opportunity takes many forms but the Government has not moved quickly to give clear federal leadership in this regard.

I know that the Minister has said that this is the first step and that this is the first Government to undertake it. In some sense she is not incorrect. I would suggest that the groundwork was laid and the principles ahered to by the previous Government, but this present Government made promises that it did not live up to. I am saying to the Minister, amend the Bill and live up to those promises that were undertaken.

I think it is important to understand the steps that have to be taken to achieve the goal of equal access for disadvantaged groups. I would like to quote from a brief that was presented to the Equality Rights Committee by one of the members of the Citizens for Public Justice group. It reads:

> We must make every effort to identify and remove, barrier by barrier, discriminatory advantages. The federal Government should set an example by further expanding its employment practices and decision-making processes so that all Canadians are not only free from adverse discrimination but, can also enjoy just employment conditions which provide fair access to meaningful work and equitable participation in the life of our society.

When we say we want every barrier and obstacle removed I would suggest that the record of today's employers does not indicate that they have voluntarily undertaken to remove the obstacles and to tear down the barriers. In this Bill, the employers are being given the responsibility to remove obstacles and take down barriers. I would suggest that we have to be more definitive in the description of the barriers and obstacles we want removed and have a measure that will relate specifically to the jobs which have in many instances unnatural and unnecessary qualifications that have nothing to do with the jobs in question.

● (1240)

As Judge Abella stated, employment equity is a strategy designed to obliterate the present and residual effects of discrimination and to open up equitably the competition for employment opportunities to those artitrarily excluded. It requires a special blend of what is necessary, that is fair and what is workable.

Affirmative action as a term refers to a comprehensive planning process for the elimination of systemic situations bringing about inequalities. We must now redress historic patterns of employment disadvantage suffered by designated groups. In an affirmative action program, the impact of employers' systems and practices is measured through an analysis of designated group employment within the organization and a realistic assessment of the number of target group members available in the labour market both in total and in the job and skill groups.

I know that the Hon. Member said that this falls under Clause 4 of the Bill. I would suggest that it is not substantive enough and it is left in the hands of the employers. I do not think that those steps to neutralize discriminatory practices include the kinds of goals and timetables necessary for achieving equitable representation of the designated groups within the organizations. I do not think they establish the kinds of remedial measures which will redress the past imbalances and make achievement of numerical goals possible.

It is important to recognize that for many people, the term "affirmative action" has had negative connotations. It was for this reason, I believe, that Judge Abella coined the phrase "employment equity" but she expanded employment equity to include more than affirmative action. Even with the name having been changed, there is still some resistance to it as is obvious from the way this Bill has been applied.

The purpose of an employment equity plan is to open the competition to anyone who would be eligible for a position but for the existence of discrimination, unintentional or otherwise, and it does not mean that employers are mandated to hire unqualified persons. I think the opponents of these proposals tend to be uninformed about the many positive elements of such programs. Perhaps an education program for personnel departments would be very useful in helping them to undersand the implications of employment equity.

A review of the United States experience has shown that affirmative action programs have had a positive impact on the private sector, and although there was strong resistance at first, employers soon discovered that there was a wealth of talent that they had previously overlooked. Because of their past employment practices, they had restricted themselves to drawing from certain segments of society for their labour force. I think mandatory affirmative action laws showed that these disadvantaged groups could offer a pool of qualified people that could enhance and diversify workforces and bring new skills.

As you know, Mr. Speaker, in her conclusions, Judge Abella said that voluntary measures are an unsatisfactory response to the pervasiveness of systemic discrimination in the Canadian workforce and has therefore recommended that all federally regulated employers be required by legislation to implement employment equity. The key word here is "mandatory", and I do not agree with what the Hon. Member for Capilano (Mrs. Collins) has said. There are no mandatory requirements in this Bill and I would suggest that the Hon. Member re-examine its contents. The intent should be made mandatory, but unfortunately the only thing that is mandatory is the reporting provisions and the fine of $50,000 for non-compliance. That will not help the disabled, the women and the visible minorities who pleaded before us for access under the kind of mandatory contract compliance that could be measured and examined in the light of reality.

It is important to note that this Bill is all about voluntary compliance, although there is mandatory reporting. If voluntary compliance had worked, that example would have been set a long time ago. However, it has not been set, and I believe it is very important to recognize that mandatory compliance has been absent from our legislation and businesses practices. Even the Canadian Advisory Council on the Status of Women, a group which advises the Government, has said that it wants the Government to go further than it has in its proposals to force Crown corporations and federally regulated companies to hire more women and minorities. The Council has examined the Bill in the light of mandatory requirements and has found it wanting as well.

Regarding the American experience, Victoria Smith, a senior consultant from New York, notes that business is comfortable with numerical goals and targets and that that is how business works. She indicated that she had just done surveys of her clients, most of whom are big Fortune 500 corporations, and of the 142 responses, 95 per cent indicated they would keep on using numerical goals to track the progress of women and minorities regardless of the Government's requirements because it is good, sound business. It is good for the corporation and it is good for the country.

Many groups have testified that voluntary compliance does not work. As Hon. Members well know, a right is only a right if it is enforceable. Otherwise it is just a lot of lovely words that mean nothing.

I think it is about time that the federal Government, its agencies, its Crown corporations and federally regulated sectors and companies doing business with the Government recognized the diversity of Canada's population and the potential of disadvantaged members. The cost of employment-equity programs has often been cited as an impediment to their implementation. However, the United States experience has shown that good use of human resources is just good business practice. Basically, we cannot afford not to apply good business practices in this highly competitive world in which we count on productivity as a bottom line.

Bill C-62 demonstrates that the Government has lacked the willpower and the leadership that is necessary to implement employment-equity programs effectively. I speak not only for myself but for all those groups that came before us with the feeling that the Minister would be applying the kind of regulations and laws that would have the impact that the Minister herself indicated they would. I am referring to the Canadian Ethnocultural Council, the Coalition of Provincial Organizations for the Handicapped and many groups belonging to the National Action Committee. They are all disappointed by the lack of an enforcement mechanism.

It is not enough for the Minister to say that public opinion will pressure companies and the Government to hire actively and to promote men and women from the targeted groups. Did she not read the chapter on enforcement mechanisms in the Abella Report? I believe she did and I am sure she studied it well.

[*Translation*]

I think the Minister should at least take another look at the following words: . . . "The obligation to implement employment equity" . . . which will remain just words if they do not have force of law. Ideally, enforcement should be entrusted to an agency that would be entirely separate from the Government. This agency would dispose of the necessary resources to fulfil its mandate, including competent staff with a good knowledge of labour relations, employment mechanisms and human rights issues.

[*English*]

Voluntary measures just do not work. Let us stop pretending that they do. Without goals and timetables, no measurable

differences can be noted. The Minister has spoken of criteria and guidelines for employment equity. I would like her to make these available so that we can all know on what premise she is working.

I would just like to remind the Minister that it is a good thing that my neighbour and confrère, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), fought and organized the fight to keep the census on line. The Minister knows that without the instrument to gather the date with which we can measure the base, the whole thing does not work. The question is: What is in the census questions? Do they meet the information needs? I hope the Minister will answer my questions in the affirmative because I wish as much as she that it works.

• (1250)

Miss MacDonald: You have not read the legislation.

Mrs. Finestone: Yes, I have read the legislation. The Minister knows better than that. She knows that I would have read it and read it thoroughly.

The Minister has talked about criteria and guidelines for employment equity. I would like the Minister to make those available. In her job market strategy the Minister has indicated that employment equity will be an integral part of that. I believe that I read that provision correctly. Therefore, can the Minister provide us with her Department's goals and timetables for employment programs? In this way, in the future, the Canadian public can assess if the Government is setting the necessary examples for other sectors.

I would like to remind the Minister that in February, if my memory serves me correctly, the President of the Treasury Board (Mr. de Cotret) announced that he had set up a joint committee with labour to review employment equity practices in the federal Government. The committee was to look into the matter of equal pay for work of equal value. He was to report back to us, but I have not heard from him yet. If I have missed his marvellous presentation, then I regret that. If I have missed it, I would like the whole of Canada to know where we have gotten to and what his report entailed, because equal pay for work of equal value is an integral part of the whole employment equity package, which the Minister has happened to overlook in her Bill.

Contract compliance, which is not covered in the legislation as I understand it, will be covered by regulation. I believe the Canadian public has a right to know if the Government and the companies with which it does business are complying with measurable goals and timetables. I recognize the need for flexibility in employment equity programs. I understand that small business and certain sectors need exemption under Section 1 of the Charter. However, that should not be used as a smokescreen for incomplete and insufficient data which are needed to provide an indicator of the success and the effectiveness of the measures taken.

I would now like to deal with the issue of sanctions. Clause 6 of the Bill would allow the Minister to impose a fine of $50,000 for failing to provide her Department with a report containing detailed information on employment practices. While this is not an insignificant amount of money, to say the least, it is not likely to improve the employment status of designated groups. The fact that Mr. Whoever-he-is had to pay a fine will not help the disabled. Nor will it help the minorities, or women, to find jobs. It will only prove he did not do his task.

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

Mrs. Finestone: What is being asked for is an enforcement agency which will be able to monitor—

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member but the 20-minute time period has now expired.

Mrs. Finestone: Would Members of the House give me just one minute to wrap up my remarks?

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): The Hon. Member has one minute to wrap up.

Mrs. Finestone: Thank you, Mr. Speaker. The key to the whole issue is the importance of having a mechanism put in place which would not be voluntary, but mandatory, and which will have an enforcement principle and sanctions. This could be a step forward. In Judge Abella's terminology, employment equity means a total package. It means hard facts and data, necessary instruments, affirmative action, equal pay for work of equal value, contract compliance and child care. When we measure the contents of this Bill against the reality of the situation I have to say that it falls short in many of the basic elements. I hope that when it is sent to committee we can see to the improvements which will be needed so that the Minister's goal, and our goal, which is to improve the lot of those who have suffered from systemic discrimination, is met in the days to come.

The Acting Speaker (Mr. Charest): Questions or comments? The Hon. Minister of Employment and Immigration (Miss MacDonald).

Miss MacDonald: Mr. Speaker, I would like to deal with a couple of matters which have arisen from the speeches made in the House this morning. I do not think the attempt is deliberate to try to confuse people about what is involved in this Bill. However, a couple of statements have been made with regard to the absence of legislation relating to equal pay for work of equal value. I do not think we should confuse the Canadian public with respect to the fact that such legislation does not exist in the federal Government. I ask the Hon. Member if she is aware that under Section 11 of the Canadian Human Rights Act it states that it is a discriminatory practice for an employer to establish or maintain differences in wages between male

and female employees employed in the same establishment who are performing work of equal value. Is the Hon. Member aware that this legislation exists? Is she aware that it has not been implemented in the past? The implementation processes are now under way. The Treasury Board has agreed to this provision with one public union and others will come on-stream. In this way the provision will be implemented across the Public Service of the country beginning in 1986. It has been undertaken because we believe so firmly in the principles of it.

I also wish to ask the Hon. Member if she is aware that, although the census data will be tremendously important, what this Bill does is to go beyond the census data and ask for information which has never been available from employers with regard to persons who are hired, promoted and terminated with respect to the pool of labour from which they draw. That type of information is normally not available from census data, which is why it is so critical to provide for its coming forward in this Bill. In this way we will be able to determine if employment equity is being properly implemented in company after company across the country. The data is critical to the implementation of employment equity.

Some people say that employment equity can be put in place overnight. I would like to ask those people who advocate that principle to explain how that can be done unless we know what the basic facts are now. We do not have that information now and that is what this Bill is structured to bring out.

Mrs. Finestone: Mr. Speaker, I thank the Minister for some of the clarifications which she has provided. However, I do have a few concerns which I would like to bring to the attention of the House. We are now asking the Canadian Human Rights Commission to perform an incredible amount of work. Where are the funds and the manpower for the performance of this work? Where is the potential for the commission to follow through on its recommendations? The Minister can perhaps answer me afterward. I would be pleased to hear from her. The Minister is asking the commission to take an expanded role in reviewing this data and then initiate investigations. I think many Canadians are looking to the commission to do exactly what the Minister is saying, and the Minister is anticipating that. The commission will be the watchdog in ensuring that real progress is made.

I would like to tell the Minister that the concept of equal pay for work of equal value was instituted by the Liberals in 1978.

Miss MacDonald: Nothing was done.

Mrs. Finestone: I realize that it was not enforced to the degree it should have been enforced. I was pleased to hear the tribunal's decision in this regard. It has a financial impact, and that is fine. I think that will bring matters into order. As I understand it, the Human Rights Commission has the right to prosecute and investigate, but it needs to have reasonable grounds in law. How will the commission find reasonable grounds in law?

Miss MacDonald: I am not answering the question.

Mrs. Finestone: I suggest you look at that and when we go to study the Bill in committee I suggest we examine that. It does present a problem. I am not a legal expert. However, I know there is a constraint with respect to this matter which I think must be looked at. What I would like to say to the Minister is that the whole thing sounds good. All the right words are there. But what is the penalty if employers do not comply? The Minister really does not have a mandatory way of enforcing the issue.

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

Mrs. Finestone: It is good but it needs enforcement.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

CONSUMER AFFAIRS

TAX REBATE DISCOUNTING—OUTLAWING OF PRACTICE URGED

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, tax discounting is a service used mostly by low-income families. Indeed, two out of three persons who discounted their tax refunds reported a 1983 income of less than $8,000, and one out of three persons had incomes of less than $2,000. Therefore, the proportion of tax-filers who discount the most are at low income levels. Of the $41 million in refunds that were retained by the tax discounters, $15 million to $20 million was made up of child tax credits which are intended to help low-income families meet their needs.

The Minister of Consumer and Corporate Affairs (Mr. Côté) is aware of how important these child tax credit refunds are to low-income Canadians. They are used to buy furniture, household appliances, and children's clothing. The Minister is also aware that the tax system is being increasingly used as a vehicle for transfers to low-income Canadians. Poor families cannot continue to lose 15 per cent of their tax credits to discounters.

I would urge the Minister, therefore, to follow the recommendations of the Standing Committee on Health, Welfare and Social Affairs to take the necessary steps to outlaw tax rebate discounting or, at the very least, to adopt the position agreed upon in mid-September by the provincial Ministers

responsible for Consumer and Corporate Affairs to ban tax rebate discounting of the child tax credit.

* * *

INDUSTRY

RESTRUCTURING OF INTERNATIONAL HARVESTER PLANT—EFFECT ON EMPLOYEES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, some 300 workers at the International Harvester truck plant in Chatham, Ontario, are facing lay-offs as the company moves jobs and production to Japan. The company is phasing out its Cargo Star line, replacing it with a new modified version to be produced under contract with Nissan, beginning in 1986.

The Government has given much publicity to the inflow of foreign capital and jobs which its new open-door policy claims to have attracted. The Harvester case demonstrates the darker side of this open-door approach. The door swings both ways. This can create outflows of foreign capital and jobs as the multinational corporation restructures its global operations.

I urge the Government to investigate this Harvester move, and to bring in stronger Canadian content legislation to keep these jobs and production lines in Canada. The future of workers and communities like Chatham depends on such tough trade action.

* * *

CANADIAN BROADCASTING CORPORATION

CANCELLATION OF *OUR NATIVE LAND* RADIO PROGRAM

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I listened to the final broadcast of the radio program *Our Native Land* which has been cancelled by the CBC. I believe this decision on their part is wrong. *Our Native Land* provided natives in Canada with a means of communicating among themselves and with non-native Canadians for 20 years. A full-time production staff worked in Ottawa where decisions are made that affect native Canadians. Now a new team is in Toronto. This is wrong.

The leaders of the four national aboriginal organizations united to urge the CBC not to cancel the program. The CBC did not listen. Without *Our Native Land* there will be inadequate coverage of important events impacting on natives and of interest to non-natives.

Seventy thousand listeners per week knew that on Saturday they would hear stories about natives. The loss of a dedicated time slot means that they must listen to non-native public affairs programs and hope that there may be a story concerning their interests. This is unacceptable.

Natives today face many challenges that non-natives are interested in. For example, the 1987 First Ministers' Conference on Aboriginal Rights, the Task Force on Land Claims, review of funding for native programs and organizations, annual conferences of native, Inuit, Metis and Indian organizations, evolution towards self-government, community-based education and health services, and the cultural renaissance in native communities are all reasons why all Canadians need a regular native affairs program in a dedicated time slot. I urge the CBC to reinstate the program.

* * *

THE LEADER OF THE OPPOSITION

ALLEGED TUNA PLANT TOUR—REQUEST FOR APOLOGY

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I refer to unfounded allegations by the Right Hon. Leader of the Opposition (Mr. Turner), affecting myself and other members of the New Brunswick caucus in which he stated that we had prior knowledge of tainted fish from a New Brunswick cannery and that we had communicated that knowledge to the caucus and the Prime Minister (Mr. Mulroney).

These allegations, whether direct or made as insinuations, have seriously affected the credibility of a number of Hon. Members, as well as their ability to carry on their functions as Members of this House.

The imputations of the Leader of the Opposition in my case and that of other New Brunswick Hon. Members are false and injurious. They are unfounded and without substantiation. There was no tour of the plant. There was no meeting with officials. There was not in my presence at any time any reference to tainted tuna. There was nothing to refer to caucus or to the Prime Minister, and nothing was referred.

The Right Hon. Leader of the Opposition has behaved irresponsibly by launching himself on a mud-slinging expedition on the theory that if enough mud is thrown some is bound to stick. On behalf of other members of our caucus, I protest against Parliament being used for tactics more worthy of the gutter. The Right Hon. Leader of the Opposition should withdraw statements that he cannot verify or substantiate. He should apologize to the New Brunswick Members of Parliament and to the Prime Minister. He should begin to conduct himself in a way worthy or the dignity of Parliament.

Members of Parliament cannot carry out their functions if they are to be subjected to unfounded allegations damaging their reputations by a person occupying the high position of the Leader of the Opposition. There should be an apology and a withdrawal by the Leader of the Opposition.

Some Hon. Members: Hear, hear!

* * *

FITNESS AND AMATEUR SPORT

NATIONAL WOMEN'S FIELD HOCKEY TEAM—REAPPOINTMENT OF COACH

Mr. Sergio Marchi (York West): Mr. Speaker, the Sports Minister's unilateral decision of September 26 to reappoint Marina Va Der Merwe as coach of the National Women's

Field Hockey Team represents an act of unprecedented and blatant political interference. The Canadian Women's Field Hockey Association is absolutely furious and disgusted over this entire affair.

The Association chose not to renew her contract, and this position was supported by a committee established specifically by the Minister to investigate the coaching matter.

Why is the Minister running roughshod over the best interests of this women's team and the recommendation of his own committee? As a result of the Minister's action, six to eight members of last year's Olympic team are thinking of resigning. Players have also been pressured into accepting this directive or risk losing their Sports Canada support. Furthermore, ministry officials have threatened to withhold the half million dollar funding unless the national association accedes to the Minister's recommendations.

Such political and bureaucratic interference and pressure tactics have no place in the workplace of this or any other national sports organization. I ask the Minister, therefore, to reverse his decision and allow the association to manage its own affairs in a competent and fair manner.

* * *

CANADIAN PACIFIC RAILWAY

CANCELLATION OF PENSIONERS' RAIL PASSES

Mr. Les Benjamin (Regina West): Mr. Speaker, while current employees of Canadian Pacific can bargain through their unions on many issues, including railway passes, the pensioners of CP cannot. They have no bargaining power and must rely on Members of Parliament in all Parties and Government to protect their rights and interests.

These pensioners served Canadian Pacific well all of their working years. "They worked the CP Railway line." One of the few benefits they have is their rail passes which are an earned right. Canadian Pacific has arbitrarily cancelled the passes of their pensioners effective November 1. Its heartless disregard in this matter must be halted by us in this House.

Canadian National Railways will continue to provide passes for their pensioners, which means CP pensioners are victims of discrimination by Canadian Pacific. On behalf of Hon. Members in all Parties in this House, I call upon the Minister Transport (Mr. Mazankowski), the Minister of Labour (Mr. McKnight), and the Prime Minister (Mr. Mulroney) to make the strongest demands upon Canadian Pacific to continue its rail passes to all of its present pensioners and, as a minimum, give their pensioners the option of either rail passes or a better health and welfare program.

• (1410)

THE LEADER OF THE OPPOSITION

ALLEGED TUNA PLANT TOUR—REQUEST FOR WITHDRAWAL OF ALLEGATION

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, I rise on the same matter as was raised by my colleague, the Member for Fundy-Royal (Mr. Corbett). Yesterday the Right Hon. Leader of the Opposition (Mr. Turner) made the allegation that eight Conservative Members of Parliament from New Brunswick, while on a visit to the southern part of the Province in April, made a tour of the Star-Kist plant in St. Andrews. That allegation includes me, and I must tell you and the House that the allegation is categorically false. There was no tour of the plant. I have never ever been near the plant, nor indeed inside its doors.

This allegation was made by a Member of the House who deserves respect, but the Right Hon. Member for Vancouver Quadra (Mr. Turner) should know that no honourable purpose can be served by continuing to misrepresent facts and to muck about with the reputation of the entire caucus from New Brunswick. The Right Hon. Member should withdraw his statement and his question with all its sullying innuendo.

* * *

THE LEADER OF THE OPPOSITION

ALLEGED TUNA PLANT TOUR—REQUEST FOR APOLOGY

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I, too, would like to comment upon inaccurate statements made by the Right Hon. Leader of the Opposition (Mr. Turner) as reported in *Hansard*, the account of the proceedings of the House of Commons, on October 2, 1985. At no time did I, or other Progressive Conservative Members of Parliament from New Brunswick, visit the Star-Kist facility in St. Andrews, nor did we tour this plant as alleged by the right hon. gentleman. I can assure the House that no formal meeting took place between the eight New Brunswick Progressive Conservative Members of Parliament and the management of the Star-Kist plant in St. Andrews.

To set the record straight, I was approached by a small group of what I assumed were workers of the plant, on the front lawn of the Royal Canadian Legion located in St. Stephen, New Brunswick, 10 to 12 miles from St. Andrews and the Star-Kist plant. The group expressed concern that the fisheries inspectors were becoming increasingly harsh and they feared the viability of the Star-Kist plant was in question and their jobs in jeopardy. No action was taken by me as an individual Member of Parliament—

Some Hon. Members: Why not?

Mr. Cochrane: —nor did the New Brunswick caucus take any action collectively. It was not discussed in the New Brunswick caucus, the national caucus, or with the Prime Minister of Canada (Mr. Mulroney).

The misrepresentation of the facts by the Right Hon. Leader of the Opposition illustrates once again the inaccuracy of statements made in reference to this issue. Now that the record has been set straight, the Right Hon. Leader of the Opposition should apologize and withdraw his comments and allegations.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Surely Hon. Members can listen to each other's statements with some respect.

* * *

EXTERNAL AFFAIRS

CONDEMNATION OF PALESTINE LIBERATION ORGANIZATION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, recently PLO terrorists struck again, this time killing three innocent Israeli citizens in Cyprus. As usual, the world was silent. The PLO is a terrorist organization. It has always been a terrorist organization. It has never acknowledged the existence of Israel, despite the fact that United Nations resolutions 242 and 248 recognized that Israel has the right to exist behind secure borders. The PLO has harrassed the Israelis, not only within Israel but in many other countries throughout the world. Its members have terrorized, maimed, and killed hundreds of Israeli men, women, and children, as well as many non-Israelis, thereby forcing Israel to deal with these terrorist activities by military operations.

Make no mistake, the PLO originated as an organization dedicated to terrorism and it has continued in this vein. Terrorism is not an acceptable mode of settling differences. Since terrorists do not respect national boundaries, they cannot claim sanctuary behind national boundaries. Israel should not have been condemned by Canada, through its Secretary of State for External Affairs (Mr. Clark), for taking steps to destroy PLO terrorism by bombing the PLO headquarters in Tunisia. Indeed, Tunisia should have been condemned by Canada for giving the PLO a base from which to operate.

* * *

[*Translation*]

FISHERIES

NEWS CONCERNING VISIT TO FISH PLANT BY MEMBERS OF PARLIAMENT

Mr. Albert Girard (Restigouche): Mr. Speaker, as a Member from New Brunswick, I would like to draw the attention of this House to the irresponsible attitude of the Leader of the Official Opposition (Mr. Turner), who yesterday, during Question Period, repeated and amplified a statement by a member of the employees' union at the Star-Kist plant.

I would have been delighted if the Leader of the Opposition had mentioned the fact that the Conservative Members from New Brunswick were doing a good job visiting the various regions in New Brunswick as part of the responsibilities of their position.

However, that was not the purpose of his statement. Far from it. Without checking his source, he wanted to pursue his campaign to vilify our Prime Minister (Mr. Mulroney) and involve eight New Brunswick Members in his pernicious designs.

First of all, I would point out that the tour of southern New Brunswick from April 22 to April 24 by Conservative Members was made by not more than eight Members, while in St. Stephen there were only seven.

In St. Stephen, I never at any time met any union or management representatives from the Star-Kist plant, and I have never visited the plant. Furthermore, the tuna issue was never raised, neither in the New Brunswick caucus nor in the national caucus.

It would therefore be more than appropriate, and the Leader of the Official Opposition would be doing this institution and his own position within that institution a great service, if he were enough of a gentleman to withdraw his allegations and apologize to the Prime Minister, considering the fact that some time ago, he showed he was capable of doing so when his leader, Mr. Trudeau, contradicted his version of events.

ORAL QUESTION PERIOD

[*English*]

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—NATIONAL DIRECTOR'S STATEMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I had understood that the Prime Minister would be in the House for Question Period today. Good, he has arrived.

This morning, after thinking about it for seven days, Jerry Lampert has joined the ex-Minister of Fisheries and the Member for Carleton-Charlotte in retracting statements contradicting the Prime Minister. I suggest that the Prime Minister owes the House an explanation and I would like to ask him for it. Why did a matter which he considered urgent take seven full days to resolve itself?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as Deputy Leader of the Progressive Conservative Party of Canada I can tell the Hon. Member that it was I who conducted the discussions necessary with the President of the Party and his National Director. A press release was issued by the Party this morning. If he does

not have a copy of it yet, I will give it to him. It says everything in that press release.

* * *

PRIME MINISTER'S OFFICE

REQUEST FOR REORGANIZATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, what the press release does not say, and the fact that remains, are that two important matters which the Prime Minister should have known about, which led to resignations of Ministers, were known by senior people around him in the Government, in the Party, and in the Prime Minister's Office. It looks like a blind-eye policy has been followed by the Prime Minister in running his office.

What steps is the Prime Minister taking to straighten out affairs in that office so he will know and be informed of the important things that he ought to know as Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the inferences contained in the Hon. Member's question are absolutely false. He started off his questioning by referring to a Party matter and wound up, through his convolutions, trying to fix the responsibility for response on the Prime Minister. The fact remains that this is a Party matter which has been dealt with by the Party and which has been made public. Surely he will allow our Party to determine what should or should not be in the press release, as we allowed him to do on May 11, 1984, when a press release was issued by the Prime Minister of the day accusing the Leader of the Opposition of a misrepresentation of events.

SERVICE PROVIDED TO PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, the question which must be put to the Prime Minister, and which he alone can answer is, after all of this, can he tell the House and the country that he is satisfied with the way his office has served him?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, if he has read the press release, as I am sure he has, he will see that the Prime Minister's Office was at no time involved as the Leader of the Opposition and others in the House have suggested. There was no communication of the sort that was suggested with anyone on the Prime Minister's staff, including senior Party officials. That is made clear in the press release. Regardless of how the Hon. Member wants to twist, distort, and mar those facts, they are there for all to see and I would urge him to accept them.

[*Translation*]

TRANSPORT

REQUEST FOR DETAILS OF TRIP TO EUROPE BY MINISTER OF STATE (TRANSPORT)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of State (Transport) who, we are informed, has been "transported" quite a bit in recent months. Today, we heard about the abuse of power and the waste of public funds indulged in by the Minister of State (Transport) when she went on a holiday to Europe with her husband, at the Canadian taxpayers' expense.

How can the Minister justify her trip to Europe, at taxpayers' expense, to attend a conference that was cancelled before she had even left? Would she care to explain how it was that at her request, a meeting was arranged with the OECD official responsible for the environment, in an attempt to justify a visit that was obviously a private trip?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I have absolutely nothing to hide. In answer to the Hon. Member's question, I can say that I made two trips as the Minister of the Environment, one at Easter and one in June and July. Programs for these trips were duly planned and were mentioned in the papers at the time. One of these trips, the second one, had a public and a private portion. The private part was for my own pleasure, and I paid all the expenses of that part of the trip, as prescribed in the Government guidelines.

• (1420)

[*English*]

COST OF TRIPS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I do not know who the Minister is trying to kid here. I am sure the Prime Minister would say that the Minister is a person of unimpeachable integrity and should not be qustioned, but would she tell this House the total cost of her two trips to Europe and what portion of those costs did she pay herself?

Some Hon. Members: Order Paper.

Mr. Speaker: Order, please. We got into a confusing situation a minute ago where a Minister seemed to be answering regarding a previous portfolio. However, I am going to find these questions are so specific that they properly belong on the Order Paper.

Some Hon. Members: Hear, hear!

INDIAN AFFAIRS

REORGANIZATION OF DEPARTMENT—FUNDING OF PROGRAMS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs. There are reports today of a major reorganization of the Department of Indian Affairs involving the loss of 1,500 jobs. A Tory back-bencher says the reorganization could trim some $200 million from the deficit. Last spring we had two similar leaks of Government plans to cut Indian programs and apply the money to the deficit, and which the Government denied. Since the Minister does not deny the reorganization, will he assure the Indian people that any money saved will go directly to them and their needs?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I not only do not deny the reorganization, I applaud it.

Some Hon. Members: Hear, hear!

Mr. Crombie: The reorganization, of course, is the other half of Indian self-government. Since I got the job people said to me please get the Government bureaucracy off our back and have Indian self-government. That is what this is about.

With respect to the question regarding funding, in April the Prime Minister indicated that funding levels would not change. Indeed, I have already talked to Indian people about it, and I am happy to assure the NDP who should have known about it.

GOVERNMENT POLICY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Indian self-government should involve Indian people from the very beginning, not half way along the line. Does the Minister deny any link between the proposed cuts and operation Buffalo Jump? And what assurance will the Minister give to this House and to aboriginal people across the country that the reorganization is not just a scheme to trim money from the Indian people and apply it to the deficit? What assurance can he give the Indian people that they can accept?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the only connection between those two events lies in the evil intent the Hon. Member is trying to impute to me. Insofar as it relates to gathering the opinions of Indian people, I spent 14 months doing just that, and I travelled further during that time than any Minister in the history of the Department. I talked to every one of those communities.

Some Hon. Members: Hear, hear!

Mr. Crombie: Secondly, Mr. Speaker, all the moves by the Government to give Indian people for the first time in their history an opportunity to be in control of their lives come directly from the report of the standing committee which is supported by all political Parties including, I thought up until now, the NDP.

EFFECT ON INDIAN PEOPLE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, this Party does not need to apologize to any Party in the House for its support of Indian self-government.

Some Hon. Members: Hear, hear!

Mr. Manly: The Minister knows that. He should also know that the cut of 1,500 jobs in the Department is going to affect vital Indian programs regarding housing, education—

Some Hon. Members: Oh, oh!

Mr. Speaker: Question, please.

Mr. Manly: What assurances will the Minister give to the Indian people that the money cut through reorganization is going to be applied directly to them? What assurances do we have?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, up until now I did not think the NDP had anything to apologize for with respect to Indian policy. However, this line of questioning sure throws that into doubt. We want the 1,500 jobs and more for Indian people, not federal bureaucrats.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

POLITICAL ASSEMBLIES ON MILITARY BASES

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Deputy Prime Minister and the Minister of National Defence. Yesterday we heard a reply to a question in this House from the Hon. Member for Hamilton East regarding political activity of military spouses on Department of National Defence property, and I now quote the Government's reply from page 7252 of *Hansard*:

—there is a long and honoured tradition in Canada that political activity and the military do not mix, and they ought not to.

I ask the real Minister of National Defence if it is his policy to allow the right of political assembly on military bases only to groups who represent the Progressive Conservative Party of Canada?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, as the Hon. Member indicated, there has been this long and proper tradition of non-political activity on military bases. I believe that is a wise policy and it should continue. There is not and never has been any prohibition against spouses of military members joining political parties, getting involved in political activities, off the base as private

Canadian citizens. They have all the rights everyone else has. The question is: Do we want to see a situation where the military is actively involved in partisan politics? My answer to that question is no.

NEWSPAPER REPORT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary is directed to the real Minister of National Defence.

Mr. Crosbie: Where is the real critic?

Mr. Hopkins: I have evidence right here from the Oromocto *Post* that a Progressive Conservative meeting was held on Canadian Forces Base Gagetown on May 4 of this year.

Will the Minister explain to this House why Members of the Conservative Party of Canada are permitted the right of assembly on military bases at a time when he has denied that right to the rest of Canadians, even to military spouses?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I do not know whether I should answer that question since the real defence critic from Labrador is not here today. However, if in fact such a meeting took place it was contrary to military regulations and I hope the persons responsible were reprimanded for holding such a meeting.

* * *

GOVERNMENT EXPENDITURES

MINISTER'S EUROPEAN VISITS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of State for Transport who has apparently been off on a junket around Europe at taxpayers' expense.

Some Hon. Members: Oh, oh!

Mr. Robinson: The Minister apparently spent three days in April in bed in a luxury hotel in Paris after meeting with a junior OECD official.

Some Hon. Members: Order!

Mr. Axworthy: Would you care to rephrase that?

Mr. Speaker: Order, please.

Mr. Robinson: She went to Stockholm despite the cancellation of the meeting there.

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

Mr. Hnatyshyn: Sexist!

Mr. Robinson: Is the Minister prepared to account to the taxpayers of Canada by tabling in this House all receipts for her personal expenditures on these junkets around Europe?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, in response to the Hon. Member's question, and as I said earlier, those trips represented lengthy preparations and they were approved by the Department of External Affairs. All documents are available, and the part of the trip in June during which I was on a private vacation with my husband was paid for by me, and the receipts exist.

[*English*]

MINISTERIAL TRAVEL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary is directed to the Prime Minister. Yesterday we learned that the Minister of Health is on a junket in China with his campaign manager and close friend. In view of that and the Minister of State for Transport's little trips around Europe at public expense, does he really believe that this is an appropriate example for his Government's Ministers to be setting at the same time his Government is cutting back on basic social services, including, as we have just learned today, social services for native people in Canada?

● (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Ministers have to travel; not as much as our predecessors, I will admit that.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Not by a long shot.

Mr. Hnatyshyn: We are homebodies, compared with them.

Mr. Mulroney: Yes, we are real homebodies compared with the Liberals.

The response which the Minister of State for Transport gave was a very reasonable and thorough answer to a question. There is no reason to go beyond her response, except to tell my hon. friend that the Minister of National Health and Welfare, who is well known in the House both for his probity and his frugality, is making an important trip and will respond upon his return.

* * *

[*Translation*]

NATIONAL DEFENCE

DENTAL PLANS—DISTRIBUTION OF MEMBERSHIP CARDS ON MILITARY BASES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we have just realized that the Conservative Government of Canada

allows Conservative political meetings on military bases at the same time as it denies women the right to form organizations.

I should like to ask the "real Minister" whether, in his opinion, it would be against the law to distribute cards on military bases to families asking for dental plans for their children.

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, as I indicated earlier—and I think the Hon. Member heard me—if any political meeting took place on base, it should not have. If the persons responsible have not been reprimanded, I will ensure that they are reprimanded because we do not believe that political activities should occur on base.

In terms of dental plans, salaries and so on, perhaps the Hon. Member for Hamilton East is not aware that the remunerations, including salaries and benefits such as dental plans and so on, paid to the Armed Forces are the same as those paid to the Public Service in general. In fact, these questions might more properly be put to the President of the Treasury Board who negotiates with Public Service unions.

An Hon. Member: Don't wake him up.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. Members might let their own colleague put a supplementary question.

RESPONSE TO ORGANIZATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I understand the Minister's reticence; once burned, twice shy. Why, in a letter last March to the organization about which I spoke in the House yesterday, did the Deputy Prime Minister refuse to provide them with guarantees that they would not face military prosecution if they distributed cards in a door-to-door compaign, calling upon the Prime Minister of Canada to consider a dental plan for military families?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, that is a misrepresentation of the contents of the letter from the Deputy Prime Minister.

Mr. Ouellet: Table the letter.

Mr. Andre: The Deputy Prime Minister simply indicated in that letter what I have repeatedly stated in view of repeated questions, that the policy of the Department of National Defence and the Government is that political activity on military bases is not allowed for good and proper reasons.

Mr. Benjamin: What is political about dental plans?

Mr. Andre: Everything else which the Hon. Member is implying about direct sales parties, meetings to discuss alcoholism and counselling, is permitted and in fact happens every day on all our bases in Canada.

Oral Questions

FISHERIES

SOCKEYE SALMON STOCK IN NORTHERN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Acting Minister of Fisheries and Oceans who is, no doubt by now, fully aware of the cold-blooded murder of sockeye which is taking place on the Fulton and Pinkut river systems in northern British Columbia. I see that his colleagues think it is funny. However, since you have denied commercial fishermen the right to access those stocks, since you have denied Indian people the right to take them for food, since you have denied sports fishermen the right to catch them, and since you are now denying the fish their God-given right to spawn—

Some Hon. Members: Order, order!

Mr. Fulton: —will the Minister—

Mr. Speaker: Thank you, I think that was the issue.

Mr. Fulton: Will the Minister undertake emergency airlift measures to see that those fish, which can move up those systems to spawn, are given that opportunity?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as Acting Minister of Fisheries and Oceans I can inform the Hon. Member that enhanced salmon stock returns to the Skeena River system were unexpectedly large this year. However, they could not be fully exploited because to do so would have been to jeopardize the weaker wild salmon and steelhead stocks in the river system. Wild stocks return to the river, mixed with the more numerous enhanced stocks, and hence the fishery must be managed to protect overharvesting of the weaker components of the run.

I appreciate the fact that there are other departmental concerns involved in a resolution of this problem. My colleague, the Hon. Minister of Indian Affairs and Northern Development, and departmental officials in Fisheries are currently attempting to work out those problems.

MANAGEMENT SYSTEM

Mr. Jim Fulton (Skeena): Mr. Speaker, it is interesting to hear the Minister peddle the departmental line. The fact of the matter is that $20 million worth of sockeye are blocked at those gates.

My supplementary question is directed to the Prime Minister. Will he commit himself and his Government to providing the necessary scientific staff and funds to put in place a management system so that a million fish like this do not have to die unspawned on the Fulton and Pinkut system again?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think the Hon. Member knows full well, but perhaps overlooked smuggling the element into his question, that there has been an unusually large run of sockeye this year in that system.

Mr. Benjamin: That is good news.

Mr. Nielsen: Of course that is a favourable preamble, so he would not have smuggled it into the question. As Acting Minister of Fisheries I can give him the kind of assurance which he seeks. They in that Party are not the originators of new options to deal with this kind of problem. It is being addressed very vigorously, and there will not be any resources of Government withheld in order to ensure an appropriate solution to the problem.

* * *

[*Translation*]

INDUSTRY

SHOE IMPORT QUOTAS—PRIME MINISTER'S POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister.

During a pre-election tour of the Eastern Townships you stated, and I quote: "A Conservative Government would not abolish footwear quotas".

Mr. Prime Minister, since more than 20,000 people depend on those quotas, will your Government honour this firm and unequivocal commitment?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I should think that the Hon. Member is aware of the fact that the tribunal involved has submitted a report which is now being considered by the Minister. We intend to act in a responsible manner to protect the rights and the jobs of Canadians.

REQUEST THAT GOVERNMENT CONSIDER INDUSTRY'S DEMANDS

Mr. Alain Tardif (Richmond-Wolfe): A supplementary question, Mr. Speaker.

Am I to understand that a decision will be made soon? If so, will it take into consideration the objectives of the sector, namely 50 per cent of the market for five years, which would account for 20,000 jobs in Canada? The manufacturers claim that the implementation of such a policy would create 6,000 jobs in the near future.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are fully aware of the number of jobs involved in this case. As I said, the matter is under active consideration by the Government. I must point out that a number of Canadian industries are now threatened by changes in international trade. That is precisely why the Canadian Government is determined to take a constructive approach in its trade relations with the United States and other countries of the world.

[*English*]

INCOME TAX

INTRODUCTION OF MINIMUM TAX

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Finance, my question is directed to the Minister of State for Finance. It concerns the minimum tax. I understand that the Minister of Finance met with his provincial counterparts last week and that they all agreed to a minimum tax. Could the Minister advise the House on what will be the minimum income level at which the tax will start? Will it be the $30,000 level, as is the case in the United States, or will it be the $50,000 level advocated by the NDP?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think my colleague, the Minister of Finance, has indicated his total commitment to the introduction of a minimum tax. I understand that officials are working on the details now and that an announcement will be made within the next several weeks on the kind of detail which the Hon. Member is requesting.

* * *

• (1440)

CHARTER OF RIGHTS

APPLICATION TO SPOUSES OF MILITARY PERSONNEL

Ms. Margaret Mitchell (Vancouver East): My question is directed to the Minister of Justice on the matter of equality rights. Has the Minister been asked to review what appears to be a violation of the basic rights of spouses of military personnel to freedom of association, which are guaranteed under our Charter?

Mr. Riis: Good question.

An Hon. Member: Tweedledum and Tweedledee.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, they have quite a self-admiration group over there.

Mr. Broadbent: You would have a hard time doing it on that side.

An Hon. Member: Don't you wish you had.

Mr. Crosbie: Mr. Speaker, I am not given a chance to answer a question very often. Would the hon. gentleman stop trying to interrupt my train of thought?

Mr. Benjamin: It's because we love you, John.

Mr. Crosbie: The answer to the Hon. Member's question is that I have not been asked to look into what has not happened so far as I know.

Mr. Broadbent: Were you at that meeting in New Brunswick?

DENTAL PLANS INQUIRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am asking the Minister right now to do something. I would like to ask him further whether he feels in view of the comments made yesterday by the Associate Defence Minister which trivialized and demeaned women, does he feel and would he confirm that in his view—

Mr. Clark (Yellowhead): How about Svend Robinson's question?

Ms. Mitchell: —as Minister of Justice spouses of the military should have the same right to association with dental plans and to group funding as other groups in society.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I accept the Hon. Member's representation, but when it comes to demeaning women we have already seen an example of that from the same Member's Party this afternoon. We also saw it yesterday when there was an attempt to demean the wife of the former Secretary of State who is now the Minister of State for Immigration. When it comes to demeaning, look in your own eyes first.

* * *

[*Translation*]

TRANSPORT

CLOSING OF BOMBARDIER PLANT IN MONTREAL

Hon. André Ouellet (Papineau): In the absence of the Minister of Transport, Mr. Speaker, I will direct my question to the Minister of State for Transport.

Can the Minister tell us why her Government did not intervene to prevent Bombardier from closing down its Montreal locomotive manufacturing plant?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, the Bombardier decisions in this case were made in accordance with the best industrial development criteria. We had lengthy discussions with Bombardier representatives who pointed out to us that there was no other solution.

PURCHASE OF LOCOMOTIVES FROM BOMBARDIER—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, I am quite disappointed by the Minister's answer, coming as she does from that region of Canada where there is such a severe job shortage.

Does the Minister know that since her Government took office roughly 1,000 jobs have been lost in locomotive manufacturing and in a related field, namely locomotive wheel manufacturing? Is the Minister prepared to ask VIA Rail and CN Rail to buy Bombardier locomotives and save this industry which has been operating in Montreal since the turn of the century?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, we are all saddened by job losses in various industries. Still many jobs have been created since we came into office—300,000 new jobs over the past year.

The point to keep in mind in this case is that although Bombardier management have decided not to remain in the locomotive manufacturing sector they are now actively seeking to develop new markets, and I think they will be successful.

* * *

[*English*]

LABOUR CONDITIONS

LAY-OFFS IN SINGLE INDUSTRY TOWNS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. In light of recent lay-off announcements at Inco and Falconbridge and total recent job losses of 17,158 in single industry towns across the country, when is the Minister going to introduce legislation which she promised, outside the House, to prevent lay-offs in single industry towns?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think the Hon. Member would be the first to admit that, following remarks that I made about Inco, that company saw fit to increase its benefits package by 70 per cent. I would say that that move by the company indicates its responsibility towards its workers. The same applies to Falconbridge. That company has instituted a benefits package which will enable people to have early retirement and thereby hopefully any unnecessary lay-offs will be avoided.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): In light of the very serious loss of jobs in single industry towns across the country and in view of the fact that the Minister is only prepared to talk about legislation, is she prepared at least to withdraw the severance pay provision in the Unemployment Insurance Act and to postpone the calculation of pensions being used as earned income under the Unemployment Insurance Act?

Mr. Broadbent: Good, John.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to believe that when I do talk it brings about some response. The response in the case of Inco has been that they have increased their benefits package by 70 per cent and that has been to the benefit of the workers in that plant.

An Hon. Member: Less than 100 workers.

Oral Questions

AIR TRANSPORT

AIRLINE TICKET TAXES—EFFECT ON NORTHERN TRAVELLERS

Mr. Dave Nickerson (Western Arctic): My question is directed to the Acting Minister of Transport, Mr. Speaker. In that the removal of the cap on airline ticket taxes has been unfair to and discriminates against people who live in northern and remote areas of Canada, is the Government considering any changes to the way in which it levies this tax?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I appreciate the concern expressed by my hon. colleague but I also have to point out that the needs of the Arctic are being recognized and special fee and tax provisions have been installed. For example, landing fees at Arctic airports have only been increased once since 1957.

An Hon. Member: Table the document.

Mrs. Blais-Grenier: Landing fees at airports such as Whitehorse and Yellowknife are approximately 60 per cent lower than at similar airports in the south.

* * *

INDIAN AFFAIRS

DEPARTMENTAL REORGANIZATION—EFFECT ON EMPLOYEES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, we learned a few moments ago from the Minister of Indian Affairs that there would be 1,500 workers, one-quarter of his staff, being laid off in his Department. We also heard about 3,000 workers being laid off in the Post Office and about the 5,000 transport workers being laid off. We have also heard about the 1,150—maybe not the Minister of Indian Affairs, but I want to ask the Minister who is responsible for this lay-off program—

An Hon. Member: Very few are responsible.

An Hon. Member: Question, question.

Mr. Gauthier: Will the Minister tell us what career plans he has for all these workers of the federal Government who have been laid off because of government programs?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, perhaps I could respond since the Hon. Member led off with a question which I hope he knows is mistaken in fact. He did not hear about 1,500 jobs from me nor from anyone else who has responsibility for the matter. In fact, that was a newspaper report and of course is not the figure that anyone else is using.

Mr. Axworthy: Two thousand?

Mr. Crombie: Let me make sure he understands this. The assurance of the Government has always been that anyone who is in these kinds of situations will be treated fairly and equitably through the normal practices of the Treasury Board. I say to him that he should not repeat figures which are untrue or alleged facts.

Mr. Speaker: Supplementary. The Hon. Member for Notre-Dame-de-Grâce-Lachine East.

TASK FORCE RECOMMENDATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Supplementary to the Minister of Indian Affairs, Mr. Speaker. The Minister knows that Indian nations in this country support and that the task force on Indian self-government recommended the dismantling of his Department but only if there was a commitment that that dismantlement would take—

Mr. Speaker: Order, please. This is a supplementary, not a new preamble, please.

Mr. Allmand: —place with full consultation and the funds would be—

Mr. Speaker: Does the Hon. Member have a supplementary question.

Mr. Allmand: No, I don't!

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Churchill.

Mr. Allmand: You're a joke!

Mr. Murphy: This House is not used to such honesty.

* * *

• (1450)

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL PAYMENTS TO PROVINCES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is to the Prime Minister and follows up on questions I asked yesterday. At that time, I asked if the Minister of Finance, while in Halifax last Thursday, had announced to his provincial colleagues that he intended to reduce transfer payments to the provinces effective 1986 rather than 1987 as the legislation presently reads.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I owe the Hon. Member an apology. I know I did not give him a good answer yesterday in the House. I think the Budget made it very clear that while we are limiting the future rate of growth in payments to the provinces, it was agreed that Ministers would meet again. The Minister of Finance had made it a point, because of our Government's commitment to national reconciliation, that changes will only be made in

consultation with the provinces. That is exactly the process that is under way.

POST-SECONDARY EDUCATION FUNDING

Mr. Rod Murphy (Churchill): Mr. Speaker, my understanding is that the federal Minister of Finance announced that in 1986 he intended to reduce transfer payments, money for medicare, post-secondary education—

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

An Hon. Member: Is it true?

Mr. Murphy: My question is this, Mr. Speaker. Is the Government going to live up to its election promise by reinstating full funding for post-secondary education? Will the Government keep that promise?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the Government's commitment to post-secondary educational funding is very well known. Discussions with the provinces are continuing and the Minister and the provinces will reach an agreement. Speculation about the outcome of those conversations is, I think, not helpful.

* * *

[*Translation*]

TRANSPORT

REQUEST THAT EUROPEAN TRAVEL VOUCHERS BE TABLED BY MINISTER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed by the Minister of State for Transport and concerns her two trips to Europe.

Earlier, in reply to a question by the Hon. Member for Burnaby, the Minister said that the travel documents were available and that there were receipts. However, she failed to answer the main part of the Hon. Member's question, which was whether the Minister was prepared to table those documents in the House.

That is the question I wish to put again to the Minister.

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I said earlier, in response to this question, that the trips were very carefully planned and that they were approved by the Minister of External Affairs, and that all the documents exist. In fact, they were available before all this was written up in the newspapers, at Easter and in July.

DEMAND THAT TRAVEL DOCUMENTS BE PRODUCED

Mr. Jacques Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker.

I wonder whether I am having trouble making myself clear. What I am asking the Minister, who apparently has nothing to hide, is whether she is prepared to table the documents. That is what we want to know, and the question should not be too difficult to understand!

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I understand perfectly well what my hon. friend is driving at, and if he wants to lay charges perhaps he could do so outside the House.

* * *

[*English*]

ENERGY

TAKEOVER OF GULF CANADA—TAX RULING

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and concerns the Gulf-Reichmann-Petro-Canada deal. Given that it is a fact that Gulf, Norcen and Petro-Canada formed a refinery partnership for income tax purposes, that *Oilweek* magazine reported in June that Revenue Canada was not co-operating with the deal and that the Priorities and Planning Committee of the Cabinet was involved, and given that this has all been corroborated by Mr. Dunnery Best in *The Financial Post*—

Mr. Crosbie: That's who's co-ordinating your Question Period.

An Hon. Member: Great source.

Mr. Waddell: I happen to think it is a pretty good source. Did the Minister go to bat at the Priorities and Planning Committee to cause the Government to pressure Revenue Canada to make a ruling in the takeover favourable to the Reichmanns?

Hon. Pat Carney (Minister of Energy, Mines and Resources): No, Mr. Speaker.

TERMS OF TAX RULING

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, could the Minister explain whether or not there was a change in the tax ruling in favour of the Reichmanns between the time the first deal which collapsed and the second deal, as a result of pressure from the Priorities and Planning Committee of the Cabinet?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think that this question is properly addressed to the Minister of Energy, Mines and Resources. It has been answered by the Minister of Finance and the Minister of National Revenue.

Oral Questions

FISHERIES

REFINANCING OF FISHERY PRODUCTS INTERNATIONAL

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Acting Minister of Fisheries and Oceans. The Government of Canada has just announced a $105 million refinancing plan for Fishery Products International in Newfoundland as well as the disposal of 15 so-called unprofitable fish plants. Will it be a condition of sale that these fish plants will continue to operate as fish plants? What guarantees can we give to these communities if the plants are not sold?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as usual, the Hon. Member who is putting the question distorts the actual facts. There was a press release issued yesterday by the Minister of Regional Industrial Expansion. If the Hon. Member would read it carefully, he would see that the five-year plan that was approved will provide for a more viable industry and for more jobs in the long run.

To incite fear in the hearts of the people who are affected by the fishing industry, something which he and his colleagues from Newfoundland are continually trying to do, does no service to their constituents or the country.

COMPANY'S SOCIAL RESPONSIBILITY

Mr. George Baker (Gander-Twillingate): Let us bring into this question a statement made by the Hon. Member for St. John's East. My supplementary question is the same question posed this afternoon in the media by the Conservative Hon. Member for St. John's East. The question is this: who will assume the social responsibility that Fishery Products was to be carrying? This is a serious unanswered question and we want to know the answer.

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, the fisheries reorganization project was developed to make the Newfoundland fishing industry a viable one, and the amounts invested will be used to safeguard many of the jobs in the industry and to privatize plants, and thus make the industry viable in both the short and long term.

* * *

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL PAYMENTS TO PROVINCES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of State for Finance and follows up on the question posed by my colleague, the Hon. Member for Churchill. The Minister of Finance has clearly stated that there will be a reduction in transfer payments from the federal Government to the provinces. Could the Minister of State for Finance advise the House how the Government can talk about a reduction in federal transfer payments without also talking about a reduction in moneys for post-secondary education and medicare?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think I am interpreting my colleague, the Minister of Finance, correctly when I say that what he indicted was that there would be a reduction in the rate of increase. There will still be a substantial increase in transfer payments going to the provinces and all of these programs will continue to have our full commitment. As the Hon. Member knows, we have attempted to bring some discipline to all our spending and the Minister is consulting with the provinces on how best to do that.

GOVERNMENT POLICY

Mr. Neil Young (Beaches): Mr. Speaker, the Minister of Finance clearly indicated that there would be a reduction of some $2 billion. Could the Minister of State for Finance assure the House that that reduction will not take place so that medicare will not be attacked through the Government's desire to reduce the deficit?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I tried to answer that question the first time by indicating that the reduction is in the rate of increase.

* * *

TRADE

CORRESPONDENCE BETWEEN PRIME MINISTER AND PRESIDENT OF UNITED STATES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is for the Prime Minister. From the release of the correspondence between the Prime Minister and the President of the United States dealing with the proposed free trade negotiations, it comes as a great surprise to many Canadians to see that there is no reference whatsoever in that correspondence to a need to defend and protect Canadian sovereignty in the way of culture and economics. Will the Prime Minister explain why that exclusion was made in the letter? Does he intend to write a second letter outlining the deep commitment which he says his Government has to protect Canadian sovereignty in these areas?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not have to mention every time I turn around, because the President of the United States and every other leader knows, that as Prime Minister of Canada and leader of this Government we epitomize the protection of the cultural integrity of this nation.

Some Hon. Members: Hear, hear!

CANADA-UNITED STATES NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister may see it that way but many other Canadians do not. There is a high level of uncertainty created by the question of what will and what will not be on the negotiating table.

Will the Prime Minister, in a formal document or letter to the President of the United States, clearly state what the parameters of the negotiations will be? Will he state that there will be a clear defence of our sovereignty in key industrial areas of the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know what it is about my hon. friend which renders him so insecure.

Mr. Axworthy: Canadians want to be secure!

Mr. Mulroney: Every time he stands up it is the nasty Americans doing this and the nasty British doing that. I stand before you, Mr. Speaker, as a proud and confident Canadian, proud of the capacity of this country and this Government to defend and enhance the strengths of our regions and the integrity of our cultural institutions, at all times and in all circumstances.

Mr. Axworthy: Put it in writing.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of four, presented by Hon. Members on Wednesday, October 2, meet the requirements of the Standing Orders as to form.

[*Translation*]

The petitions presented by the Hon. Members for Vancouver East (Ms. Mitchell), Broadview-Greenwood (Ms. McDonald) and Ottawa Centre (Mr. Cassidy) do not meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

STATEMENT MADE OUTSIDE THE CHAMBER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, during Question Period, the Minister of State for Transport (Mrs. Blais-Grenier), in answering one of my questions, challenged me to repeat outside the House what I had just said. I wish to advise you, Mr. Speaker, and the Minister concerned that I am going to do so forthwith.

[*English*]

Mr. Speaker: Before the Hon. Member leaves the House, I should indicate to him he presumably has made the point he wished to make but it was not a question of privilege.

* * *

POINT OF ORDER

DISTINCTION MADE BY MR. SPEAKER BETWEEN TWO QUESTIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise now on a point of order, since points of order are not per mitted to be raised during the Question Period.

During Oral Questions is appeared to some Hon. Members that the question asked by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), which was asked, by you, to be placed on the Order Paper, was very similar to the question asked by the Hon. Member for Burnaby (Mr. Robinson), which was allowed. I wonder if you, Mr. Speaker, can assist us by clarifying the distinction between the two questions.

Mr. Speaker: If the Hon. House Leader wishes to come and see me, I would be happy to explain it to him.

Some Hon. Members: In here!

Mr. Speaker: I am afraid the practice of asking me to spend part of the day giving advice is improper. However, I think the Hon. Member knows that questions which are specific and which require detailed information with regard to numbers are traditionally placed on the Order Paper.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would now like to ask the question with respect to the business of the House. I would appreciate it if the Government House Leader would tell us the House business not only for the balance of this week but for the coming week in as clear and as precise a manner as possible. Will he also indicate to the House the extent to which he intends to stick to that order of business?

Mr. Gauthier: Don't hold your breath.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the question was so garbled I did not quite catch it.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I will try to give a clear and unequivocal answer to the question asked with respect to the business of the House. As the Hon. Member knows, and as I keep reminding the House, we meet on a frequent and regular basis to discuss various items which will be coming forward. We try to accom-

modate all Members, including members of the Hon. Member's Party and members of the New Democratic Party.

As the Hon. Member knows, today, the House will resume consideration of Bill C-62, an Act respecting employment equity. If the debate with respect to that Bill concludes, then we will return to the debate on second reading of Bill C-42, which is an Act to dissolve Canagrex and to amend certain Acts in consequence thereof.

As I have indicated in a preliminary way to the House Leaders, their staffs and their offices, tomorrow, the House will consider second reading stage of Bill C-76, which is an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners.

Following debate on Bill C-76 we will resume consideration of Bill C-42.

Next week, the first item of business will be with respect to an Act respecting the provision of compensation to depositors of the Canadian Commercial Bank, CCB Mortgage Investment Corporation and the Northland Bank in respect of uninsured deposits. That Bill will be introduced for first reading later this day. The back-up to the compensation Bill will be Bill C-42, if it has not been completed by that time.

As usual, the Government will monitor the progress made with respect to all legislation, and further announcements well in advance of the introduction of new business will be made to the House Leaders and to the House at the earliest possible date.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEES

PRESENTATION OF SIXTH REPORT OF STRIKING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour to present the sixth report of the Striking Committee, in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES AND CHILD TAX CREDIT

Hon. André Ouellet (Papineau): Mr. Speaker, I have the honour to present a petition signed by a great many fathers and mothers in my constituency of Papineau. The petitioners plead with the Government to restore the full indexation of family allowances and child tax credit. It is sheer injustice, and all petitioners deplore the disastrous consequences of this measure if it is not changed.

The Conservative Government must reverse its decision and honour its commitment by restoring the full indexation of family allowances and child tax credit.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present, on behalf of Overbrook voters in my riding, a petition wherein they urge the Government to restore the full indexation of family allowances and child tax credit.

Again, Mr. Speaker, I have the honour to present another petition from the region of Orleans in the riding of Ottawa-Carleton asking the Government to restore the full indexation of family allowances and child tax credit.

Mr. Speaker, I have another petition from residents of the National Capital Region, Gatineau, Carleton Place, Aylmer, Perkins, Val-des-Monts, Orléans and several local municipalities, from heads of family who ask the Government to reconsider its position. They say that Government programs are important to those families, and they want the reinstatement of full indexation of family allowances and child tax credit.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, it is my duty to present to the House a petition from people in New Brunswick, particularly from Saint John, who plead with the Government not to proceed with the partial deindexation of family allowances.

[*English*]

JUSTICE FOR ISABEL GOLIGHER

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a number of petitions to present which have come from across the country. The first petition demands justice for Isabel Goligher and asks that she either be reinstated to her former job or be given an alternate position of equal status and pay in London with the Government of Canada. It asks that all pay and benefits be paid to her retroactively to the date of her forced resignation and that her reputation be cleared of the false allegations, that she receive written apologies from all parties—

Mr. Speaker: The Hon. Member should make a brief summary of the petitions. I think she has done that. I am afraid she is embarking upon reading the petition.

Ms. McDonald: Mr. Speaker, I have a large number of petitions from across the country. I am being brief, given the petitions which show support from ridings all across the country. I do have other petitions on other subjects.

FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have the honour to present a petition from persons

concerned with the deindexation of family allowances by the Government.

* * *

● (1510)

AN ACT RESPECTING THE PROVISION OF COMPENSATION TO DEPOSITORS OF CANADIAN COMMERCIAL BANK, CCB MORTGAGE INVESTMENT CORPORATION AND NORTHLAND BANK IN RESPECT OF UNINSURED DEPOSITS

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce a Bill respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

The House divided on the motion, which was agreed to on the following division:

(*Division No. 116*)

YEAS

Members

Andre	Crofton	Gottselig
Axworthy	Crombie	Gray (Windsor West)
Baker	Crosby (Halifax West)	Greenaway
Beatty	Dantzer	Grisé
Belsher	Daubney	Guilbault (Saint-Jacques)
Berger	de Cotret	Guilbault (Drummond)
Bernier	Desjardins	Halliday
Bissonnette	Dick	Hardey
Brightwell	Dingwall	Hawkes
Brisco	Domm	Henderson
Caccia	Edwards	Hnatyshyn
Cadieux	Ferland	Hockin
Caldwell	Finestone	Holtmann
Carney	Fontaine	Hopkins
Champagne (Saint-Hyacinthe-Bagot)	Fraleigh	Horner
Chartrand	Fretz	Hudon
Clark (Yellowhead)	Friesen	Isabelle
Cochrane	Frith	James
Collins	Gagliano	Jardine
Cook	Garneau	Johnson (Bonavista-Trinity-Conception)
Copps	Gass	
Corbett	Gauthier	
Cossitt	Gervais	
	Gormley	

Members

Jourdenais	McKnight	Schellenberg (Nanaimo-Alberni)
Kaplan	McLean	Scott (Hamilton-Wentworth)
Kempling	Merrithew	Scowen
Kilgour	Mitges	Siddon
Landry	Moore	Speyer
Lapierre	Mulroney	Tardif (Richmond-Wolfe)
Lawrence	Murta	Toupin
Layton	Nicholson (Trinity)	Towers
Lesick	Nicholson (Niagara Falls)	Tremblay (Québec-Est)
Lewis	Nickerson	Tremblay (Lotbinière)
MacDonald (Kingston and the Islands)	Nielsen	Tupper
MacDougall (Timiskaming)	Nunziata	Turner (Ottawa-Carleton)
MacKay	Oostrom	Valcourt
Malone	Ouellet	Vézina
Marchi	Pennock	Vincent
Marin	Plourde	Weiner
Mayer	Price	White
McCuish	Prud'homme	Winegard
McDougall (St. Paul's)	Ravis	Witer—132.
McGrath	Redway	
McKenzie	Reid	
McKinnon	Robichaud	
	Rossi	
	St-Julien	

NAYS

Members

Althouse	Deans	Mitchell
Angus	Fulton	Murphy
Benjamin	Heap	Parry
Blackburn (Brant)	Hovdebo	Robinson
Broadbent	Langdon	Rodriguez
Cassidy	Manly	Waddell
	McCurdy	Young—20.

[*Translation*]

The Acting Speaker (Mr. Charest): I declare the motion carried.

[*English*]

Mr. Ian Deans (Hamilton Mountain) moved:

That the Order of the Day be now read.

* * *

[*Translation*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO AMEND

The Acting Speaker (Mr. Charest): The Hon. Barbara McDougall (Minister of State (Finance)) moves that this Bill be read the first time and ordered to be printed.

Is it the pleasure of the House to adopt that motion?

Some Hon. Members: Agreed.

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

[*English*]

The Acting Speaker (Mr. Charest): When shall the Bill be read a second time?

Some Hon. Members: Never.

The Acting Speaker (Mr. Charest): At the next sitting of the House?

Some Hon. Members: No.

* * *

AUDITOR GENERAL ACT

MEASURE TO AMEND

Mr. Stan J. Hovdebo (Prince Albert) moved for leave to introduce Bill C-250, an Act to amend the Auditor General Act.

The Acting Speaker (Mr. Charest): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Hovdebo: Mr. Speaker, this Bill will allow the Auditor General to report his audits when completed rather than once annually as is in the present structure. It would make his report and the subject of his report much more current as far as this House is concerned. Thank you.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 363 and 430.

[*Text*]

PEACE TAX FUND

Question No. 363—**Mr. de Jong:**

1. For (*a*) 1980 (*b*) 1981 (*c*) 1982 (*d*) 1983 (*e*) 1984, how many individuals registered with the Minister of National Revenue or the Department, their intent to withold and/or redirect that portion of their assessed taxes owing which would, as they have determined, contribute to the national defence/military budget to a Peace Tax Fund or Trust Account?

2. Did the Department of National Revenue seek from the Department of Justice any legal opinions and/or advice with respect to initiating legal action against those persons who advised the Department of National Revenue of their intentions to withhold a portion of their taxes for the Peace Tax Fund or Trust Account?

3. For the same years, what was the total amount of taxes, both personal and corporate, which were redirected to the Peace Tax Fund or Trust Account?

Hon. Elmer M. MacKay (Minister of National Revenue): 1. The requested statistics are not maintained, however, general correspondence on the subject of the Peace Tax Fund indicates that 180 letters were received in 1981, 385 in 1982, 141 in 1983 and 133 in 1984.

2. No legal opinion was sought as there is clear authority under the Income Tax Act with respect to the collection of withheld amounts of tax. Normal collections procedures in this regard are followed.

3. Nil.

TRADE WITH CZECHOSLOVAKIA

Question No. 430—**Mr. Blenkarn:**

In (*a*) 1979 (*b*) 1980 (*c*) 1981 (*d*) 1982 (*e*) 1983 (*f*) 1984, what was the total amount of goods sold by (i) Canada to Czechoslovakia (ii) Czechoslovakia to Canada?

Hon. Stewart McInnes (Minister of Supply and Services): Statistics Canada reports: Statistics on the total value of Canadian exports to and imports from Czechoslovakia for the period 1979-84 are show below:

	Exports (Domestic and re-exports)*	Imports
	(thousands of dollars)	
1979	36,182	67,509
1980	128,091	63,381
1981	28,238	72,890
1982	31,507	60,337
1983	15,266	54,443
1984	18,972	64,960

* Domestic Exports: Statistics of domestic exports include both goods which are wholly produced in Canada and goods previously included in import statistics which have since been changed in form by further processing and then export.

Re-Exports: Statistics of re-exports include only goods previously included in import statistics which are exported from Canada in the same form as when imported. Minor operations such as sorting or blending are not considered as changing the condition of imported goods.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment

equity, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Charest): When the House rose at one o'clock, there were four minutes remaining in the question and comment period following the speech of the Hon. Member for Mount Royal (Mrs. Finestone). I see that the Hon. Member is not present in the House at this time. Therefore, we will resume debate.

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I rise today in my capacity as Minister Responsible for the Status of Women to address the implications of employment equity for the women of Canada. At the outset, I want to take a moment to congratulate my colleague, the Minister of Employment and Immigration (Miss MacDonald), for her achievement with this Bill. She has conducted extensive consultations with all interested parties, consultations which give real meaning to this initiative. This is reflected in the successful drafting of the Bill, a document which is a bold first step. I am pleased and encouraged to hear Members opposite recognize the importance of this first step which represents a position which addresses the sensitive needs of both employers and target groups.

The employment equity legislation before us today ensures that no person will be denied employment opportunities or benefits for reasons unrelated to abilities. There is no doubt that such legislation is urgently needed in Canada. Despite a decade of voluntary affirmative action and equal opportunity programs, there has been little progress in the over-all economic advancement of women in the labour force.

As Members of the House will know, the statistics speak for themselves. Historically, the unemployment rate of women has always been higher than that of men. In 1982, women working full time full year earned only 64 cents for every dollar earned by men working full time full year.

The employment options of women are so narrow that fully three-quarters of employed women work in only five of 22 major occupations. Most of these jobs are not only low paying but are also dead-end jobs offering limited scope for advancement. In addition, many of these jobs are threatened by structural changes due to micro-electronics, automation and other technological developments. Further, many women who cannot find full-time jobs are forced to accept part-time work. In fact, in the year 1984, women accounted for 71 per cent of all part-time workers across our nation. This type of employment provides fewer jobs, fewer job benefits, less security and fewer promotion opportunities than full-time work.

Despite these roadblocks, the trend is such that women's participation in the labour force is growing. In the year 1974, the participation rate of women between the ages of 25 and 54 years was 48 per cent. A decade later in 1984, it had jumped to 66.7 per cent. It is estimated that by the year 1990, women will account for two-thirds of the labour force growth. Already over half of women whose youngest children are under three years old are now in the labour force.

Another marked trend is the accelerated rate at which women are turning to self-employment. Women encounter specific barriers in this area of employment, particularly with regard to acquiring loans and financing credit. Although women's contribution to the formal economy as both employees and entrepreneurs has increased, women have not benefited equally. This must change.

Women workers are necessary and valuable contributors to the economy. Their full participation in the labour force is essential to ensure Canada's future growth. What we are proposing here is not merely justice but a part of our whole economic and job-creation thrust. The current under-utilization of women workers and their qualifications is a waste of human resources that Canada can no longer afford. As well, it results in conditions that women themselves cannot afford

I need not remind Hon. Members that women work for the same reasons men do: for their own personal satisfaction and to meet their own economic needs and those of their families. We know for a fact that if women did not work outside the home, over 60 per cent more families would be living below the poverty line. We know too that 85 per cent of all single-parent families are headed by women and that close to half or 47 per cent of these families live in poverty. Clearly, the inequities in our economic system and the social barriers that prevent women's full and equal participation in the economy cannot continue.

The employment equity legislation before us today brings together measures related to equal opportunity and affirmative action. It is designed to counter the restraints that keep women from attaining full parity with men in the labour markets. These constraints include economically limiting job segregation and occupational concentration, social attitudes which lead women to consider only a few types of occupations, systems which overlook significant numbers of trained and skilled women workers and the lack of training opportunities and upward mobility.

Members will recall that at the First Ministers' conference in Regina, the premiers committed themselves to improving access to training and child care in order to help women achieve economic equality. Some of the premiers at the Regina meeting have stated that they too are developing specific policy measures to implement employment equity.

Since we announced our response to the Report of the Commission on Equality in Employment last March, we have met with representatives of women's groups, business, labour, native people, disabled and the visible minorities to discuss employment equity. The swift introduction of employment equity legislation is further proof of our commitment to address this pressing situation.

The Government is setting an example in employment within its own jurisdiction. The federal Government, in strengthening its commitment to employment equity, will be seen to be a leader for provincial Governments and the private sector in supporting and promoting a structure of employment practice founded on merit and not on bias or barriers. We are doing so first for reasons of fundamental justice because

barriers restricting the economic future of millions of Canadians must be removed. I also believe that employment equity is a practical measure leading to enhanced productivity and to economic prosperity. Employment equity measures will affect roughly one in five Canadian women. For the first time, the implementation of reporting of employment equity results will be mandatory and reported information will be available on the public record. Public scrutiny will be a valuable instrument of control, bringing pressure to bear for real progress. I have been encouraged by remarks made earlier in the debate by the Minister, the Hon. Member for Capilano (Mrs. Collins) and Hon. Members opposite who have recognized the importance of data in addressing this sensitive situation.

● (1610)

The principle of employment equity is already established within the federal Public Service. As the employer, the Treasury Board is now working on a number of measures to ensure that this principle is further reflected in federal employment policies and practices. These include immediate initiatives to identify systemic barriers in the Public Service job classification system, intensified implementation of the Government's affirmative action program, with an added commitment for adequate resources. To assist the achieving of the stated goal Hon. Members will know that an invitation has been extended to the Public Service unions to participate in a senior level joint union-management committee to prepare a detailed implementation plan in the area of equal pay for work of equal value throughout the Public Service.

Employment equity measures are an integral part of the Government's economic strategy. Full participation by all Canadians contributes to economic growth. It ensures that our human resources are used to their fullest potential. A priority on jobs and economic renewal must involve an attack on barriers to equity, just as it must involve an attack on obstacles to growth. I believe that employment equity is both beneficial to women and fully compatible with the Government's principal economic priorities. Employment equity is not lip service to those Canadians who have been denied opportunities. Rather, I believe the legislation is a pragmatic program of action which will be the catalyst for change that will spread throughout all sectors of the Canadian economy.

As Minister responsible for the status of women I am aware of the particular systemic problems facing women in employment. For example, employment equity will help debunk outdated myths about working women. It will also alert employers to the cost incurred by overlooking qualified women. It will ensure that employers recognize the benefits to be gained by training, hiring and promoting women on the same basis as they do men. Employment equity is a bold new initiative. While it flows from the recommendations of the Abella Royal Commission on Equality in Employment, and while it is in keeping with the equality provisions of the Charter of Rights, it is as yet an innovative concept which will have to be tried and tested. Because of this we are endeavouring to take a flexible approach to the process of implementing employment equity consistent with individual needs and the capabilities of employers involved.

There are some critics of the legislation and we have heard their comments echoed in the debate thus far. There are those who say the legislation is inadequate, weak, impassive or vague. Others, at the opposite end of the spectrum, charge this is government interference, undue coercive measures, bureaucratic nightmares, regulations or what have you. Yet, the Government's commitment to employment equity is firm and unyielding. We realize that the current under-utilization of women, native Canadians, visible minorities and disabled persons in the labour force is a waste of human resources which Canada can no longer afford. We are determined to involve Canadians fully in the economic renewal and in the life of this nation. The full participation of these groups is essential to ensure our country's future economic growth.

Results are what matter and results are what we are seeking to achieve. Interestingly enough, in her report, Judge Abella encouraged the Government to see that the legislation looked to results rather than regulations. I reiterate that the voluntary approach of the previous Government had very limited success, as Members opposite have recognized in the debate. It is only through legislated, mandatory requirements that we are likely to bring about real employment equity.

Examples of similar mandatory programs which have worked in Canada are the French language program in the federal Public Service, which raised Francophone representation to the same proportion as the over-all Canadian membership, and the preferential hiring of World War II veterans. These two measures were imposed on the system, backed by significant political will, and they yielded positive measurable outcomes.

We ask in 1985 no less for other target group members in our society: women, native people, handicapped persons and visible minorities. Our commitment to this principle of employment equity is on the record.

There is a potential of 1,000 companies employing close to one million workers who will be affected by the legislation. Instead of perceiving employment equity as an obstacle to economic growth, we must realize there are benefits to be gained, not only by the target groups but by employers and the economy as a whole when we promote sound, fair human resource planning—a structure of employment practices founded on merit. In fact, the principles of employment equity go to the very heart of rejuvenated Canadian economy. Canadian economic renewal requires the full participation of all members of the community.

Up to this point in the debate we have been encouraged by the response that this legislation is a step in the right direction. Earlier in the debate the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) indicated that while in the committee stage he wishes to explore some aspects, he and others in his Party see it as a step in the right direction. In response to the concerns raised by the Hon. Member for Yorkton-Melville (Mr. Nystrom) with respect to the fact that somehow equal pay is not in force and is not related, we wish

to remind Hon. Members that this is already in place in the federal jurisdiction but not, of course, in many of the provinces.

Others have been concerned that the provisions are not voluntary. I wish to suggest that not only will public opinion be brought to bear through mandatory reporting mechanisms but that there is the commitment of the Government to strengthen, as necessary, the Human Rights Commission in order to undertake this action.

Earlier in the debate it has been underlined that in order to move forward with this step we require the data. Other than making a bureaucratic effort, what we wish to do is have the companies come back and show us what they are doing to give us that data. We want to assure the House that there will be provisions for enforcement and that there will be in the regulations a number of the concerns addressed which have been raised.

● (1620)

The Hon. Member for Mount Royal (Mrs. Finestone) raised a matter which I thought was most important and one on which I would like to encourage suggestions. That was the concern for educational programs, the need for target groups and the importance of this to Canadians. I would hope, Mr. Speaker, that as this legislation moves forward we, as Hon. Members of this House, might be part of that educational program on behalf of women. We might see, as a part of this exercise with employers and employees, that there is an essential educational ingredient for all Canadians.

I am confident that the Government can achieve the goals outlined in this legislation. This legislation can have a meaningful impact on the lives of all members of the designated target groups so that economic equality will be within their grasp. Employment equity legislation clearly spells out the Government's intention to create true equality of opportunity for those who have not enjoyed this right previously. This legislation will go a long way toward ensuring that all Canadians will be able to share the benefits of future economic growth. We look forward to the support of Hon. Members on all sides of the House for this first and historic step in beginning to address these longstanding inequalities and in opening up this truly great opportunity for resource development within Canada.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—The Administration—(*a*) Request for review of contract awards (*b*) Conflict of interest guidelines; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Official languages—Commissioner's report—(*a*) Request for legislation (*b*) French as language of work in Public Services; the Hon. Member for Papineau (Mr. Ouellet)—Transport—(*a*) Closing of a plant in Montreal by Bombardier (*b*) Purchase of locomotives from Bombardier—Government's position.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Ms. Mitchell: Mr. Speaker, I was very interested in the remarks of the Minister, and I have a number of questions which I would like to ask him. The Minister said that the Government is adopting a flexible approach consistent with the needs and abilities of the employers. I hope I have quoted him correctly. I would like to ask him if this is not really what the Liberals were saying as well. When the Liberals were in Government, and we were on this side, along with the Conservatives, we were both extremely critical of the Liberal Government because it was saying that we must be flexible. It backed down on mandatory contract compliance, for example, and said, "We'll leave it to the business people to establish their own ideas of what is right". The Government really shied away from the issue.

It seems to me that really the Conservative Government is doing the same as the Liberal Government in trying to use just persuasion and a very flexible approach which has no teeth in it. no "mandatory enforcement" and I insist we use that term because that is really what it means.

Second, the Minister also said that this was a step in the right direction. I would like to ask the Minister why we should only take a step in the right direction. If we are going to do something which is so important and, as the Minister said, which will ensure that no person will be denied employment for reasons other than ability, why should we not go all the way? Why should we only be making this a data collection project? Why should we not be establishing a goal? Why should there not be a mechanism outside of the employer himself which establishes the goals and then enforces these goals? Why do we need to take so much time about it? It will be at least 10 years before the Human Rights Commission can

get back to the employers to criticize any changes. It will take that long to get the information together and then to try to do something about it. I would really like to leave those two questions with the Minister.

Mr. McLean: Mr. Speaker, I thank the Hon. Member for her comments and assure her that those concerns have been addressed. The Hon. Member raised three items. With respect to the question of flexibility, I want to suggest to the Hon. Member that, as she will recall, the Abella Commission recommended that the Government take a flexible approach—

Ms. Mitchell: It recommended enforcement.

Mr. McLean: —and recognize the diversity of the country and the diverse needs of the employing sector. Second, the Hon. Member speaks of mandatory enforcement. I want to remind her, and the House, that this Bill does have within it mandatory provisions, mandatory for employment equity, mandatory for reporting, and these are legal tools—

Ms. Mitchell: Reporting but not change.

Mr. Cassidy: Tell us what is being done.

Mr. McLean: I suggest to the Hon. Member that she read Clause 4 of the Bill and the comments of the National Action Committee, and others. I understand, as does the Hon. Member, the sense of urgency on the part of the women's movement in relation to this Bill. I am interested to see that the women's movement endorsed Clause 4 which states, and I quote:

An employer shall—

—not "may". In my understanding of the English language, "shall" implies mandatory—

Ms. Mitchell: How are you going to do it? It's fine to put the words down.

Mr. McLean: In answer to the comments of the Hon. Member for Yorkton-Melville in the debate this morning, we talked about the importance of regulations.

Mr. Cassidy: Its mandatory manipulation.

Mr. McLean: The Hon. Member also spoke about the question of the next steps to be taken. I agree with her entirely. What we are hoping for is that, for example, the Province of Manitoba will follow and join in. This is not something the federal Government can do on its own. What we are trying to do is deal within our own jurisdiction.

Ms. Mitchell: But you're not dealing with it. You're just taking statistics.

Mr. McLean: What we are also trying to do is to set an example in front of the Canadian private sector, the unions and the provinces with the hope that they will begin to follow it. I would like to also reiterate that in the report of Judge Abella, she spoke about the importance of having legislation which was "results oriented", which would not bring back reports from employers which, somehow, do not reflect what is happening but is their way of getting around the regulations. We have here a mechanism in the Human Rights Commission to see that those reports are acted upon, as against the alternative of companies having plans which would have to be approved with more regulatory imposition and fines and so on.

In response to the Hon. Member, I suggest that the concerns she is addressing are concerns which are very much in front of the Government. This is a first step. I remind the Hon. Member that five years ago this was not on the agenda at all and while many quite obviously would wish that there was more in the first step, we make no apologies for coming forward with mandatory provisions, for taking the first step. We will be acting with Crown corporations, with contracts through the Department of Supply and Services, and I believe this Bill will become a complementing part of our action toward a total comprehensive program in relation to justice for target groups.

• (1630)

Ms. Copps: Mr. Speaker, I would like to characterize the Government's Bill not as flexible, but as flaccid in that it does nothing on a mandatory basis to determine that Crown corporations and the federal Government comply on pay equity issues like affirmative action. Is it not a little embarrassing for his Ministry responsible for the status of women—and I know he sees his wife as more than a rose in his lapel—to be in the same Government which, since the introduction of the new Conservative mandate, has decided that the Canada Mortgage and Housing Corporation will no longer pay for renovations to make apartments accessible for the disabled? On the one hand, Crown corporations and the federal sector are being told to make a plan to make employment accessible to women, minorities, and the disabled. On the other hand, through the Minister's own Ministry, the Government is cutting back on the issue of accessibility which is obviously critical to those people who will be able to compete in the employment market.

Mr. McLean: Mr. Speaker, the Hon. Member raises an issue which is tangential to this particular issue. On the matter of action in this area her Party was not evident over the last number of years with any legislative measures whatsoever. On the matter of sensitizing and education about target groups, let me also remind the Hon. Member that in the last few week the House established a standing committee on the condition of disabled persons.

On the question of education and sensitizing all of our instruments, I would invite her to join with me and others in the Government. Our positions in relation to equality for target groups, be they women or the disabled, are clear. We now need my commitment as the Minister responsible to encourage and work with my colleagues in Cabinet to see that we integrate those concerns into all of our planning processes. As we are able, despite the limited resources that may be available, we must ensure that these groups are targeted as special groups with special concerns. As was indicated earlier in the debate, education in all aspects is important so that

when decisions are made the issues of accessibility and the needs of the disabled will be front and centre. This Bill puts that in front of the entire Government as well as the entire community.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over. Resuming debate, the Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very pleased, as the New Democratic critic for the status of women, to be speaking on this Bill this afternoon. As we have already indicated, Mr. Speaker, we feel that this is very weak legislation. We agree with the intended thrust of it, but we feel that it is very weak. In fact, I would say that it is mush.

As I said, we support the goal of the Bill which is to bring about true equality in the workplace for women, for physically and mentally handicapped people, for visible minorities, and for natives. However, there are very fundamental flaws in Bill C-62 which will, we believe, prevent the achievement of this goal. Organizations which represent all four sectors are extremely dissatisfied in most cases and would agree with most of the reasons. The Minister said this morning that it will enshrine equality in the workplace and that it ensures access to opportunity for all Canadians. Those are pretty grand goals and I only wish that they could be implemented. I am sure that the Minister sincerely wants to do this, but I have very serious concerns that this is not achievable through this legislation.

The legislation calls only for a reporting of workplace data related to the four groups. It imposes a fine if the designated employers do not complete this report within five years. The reporting is mandatory, but that is only a first step. This legislation does not require the establishment of objective goals set by someone other than the employer, targets, or a timetable for employing members of the designated groups in a much fairer proportion. In other words, there are no real targets, and certainly no quotas.

There is no enforcement mechanism to require compliance by employers, no monitoring agency, and no penalty if the employer does not make changes. I find it hard to understand why there is a fairly stiff penalty if they do not report, but there is no penalty if the employer does not make changes. It is difficult, of course, to impose penalties if you do not know what those changes are going to be. The Bill applies only to selected employers. The Ministers said that it would affect everyone, but in reality it applies only to approximately 500 of the largest corporations in the federal sector. Maybe there is hope for a trickle-down effect, but I think this would be wishful thinking. As well, the time allowance for employers to make changes is far too lengthy. As I understand, it will take three years to compile the first report and another three to five years to study the results. What will happen after that? By then the Government could be changed.

Employers are left to make whatever changes they deem to be reasonable. This whole Bill is so subjective. It is nice to try to get employers to be more progressive and to care more about equal representation in employee groups, but they have a very vested interest. Many of the American business people who were quoted this morning said that they feel that mandatory affirmative action really works. They like it and feel it is productive from a business point of view as well as a human point of view. I do not understand why we have not put more teeth into this Bill.

The Minister said that we will use the force of public opinion. Of all people on the Government side, the knows through her fight for equality that women have never really achieved very much through the force of public opinion. I would think that disabled people, natives, and visible minorities have even less of a chance of achieving this through public opinion. Simply because an employer may feel a little embarrassed is not going to change the whole scheme of things.

As well, the Bill includes no reference to equal pay for work of equal value. According to the experts in this field, equality in employment must include equal access to jobs and equal pay for work of equal value. There is not much point in getting a job if you do not have a fair rate of pay. Judge Albella and all other authorities on affirmative action agree that any plan must include a requirement that employers will practise equal pay for work of equal value. Judge Abella has said that it is not enough to get women and minority groups into jobs, they must be paid fairly according to the value of that job compared to similar jobs.

We know, as the Minister pointed out this morning, that there is equal pay for work of equal value legislation. We all know that there is human rights legislation, but the Minister herself admitted that this has not been enforced and has not worked. We know that this is partly due to lack of staff, but it is more than that. Women still have to prepare complaints and go on a case-by-case basis to the Human Rights Commission. Members will recall that it was two years before the Bell employees were even heard. Many women do not have the ability, the time, or the expertise to prepare their case. They might not even know that this was their right. Therefore, there has not been adequate enforcement of equal pay for work of equal value.

● (1640)

This Bill is an opportunity for the Government to strengthen that principle. Government employers, whether it be Crown corporations or the Government itself, should be required by this legislation to practise that principle. The onus must be on the employer to make systemic changes, it should not left to a woman to complain individually or the Human Rights Commission to wait for complaints. This should be part of the agreement made with every employer involved in employer equity and I urge the Minister to look at this again.

Miss MacDonald: We have looked at it.

Ms. Mitchell: I am not convinced the Minister has done that at all. I think the experts in the field would say the same thing, including Judge Abella.

The sixth point I want to make is that the Bill ignores the important role of collective bargaining. Last week I attended a

special conference held by the Canadian Labour Congress. Well over 500 representatives of trade union affiliates were there and expressed great concern about this Bill. The Government has not included in the Bill the importance of referring to the collective bargaining role which is of great concern to these groups. The Minister has already presented some facts regarding the deplorable situation facing women in the job market, a situation which has not improved. We hope very much that this legislation, if it can be improved and toughened, will help women as well as other designated groups.

I would like to make reference to the comments of some other people regarding this Bill. Judge Abella, of course, cannot comment on the legislation but she said that voluntary compliance does not work. There must be an enforcement agency, that is very clear from her remarks. The Canadian Advisory Council on the Status of Women is a Government recognized agency which is supposed to be advising the Minister responsible for the Status of Women. Obviously he has not been taking their advice because he did not refer to their points at all. They said they were very disappointed that crucial elements in Judge Abella's recommendations are absent from the Government's proposal, such as the lack of a mechanism to provide co-ordinated and effective enforcement of employment equity. There are other groups I could refer to, Mr. Speaker, but my time is getting short and I want to introduce a very important document into the record this afternoon. I will be glad to see that the Minister gets a copy of this. It was compiled by the CLC and compares the key Abella Report recommendations with this Bill and also refers to the CLC position on affirmative action, a term they prefer to use regarding this same issue.

The first point they make is that Judge Abella said that all federally regulated employers should be required to implement employment equity. The two key words are "all" and "required". Bill C-62 says that federally regulated employers and Crown corporations employing 100 or more are required to implement employment equity.

Miss MacDonald: That is right, "required".

Ms. Mitchell: The CLC feels that legislation at both federal and provincial levels must make it mandatory for employers to negotiate programs with unions. I hope the Minister will have another look at that.

The second point is that the legislation should require employers to implement a program of filing data, et cetera—this is Judge Abella speaking—and an enforcement mechanism must be implemented. Bill C-62 requires that employers implement a program and file reports. The programs require no approval and there is no enforcement mechanism other than the filing of the reports to be made public. The CLC of course agrees with the Abella Report recommendations.

As well, Judge Abella says that discriminatory barriers should be eliminated. The Bill requires that employment barriers be identified and removed. Those are fairly similar. The fourth point was that employers should be required to have employment equity committees consisting of representatives of management, labour and the designated groups. There is no legislated requirement for committees, so that is another point we will want to look at. The CLC has strongly recommended equal representation by union and management on any committee and the union should select its own representatives. Judge Abella said no quotas should be imposed and the Bill says no quotas or targets will be imposed. The CLC says targets and timetables must be set to ensure progress. Judge Abella says employers must be given flexibility, as the Minister mentioned earlier, and the Bill gives total flexibility to employers. The CLC says that unions must have the right to negotiate changes into collective agreements, including employment practices and procedures.

Miss MacDonald: They are not very willing to do so.

Ms. Mitchell: Judge Abella says there is an obligation to file data but the requirement to implement employment equity should take effect immediately. I think that is quite different from what this Bill requires. It requires that employers shall commence filing reports on June 1, 1988, and once a year thereafter. They will begin to implement employment equity in 1985 and they will submit plans to Treasury Board. The CLC feels there should be regular reporting to an enforcement agency. Judge Abella says that the enforcement of employment equity requires an independent agency with sufficient resources, qualified staff and an ongoing consultative relationship in the development of guidelines with business, labour and designated groups. That is not the type of enforcement agency included in this Bill. There will be complaints that can be lodged with the Human Rights Commission but we do not feel this is effective. The enforcement of change is what has not really been dealt with.

The CLC feels there must be strong penalties for non-compliance and impartial boards to adjudicate disputes. The Abella Report says that contract compliance should be imposed by legislation. This could include specific goals and timetables. There are no goals and timetables in this Bill. The report says that equal pay for work of equal value should be part of all employment equity programs and more resources should be allocated for enforcement.

I could go on and mention the other matters which are not covered at all and which are so important to women. It is not enough to have open access to jobs; they must be jobs at fair rates of pay with opportunity for promotion. More than that, in many cases women cannot move up if they do not have child care, adequate training, including pre-employment training, which will help them to be competitive with traditionally male dominated occupations. We feel that changes are needed to this Bill. I hope very much that there will be a chance to make some of those changes through amendments, but, as the Minister responsible for the Status of Women said, it is only just a step. It is not a big step, and there are serious omissions in the Bill.

• (1650)

Miss MacDonald: Mr. Speaker, does the Hon. Member realize that she just blew her case when she quoted the analysis of the CLC about this Bill? She stated that CLC indicated that the Bill required employers to implement employment equity. The CLC recognizes, as do we, that the Bill requires employers to implement employment equity. That is mandatory, but it does not do it for small business. CLC recognizes that the mandatory action is in Clause 4 of the Bill wherein employers are required, by law, to implement employment equity. Is the Hon. Member aware of that?

Was she aware, when she talked about flexibility, that Judge Abella indicated in her report that it would also be expected that employers would set annual internal objectives, that these would not be required by statute and that no quotas would be imposed? I think the Hon. Member tried to leave the impression that the recommendations of the Abella Report were not being followed. We have followed them in very many cases. particularly the section concerning enforcement mechanisms. Judge Abella recommended four models of consideration by the Government. Is the Hon. Member aware that the fourth model as an enforcement mechanism relied upon the provisions already in effect in the Canada Labour Code and upon the Canadian Human Rights Commission? That is the agency which we chose as the mechanism to ensure the accumulation of data. Does she realize that the Canadian Human Rights Commission, under Article 32(3), has been given the right to initiate a complaint? It has not been able to do that so far. It has never used that particular part of the legislation because it has not had data available to enable it to do so. This legislation makes that possible. Does the Hon. Member realize that?

Finally, when the Hon. Member talks about timing, does she realize that the moment this legisation is passed, employment equity goes into effect? Companies will have 1986 within which to develop their plans and methods. They have to begin counting the data as of January 1, 1987, and reporting on that full year by the beginning of 1988. From the moment the Bill is passed, there is an onward march which leads companies to the development of their plans in 1986, to the implementation of their plans in 1987 and to the reporting on those plans in 1988. If that process is not carried out, they will be subject to the penalties in the Bill. Does she realize those things?

Ms. Mitchell: Yes, Mr. Speaker, I realize what is in the Bill. Of course the Minister does not agree with the criticisms I have been making about the very things which she stated. It is one thing to say that employers "shall" implement employment equity. However, how will they do that? As I understand it, it is really being left up to them to gather the data and, if they do not gather the data, there will be a penalty. However, what will they do with the data? That is left up to them, as I understand it. The Minister can correct me if I am wrong, but it is up to them to establish what is employment equity in their case. How many native people should they employ? How many women should they employ and in what kinds of jobs? How many disabled people or people of a visible minority origin should they employ? My point is that the onus is on the employers to establish their own targets and goals. It is unreasonable and unfair, in a way, to leave that up to employers.

This morning it was indicated that many business people in the United States like mandatory affirmative action. They like to be told what has to be done, and there have been positive results from this requirement. I cannot understand how employers can establish their own targets and how we can be reassured that it will result in an effective systemic change which will provide equal opportunities for the groups I have mentioned.

Mr. Cassidy: Mr. Speaker, the Minister left me rather dismayed because she did not admit that the Bill was a weak one. She talked about an enforcement mechanism involving the Canadian Human Rights Commission. I have searched in vain throughout the entire Bill, and the Canadian Human Rights Commission is not in fact mentioned as the enforcement agent. She talked about how this would bring employment equity into the workplace right away, yet went on to agree that reporting was not meant to begin until 1988. Reporting to Parliament will not begin until this time three years hence. An employer who was challenged to that point would certainly say: "We will have to get this under way", but we are talking about some time in the life of the next Parliament. For example, we are talking about a situation where a woman aged 21 in the workplace today would be 24, 26 or 27 before any conceivable action might occur.

Also the Hon. Minister talked about the Abella report. I will refer to page 195 of that report and ask the Hon. Member for Vancouver East (Ms. Mitchell) to comment on it. Judge Abella indicated that a voluntary program with a mandatory reporting requirement was nonetheless voluntary in the absence of a requirement to remedy the discrminatory practices disclosed by the information reported. The penalty in the Bill for not reporting is heavy, but there is no penalty for doing nothing. The only penalty is for failing to report that nothing was done.

Also Judge Abella indicated that a requirement of public reporting may result in public pressure on a company to revise its systems, but that it was unrealistic to rely on public opinion as an effective monitoring agent. She went on to indicate that it would result in a speculative and scattered approach and would create the perception, in the absence of enforcement, that the issue was deserving on only casual attention.

When affirmative action on a voluntary basis was tried in Ontario, barely 200 firms out of tens of thousands actually did anything in a concrete way. Does the Hon. Member expect that much more will result from the Bill at the federal level?

Ms. Mitchell: Mr. Speaker, I appreciate the elaboration of my colleague, particularly his references to Judge Abella regarding the absence of any requirement to remedy a discriminatory situation. Again I say to the Minister that that is obviously what is lacking here. I agree completely with the comments about public opinion, that public opinion is not

really the way to bring about change and to require it in an authoritative mandatory manner.

I am not from Ontario, but aside from having very fine reports at the end of three years and perhaps a few fines if reports are not submitted, I would certainly be very skeptical about the Bill bringing about the major change urgently needed for the affected groups.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I should like to make a comment. I think we are taking a very major step forward today as a maturing nation. It is not the end of the road, as some Hon. Members have indicated. We certainly know which route we want to follow. I, for one, congratulate the Hon. Minister. She has worked tirelessly in this area, month after month, year after year, to develop job opportunities and equality programs which all her Liberal predecessors did not put together in the last 15 years.

The Acting Speaker (Mr. Charest): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

CANADA PENSION PLAN

MEASURE TO AMEND

The Acting Speaker (Mr. Charest): Before proposing the question for second reading in reference to Bill C-247, an Act to amend the Canada Pension Plan, the Chair ought to express some reservations as to the procedural acceptability of this Bill which seems to infringe upon the prerogative of the Crown.

Having entered this caveat, the Chair is prepared to allow debate to take place on the motion for second reading of Bill C-247. However, should such a debate come to an end then the Chair will have to rule on the procedural acceptability of this Bill.

Mr. John R. Rodriguez (Nickel Belt) moved that Bill C-247, an Act to amend the Canada Pension Plan (survivor's pension) be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, may I at the outset say that I would certainly want to participate in the question of order involving this particular Bill. I have no reservations about the fact that it is a Bill that is properly introduced into the House and should be properly debated.

The purpose of Bill C-247 is to eliminate discrimination on the basis of age from the Canada Pension Plan. A person in receipt of disability benefits under the plan should have the assurance that in the event of his or her death the surviving spouse and dependants will receive whatever benefits are left in the Plan irrespective of the age of the spouse.

At the moment if the spouse is 35 years of age or younger, that spouse cannot collect the survivor's benefits under the Canada Pension Plan Act. I intend to prove that this is an unfair provision in the Act, that in fact the surviving spouse of any age should be able to collect the pension. The Act provides that people start contributing to the Canada Pension Plan at age 18. Therefore, if a person starts contributing to the Canada Pension Plan, providing they meet the basic requirements, which is six years contributions in the last 10 for a disability pension, it seems to me that providing they meet those particular criteria then they should be able to collect the survivor's pension irrespective of the age of the spouse.

I suggest and argue that the law is an arbitrary one. What is so magical about the age 35? Why not 25, or 45, or 30 or 46? The very arbitrariness of picking a number, it seems to me, is not a fair way in which to administer a pension scheme.

I know from my own experience that many workers, because so many of them work in the mines, become disabled at very young ages and many of them pass on as a result of accidents in the mine. Their spouses, of which 99.9 per cent are women, are unable to collect yet they may have families, have no income and are unable to collect the survivor's benefits from the Canada Pension Plan.

That seems to me to discriminate against them not only because of age but, because of the nature of the occupation, it discriminates against them because they are women. I would refer to Section 15(1) of the Charter of Rights under the section of equal rights, and I quote from Section 15(1):

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Clearly, Section 44(1)(*d*) of the Canada Pension Plan Act is unconstitutional and is outlawed by the Charter of Rights and the equality rights section, Section 15(1). We cannot have a law that contravenes what we now hold as a basic right of Canadians. We cannot discriminate based on age.

The Canada Pension Plan is a plan to which employers and employees contribute. Nine million workers at the present time pay 1.8 per cent of their yearly salary, up to a maximum of $379.80, into the Plan and their employers pay the same. Self-employed people pay the full $759.60 themselves.

The Canada Pension Plan has been accumulating considerable sums of money which the federal Government in turn has loaned back to the provinces for very small rates of return. Indeed, it is estimated that the provinces would never be able to pay back to the Canada Pension Plan the money they owe. Now we have a movement afoot to get workers and employers to put a greater percentage of their income into the Canada Pension Plan. The scenario is simply that the Canada Pension Plan would have larger amounts of money to once again lend to the provinces.

This particular change that I am proposing is not guaranteed to put the Canada Pension Plan into the red. It is not an amendment that encroaches upon the Treasury of Canada. The Canada Pension Plan is the fund into which employers and employees contribute. The Government of Canada does not contribute a penny. My amendment does not encroach upon the federal plan. These are moneys which the Canada Pension Plan program administers. It is money contributed by employers and employees.

I would argue that my amendment is a reasoned one. It conforms to Section 15(1) of the Canadian Constitution, 1981, the equality rights section of the Charter of Rights. It seems to me that it is only fair that the surviving spouse of anyone who is on a disability pension under the Canada Pension Plan Act should receive the survivor's pension irrespective of what age he or she may have attained, whether it is 29 or 34 or what it is.

● (1710)

Right now I am dealing with the case of a widow from my riding who missed the cut-off of 35 years because her thirty-fifth birthday was three days away.

An Hon. Member: Got to have a cut-off.

Mr. Rodriguez: That is right. That is a very smart response from the Tory benches. Ministers can trot around Europe at great cost to the taxpayers. The Government can bail out a bank for $1 billion. We can talk about restraint while the Ministers spend taxpayers' money like drunken sailors. She said she spent three days in bed when she was supposed to be out doing Government business.

It is all right for well-heeled Tories to talk about cutting people off. However, we do not have to cut them off. The plan is funded. The contributors are paying their fair share for this kind of coverage. The only reason the money is not there is because we have been lending it to the provinces. Now we are going to have the contributors contribute an even greater percentage to the Canada Pension Plan.

This amendment is fair. It will bring some equity and fairness to the Canada Pension Plan Act of 1966. It will eliminate the arbitrariness built into Section 44(1)(*b*) of the present Act. It seems that it is only just that the surviving spouse of someone who was collecting a disability pension under the Canada Pension Plan Act should indeed receive a survivor's pension.

I may also point out that things are fine for those who live in urban communities in which there are lots of opportunities for employment, particularly for women. However, in areas like mine, predominantly a mining community, once a spouse dies, the survivor hopes to collect the survivor's pension because there is no possibility for the spouse to step out of mourning and into a job. It is just not possible. That is why the spouse who was working was contributing to the plan. He was paying for this kind of coverage. The plan includes a death benefit, a disability provision and a pension at age 65.

An exception was made in the Act. The present Act indicates that if a surviving spouse is under 35 there is only one way that she can collect the pension and that is if she is disabled. I do not think that those who framed the Act in the first place were aware of the difficulties they created for a person who worked in a mine, was injured, received a disability pension and then passed away leaving his spouse unable to collect the pension because she was under age 35. Children may be involved and there is no opportunity for employment. It is a fund to which the spouse contributed and from which the surviving spouse is entitled to collect.

I call on Hon. Members to support this very reasoned, fair and just amendment. I call for the support of Bill C-247.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am very pleased indeed to be able to speak to this amendment to the Canada Pension Plan Act proposed by the Hon. Member for Nickel Belt (Mr. Rodriguez). I think all of us in this House realize the importance to our whole pension structure of the Canada Pension Plan. I must commend the Hon. Member for making an attempt to improve the Canada Pension Plan.

We all know or should know that our pension system works on three main tiers. First there is the tier composed of the Canada Pension Plan, the Old Age Security and the GIS, all government programs. The second tier is composed of the industrial and company pension plans and the third tier is composed of personal savings including RRSPs, homes, cars and bank accounts. Those three things are all forms of assistance for which people can plan during their working lives so they may have an adequate pension when they retire.

For most people in Canada, there is no doubt that the Canada Pension Plan and the OAS are the main supports for retirement. That is why I commend the Hon. Member for attempting to make some improvements to these plans. However, I would like to correct some misunderstandings with which he may have left the House while he spoke. The wording of his amendment is liable to cause some difficulty in determining what he said.

From the wording of the motion, one could be given the impression that the Canada Pension Plan survivor benefits are paid only to the surviving spouse of a person who was in receipt of a CPP benefit when he or she died. This, of course, is not the case. I am sure the Hon. Member knows that but that is not clarified by the wording of the amendment.

We should know that CPP benefits are paid to the surviving spouses of deceased contributors who, on their death, met the minimum contributory requirements. What are these requirements? Specificially, benefits are paid to survivors of contributors who have made contributions for at least three years and for one-third of the period during which he or she could have made contributions for 10 years, whichever is less. Further, as the Hon. Member mentioned, if the deceased spouse satisfies these minimum requirements, the surviving spouse must also meet certain conditions. She must be 35 years or older or, if she is not 35 years or older, then she must be disabled or have dependent children. Only when the deceased had made suffi-

cient contributions and the surviving spouse meets one of the eligibility criteria to which I referred does entitlement to a CPP survivor's benefit exist.

If eligibility is determined, then the amount of the benefit to be paid is calculated, once again taking the survivor's age or presence of a disability or dependent children into account. The amendment proposed by the Bill before us suggests that survivor benefits be paid to a surviving spouse under the age of 35 years. Currently, this survivor would be entitled to a benefit only if he or she was disabled or had a dependent child. However, what level of benefit does the Member suggest? I think it would be very relevant in terms of the costs to workers to know the amount of the benefits. The Hon. Member has not mentioned this. The reason I ask this question is because the way the current benefit levels are determined is rather complicated.

Under the current plan, the level of survivor benefits payable is also dependent on age. For instance, survivors over the age of 65 receive 60 per cent of the deceased spouse's retirement pension which was paid or which would have been paid at the time of death had the deceased reached the age of 65. For survivors under the age of 65, the survivor's benefit is composed of two parts. First, there is a flat-rate component of $87.56 per month as of 1985 and an earning-related component equal to 37.5 per cent of the deceased contributor's retirement pension which was paid or which would have been paid had he or she been entitled to receive it. The maximum monthly earnings related component payable in 1985 is $163.28 for a total maximum survivor's pension of $250.84. However, it should be noted that not all eligible surviving spouses under age 65 receive this level of benefit. For example, a surviving spouse between the ages of 35 and 45, who is not disabled or who has no dependent children in his or her care, receives a benefit which is reduced by one one-hundred-and-twentieth for each month he or she is under the age of 45 at the time of the spouse's death. This is equivalent to a 10 per cent reduction per year. Thus, a 40-year old survivor could receive a CPP survivor's benefit which is only one-half of the amount which would have been paid if she or he had been age 45 on the contributor's death.

● (1720)

When we look at these provisions today, these benefit calculations and complex eligibility criteria for survivor's benefits may indeed seem discriminatory. They are certainly complex and not easily understood unless you are in the business. However, I believe it is important to keep in mind that the current CPP survivor's benefit provisions were designed in the early 1960, when the flag was designed. Thus, they reflect the social values of that time. Perhaps my hon. friend is right when he says that now is the time to re-examine these proposals because social values have changed.

In any event, in 1960, it was assumed that the surviving spouse of a CPP contributor would be a woman. That is not necessarily true today. It was assumed that that woman prior to the contributor's death had been financially dependent on her husband's earnings. That is becoming less common today. Thus, legislators decided that the older the spouse the greater the likelihood she could not become financially independent. I think that reasoning is as good today as it was then. Those who were disabled or who had dependent children were also not expected to have the ability to become financially self-sufficient. As a result, these women were provided with the greatest amount of protection under the survivor's benefits provisions. I do not really see anything wrong with that provision, if one is thinking in terms of the cost to the worker of these pensions. Those areas which are most likely to need help should be targeted, which is what the provisions of the CPP did in 1960.

On the other hand, widows under the age of 45 who had no children and who were not disabled were expected to become at least partially responsible for their own financial well-being; and those aged 35 and younger were expected to have the ability to become completely self-sufficient. I am not sure whether that is not an assessment which is even more valid today because there is no doubt about it that today women are better educated, they are out in the workforce and they have better skills. At the age of 35 they are definitely still very employable.

Some of these assumptions may have been perfectly reasonable when the plan was implemented. However, I agree that they may not completely reflect today's values. Today, when a high percentage of women are participating in the paid labour force, the need for lifetime survivor's benefits based strictly on age and/or presence of a disability or dependent children is not really as clear as it was in those days. I do not believe we should look only at the criterion of a surviving spouse being aged 35 to be eligible for CPP protection. We must look at the whole package of survivor's benefits to see how best they can be modified to meet the needs of today's surviving spouse.

As I am sure Hon. Members can appreciate, this is not an easy task. Nevertheless, the Bill before us today asks us to decide whether the current CPP survivor's benefits provisions are out of date and whether or not they should be changed. Because of the complexity of these questions, I am sure Hon. Members realize that the issue of CPP survivor's benefits requires much more study. I can assure Hon. Members that the task force on pensions which reported to the House a year or two ago examined in detail all of the issues flowing from the Canada Pension Plan, including the one brought forward by the Hon. Member. At that time we concluded that the features of the plan with respect to this particular system need not be changed.

For instance, even if a decision is made to change the current system, alternate survivor's benefit provisions must be designed. Like the legislators who put the current plan into effect, we have to determine the needs of CPP contributors and their families and what survivor's benefit protection will best meet those needs.

Of course, as with all major CPP amendments, any future changes to the survivor's benefit provisions must be approved by both the federal Government and two-thirds of the provinces having two-thirds of the population of Canada. Ontario

alone can stop any change with respect to the legislation. Hon. Members will recall that the Province did this with respect to another issue.

The Canada Pension Plan belongs to members of the labour force and their families. We must ensure that the plan remains responsive to those people. In any event, I commend the Hon. Member again for bringing this matter before us.

The Canada Pension Plan as devised in 1966 was devised on the basis of what the conditions were at that time. It was well known that in 20 years from that time there would have to be a reassessment. The Hon. Member implied to the House that the Canada Pension Plan was funded, that money was paid in by the workers and their employers and then lent out to the provinces. I can assure the Hon. Member that the Canada Pension Plan is not fully funded. It is far from being fully funded. At the present rate of funding, it would run out of money. In fact, I believe this is the first year the pension plan will pay out more money than it takes in, which is not to say that it is broke or bankrupt. It is merely to say that that is what was planned and that is what is now being reviewed since every so often the plan has to be refinanced.

The Hon. Member opposite also indicated that the interest rate which the provinces pay is very low. Again, I think that is an exaggeration which should be examined. I believe at the moment there is $25 billion in the fund over and above what has been paid out. The provinces have borrowed that money and given back so-called government promissory notes, if you like. They will begin to pay the interest on that money this year, or perhaps they have been paying the interest already. However, they are borrowing that back as well. The interest rates which are paid are adjusted each month to match the rate at which the Government of Canada borrows money on the 25-year bond rate. I admit that is not the market rate and there are higher rates that can be obtained. However, this is a large sum of money about which we are speaking and it is too much to expect to receive the highest rate of interest on that amount in view of the type of risk in which people are interested.

The problem that I see with the CPP is not the amount of interest which it brings in. One of the problems is that it is not fully funded. Right now, it is the best bargain in the world. We now pay only 3.6 per cent—1.8 per cent is paid by the employer and 1.8 per cent is paid by the employee. If the plan were fully funded and if a contributor had to pay for the benefits which he would eventually receive upon retirement, then he would be paying between 9 per cent and 10 per cent of his income. I wonder how many members of the labour force would want to increase their payments to the CPP to 10 per cent. I wonder how many would say: "The plan is getting too rich." That is really what I am saying. If we want to change the plan, then let us look very carefully at what it will cost us and what it will cost the person working in the field. There is no free lunch in this field. At the moment we are depending greatly on an inter-generational gift, as it were. We are hoping that our children will pay sufficient amounts into the fund to provide for us when we retire, just as we have done for past generations. When considering this question, we must keep in mind that there are now six people working for every one who is not working, who is retired or who is of preschool age. In the year 2020, when the current workers move out of the workforce and start to look for payments under the Canada Pension Plan, we find that there will probably be only two workers for every person who is retired or is going to school. The question I believe we, as legislators, must ask ourselves is whether those two persons in the workforce would be prepared to pay the kind of money required to provide for all those persons who are not working. I believe that is why we saw in our last Budget a great emphasis on personal savings. That is why we announced plans to revise the RRSPs and other plans to improve private pensions, to provide for portability for two years so that Canadians can move from job to job. This Governemnt realizes the Canada Pension Plan will not be sufficient to really provide what will be expected by those people who retire in the coming years.

• (1730)

We are saying to Canadians that we will look after the Canada Pension Plan. We will continue to improve it but we are asking Canadians to look after their own pensions as well, which we are making possible through tax incentives. It is easy to say we can improve the Canada Pension Plan without looking at the cost. During the tour of our task force we heard from groups who suggested that we double the benefits of the Canada Pension Plan. They said they were prepared to pay 7 per cent, but it would not be 7 per cent. The real cost would be 20 per cent. We can examine the Canada Pension Plan and try to make improvements but let us not do it lightly and carelessly and let us not do it without a real concern for the ultimate cost to the worker and to the employer.

[*Translation*]

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, I would like first to thank my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), for his interest in improving surviving spouse's benefits under the Canada Pension Plan, and for introducing Bill C-247 to supress the age factor impact on those benefits.

My honourable colleague's proposal is no doubt well-intended and most progressive. However, it must be recognized that such a proposal concerns an important component of a very complex system of Government and private programs aimed at protecting widows and widowers.

This systems includes provincial assistance programs, the Federal Old Age Security program, the Canada Pension Plan and the Quebec Pension Plan, private pension plans, life insurance policies, and so on. Needless to say, before changing any of those components there should be a very serious study the implications thereof.

I consider it important, Mr. Speaker, to mention that this Government has already changed one of the components in that system. In fact, it has introduced and passed some time

ago Bill C-26, which amends the Old Age Security program to provide for benefit payments to widows and widowers aged 60 to 64 who have little or no income. Many studies had shown that that group of Canadian men and women were among the most in need.

Further, as announced in the Budget speech, the Government will introduce measures to improve minimum standards for private pension funds coming under the federal Pension Benefits Standards Act. Those measures will be of special benefit to the spouses of contributors to those plans.

Concerning such changes, let me refer specifically to the extension of benefits to the surviving spouse before or after the contributor's retirement; to maintaining the benefits in case of remarriage, and to the possibility of sharing pension credits between spouses in cases of regular or common-law marriage breakdown. Those proposals are the result of an extensive consultation process with employers, employees and the general public, undertaken by the Parliamentary Taskforce on Pension Reform. The Government is indeed proving its commitment to improve the income security system for widows and widowers.

I should at this point, Mr. Speaker, look at the surviving spouses' benefits under the Canada Pension Plan, and the importance of the age factor in their determination. Under the current system, once a spouse's qualifications for that benefit have been established, the amount to which the latter will be entitled is figured out on the basis of his or her age.

First, the survivor's pension payable to surviving spouses aged under 65 is determined on the direct basis of the spouse's age at the time the contributor deceased.

This means a surviving spouse aged 45 to 65 will get full benefits made up of two parts: a flat rate component, and a second one based on the deceased contributor's earnings. In 1985, the maximum benefit paid to those surviving spouses totals $250.84 per month.

On the other hand, a surviving spouse aged 35 to 45, having no disability or no dependent child, will have his or her pension reduced by 1/120 for each month short of his or her 45th birthday. A surviving spouse aged 35 or less will not qualify for the survivor's pension before reaching 65, unless he or she is disabled in the meantime.

Finally, when the surviving spouse reaches 65 and qualifies for the Old Age Security basic pension, the surviving spouse's benefit will be re-determined to equal 60 percent of the pension that was or would have been paid to the deceased contributor. The maximum monthly amount of that benefit is $261.25 in the current year.

It is only when we look, as we have just been doing, at the role of the age factor in determining what benefits the surviving spouse will receive that we can appreciate the significance of the reform proposed by the illustrious Member for Nickel Belt (Mr. Rodriguez).

The structure of this provision of the Canada Pension Plan can only be explained by the social climate which existed 20 years ago when the plan was created. Hon. Members will recall that, at the time, few women had a paying job outside the home. They lived in virtually absolute economic dependency and the death of the head of the family left them in a precarious economic position.

As women generally live longer than men and are younger than their husbands, the surviving spouses were at the time mostly women, and in fact, the situation is the same today.

In accordance with these social standards, the contributor had to support his dependents during his years of work. The survivor's pension was therefore considered an extension of this role of provider. Thus, a survivor's pension, a death benefit and an orphan's benefit were incorporated into the system.

However, the originators of the plan deemed it appropriate to limit this responsibility of the contributor to his family. Based on certain premises, an attempt was therefore made to develop an adequate measurement of the state of dependency or the need of the dependents of a contributor.

Based on the fact that it is more difficult to enter the labour market at a later age, it was determined that the older a spouse was, the more dependent she was on the provider.

Mr. Speaker, I am sorry, but I constantly hear a voice to my left and this disturbs my concentration a great deal.

As I was saying, since the possibilities of remarriage decrease with age, it was also determined that, the older the spouse was, the more her chances of finding another provider decreased. This is why the age factor is so important in setting the amount of the survivor's benefits. The older the survivor, the higher the benefits.

Added to the difficulty of entering the labour market because of age, the fact of having dependent children or of being an invalid means economic dependency as these two factors can also affect the possibility of finding a job.

The full pension of a surviving spouse is therefore paid to widows in this situation.

It should also be pointed out, Mr. Speaker, that in the early days of the Plan, the survivor's pension was paid to all widows, but only to invalid widowers. There were therefore two sets of eligibility requirements for this benefit: on one hand, a set for women based on age, the presence of dependent children and invalidity, and on the other hand, a set for men based essentially on invalidity, which, as we have seen, reflected the social standards of the time.

Obviously, society has changed since the 60s, and so has the Canada Pension Plan. In fact, in 1974, the Government amended the Plan to allow a survivor's pension to be paid without regard for the sex of the recipient. There is now only one set of eligibility requirements, namely that which used to apply only to women.

• (1740)

I suggest that the original purpose of the survivor's pension, which was to protect the family of a contributor against financial hardship resulting from his or her death, is still valid today. However, because of the increased presence of women in the labour force and the new economic weight of the wife both in the family and society, we must reconsider the validity of the age factor in computing the pension the surviving spouse should get. It should be emphasized, however, that the scales now in use are still adequate for a category of surviving spouses, that of generally older widows who have never been part of the labour force.

At first glance, the proposal put forward by my hon. friend would seem to correct an injustice. Its adoption, however, would raise several questions concerning the purpose of this pension which, as I said, is to protect the family of the contributor against any economic hardship resulting from his or her death. Because the age factor is there to determine the level of dependency or need, Mr. Speaker, I doubt very much that we could abolish this factor without updating the basic assumptions and the structure of the benefits to the surviving spouse to reflect today's economic and social reality.

I should mention at this point that even though the Federal Government may propose changes to the Canada Pension Plan, such changes could only come into force with the consent of two-thirds of the provinces that have two-thirds of the population of the country. Discussions between the two levels of Government are therefore necessary, particularly in view of the fact that in would be preferable to maintain a sort of parity between the Canadian Pension Plan and the Quebec Pension Plan. Such changes would therefore require a more in depth study of the benefits structure by the two levels of government.

Finally, Mr. Speaker, I suggest that we should act with utmost care, because this scheme and the Quebec Pension Plan affect the workers of the whole country. I am also convinced that, in co-operation with the provinces, we can meet the current needs of the surviving spouses and thus carry out successfully a major component of the pension reform.

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will just say a few words because I would like to have this Bill voted upon in the House. The Speaker who was in the chair prior to you said that there was some doubt concerning the motion because it may involve a government prerogative. He meant that this entails an expenditure of government funds. If that is considered to be a Government prerogative, I am afraid that 99 per cent of the motions brought before the House would have to be disallowed. Practically every Bill introduced, if enacted, would involve an expenditure of Government funds.

The Hon. Member for Nickel Belt (Mr. Rodriguez) who introduced this Bill asked what is so magical about the age 35. I think we have got off track today. This Bill is about disability benefits. I am sure the hon. gentleman will agree that the section which he cited is about disability benefits. The Hon. Member is asking what is so magical about the age 35. If you are two or three days less than 35 you are treated differently than if you are 35.

I would like to add to what the hon. gentleman said and perhaps supply him with some more ammunition for this particular argument before the House today. The section which he wants to amend says:

—if the surviving spouse

(i) has reached 65 years of age, or

(ii) in the case of a surviving spouse who has not reached 65 years of age,

(A) had at the time of the death of the contributor reached 35 years of age.

(B) was at the time of the death of the contributor a surviving spouse with dependent children, or

(C) is disabled;

The "or" does not come between (A) and (B). It says "or (C) is disabled". You must meet the above two conditions and then it says "or (C) is disabled". The question, Mr. Speaker, is what is so magical about the age of 35.

My point is that the hon. gentleman said that this will not involve an expenditure of Government funds because, as he so correctly pointed out, the Canada Pension Plan now has an overabundance of money in it, as it always has. What have they done with the money? There were new agreements signed recently to allow the provincial governments to borrow cheap money from that fund which is contibuted to by the workers of Canada.

Let us narrow it down to only the disability pension. I will alert the hon. gentleman to a fact that I am sure he is aware of, but which he can perhaps use in future arguments. We are talking about disability benefits. A person fighting for a disability pension has to go through quite a procedure before he establishes his entitlement. He must get letters from this doctor and that doctor and then an independent doctor and then another doctor and then another doctor. It is appealed and eventually the person, who may have been on his back in bed for many years and cannot move at all, gets his disability pension.

However, that person may have had to get social assistance to support his family, as most such people do. When it is determined that he was qualified for disability pension from the time that the applied, which may have been two or three years ago, the department sends his cheque to the provincial government to repay what he received while he was on his back having to draw that little amount of social assistance and welfare.

Mr. Rodriguez: Shameful.

Mr. Baker: In this new spirit of co-operation between the federal and provincial Governments it is easy. You do not even have to sign a form now. There is an agreement between the federal Government and the provincial Governments. All you need do is find out that he drew social assistance.

Some of the financial wizards in this Chamber should be asking another basic question about that. The federal Government pays 50 per cent of social assistance. We now get to the point. Half of the money that fellow on his back in bed received came from the federal treasury under the Canada Assistance Plan as every Member knows.

• (1750)

Mr. Rodriguez: They got it twice.

Mr. Baker: The hon. gentleman is catching on. Now, along comes this disability pension which the man has been trying to get all along. What happens? The entire amount he gets is then transferred from the federal to the provincial treasury.

Mr. Brightwell: So what is your point?

Mr. Baker: The hon. gentleman is pretty slow. What you are doing is paying 50 per cent of what he got and then 100 per cent. What is more disgusting is that you look for a way that the money can be recovered and you cannot find one. It is a transfer from the Department of National Health and Welfare to the provincial Department of Finance.

Mr. Brightwell: What has this got to do with the Bill?

Mr. Baker: Very simply this. The Government of Canada cannot see that to do this would not cost any more than what it is already transferring directly from the CPP to the coffers of the provincial Department of Social Services. In other words, the whole thing would not cost the federal treasury anything at all. What is obvious here, however, is that someone involved in this new spirit of co-operation should explain how a disabled person can draw social assistance with the federal treasury paying 50 per cent, and then all of a sudden the federal treasury is reimbursing the provincial government for 150 per cent. It is an interesting question.

There is absolutely nothing wrong with this Bill. Absolutely nothing at all. I think that we should vote on it and the Speaker will have to rule if this is a government prerogative or not, but it removes from the CPP a grave inequity based on age. It is not going to cost the Government of Canada anything at all if we pass this hon. gentleman's Bill and I congratulate him for bringing it to the Chamber.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is always a distinct pleasure to follow in debate such speakers as the Hon. Member for Nickel Belt (Mr. Rodriguez) and the Hon. Member for Gander-Twillingate (Mr. Baker), not to mention the excellent speakers from the Okanagan and Quebec. One cannot help reflecting on the fact that the Hon. Member for Nickel Belt has brought an important issue before us. I think all Members agree that the age related provision referred to may have had some wisdom 20 years ago, but that has clearly changed in 1985. It also struck me, speaking immediately after the Hon. Member for Gander-Twillingate, that the provision was put in place 20 years ago by a Liberal Government. They had 20 years to correct it, but all of a sudden, early in the month of October, 1985, a Member discovers the legislation was flawed from the beginning. It is still flawed today and he was part of the caucus which did nothing about it for such a long time.

I urge Members of this Chamber to take the concern raised by the Hon. Member for Nickel Belt seriously, but at the same time I urge them not to pass this legislation. How can I have those two thoughts simultaneously? It is because I have thought about the concept of the stewardship which Members of Parliament have over public funds. The first question I ask myself is: Who are the owners of this fund? Do the Canadian taxpayers own the CPP fund? My conclusion is that they do not. Some Canadians, part of the workforce, contribute to this fund and, in the final analysis, they are in reality the owners of the fund.

Mr. Rodriguez: So Canadians own it.

Mr. Hawkes: Is the stewardship of this fund in the hands of Members of the Parliament of Canada?

Mr. Rodriguez: You lost me, brother.

Mr. Hawkes: I suggest it is not. The people who designed this fund some 20 years ago decided that the stewardship was to be in the hands of a combination of elected members from both provincial and federal legislatures. I lived through a period in this Chamber of some four and a half years under increasing distress over the trend in Canada to act unilaterally, to ignore the stewardship of the provinces, whether it was constitutional, agreed to, or whatever. I saw my country begin to fall apart economically, emotionally and in every other way, partly as a consequence of a House of Commons dominated by one Party dedicated to the principle of unilateral action rather than respect for provincial jurisdiction. If this Bill were the best idea in the world and completely unflawed—and I suggest it is flawed—it would still be wrong for members of this Chamber to act unilaterally to change these arrangements. Until there is an agreement between the federal and provincial Governments then we should be reluctant to act. The Government which was elected a year ago declared during the election campaign that it would act in a manner designed to restore respect between the two levels of Government, respect for jurisdiction and respect for agreements entered into. It has done that and done it well. Because that climate of confidence and co-operation has been restored there is every reason to believe that we will come to a collective decision on changes to the fund in a coherent and systematic way, changes for the better in the future. Until you have that kind of discussion, until you work in that way, there is always the danger of going off on a flight of fancy in the belief that you are doing good when in reality you are doing harm.

• (1800)

This particular proposal simply to drop the requirements for benefits puts financial strain on the fund. One of its consequences could be a reduction in the contribution to anyone who is entitled to it.

I see that it is six o'clock. I hope to have an opportunity to finish my remarks on another occasion.

The Acting Speaker (Mr. Kempling): The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

THE ADMINISTRATION—REQUEST FOR REVIEW OF CONTRACT AWARDS. (B) CONFLICT OF INTEREST GUIDELINES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the adjournment debate tonight. My question relates to a most unsatisfactory reply given by the Deputy Prime Minister (Mr. Nielsen) on September 16, as reported at page 6644 of *Hansard*. At that time I asked why it was that the new conflict of interest guidelines for Cabinet Ministers were deficient. I brought two matters to his attention.

The new conflict of interest guidelines, which I have in my possession, are designed in such a way as to ensure that the Prime Minister (Mr. Mulroney) and Cabinet Ministers do not appoint their relatives to cushy jobs, as they have been doing in the most abominable way since last year. In their first six months in office the Tories have appointed no less than 1,200 hacks, flacks, bagmen and relatives to various jobs. They are all listed in the Black Paper on Tory patronage. Some of those 1,200 people were relatives of Cabinet Ministers. In the new conflict of interest guidelines, the Prime Minister indicated that in the future it would not be permissible for a Minister to hire his relatives or the relatives of his Cabinet colleagues. The biggest deficiency in the program is what happens to the relatives of Cabinet Ministers who have already been hired.

As we know, the brother of the Secretary of State for External Affairs (Mr. Clark) has been appointed to a very lucrative position to do legal work for and on behalf of the Government of Canada or an agency of the Government, namely, the 1988 Olympics. This has happened in other areas as well.

It will not be possible in the future to appoint people such as those who were hired in the past. In other words, the Prime Minister said that the Minister of Justice (Mr. Crosbie) is wrong in trying to appoint his sons, that the Secretary of State for External Affairs is wrong in practising this nepotism and that it could not happen in the future. If it is wrong in the future, why are those people permitted to keep their jobs now? I am sure you agree, Mr. Speaker, that they should not keep their jobs and that this is a terrible loophole in the conflict of interest guidelines.

There is another loophole as well, and it is an even more important one. I am referring to the entire means of reviewing political appointments. In his reply on September 16, the Deputy Prime Minister said:

—that the entire range of all appointments which have been made are going to be subject to a review by the parliamentary process to see how it works.

This is not the case. Only certain people who have been appointed will be reviewed by the parliamentary process, that is, those appointed by Order in Council. Those people on contracts are not reviewable. As a matter of fact, a large number of people on contract did not even tender for their jobs.

We heard of an instance lately where officials in the Prime Minister's Office are not on salary but are on contract. Therefore, people on contract do not have to adhere to the conflict of interest guidelines. That situation is not even covered in the new conflict of interest book. Of course this means that if a Cabinet Minister wants to hire someone and wants the person not to be subjected to the provisions of the conflict of interest guidelines, all the Minister has to do is say to his or her friend: "Get yourself a contracting business and then I will hire your business on contract". Of course the business may have only one person working in it. In that event, the conflict of interest guidelines are totally bypassed, thereby defeating what the Prime Minister said in the House. I take it, Mr. Speaker, that he was indicating that in good faith. He said in this House that he was going to end this kind of thing. He has not.

● (1805)

We need revisions to those guidelines to make sure that they work because there are these two gigantic loopholes which I have just described and about which the Deputy Prime Minister made a completely erroneous reply. He had it all backwards. He had assumed that everyone who was appointed would be up for review. I am sure that the Parliamentary Secretary sitting across from me would recognize that that is a mistake the Deputy Prime Minister made, so I will now give him the opportunity to correct the record and to state the truth. Hopefully he will state that the Prime Minister will review these conflict of interest guidelines to ensure that they work and put an end in the future to the nepotism practised in the past and the present and to ensure that people cannot bypass the guidelines by simply getting themselves hired by contract.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I want to say at the outset that this newfound interest of the Liberal Party in tight guidelines is very amusing to those of us who were here over the past five years.

The question which my hon. friend raised confuses several matters and I want to make four points.

The Government, until the Prime Minister (Mr. Mulroney) brought in his measures, has been operating under the regime established by its predecessor.

Mr. Boudria: And even it was broken.

Mr. Lewis: I find that it is interesting that my friends who find themselves in opposition now have come to embrace as a virtue what they never practised in fact. None of the suggestions which they have advanced were adopted by the Liberal Party in the decades during which they were in office. I appreciate that had the Hon. Member been a member of the Liberal Party federally he would have made sure that those guidelines were tightened under the Right Hon. Pierre Trudeau. I can just see the Hon. Member taking Prime Minister Trudeau to task on that; yes, I can just envision that.

The measures placed before the House by Prime Minister Mulroney on September 9 constituted the most comprehensive and far-reaching treatment of public sector ethics ever pronounced in a Canadian Parliament.

Mr. Boudria: How can you state that with a straight face?

Mr. Lewis: After great research, my friend.

The new conflict of interest code makes specific provision to ensure that those working for the Government under contract are bound by the appropriate provisions respecting both conflict of interest and post-employment considerations. I refer to Section 10 of the code.

My friend, Mr. Speaker, suggests that we are closing the barn door after the horses have gone. Under the Liberal Party the barn never had a door, and we have taken steps to refine the appointment process. My colleague refers to it as a loophole. Nonsense. We have brought in a review process which was not there during all the years of the previous Liberal Government.

Mr. Boudria: What about the relations?

Mr. Lewis: Where was the appointments process under the previous Liberal Government? Obviously it was not there. I remind my hon. friend that we are a Government which has come to office with the support of hundreds of thousands of Canadians. We have 211 seats from across the country and naturally we are going to find ourselves with many friends. This is a Party with many friends. We make no apologies for that. Because the Hon. Member across the way finds himself without friends, that is the a difficulty he is going to have, not only for the balance of this Parliament but probably for years to come.

I suggest to him that our process of political accountability and the regime that we have set in place for outreaches anything ever done under the previous Liberal Government. We suggest that there is some room for improvement. We are going to try the process. We will look for improvement. However, under the previous Liberal Government, there was never any suggestion of this kind of accountability.

• (1810)

[*Translation*]

OFFICIAL LANGUAGES—COMMISSIONER'S REPORT (A) REQUEST FOR LEGISLATION (B) FRENCH AS LANGUAGE OF WORK IN PUBLIC SERVICE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on March 27 of this year, nearly six months ago, I asked the Prime Minister (Mr. Mulroney) about a very important matter, namely the Report of the Commissioner of Official Languages and the need to amend the legislation in order to broaden the Commissioner's powers.

Mr. Speaker, in the Fifth Report of the Special Joint Committee on Official Languages, recommendations 12 to 18 were aimed precisely at strengthening the role of the Commissioner and giving him more power, thus enabling him to carry out his parliamentary mandate in an effective and efficient manner.

Mr. Speaker, the House will recall that the Prime Minister answered, as reported in *Hansard* on page 3412, that he considered this a very important issue, *extrêmement importante*, to quote him directly, and he reminded me that in the Throne Speech, the Government had announced its intention to take action, and he then informed the House that he had that very morning asked a committee of deputy ministers to examine the entire question of amendments to the legislation, amendments which had, in fact, been proposed by the Committee on Official Languages.

Mr. Speaker, the result was that in May, I believe, the committee was established under the chairmanship of Mrs. Huguette Labelle, who is now Chairman of the Public Service Commission. The committee included several deputy ministers from Treasury Board, the Department of the Secretary of State, the Prime Minister's Office and the Privy Council. The Committee referred to by the Prime Minister was set up, I am told, in April, met from that time until July, with a mandate to examine the recommendations of the Committee on Official Languages and also, probably as part of a broader mandate, to examine relations between the federal Government and official language groups and groups that were basically the responsibility of the Secretary of State.

As far as I know, the committee's meetings were held in camera. To date, none of us know what transpired during those meetings, and this evening, I would like to ask the Parliamentary Secretary the following: Could he give us a report on the proceedings to date, and perhaps on any recommendations made by the committee? Who is the chairman, now that Mrs. Huguette Labelle has left? Is it Mr. Gérard Veilleux? There is a rather important question which should be answered: What have been the results of the committee's work to date, and is there perhaps a possibility that the committee of deputy ministers could appear before the Committee on Official Languages to provide some clarification and

release or provide details and perhaps inform Hon. Members of the important work they have done?

I therefore invite the Parliamentary Secretary to answer this question: Is he prepared to give the House the assurance this evening that the Chairman of the Committee, Mr. Gérard Veilleux, or someone else, will appear before the Committee to explain what they have accomplished to date?

In the second part of my question I dealt with another aspect of the report of the Commissioner of Official Languages. It is indeed a very important issue—the language of work in the Public Service of Canada. God knows, Mr. Speaker, that the members of the Committee on Official Languages had been concerned over that matter for a long time. We had asked the Government for clear and specific directives with respect to the Government's political intentions, the real intentions of this Government to assist, encourage and even prod certain departments so that public employees might be able to work in the language of their choice, their mother tongue normally being the one they know best!

In answer to my question the Prime Minister said, and I quote from page 3412:

> If people cannot work in French, it is a myth, and everything must be done to maintain the integrity of that instrument, that cultural and linguistic wealth, either by coercion, or by making sure that it will be sought after as an instrument of work.

Mr. Speaker, I would like to direct another question to the Parliamentary Secretary and ask him whether the Government is through studying the question of language of work, whether it is prepared to share once again with the Committee on Official Languages Policy and Programs its expertise and knowledge, and tell us which way it is headed. Hon. Members are interested in knowing what this Government intends to do about the official languages. We want to know where we stand and what we should do to uphold, promote and expand this right which I consider important to public employees, namely to receive communications from their superiors in their own language, to be able to work in French or in English in their office and thus meet the basic criterion of the Act: Not only must the public be served in English and French in this country, but public employees must also enjoy the right and privilege to be able to work in their mother tongue.

Mr. Speaker, I might point out that 90 per cent of Government working documents are in English. It will take some political will to change the bad habit of thinking that everybody speaks the majority language, which is English.

Let us not forget either how awkward it is for Francophones, and not just unilingual Francophones but also Anglophones who speak French well, when a unilingual Anglophone joins a group of bilingual Anglophones and Francophones who are having a conversation in French in an office situation and all the participants in the conversation adopt the language of the single non bilingual person in the group. This often happens whenever a unilingual Anglophone joins a group of 8, 9 or 10 Francophone civil servants who are having a conversation in French in an office situation; everybody switches to English. Such an attitude is not conducive to making French a language of work in the Public Service.

In bilingual areas, Mr. Speaker, and this is the last point I should like to make, the use of French at the work place has not increased much since 1978. I should like, therefore, the Parliamentary Secretary to advise us whether the Government intends to amend the legislation to make French a language of work in the Public Service.

• (1815)

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to first suggest to my hon. friend that I am not able at this time to bring him up to date with respect to the deliberations of the committee to which he refers. However, I will make inquiries to see what additional information can be sent to him.

As far as his comments are concerned with respect to the language of work, I will also ask that any further information in that regard be brought to his attention.

In reply to the Hon. Member's question, I wish to state that we are proud of the efforts this Government has made with respect to the official languages program. The Speech from the Throne of November 5, 1984, on the first day of the Thirty-third Session of Parliament, placed the issue in the context of national unity. We indicated our commitment as a Government to ensuring that the equality of the two official languages so vital to our national character and our identity is respected in fact as well as in law. At that time, the Government acknowledged the need for ongoing improvements and for vigilance in this crucial area of our national life.

With respect to the question of law, I suggest that the equality of English and French are already recognized by the Constitution of Canada, as well as by the Official Languages Act. As far as the question of implementation is concerned, the President of the Treasury Board (Mr. de Cotret) in speaking before the Joint Committee on Official Languages last May made it clear that the Government intends to review all aspects of the official languages program, to reassess the priorities and improve its effectiveness and efficiency.

When it comes to the language of work we are dealing with a longstanding and difficult issue which, as my hon. friend knows as a result of his interest and involvement in the Official Language Committee, is not amenable to simple or quick solutions.

Having said that, I am pleased to inform the House that the Treasury Board is taking measures to improve the language of work situation in the federal Public Service. We published a catalogue of departmental language of work initiatives in March of this year. It was distributed to departments to suggest ways and means of improving the use of both official languages in the workplace.

Furthermore, the secretariat's analysis of the 1985-86 official languages plan provided evidence that senior departmental managers are giving increasing consideration to

measures which would improve opportunities for their employees to work in their preferred official language.

Mr. Speaker, I have further notes with respect to this matter which I will be pleased to provide to my hon. colleague.

• (1820)

[*Translation*]

TRANSPORT—(A) CLOSING OF A PLANT IN MONTREAL BY BOMBARDIER (B) PURCHASE OF LOCOMOTIVES FROM BOMBARDIER—GOVERNMENT'S POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, earlier today I asked a question from the Minister of State for Transport (Mrs. Blais-Grenier), concerning the Bombardier company, which has not received any help from the Government of Canada and which must now close its locomotive manufacturing plant.

The answer given by the Minister of State, the Hon. Member for Rosemont, is utterly disgraceful. My colleague and friend, the Hon. Member for St. Denis (Mr. Prud'homme), shares my views on the subject and this is why I am challenging immediately tonight in this adjournment debate, the answer given by the Minister. She said, and I quote:

The Bombardier decisions in this case were made in accordance with the best industrial development criteria.

In other words, the lay off of some 1,000 employees in the east end of Montreal does not trouble the Minister, because it follows the best criteria from industrial development.

Ms. Copps: The Schefferville formula.

Mr. Ouellet: Exactly. My colleague, who is in charge of labour questions, is here tonight and shares my view. We are reminded of the attitude held by the Prime Minister (Mr. Mulroney) when he shut down the Schefferville plant after reaping millions for the American company and firing hundreds of workers. This is according to the best criteria for industrial development.

And the Minister of State for Transport has the gall to add:

We had lengthy discussions with Bombardier representatives who pointed out to us that there was no other solution.

Mr. Speaker, certainly there were alternatives because this industry, which has been in operation in Montreal since the turn of this century, has always been a viable and profitable industry providing jobs to thousands of workers in the east end of Montreal. And the previous Government never hesitated to prescribe guidelines to railways such as the CN, the Canadian National Railways, a Crown corporation that can get its guidelines from the Government, or give instructions in particular to VIA Rail which has recently bought locomotives from General Motors instead of Bombardier.

• (1825

If those two Crown corporations, VIA Rail and CN, which further have their headquarters in Montreal, had received instructions from the Minister of State for Transport or the Prime Minister of Canada, the company would not be about to shut down its plant. Hundreds of workers who have been working for years in that plant would not now be forced to look for other jobs.

The steelworkers' union, under the good guidance of their director, Mr. Clément Godbout, has issued a very outspoken press release. It stated: We have had here in the Bombardier plant two and three successive generations of workers who have acquired an outstanding expertise in the area of freight locomotives. We have a manpower that is qualified, available and responsible. Bombardier's proposal to shut down the plant must be stifled." And the steelworkers' union is asking the Government to meet its responsibilities and help them save their plant. This is exactly what I was asking the Minister of State for Transport today, since she has the means and the time to travel to Europe at the expense of Canadian taxpayers.

If the Minister had taken it upon herself this summer to go to Paris or Stockholm to sell Bombardier locomotives, I would have been the first to congratulate her today. However, the Minister strutted about in Europe at the expense of the Crown and the Canadian taxpayers and did not bother about the workers of her own constituency and the ridings of Eastern Montreal, who are now unemployed because the Progressive Conservative Government has abandoned the Bombardier Company.

Jean-Guy Dubuc, editorial writer of *La Presse*, spoke about this issue in an article titled:

If only Bombardier been helped ... Bombardier will stop making freight locomotives.

Which means hundreds of jobs lost and hundreds more unemployed in Eastern Montreal.

As though Canada, the country with the second longest railways in the world, could afford to lose such a technology and such an industry.

Indeed, the question is: Does the Government—

—the Conservative Government, that is—

—have the right to close down a major industrial sector by refusing to support a company faced with American competition?

The answer is obvious, Mr. Speaker. The Conservative Government has no right to abandon Bombardier, it has no right to put out of work some 1,000 workers who have been earning an honest living by manufacturing locomotives, and I hope that the Parliamentary Secretary will be able to tell us that this Government will accept its responsibilities and instruct VIA Rail and the Canadian National to purchase good locomotives made in Montreal by good specialized workers.

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I regret that there were not more people in the House to hear a vintage speech by my

colleague who is a much better speaker in Opposition than he was as a Minister. However, I am surprised that he is playing politics with this very serious matter. I know that I speak for all Members of the House when I state that we share the concern that has been raised by my colleague for those workers at Bombardier who have been displaced by the company's decision—and I emphasize that it was the company's decision—not to continue its operations in the heavy locomotive field and to focus its attention on other markets. I will discuss the assistance that is coming to those other markets in a minute.

It is worth noting that the problems encountered by Bombardier in supplying a technologically efficient diesel locomotive did not occur overnight. This is a field in which technology is always advancing. As a matter of form, I would like to ask the Member what the Liberal Government did during the past 17 years to assist Bombardier in acquiring or developing the technological expertise to compete in Canadian and international diesel locomotive markets. I am not speaking only of directives but of technological improvements, because directives come easy to some political parties. It is technological improvements that will help this country to proceed.

I point out to my hon. colleague, Mr. Speaker, that Bombardier was consulted on the possibility of participating in VIA Rail's recent order for new locomotives. I am advised as well that in 1984 Canadian National offered Bombardier the opportunity to build 15 new locomotives. CN was going to work with Bombardier in developing an acceptable design. Once again in 1985 CN asked Bombardier to quote on the design and construction of 20 locomotives. The Government cannot force a company to quote on business.

The decision to close the Bombardier locomotive plant reflected the company's decision not to compete with the other domestic locomotive companies. It did not in any way represent an abandonment by the Government of any of our commitments to this industry.

Finally, I would point out to my colleagues that VIA Rail's pending order for new rail passenger rolling stock will be procured exclusively from a consortium made up of Bombardier and UTDC companies. There is no question that the Government is continuing its commitment to give the workers of Bombardier every opportunity to keep their jobs.

The Acting Speaker (Mr. Kempling): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, October 4, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

TRADE

FOOTWEAR IMPORT QUOTAS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this week Susan Shoes Industries of Hamilton announced that it will be closing its Oakville plant permanently and that it will be laying off 100 employees. The reason for this plant closing is directly linked to the Mulroney Government's failure to state its position on the issue of import quotas. Shoe retailers will not place their orders for shoes because they are waiting to hear on the quota issue.

Once again the Government is called upon to stop playing cat and mouse with the Canadian footwear industry and to start making clear, positive statements ensuring that import quotas will be extended.

The removal of footwear quotas could cost 20,000 Canadian jobs in the footwear and tanning industries. Not only will thousands of Canadians be deprived of their livelihood, but they will also be forced to seek unemployment insurance and welfare assistance.

The Government has launched a so-called discussion with the United States on the issue of free trade, but in the meantime it has left Canadians hanging by footdragging on the issue of the shoe quotas.

A commitment by the Prime Minister (Mr. Mulroney) and the Minister of Regional Industrial Expansion (Mr. Stevens) to extend import quotas is essential to ensure that Canadian shoe manufacturers, like Susan Shoes, and, most important, Canadian workers, will have the time necessary for technological adjustment to secure 50 per cent of the market.

Job, jobs, jobs. We are giving the Prime Minister a chance, chance, chance to save 20,000 jobs in the footwear industry, and we call upon him to make his announcement today.

ABORTION

CALL FOR CRIMINAL CODE AMENDMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, once again Dr. Henry Morgantaler is facing the courts because of his attempt to demonstrate that women who so choose should have access to safe, medical abortions through community clinics as well as hospitals.

How long must these trials, appeals and retrials go on before the federal Government accepts that the real issue is not Dr. Henry Morgantaler's clinics but the need for changes to the Criminal Code of Canada? Section 251 must be repealed.

Difficult decisions about unwanted pregnancies must be a personal, not a state matter. Abortion should be a health matter between a woman and her doctor. Further restrictions of access will only lead to backstreet abortions.

Prevention of unwanted pregnancies is far preferable to abortion. Prevention requires reliable, safe birth control methods and comprehensive birth control education.

The Government must reinstate full funding to recognize family planning agencies which provide complete information on all methods of birth control. These agencies are doing research on fertility problems and more reliable birth control methods. Reproductive freedom for women is an integral part of equality. We ask the Government to repeal Section 251 and reinstate adequate funding to family planning organizations.

* * *

CHILDREN

SEXUAL ABUSE—BADGLEY COMMISSION RECOMMENDATIONS

Mr. Bruce Halliday (Oxford): Mr. Speaker, the Family and Children's Services of Oxford County and I are concerned with the need for urgent action on the Badgley Report and its recommendations. It has been indicated by both the Minister of Justice (Mr. Crosbie) and the Minister of National Health and Welfare (Mr. Epp) that internal discussions and selective consultations are taking place. However, this report was tabled one year ago and few, if any, definitive steps appear to have been taken by the Government to act on the report or its contents. This is a matter which impacts on each and every one of our constituencies.

A community in my own constituency, although a modest size, receives reports of over 60 cases of sexual abuse of children each year. It has been suggested that efforts to protect the civil rights of the perpetrators of such acts may explain the lengthly delay in Government legislation. Surely

the rights of those young persons who are the victims should be taken into consideration, and the Government should re-order its priorities in terms of forthcoming legislation to address this concern.

Indeed, the Family and Children Services of Oxford County are concerned that, after a year of internal review, a consultation process was announced providing key professional witnesses with little more than one week of response time. In addition, to have a consultation process that provides only two days in one large centre in any province may well be grossly inadequate.

Fundamental changes to the Criminal Code are urgently needed to ensure the safety and well-being of our young Canadians. We, as Members of Parliament, should be deeply concerned that we have allowed ourselves to live in an atmosphere where child abuse has been implicitly condoned by outdated legislation.

* * *

[*Translation*]

PROVINCIAL AFFAIRS

EXPRESSION OF GOOD WISHES TO NEW QUEBEC PREMIER, HON. PIERRE-MARC JOHNSON

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I would like to take a few moments—and I am sure all my Quebec colleagues in the House will join me—to welcome the new Premier of Quebec, Mr. Pierre-Marc Johnson, who took up his duties officially yesterday morning at 11 o'clock, and wish him good luck. He is the twenty-fourth Premier of the province of Quebec.

Mr. Speaker, no one can deny the outstanding intellectual qualifications and leadership skills of Mr. Johnson, and his strong personality and capacity for hard work. Today's successor to René Lévesque is not a newcomer to politics. Mr. Johnson was elected to the National Assembly for the first time in 1976, in the riding of Anjou, and re-elected in 1981. Since then, he has been Minister in a number of important departments, and, until his election as leader, he was Minister of Justice and the Minister responsible for Canadian Intergovernmental Affairs.

Mr. Speaker, the reins of power in Quebec have now been handed over to a man with broad political experience. I am sure he will represent and defend the interests of Quebecers with great dignity like his predecessor. I am sure that like Mr. Lévesque, who had agreed to resume a dialogue with our Government, he will continue to work towards national reconciliation, in the best interests of Quebec and Canada.

[*English*]

INDIAN AFFAIRS

DEPARTMENTAL REORGANIZATION—MINISTER'S CONSULTATIONS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the Minister of Indian Affairs and Northern Development (Mr. Crombie) informed us yesterday that his Government will be going forward with a sweeping reorganization of the entire Indian Affairs Department. Some sources have suggested that this could mean a reduction of 1,500 jobs.

Yesterday in the House the Minister said that in so far as it relates to gathering the opinions of Indian people, he spent 14 months doing just that, and that he talked to every community.

● (1110)

This morning I spoke with the President of the Union of New Brunswick Indians, and I was informed that they were not consulted and that no other Indian groups from New Brunswick or the other maritime provinces were consulted. Therefore, it is evident that the Minister has not consulted with every Indian community and that, in my opinion, he misled the House.

I wish to remind the Minister that on April 18, in a statement regarding the development of aboriginal policy, the Prime Minister (Mr. Mulroney) said the following:

> Policies regarding aboriginal people will be made after open, public consultation, especially at the grass roots level.

Evidently the directives of the Prime Minister are not being followed. Therefore, I implore the Government to respect its commitment and meet with all aboriginal groups.

* * *

AGRICULTURE

PERFORMANCE TESTING OF DAIRY CATTLE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the philosophy of the Government that all public inspection and testing services should be carried out by private enterprise continues to get Canada in trouble. Today's case in point is the record of performance testing done on Canada's dairy cattle, known as ROP. The production and butterfat figures have been relied upon for years by foreign buyers in selecting our dairy breeding stock. They used to be an accurate reflection of the productive capabilities of the offspring of test animals.

The private testing program is not working. Samples are no longer tested on site but are carried for several days before the tests are completed. Perhaps the technicians have not yet properly learned their jobs. At any rate, results are extremely erratic, yet these results go on the production record for posterity. There is no notation that the result is probably in error due to testing procedure. The conclusion, therefore, by potential foreign buyers will be simply to avoid Canadian stock.

Further damage to our sales reputation must be avoided and corrected. As soon as the Minister of Agriculture (Mr. Wise) returns from his trip to Russia, he must reverse this dismal decision to privatize ROP testing and get back to a professional program which will reflect the quality of our herds with accuracy. It is in the interest of all Canadians that trade continues in breeding stock. Surely it makes sense that we maintain the high standards needed for it to continue doing so.

* * *

TRADE

EXPORT EARNINGS—SUPPORT FOR CANADA—UNITED STATES NEGOTIATIONS

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, few nations in the world are as dependent upon international trade as is Canada. The fact is that out of every dollar we earn in Canada, 30 cents result directly from exports. That figure would be higher if our trade performance were better, because every billion dollars in exports translates into nearly 16,000 jobs. The issue of bilateral trade is about jobs. Trade liberalization would create more jobs on both sides of the border.

Canada's most urgent need is for the creation of more jobs. What the critics of trade liberalization have consistently failed to realize is that Canadian firms and employees had to make even larger adjustments to the Kennedy and Tokyo Rounds of tariff cuts, yet the economy grew and employment increased. I need not emphasize the dramatic effect an additional 16,000 jobs would have on our unemployed. It is time that we gave our unemployed a fair chance.

A study by Queen's University has shown that employment in Canada would rise by 5 per cent because of increased trade access. The *status quo* is an option that just does not exist for Canada. The negotiated decision to be made by this Government is of the most strategic importance for all Canada. It will be one of the most important means of making the structural changes required for the security of our nation.

* * *

CHARTER OF RIGHTS

INCLUSION OF PROPERTY RIGHTS ADVOCATED

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I should like to congratulate our Government on steps taken to date in correcting a great disservice done to Canadians by the previous Government and its good friends, the NDP.

Although it is generally recognized that there are four fundamental human freedoms, the last Liberal Government saw fit to include only three of them in the Canadian Charter of Rights and Freedoms. The fourth, the right to enjoyment of property, was deliberately excluded from the Charter. This is all the more atrocious when one considers that the right to property was entrenched in the Diefenbaker Bill of Rights, but slashed from the Trudeau Charter of Rights. It is a strange kind of Charter that ignores one of the fundamental human freedoms. Also it is a strange kind of Government that would adopt a seriously flawed Charter while proclaiming that Canadians would be forever protected because all their rights were now enshrined.

My hon. colleague, the Minister of Justice (Mr. Crosbie), informed the House last week that the entrenchment of property rights will be on the agenda for the next meeting of provincial and federal Attorneys General.

The week of October 6 to October 14 is National Private Property Week. During that week Canadians from coast to coast will be honouring their heritage and their property rights. Even more significantly, Canadians will be seeking to preserve their rights to property. It is a week to celebrate property ownership. Our Government has given Canadians further cause to celebrate by initiating the process of entrenching property rights in the Charter.

• (1115)

I applaud that action. I urge our Government and the Governments of all provinces to support this initiative so that our Charter will be complete and the rights of all Canadians will be protected.

ORAL QUESTION PERIOD

[*Translation*]

TRANSPORT

INQUIRY WHY MINISTER DID NOT TABLE RECEIPTS FOR TWO EUROPEAN TRIPS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I was going to direct my question to the Prime Minister, but in his absence, perhaps the Deputy Prime Minister might wish to reply.

Yesterday in the House, the Minister of State for Transport said that the documents connected with her two trips to Europe were available. Last night, she said the following in Montreal: "I was prepared to produce all the receipts, but the Deputy Prime Minister suggested I do nothing of the kind, pointing out that it would create a dangerous precedent".

It is bad enough that the Minister of Fisheries and Oceans, the National Director of the Progressive Conservative Party, Mr. Lampert, and the Hon. Member for Carleton-Charlotte have been ordered to remain silent, without the Deputy Prime Minister advising the Minister of State for Transport to do likewise. My question is directed to the Deputy Prime Minister: What is his justification for preventing the Minister of State for Transport from tabling documents when she is actually willing to do so?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know what the Hon. Member is quoting from, if anything at all. The public has the right to know. The public—

Mr. Gauthier: The truth; the truth.

Mr. Nielsen: The truth will be more often heard from this side than from that.

Some Hon. Members: Hear, hear!

Mr. Gauthier: You are answering a question.

Mr. Nielsen: The public has a right to know how its tax dollars are spent and there are processes that are well established, and have been for many years, to bring forward that information.

Mr. Deans: It has not been proven conclusively, but nevertheless—

Mr. Nielsen: With respect to the private and personal expenses of any Hon. Member of this House I would suggest that that would not be subject to parliamentary scrutiny. Certainly any expenses made with respect to public taxpayers' dollars should and are available for scrutiny.

DEPUTY PRIME MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it is strange that the Deputy Prime Minister does not realize that what we are talking about are public funds also. He just said to us that the public has a right to know, and we agree with that. How can he advise the Minister of State for Transport, as she said yesterday in Montreal, that it would be a dangerous precedent to table the documents that she is willing, according to what she says, to table in this House?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): In order to give the question any validity at all, Sir, one must accept the accuracy and truthfulness of the preamble, which I do not. I have just finished saying that public funds are at all times subject to the scrutiny of Parliament. That is what this place is all about. What we are speaking about are journeys that were made partially on Government business and partially for personal and private purposes. The Minister has explained that she has paid personally all of those expenses associated with the personal and private part of those travels, and that should be sufficient for any Hon. Member of this House.

With respect to the public portions of those journeys and the expenses related thereto, they should be and will be subject to parliamentary scrutiny in the usual way through the structures we have in place for that purpose.

[*Translation*]

REQUEST THAT CERTAIN DOCUMENTS OF MINISTER OF STATE (TRANSPORT) BE TABLED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, by gagging the Minister of State for Transport, the Deputy Prime Minister may well give the impression that Cabinet Ministers are putting their noses in the trough. I do not know whether she realizes the consequences of her actions.

To be certain there was no abuse of public funds, we would like the Minister of State for Transport to table the documents which she is, in fact, quite willing to table. Is the Deputy Prime Minister willing to take the gag off the Minister of State for Transport?

• (1120)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, for the Hon. Member to suggest, which he has, that I put a gag order on that particular Minister or any other Minister is utterly false. I hope that the matter rests there.

Mr. Broadbent: Oh, another correction.

Mr. Nielsen: It is not, as the Leader of the NDP has just heckled across the floor, another correction. I have always stood for that principle in my 28 years here and will continue to stand by the principle that the whole purpose of this place is the management of taxpayers' dollars.

The Hon. Member knows as well as I that the Estimates examination will provide a full opportunity for questioning on this or any other matter with respect to the administration of Ministers' offices. He knows that, and all Hon. Members should know that.

[*Translation*]

ALLEGATIONS OF MINISTER OF STATE (TRANSPORT)—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in the absence of the Minister of State for Transport, my question is also directed to the Deputy Prime Minister. It is very simple: considering that the Minister of State for Transport herself said she is quite prepared to produce vouchers, and that the Deputy Prime Minister is saying that it is not so, can he tell us simply who is telling the truth, he or the Minister of State for Transport?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, when I hear a question accompanied by a preamble like that, I ask myself what is the truth in the preamble and its origination and the question itself. I think I am justified in asking that kind of question when looking at the quality of the question.

Mr. Deans: And what do you answer yourself?

Mr. Nielsen: The Hon. Member is a new Member but he has been here a year. He should know that there are Standing Committees of the House that are authorized—

Mr. Gauthier: Don't lecture, Erik, for God's sake. You are the worst offender.

Mr. Nielsen: —that are authorized—the opposition Whip tells me not to lecture. Let them not lecture by way of smuggling lectures into the preambles to their questions and their questions.

REQUEST FOR REIMBURSEMENT OF COST

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary question on the "April in Paris" matter. The Deputy Prime Minister tells us that in the case of the first trip, the Paris and Stockholm trip, the Minister has paid a portion of that cost. If such is the case, and in view of the fact that the original meaning of the trip had been completely cancelled by the time the trip occurred as the conference was no longer to take place, can the Deputy Prime Minister give his own personal assurance to the House that the total cost of the first trip, including the cost to fly an aide there two days ahead of time to identify the Minister, will be reimbursed to the taxpayers of Canada by the Minister in question?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, again one would have to accept the honesty and truthfulness of the preamble and the pseudofacts that have been smuggled into that question. I can tell the Hon. Member that they are absolutely false and I do not know why he and others continue to propagate that canard. It is probably on the basis of the article that appeared in the Ottawa *Citizen* written by one whom I regarded at one time as having some professional integrity, but after having read the column and the article that appeared in that newspaper yesterday and seeing the manner in which it was followed up today, I asked myself whether the motivation was not to arouse some kind of racism here, something which I think—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —which I—

Mr. Gauthier: Explain!

Mr. Nielsen: —which I—

Some Hon. Members: Withdraw!

• (1125)

Mr. Nielsen: —which I think is most regrettable. I will not withdraw a personal view which I hold. I agree with him; it is quite shameful for a professional to embark on that kind of course.

REQUEST THAT TRAVEL DOCUMENTS BE TABLED

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, if a Minister is incompetent, she is incompetent. She is incompetent in both French and English. Suggestions of racism are totally inappropriate in the context of this question.

Mr. Hnatyshyn: You are unilingually incompetent.

Mr. Robinson: Mr. Speaker, my question is directed to the Deputy Prime Minister who has said that Canadian taxpayers have a right to know how public tax dollars are being spent. In that context, are the Deputy Prime Minister and the Minister of State for Transport prepared to table forthwith in this House all documents relating to the public expenditures by the Minister of State for Transport with respect to the two trips in question to Europe, including not just her own expenditures but any expenditures relating to her Chief of Staff and anyone accompanying her Chief of Staff?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member has been around here long enough to know that he and other Members of this House have the absolute right to ask for that type of information during the examination of the Estimates in committee. That is the place to do it.

Mr. Broadbent: Good luck!

Mr. Nielsen: That is where the information will be forthcoming.

There is another method, in case the Hon. Member has overlooked it, which is to place the appropriate question on the Order Paper where it will be answered—

Mr. Rodriguez: It will never be answered.

Mr. Nielsen: —and answered with alacrity.

With respect to the over-all question of that travel and those accompanying, the Hon. Member will be glad to know that I have had a comparison done with respect to the use of aircraft in the final year of the administration of the last Liberal Government and this one—

Some Hon. Members: Order, order.

Mr. Nielsen: —and travel is down in terms of hours by 21.3 per cent. In terms of the frequency of trips, it is down by 37.5 per cent.

Some Hon. Members: Hear, hear!

EXAMINATION OF ESTIMATES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the place for the Government to answer for possible abuse of taxpayers' funds is right here in this House—

Some Hon. Members: Hear, hear!

Mr. Robinson:—and not in committees of this House six months later.

Mr. Hnatyshyn: You ought to be here more often.

Mr. Robinson: I wish to ask the Deputy Prime Minister a specific question. Is the Deputy Prime Minister suggesting to this House and to the taxpayers of Canada that we have to wait several months before we can raise this question in a committee, as opposed to obtaining this information today, as taxpayers are entitled to know whether or not there has been abuse by high-flying Ministers junketing around Europe at taxpayers' expense?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member seems to forget that standing committees of this House are part of this House.

Mr. Rodriguez: So is Question Period.

Mr. Nielsen: That is where Estimates are examined and that is where the fullest possible information is given. Certainly more information has been given in the last year than was given during the collective years of the previous administration.

Some Hon. Members: Oh, oh!

Mr. Nielsen: That openess will continue and all of that information will be produced with respect to the management of taxpayers' funds.

* * *

NATIONAL DEFENCE

MILITARY SPOUSES' ORGANIZATION—ACTIVITIES ON MILITARY BASES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I must say that in my eight years in political activity I have never seen the—

Mr. Hnatyshyn: Order, order.

Ms. Copps: —question of racism raised in a way which is as despicable and as insidious as what we saw today by the Deputy Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Question, if you have a question.

Ms. Copps: My question is for the Deputy Prime Minister. Can he explain the sexist hypocrisy of his Government when, on the one hand, his Government is denying the right to women on military bases to organize a dental plan—

Mr. Deputy Speaker: Could we have a question from the Hon. Member, please?

Ms. Copps: I am asking the Minister to explain the sexist hypocrisy when, on the one hand, the Government refuses the women the right to organize with respect to a dental plan and, on the other hand, it funds the United Services Institute of current and former military officers to lobby the Government on issues such as defence, external affairs, and women's equality issues.

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, on every base or station in Canada there are Married Quarters Community Councils which have, under orders, to provide specifically a forum for the points of view of men, women and youth, and to address such problems related to social, fiscal, cultural and welfare interests of all members of the base. The activities of this group are in part funded. Although not a line item, its operations are supported by the military budget. And the purpose of those organizations is to look after the welfare of all members living in married quarters. So we do support them.

• (1130)

If the Hon. Member has suggestions as to how this could be improved to benefit the people who live on military bases, I would be delighted to hear them—

Mr. Deans: Give them the same rights as everyone else.

Mr. Andre: —because I can assure the Hon. Member that I, the military, and this Government want to ensure that our military is the best treated military there is.

GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this morning on *Canada A.M.*, the self-same Associate Minister said that he was concerned that groups of this nature might get involved in issues like star wars and other issues. Is he aware of the fact that the Government-funded United Services Institute is currently involved on the bases in support of such apolitical issues as star wars and South Africa's oppression in Namibia? Has the time not come for a full investigation into the Government's selective use and memory when it comes to political prohibition on the bases?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I have no knowledge of that information. I have stated in this House that political activity on military bases is, in my opinion, wrong.

Mr. Deans: Why?

Mr. Andre: The question has come up—

Mr. Deans: Why?

Mr. Andre: For all kinds of obvious reasons.

Mr. Deans: Why?

Mr. Andre: Questions have come up as to what would be appropriate political activity and could we have an organization on the military base demanding that Canada introduce nuclear weapons—

Mr. Gray (Windsor West): We've got one.

Mr. Andre: —and could we have an organization on a military base demanding that Canada participate in SDI. Those kinds of things would be wrong.

Mr. Blackburn (Brant): It's a free country, or used to be.

Mr. Andre: If the Hon. Members would listen to the answer, as I have indicated, a question has arisen as to what are appropriate levels of political activity. For that reason I asked the Department last week to examine this question to see if our definitions—the definitions I inherited from the Government the Hon. Member supported—are appropriate in today's world. If not, they will be amended.

In the meantime, I invite the Hon. Member and anyone else who has an interest to forward their suggestions on how this might be handled. I am open to suggestions. For the first time this morning the president of that group contacted me. We are going to meet next week to discuss this and other important questions. And if we stop being too shrill, I am sure we can reach a satisfactory conclusion—

Mr. Deputy Speaker: Order, please.

* * *

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

IDENTITY OF DEPOSITORS BEING COMPENSATED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State for Finance. Just a moment ago we heard the Deputy Prime Minister say—and I am pretty sure I got his words down correctly—that "Any spending of taxpayers' money means also that the taxpayers have a right to know where that goes".

Considering that the Government introduced a Bill yesterday which is going to transfer some $875 million from the pockets of some taxpayers not only to the pockets of other taxpayers but to the pockets of foreign banks, will the Minister explain to the House why she does not believe the taxpayers of Canada have the right to know precisely where that money is going? And if she does, why is it not included in the Bill?

Mr. Hnatyshyn: It's a matter before the House now.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated previously to the Hon. Member, who has been nagging me quite consistently on this topic—

Mr. Broadbent: Nagging you, yes, and you're going to get more.

Mrs. McDougall: —that I am prepared to release a list of categories—

Mr. Deans: No; names!

Mrs. McDougall: —for this House to look at. I have also indicated that I am prepared to provide a list to the Commission of Inquiry and place it in the hands of Mr. Justice Estey for his consideration of this very topic.

RECIPIENTS OF TAXPAYERS' MONEY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we in this House were rushed last March with a Bill which is going to cost the taxpayers $1 billion because the Government did not at that point take the time to think through carefully what it was doing. We in this Party are not going to stand by and let that happen again. The Minister is going to have the debate of her life.

Mr. Hnatyshyn: You are always against western Canada.

Mr. Broadbent: Does the Minister, who is sitting there smiling about spending this $875 million, think it is enough to say that some of it is going to foreign banks, some of it is going to chartered banks, and some of it is going to brokerage firms?

Mr. Hnatyshyn: And credit unions.

Mr. Broadbent: Does she not think that the people of Canada have a right to know about everyone who is getting money from other taxpayers? That's the issue.

Hon. Barbara McDougall (Minister of State (Finance)): It will also show, Mr. Speaker, that some of the money is going to credit unions and municipalities and some of the money is going to small business people. I would have thought the Hon. Member might have had some interest in that.

Mr. Broadbent: Mr. Speaker, that is exactly what we want to know.

REQUEST FOR PUBLICATION OF LIST

Hon. Edward Broadbent (Oshawa): It is the case under the Bankruptcy Act that if someone claims money in a bankruptcy, as the Minister well knows, they have to submit their name in order to get that money. We are quite happy to get the list of credit unions and everyone else, but will the Minister give us that list? Will she come clean now about the $1 billion of the taxpayers' money which she wants to spend?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated what I am prepared to give to this House.

Mr. Rodriguez: It's not enough.

Mrs. McDougall: I have also indicated, I think in quite a reasonable way, that I am prepared to put the list before the Commission of Inquiry—

Mr. Rodriguez: Let's get all the facts.

Mrs. McDougall: —and have Mr. Justice Estey reach a decision on what I regard as a matter of principle—

Mr. Rodriguez: What are you covering up?

Mrs. McDougall: —which is not clear within the law.

* * *

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—NATIONAL DIRECTOR'S NOTIFICATION OF ELECTION EXPENSES INQUIRY

Hon. Herb Gray (Windsor West): My question is directed to the Deputy Prime Minister. In order to remove the cloud of doubt which still hangs over the Government's handling of the Lampert affair, will the Deputy Prime Minister tell the House the names of all of the individuals whom Mr. Lampert notified about the clarification the chief electoral officer was seeking about the election returns of the Hon. Member for Frontenac?

Mr. Deputy Speaker: Order, please. The Chair does not believe that the question as asked deals with Government policy. I will give the opportunity to the Hon. Member for Windsor West to rephrase the question.

Mr. Gray (Windsor West): Mr. Speaker, I have not referred to anything other than the Deputy Prime Minister and I am asking him to provide information. May I respectfully rephrase the question and we'll see what the answer is.

I would like the Deputy Prime Minister to tell us the names of all the individuals whom the executive director of the Conservative Party said he notified about the activities of the former Minister of Communications with reference to his election expenses? And were any of those individuals, in particular, in his office or in the Prime Minister's Office?

Mr. Deputy Speaker: The Chair has some difficulty because, according to the Chair, the question does not deal with any administrative responsibility. The Chair believes it is strictly a Party matter. So for the last time I invite the Hon. Member to rephrase the question.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: The Chair understands what the Hon. Member is getting at, but the way the question is asked, the Chair does not believe it deals with any administrative responsibility of the Government. There is no mention of anyone in the Government.

Mr. Gray (Windsor West): Mr. Speaker, I made no reference to any Party matter. I am asking a question of the Deputy Prime Minister—

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): —and, Mr. Speaker, if the Government has nothing to hide and if it does not want to appear to be participating in a cover-up, the Deputy Prime Minister will get up and give me the information I seek, otherwise the people of Canada will draw their own conclusions that the Government has something to hide and is engaging in a cover-up.

Will the Deputy Prime Minister give me that information or not?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): There is no problem, Mr. Speaker. Ordinarily, I would not bother to reply to such a question because it does indeed pertain to internal Party matters and I would not expect the Liberal Party to make that kind of disclosure to me. But we have, as a matter of fact. If the Hon. Member will look carefully at the press release and accompanying documents which were released yesterday, he will see that attached thereto is the letter from Mr. Lampert to Mr. Masse dated June 14, which indicates at the bottom of its page three Party officials to whom the letter was directed.

Mr. Gray (Windsor West): Mr. Speaker, the Hon. Deputy Prime Minister is so full of obfuscation and evasion—

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): —that I have to ponder a bit in phrasing my supplementary question.

Mr. Deans: Why are you insisting that he ask a supplementary question?

NAMING OF INDIVIDUALS NOTIFIED

Hon. Herb Gray (Windsor West): Mr. Speaker, in view of the fact that the Deputy Prime Minister himself, in answering the question, has referred to a letter in the context of his duties as Deputy Prime Minister, and in view of the fact that the question can well pertain to personnel in the Prime Minister's Office and in the Deputy Prime Minister's office, which are within the administrative responsibility of the Government, will he give us names? If he will not give us names, I suggest that the people of Canada will believe that he is engaging in a cover-up. Give us the names.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, let me relieve the Hon. Member's difficulty with obfuscation and read to him what has been made public, and which he could have read himself. At the bottom of the letter to which I referred in my previous answer, there appear, in bold type, the names: Jean Guilbeault, Don Oliver, and Gisele Morgan. That is the answer to his question. It is in the public domain.

● (1140)

[*Translation*]

BANKRUPTCIES

POSSIBILITY OF PUBLIC LEARNING NAMES OF DEPOSITORS RECEIVING COMPENSATION—POSITION OF MINISTER OF STATE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State for Finance and has to do with a matter of principle.

Does the Minister endorse the principle expressed by the Deputy Prime Minister, namely that taxpayers have the right to know where and to whom their money is going? Does she subscribe to the Bankruptcy Act principle whereby, in cases of bankruptcies, the names of compensated creditors ought to be made public? If so, why would this Bill throw a veil of secrecy over the names of companies which stand to get $875 million of the taxpayers' money?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, by agreeing to the kinds of categories and the very fine breakdown I have offered to provide the Opposition I am meeting that principle wholeheartedly. The intent of the Bank Act is that the names of individual depositors, small business people, cultural organizations and the kinds of people who keep bank accounts, not be made public.

Mr. Rodriguez: We have never bailed out a bank before.

Mrs. McDougall: The intent of the Bank Act is that those names—

Mr. Rodriguez: Change the Act.

Mrs. McDougall: —stay private. Until that is clarified for me in a court of law I intend to stand by that principle.

MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, this is a unique situation and the Minister does not seem to understand that we are being asked as taxpayers to pay $875 million to certain companies and institutions which, according to her, will be nameless. The Government of Canada rules require that anyone who gets a payment of more than $30,000 or $40,000 from the Government has to be named in the Public Accounts of Canada. Why the double standard when it comes to the depositors of this bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not think I have to answer the Hon. Member regarding double standards and principles. I have stated what my principle is and it is based on the intent of the Bank Act and how I view my responsibilities. I have indicated that I am prepared to table a very fine breakdown of categories which I think will meet the Hon. Member's demands. Until the position is clarified by a court I stand by the privacy provisions—

Mr. Rodriguez: We won't give you the Bill.

Some Hon. Members: Order!

Mr. Cassidy: We are going to oppose this, you know, because of that fact.

Mr. Deputy Speaker: Order, please.

Mr. Broadbent: Try and get the Bill through the House.

Mr. Hnatyshyn: You are entitled to debate the issue.

Mr. Deputy Speaker: Order, please. Could we please allow the Minister to complete her answer?

Mr. Dick: Is that a threat, Ed?

Mrs. McDougall: I stand by the principle of privacy for depositors in this country, large and small, in financial institutions unless I can clarify the legal position in some other way.

* * *

AGRICULTURE

FARMERS' ACCOUNTING PRACTICES—STUDY BY INSTITUTE OF CHARTERED ACCOUNTANTS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Minister of National Revenue. The Canadian Institute of Chartered Accountants has conducted a study called *Accounting and Financial Reporting by Agricultural Producers*. According to the Institute there is a diversity of accounting principles and practices as well as a complete lack of understanding by farmers of the objectives of accounting and financial reporting. They advance many theories in their draft to address the apparent lack of sophistication on the part of agricultural producers. The main objective, however, seems to be to force farmers to use the accrual method in reporting income.

Mr. Deputy Speaker: Can the Hon. Member put a question, please?

Mr. Gottselig: Do you support the—

Mr. Deputy Speaker: Order, please. Will the Hon. Member conclude his question, please?

Mr. Gottselig: Is the Minister's Department aware of this study and does he support the recommendations of the Canadian Institute of Chartered Accountants?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, first I wish to tell my colleague that in fact I have not had this study brought to my attention. It may be that it involves a question of tax policy. I will undertake to the Hon. Member and the House to consult with my colleague, the Minister of Finance, ascertain in what category this question should be, and either he or I will get back to the Hon. Member.

Oral Questions

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—NATIONAL DIRECTOR'S NOTIFICATION OF ELECTION EXPENSE INQUIRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, having listened to the answers regarding the Lampert business this morning, I have sadly come to the conclusion—

Some Hon. Members: Question.

Mr. Tobin: —that when the Prime Minister says he is a man of unimpeachable integrity, there is some truth in that. He is unimpeachable.

Some Hon. Members: Question!

Mr. Tobin: My question is directed to the Deputy Prime Minister. Is he prepared to make available to the House the names of those people who work for the Government as ministerial exempt staff, or in other positions, and were contacted by Mr. Lampert regarding the Masse affair?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, all of the facts, Sir, are disclosed in the public press release and I am sure the Hon. Member has read it. It clearly states those senior officials whom I have had to identify by reading their names because of the inability of his own House Leader to read the facts. Those are the senior officials of the Party who were advised by Mr. Lampert.

Mr. Tobin: In listening to these answers, I come to the conclusion that the Government needs a choirmaster and we need a riddle master to try to make some sense in this place.

DEPUTY PRIME MINISTER'S POSITION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I have a very straightforward question. The Prime Minister is now telling Members of the House, despite the incredible spectacle of people swallowing themselves whole this last week, that Mr. Lampert did not speak to any member of the Government or any—

Mr. Deputy Speaker: Could the Hon. Member please ask the question now?

Mr. Tobin: Nor did he speak to any member of the Minister's exempt staff regarding this matter.

Some Hon. Members: Come on!

Mr. Tobin: Is that what the Prime Minister is telling this House? He spoke to no one but Party officials?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am not telling the Member any such thing. Mr. Lampert has said precisely that in his letter. It seems to me that if that Hon. Member particularly, and others in that Party, are going to whine, they should whine about something important.

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

NAMING OF DEPOSITORS RECEIVING COMPENSATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of State for Finance. A Commission of Inquiry has absolutely no authority or jurisdiction over the Bill which will ultimately, I assume, pay money in excess of the deposit insurance limits to depositors of the CCB and Northland banks. Given that, will the Minister recognize that this is an unprecedented action by the Government dealing with an unprecedented situation in Canada? Will she agree that a change must be made to the Bill we now have before us stipulating that those who wish to claim compensation from the Government must have their names made public, and that would be an appropriate thing to do given that the Deputy Prime Minister has indicated that any Government monies paid out to any individual ought to be made public?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have tried to make clear to the Hon. Member where I stand on this issue in providing the categories which I think will give the Hon. Member far more information than is essential. This situation is not unprecedented. Uninsured depositors have been paid before by this House and in that sense it is not unprecedented. What is important is that there is in the Bank Act an intent which I stand by, that of the right to privacy of depositors in financial institutions. I have made that as clear as I possibly can. I am sure the debate will rage on, but I have made my position clear.

REQUEST THAT LIST BE PUBLISHED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister says she stands by the provisions of the Bank Act. We stand by the provision that the depositors are entitled to $60,000 as insured. Now that we are changing the rules of the game, why do we not require that those people who want more than they are entitled to under the insurance program be treated like all other creditors in bankruptcies and list themselves for payment and accept the fact that their names will become public?

• (1150)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member is at his best when he shouts. I have made my position—

Mr. Deans: It is such a stupid position that you are taking.

Mrs. McDougall: —clear time after time.

Mr. Broadbent: It is the wrong position.

Mrs. McDougall: I have tried to tell the House that I will provide it with the necessary information to satisfy the taxpayers' needs. In the meantime, I stand by the depositors who put their money into financial institutions—

Mr. Deans: Then give them the $60,000.

Mrs. McDougall: —on a confidential basis.

* * *

EMPLOYMENT

CANADIAN JOBS STRATEGY—NEEDS OF THE OLDER UNEMPLOYED

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In view of the tremendous hardship many older unemployed people face, will the Minister tell the House what provisions in the Canadian Jobs Strategy will directly benefit unemployed people over the age of 50?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Canadian Jobs Strategy is designed to meet the needs of those who are most in need, particularly older workers.

For example, in the job development program, long-term unemployed—many of whom are older workers—will be given training and employment opportunities in fields where they have not had any previous expertise. In the job re-entry program, women who have been out of the workforce for a number of years will be given on-site and in-class training in fields where they have not worked before.

The reason is that this will provide older workers with opportunities to take part in the economic growth which is occurring in this country as evidenced in the 4 per cent increase in the Gross National Product, by the decline in the bank rate to less than 9 per cent for the first time in seven years, and as evidenced by the fact that 300,000 new jobs have been created.

* * *

FISHERIES

REFINANCING OF FISHERIES PRODUCTS INTERNATIONAL

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Acting Minister of Fisheries and Oceans. The business plan of Fisheries Products International is unacceptable. It will displace many workers and threaten communities in Newfoundland. Second, it is causing havoc for workers and industries in the Province of Nova Scotia.

Will the Minister explain to the House why he acted so insensitively to those workers in Newfoundland and why he has acted so insensitively to the representations made by the Minister of Fisheries from Nova Scotia who said that this announcement is both stupid and insensitive?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know what information the Hon. Member has upon which to base the declaration that the plan that has been announced is insensitive to the needs of Newfoundland. That plan has had the endorsement and wholehearted support of the Government of Newfoundland. That five-year plan is intended to revitalize the deep-sea fishery of that province and, in the long run, result in a very much improved industry with more jobs and more security for the fishermen of Newfoundland.

Mr. Dingwall: I say it is insensitive because it will close 15 plants in the Province of Newfoundland.

GOVERNMENT ACTIONS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. For his edification, the Minister of Fisheries in Nova Scotia stated: "It is difficult for us to fathom the insensitivity of the Governments of Newfoundland and Canada in taking such a step in the middle of a countervail action".

Will the Acting Minister of Fisheries explain why he has acted so negligently on behalf of the workers of Newfoundland and workers and fishermen in the Province of Nova Scotia?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we do not believe that the Government has acted insensitively at all. In approving as it did, with the Government of Newfoundland, the new five-year plan for F.P.I, the Government has embarked on a program which will revitalize the deep-sea fishery for Newfoundland and which will have nothing but long-range and short-range benefits for the industry. I would think that the Hon. Member would be grateful for the kind of action that has been taken here, rather than being critical of it.

* * *

[*Translation*]

FINANCE

SPREAD BETWEEN BANK OF CANADA RATE AND PRIME RATE CHARGED BY CHARTERED BANKS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have a question for the Minister of State for Finance. Now that the official Bank of Canada rate has dropped below 9 per cent and the basic bank loan rate is still 10.25 per cent, can the Minister of State tell the House what measures she is prepared to take to reduce the abnormal 1.25 per cent gap which now benefits the banks?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am very happy to inform the Hon. Member who is a little bit behind, that one leading bank has announced that it is reducing its prime rate to 10 per cent as of Monday, which is once again the lowest interest rate level that we have seen in the prime rate since 1978.

Some Hon. Members: Hear, hear!

Mr. Parry: I am delighted that one Member is a little faster in getting her news than the Prime Minister, who gets it from the TV networks.

INTEREST RATE LEVELS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, what about the other banks and what about the fact that the last time the Bank of Canada prime rate interest level was 9 per cent, the spread was only three-quarters of a per cent?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that the Hon. Member should be delighted, as we are, that the interest rate levels in this country are going down. I am sure that the banks, which compete with each other, will reduce their rates accordingly. That will be a decision of the market-place.

However, the Hon. Member should simply be pleased that the people of Canada are paying less interest now than they were a year ago.

* * *

[*Translation*]

BANKS AND BANKING

NORTHLAND BANK DECISION—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of State for Finance and concerns the failure of the two Canadian banks.

As we have mentioned on several occasions, the Government gave the Northland Bank the kiss of death on the first of September when it associated it with the Canadian Commercial Bank in its liquidation request.

I would like to ask the Minister of State, considering that the Northland Bank has decided to sue and challenge the bank's liquidation in the courts, whether the Government intends to fight this challenge by the Northland Bank's management?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the liquidation is coming before the courts in Manitoba today, I believe. I think it would be most inappropriate for me to comment on speculation of what the action of the Northland Bank may or may not be.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL OPPOSE NORTHLAND BANK APPLICATION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, that is not at all what I asked the Minister. I asked whether her Government intended to fight this challenge by the Northland Bank—I am not asking you to make the decision for the judge—I was asking whether the Government was going to fight the request that is to be submitted by the Northland Bank in court.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is a hypothetical question. We do not even know that it is going to happen. It is in the court room even as we speak. What is the Hon. Member asking me to do? I do not understand.

[*Translation*]

INQUIRY WHETHER DEPARTMENT WILL OPPOSE NORTHLAND BANK APPLICATION

Mr. Raymond Garneau (Laval-des-Rapides): I have a supplementary, Mr. Speaker.

The Northland Bank has gone to court to ask for the liquidation order that was sought by the Government to be declared null and void. I am asking the Minister whether there are any officials, any lawyers in her department who are going to challenge this request by the Bank. It is quite simple.

Ms. Copps: It is quite simple indeed.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this is being played out in a court room and I find this line of questioning totally hypothetical.

* * *

EXTERNAL AFFAIRS

HONDURAS—RAID ON REFUGEE CAMP

Mr. Dan Heap (Spadina): Mr. Speaker, in the absence of the Secretary of State for External Affairs, my question is directed to the Deputy Prime Minister. As he undoubtedly knows, on August 29 more than 800 Honduran soldiers raided Colomoncagua, a camp in Honduras holding thousands of Salvadoran refugees. They kidnapped 10 and beat, raped or killed others in this camp. For years, Honduras has threatened to send these refugees back by force to the land they fled.

Will the Deputy Prime Minister, on behalf of Canada, direct our officers in Honduras to offer sanctuary to those 10 who have been kidnapped and ask that they be released for that purpose?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to assure the Hon. Member that this matter is receiving urgent attention. Immigration officials were scheduled to be on the site yesterday. I am expecting a report and I will get back to the Hon. Member as soon as I have that information.

CANADIAN AID TO HONDURAS

Mr. Dan Heap (Spadina): Mr. Speaker, my supplementary question is also directed to the Deputy Prime Minister and Minister of National Defence. Since he knows that this refugee camp is also on the potential invasion route by which Honduran, Salvadoran or U.S. forces may invade El Salvador to attack the FMLN in the rear, will the Minister remind Honduras of Canada's very generous CIDA aid and request that they assure us that the Salvadorans who have been kidnapped will be released and there will be no invasion of the FMLN in El Salvador through Honduran territory?

• (1200)

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I just came back from the U.N. General Assembly, where I had a chance to talk to the Minister of Foreign Affairs of Honduras. We discussed this subject which is one of mutual concern, and I can assure the Hon. Member that CIDA and the Department of External Affairs are continuing negotiations and keeping in touch with our embassy in Guatemala. We are monitoring the situation very closely.

* * *

[*English*]

CLERK OF PETITIONS REPORTS

Mr. Deputy Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Thursday, October 3, 1985, meet the requirements of Standings Orders as to form.

[*Translation*]

One of the petitions presented by the Hon. Member for Broadview-Greenwood (Ms. McDonald) does not meet the requirements of the Standing Orders as to form.

* * *

[*English*]

PRIVILEGE

ALLEGED IMPUTATION OF MOTIVES BY MR. NIELSEN

Mr. Deputy Speaker: The Chair has received two notices of questions of privilege. In the order they were received, the first one is from the Hon. Member for Burnaby (Mr. Robinson).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise with respect to a serious matter flowing from questions asked today of the Deputy Prime Minister (Mr. Nielsen) concerning certain allegations with respect to the Minister of State for Transport (Mrs. Blais-Grenier).

The reply of the Deputy Prime Minister was in breach of the rules of order of this House, specifically Beauchesne's Citation

319(3). This citation makes it very clear that it is improper to impute in the House of Commons to any Member or Members unworthy motives for their actions in a particular case.

The offensive and totally unacceptable suggestion by the Deputy Prime Minister that questions with respect to the conduct of the Minister of State for Transport were in some way motivated by a concern about the fact that she was a francophone Minister are unworthy of this House, and unworthy of the Deputy Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Robinson: In addition to being unworthy of the Deputy Prime Minister, they are also clearly in breach of the rules of order of this House. The Deputy Prime Minister clearly suggested, in echoing the suggestions made by the Prime Minister (Mr. Mulroney) on other occasions, that Members in this House who have questioned the improper conduct of the Minister of State for Transport were motivated by "racism", which was the word he used.

[*Translation*]

Mr. Speaker, all I want to say is that a Minister who wastes taxpayers' money is incompetent, whether she speaks French or English.

Mr. Speaker, I urge you to ask the Deputy Prime Minister to withdraw his allegations which are totally unacceptable to the House.

[*English*]

Mr. Nielsen: Mr. Speaker, I do not accept for a moment the twists and distortions which the Hon. Member has placed on my words—

Mr. Rodriguez: It is not a twist. You said it, brother.

Mr. Nielsen: —all of which is absolutely and utterly false and unworthy of him in even making the suggestion.

With respect to my reference in Question Period, if the Hon. Member had read the article by the journalist concerned, he would know that that was its subject matter. It has he, the journalist, who raised it in the first instance, not me.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault) on the same question of privilege.

Mr. Jacques Guilbault (Saint-Jacques): Thank you for recognizing me, Mr. Speaker. In fact, the notice I had given you concerns the same matter and I suppose it might be considered now so we might avoid raising two different questions of privilege.

Mr. Speaker, we are outraged that the Deputy Prime Minister would accuse the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) of racism because he asks questions concerning the expenses incurred by the Minister of State for Transport (Mrs. Blais-Grenier).

Those accusations are extremely serious and unacceptable to the House, and we do not intend to let it go unchallenged.

However I must admit that it is always difficult to decipher the convoluted remarks of the Deputy Prime Minister, so we will wait for the blues to find out exactly what he said.

I take the floor at this time to ask Your Honour to reserve our right to rise on a question of privilege after we have had an opportunity to examine the blues and determine the exact nature of the accusations of racism made by the Deputy Prime Minister.

[*English*]

Mr. Deputy Speaker: I will read the record of Question Period. If I find that the matter raised by the Hon. Member for Burnaby (Mr. Robinson) and the Hon. Member for Saint-Jacques (Mr. Guilbault)—

[*Translation*]

—and the Hon. Member for Saint-Jacques (Mr. Guibault) at that time . . . Should the Chair deem it necessary to intervene it will do so early next week.

ROUTINE PROCEEDINGS

[*English*]

LABOUR, EMPLOYMENT AND IMMIGRATION

TABLING OF GOVERNMENT'S RESPONSE TO THIRD REPORT OF STANDING COMMITTEE

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, pursuant to Standing Order 70(16), I am pleased to table in both official languages the Government's response to the third report of the Standing Committee on Labour, Employment and Immigration pertaining to business immigrants.

* * *

PETITIONS

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition from the United Food and Commercial Workers Union. It involves members from Toronto, Mississauga, Rexdale, Sudbury, Burlington, Windsor, Orillia, Midland, Stroud, Brampton and Bramalea.

The petition is signed by hundreds of members of the retail United Food and Commercial Workers Union which calls on the Government and on Parliament to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

RESTORATION OF FULL INDEXATION TO FAMILY ALLOWANCES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a petition to present from Essex County and Windsor criticizing strongly the Government's intentions to decrease the indexation for family allowances and suggesting that this represents an inequitable approach to the tax system in view of the other benefits being given to upper income people in the tax changes in the May Budget.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 376 could be made an order for return, this return would be tabled immediately.

Mr. Deputy Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that Question No. 376 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

FEDERALLY APPOINTED PROSECUTORS

Question No. 376—**Mr. Angus:**

As of April 1, 1985, what was the name, law firm and community of all federally appointed prosecutors?

Return tabled.

[*English*]

Mr. Nunziata: With respect to questions on the Order Paper, Mr. Speaker, I have asked the Parliamentary Secretary on several occasions to give me some indication when Question No. 296 concerning the Richard Hatfield marijuana case might be answered in the House of Commons. It has been some six months now since the questions have been put on the Order Paper.

Mr. Hnatyshyn: You should have been here before.

Mr. Nunziata: The Parliamentary Secretary gave his undertaking in the House that he would consult with the Solicitor General (Mr. Beatty) and give us some indication as to when these questions might be answered.

I would like to put the question to the Parliamentary Secretary or to the Solicitor General to give us a clear indication when those questions might be answered.

If those questions are not answered in a reasonable period of time—

Mr. Hnatyshyn: Order.

Mr. Nunziata: —unanimous consent may not be given in future to have the remaining questions stood.

Mr. Dick: Threats.

Mr. Beatty: By golly, Mr. Speaker, he is as scrappy as the old devil today.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Beatty: Since the Hon. Member raised this question a week or so ago, I have had a chance to see what the status is because I certainly do have an obligation to all Hon. Members who put questions on the Order Paper to respond to them as quickly as possible. Indeed I will do that with Question No. 296.

However, I think it is appropriate to point out to the House that Question No. 296 has some 40 parts and some 180 or so subparts. The person who was counting them lost track after 180. The question is shared by the Department of the Solicitor General and five other Departments, some of which have little involvement in it. We have been able to obtain answers from two of the six Departments. The Departments involved are Agriculture, Employment and Immigration, Justice, Solicitor General, Transport Canada and the PMO.

• (1210)

We will do everything humanly possible to get the information as soon as possible for my hon. colleague. I appreciate his patience.

Mr. Nunziata: Mr. Speaker, why has it taken six months to answer these questions? Is the Solicitor General prepared to table the answers to the questions which have already been dealt with in the House immediately, rather than wait for the answers to all the questions?

Mr. Beatty: Mr. Speaker, it takes longer to answer a 180-part question than it does to draft one. What we have to do is to contract five or six Departments to obtain all the information. If they had been separate questions and each of them had referred to a separate Department, we could have easily abided by the requests of the hon. gentleman and responded specifically, Department by Department. However, because the question itself cuts across several Departments, we are trying to pull all the requested information together and answer it as quickly as possible. Again I undertake to do that at the earliest opportunity.

Mr. Deputy Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TORONTO ISLAND AIRPORT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Transport) moved that Bill C-76, an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners, be read the second time and referred to a legislative committee.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, it appears to be my lucky day.

Mr. Hnatyshyn: It is our lucky day.

Mr. Beatty: As the Government House Leader says as he leaves, it is our lucky day.

I want to make a few brief comments in the name of the Minister of Transport (Mr. Mazankowski) with regard to Bill C-76.

[*Translation*]

Mr. Speaker, the Toronto Island Airport is located in the Toronto Harbour area, about two miles from City Hall, on a property owned by the Toronto Harbour Commissioners, the City of Toronto and the federal Government. It has been designated as an airport to relieve pressure on Pearson International Airport. It serves a large general aviation community and a number of commercial aviation enterprises. It is also a STOL terminal for DASH-7 and DASH-8 aircraft.

[*English*]

In 1984-85, traffic at Toronto Island Airport reached over 156,000 aircraft movements and approximately 47,000 passengers. By the end of the decade, it is forecast that these figures will increase to about 200,000 aircraft movements and over 200,000 passengers. It was in recognition of the importance of Toronto Island Airport to the Toronto area aviation system that the federal Government entered into a 50-year lease agreement in June, 1983, with the City of Toronto and the Toronto Harbour Commissioners. In signing this lease agreement, the federal Government has ensured that the Toronto Island Airport will continue as an important airport in the Toronto area for general aviation and STOL services.

By way of background for the proposed amendments, I might say that Toronto Island Airport, until June 30, 1983, was operated under a lease agreement between the Toronto Harbour Commissioners and the City of Toronto. That lease expired on June 30, 1983, and in the absence of a new agreement, the Island Airport could have closed, causing severe congestion problems for other airports in the Toronto area, particularly for Pearson International.

Negotiations for a new agreement for the airport were long and protracted, primarily because of the environmental concerns of the City of Toronto with respect to air operations that would be allowed at the airport. Through the patience and understanding of all parties, a new lease was successfully

negotiated with ensured continued use of the site for airport purposes. However, it contains certain conditions which were requested by the city to address its environmental concerns with respect to operations at the airport and a need to preserve the integrity of neighbouring parkland. The former Minister of Transport, on behalf of the federal Government, agreed to recommend to Parliament amendments to the Toronto Harbour Commissioners Act to give effect to these conditions. Specifically, the city insisted that all jet aircraft and aircraft generating excessive noise, as defined in the lease, be prohibited from operating at the airport as a prerequisite to the city agreeing to enter into a long-term lease.

The amendments before the House are designed to provide statutory authority to allow the Toronto Harbour Commissioners to make by-laws to prohibit jet-powered aircraft and aircraft generating excessive noise, as defined in the lease, from operating at the airport, and will provide for a maximum fine of $25,000 upon summary conviction for owners of prohibited aircraft who use such aircraft at the airport.

It should be noted that although the proposed amendments appear to give discretionary power to the Toronto Harbour Commissioners to make the by-laws which I mentioned previously, under terms of the lease arrangement for Toronto Island Airport, the operator of the airport is obligated under Section 15(2) of the lease to make these by-laws and to enforce them strictly.

A further amendment requested by the City of Toronto concerning the operation of the airport is also addressed in the Bill. At the present time, under Section 7 of the Toronto Harbour Commissioners Act, 1911, the Island Airport is operated by the Toronto Harbour Commissioners on behalf of the City of Toronto. The city no longer wishes to be involved in the operation of the airport and wants to be indemnified against any financial or legal liability for the airport. Accordingly, an amendment is proposed to allow the Toronto Harbour Commissioners to operate the airport on its own behalf or, following agreement between the commissioners and the Minister of Transport, on behalf of Transport Canada.

It is intended that the Toronto Harbour Commissioners would in future operate the airport on behalf of Transport Canada. This would not increase federal Government expenditures because Transport Canada already funds all operating deficits and capital expenditures incurred by the Island Airport. In 1984, for example, the operating subsidy provided by the federal Government was about $475,000.

An additional amendment is also proposed concerning the appointment of commissioners by the City of Toronto to the Toronto Harbour Commissioners. Currently the city appoints three of the five members to the commission. The federal Government appoints the two other members, one being on the recommendation of the Metro Toronto Board of Trade. At present, the city appointments require nomination by the city's executive committee. The amendment will allow for members to be appointed by the majority of the Toronto City Council, without nomination by the executive committee. This amendment will bring the city's commissioner appointment process into line with city appointments for other agencies and commissions.

[*Translation*]

Finally, Mr. Speaker, the purpose of these amendments is to make the Toronto Harbour Commissioners Act consistent with the Canadian Charter of Rights and Freedoms.

In concluding, I would like to point out that these amendments are being proposed in order to fulfil the federal Government's obligation under the lease for the Toronto Island Airport. The amendments are fundamental to the implementation of the specific terms of the lease, were prepared in consultation with the City of Toronto and the Toronto Harbour Commissioners, and have their support.

Signing a long-term lease ensures the continued use of the airport for general aviation and STOL operations. In turn, these operations benefit users of the air transportation network of Southern Ontario. Furthermore, they have and will continue to have a favourable impact on the economy of the Toronto urban area.

[*English*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my intervention will be a short one. I thank the Solicitor General (Mr. Beatty) for giving us such an interesting statistical description of the activities on Toronto Island emanating from the airport, as well as the history of this legislation and the economic considerations which he put before us.

• (1220)

In analysing this Bill it is important to keep in mind that there is more than just economic wellbeing, as described by the Minister, at stake here. There is also a very important set of islands that provide citizens with amenities and most enjoyable recreational outlets. In addition to that, the islands also provide, from an environmental point of view, a very important place of rest for migratory birds. Therefore, there are environmental as well as economic considerations that have to be taken into account.

In analysing this Bill it seems to me it would be desirable to produce a piece of legislation that will also have the input of interested individuals, groups of citizens, environmentalists, sailing and boating clubs as well as the groups already referred to by the Minister. It is my impression that the consultation process that has led to Bill C-76, an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commission, requires a much broader base of consultation than has been given it so far. The Minister has already alluded to consultations with the City of Toronto, which is of course desirable and which we support. It seems to me that, once the Bill has been given second reading, a process of consultation ought to be launched by the committee to permit local consultations which so far have not taken place.

I would urge the Minister of Transport (Mr. Mazankowski) through the Solicitor General to permit the Transport Committee to hold hearings in metro Toronto so as to hear from

interested individuals and groups and, as I mentioned, environmentalist groups among them, sailing and boating clubs and the like.

It is important to remember that the islands are more than just a landing and take-off strip for transport purposes. This is a beautiful set of islands which have at one extreme, on Ward Island, a healthy and thriving community of homes and families. There is a set of parks that covers the balance of the area and the airport activities, large in number as they are—I was surprised to hear the Minister referring to 156,000 aircraft movements—representing in terms of land use only a small fraction of the totality of what these islands are all about. From the point of view of Toronto citizens, the islands mean much more than just aircraft movements.

The powers given to the commissioners in this Bill seem to me to be too sweeping. Looking at the expropriation powers outlined in Section 7 it seems to me that the commissioners, if given the opportunity, would have expropriation powers that are unusually strong without any provision for appeal that I was able to detect in the Bill. Therefore, I would like to draw the attention of the Minister to the necessity of introducing in the Bill a mechanism for individuals, clubs, environmentalist groups or whoever has some kind of activity on the island that would be endangered by a process of expropriation to have a recourse—and I know that the Solicitor General is very keen and well versed and has had considerable experience—

Mr. Beatty: You are trying to flatter me into something.

Mr. Caccia: —an avenue for appealing to the powers established under any piece of legislation. It is important that an appeal process be provided, when one thinks not just of tomorrow or five years from now but of future generations of Canadians and Torontonians who enjoy very much the use of the islands for recreational purposes.

Under Section 7 there are power being outlined that may be given to the commission for the use of jet-powered aircraft. I urge the Government to reconsider the possibility envisaged in this Bill to permit jet-powered aircraft. We have Malton; we have excellent facilities at the Lester B. Pearson Airport. There is no need in the downtown area to expand the activities of that airport to include jets.

The reason for that will become more evident when we talk about the island as an area being used by migratory birds.

The section that permits commissioners to deal with levels of noise leaves me a little bit puzzled because I do not know what the definition of the words "excessive levels of noise" will be. Will it be the levels of noise as defined and applied by the City of Toronto under its present by-laws, or will it be a definition that the commissioners will develop on their own and, if so, will they do it in consultation with the city? As we all know, words like "excessive", are very hard to define when it comes to the practical application of a proposed piece of legislation. I would be grateful if the Solicitor General or the Minister of Transport would come back and explain to us how in the term "excessive levels of noise", the word "excessive" is to be applied in practice.

In Section 10 there is phraseoly which I suppose is quite common and I would not want to be misunderstood in trying to pick every detail out of this Bill. But it seems to me that wherever the words "his successor" are used, as on the last line of page 4, the implication is that only male commissioners would be appointed. I think that as the general practice from now on, for all the good reasons that we know, the drafters of the Bill should insert the words "his or her successor" and thus give the fullest opportunity to interpret the full meaning of what the legislators had in mind.

The general picture that emerges from this Bill is one that I look at with a bit of concern. We are considering the commissioners regulating air traffic and airport activities in dowtown Toronto. This is an increasingly heavily built up area. We have the CN Tower, several hotels and a number of existing high-rise buildings. More will follow if existing plans are carried out. Therefore, it seems to me that caution should be used here in looking at the future use of this airport. That is why the reference is made to the undesirability of permitting jet aircraft traffic.

● (1230)

I would like to raise a question on which the Minister of Transport may wish to comment at the end of the debate. At this airport, do we have the latest and most adequate radar facilities to assist and permit flights in bad weather? In the winter months and when visibility becomes difficult, this airport must be equipped with the best and latest facilities that exist in larger airports. We cannot afford to take any risks at all.

This Bill does not have an environmental clause, and it seems to me that a word or two is needed on the migration of birds. In the area, I am told that there is an intensive activity from North to South and vice versa in the appropriate migration seasons. The islands are considered to be a green oasis for all species of birds existing in our climate and others. Some 250 species of birds have been counted over a year and easily several million individual birds have been counted annually.

Lake Ontario has a habitat different from the neighbouring Great Lakes and therefore the type of bird migration that we see here on the island has a unique characteristic that must be kept in mind and protected. This area is the only place in Metro Toronto where certain types of birds can be observed by naturalists, school children and those interested in wildlife and nature. In fact, on Toronto Island there is a unique school with a fine and ancient tradition of outdoor education. At every time of year possible, children are taken there for a full week in order to carry on nature studies on site.

We have in this area a stopover point for migrating birds. We have a nesting place and an area in which birds live year round. Therefore, we have a natural asset that must be taken into account whenever we begin to talk about aircraft activity. In conclusion, since we are talking about powers being transferred by the city to the commissioners, what is missing in this Bill is that the commissioners should have the power to close the island airport for any number of days required during the

critical migration time of the birds if and when this seems to be desirable and required. I welcome the opportunity to have the ear of the Solicitor General during this intervention. I know that he will take to heart the points that are being made. I know that he is a very keen, devoted and committed environmentalist and I know that he is particularly keen about the protection of the migration paths of birds. Therefore, we will have in him a champion for the cause of Toronto Island which, as I said, is much more than a place in which to put an airport. It is a very important recreational and environmental part of Metro-Toronto, something which makes Metro-Toronto such an admired city the world over.

Mr. Les Benjamin (Regina West): Mr. Speaker, as transportation critic for my Party, I am happy to rise to speak on this Bill. First, I wish to express my appreciation to my colleague, the Hon. Member for Spadina (Mr. Heap), for allowing me to speak before he does. Although this airport is located in his constituency, he has been good enough to let me speak first so that I can leave town later this afternoon.

I have a question of the Solicitor General (Mr. Beatty). What the heck is he doing introducing this Bill? In all my years here, the Minister of Transport or at times even his Parliamentary Secretary led off any debate on transportation. Why did the Minister of State for Transport (Mrs. Blais-Grenier) not lead off this debate in the justifiable absence of the Minister of Transport (Mr. Mazankowski)? I do not understand it. Is it because the Minister of State for Transport is being relieved of her duties by the back door because of other events and other situations? Is the Minister of State for Transport being hidden from Parliament and prevented from carrying out her responsibilities? It is a question I hope a subsequent speaker from the Government side will answer.

Mr. Beatty: No, it's because I was desperate to speak to this Bill, Les.

Mr. Benjamin: I appreciated the remarks of the Hon. Member for Davenport (Mr. Caccia). However, I would remind him that it was the Liberals who started all this.

Mr. Caccia: Started what?

Mr. Benjamin: I would remind him that it was three successive Liberal Ministers of Transport who promoted and encouraged STOL aircraft service and who supported the expansion and increased use of the Toronto Island Airport. Now the Tories are doing the same thing in spades. I think the Hon. Member for Davenport should have made the speech he made today on the numerous opportunities he would have had over the last number of years.

Mr. Caccia: This is the first time this Bill has been introduced.

Mr. Benjamin: The Hon. Member for Davenport and anyone else who was on the Government side when the Liberals were in power could have spoken on this matter in a Throne Speech debate or a budget debate. They could have raised hell in the debate on the Estimates. They could have said a lot of things. It is amazing how their tunes change when the two old Parties change places.

It is too bad that we did not have more time to look into the ramifications of this little Bill because they go far beyond what is contained in it. For many years, the operation of this airport has created a controversy on the Toronto waterfront, the Toronto City Council and among citizens of Toronto in general. My colleague, the Hon. Member for Spadina, who is also a former member of the city council for the area, will probably fill us in on some of the history of the development of the Toronto Island in general and the airport in particular. He shall undoubtedly let us know about the not-so-glorious history of the Toronto Harbour Commission as well. I leave that to him to do as I know he will do so very well.

It is too bad the Government wants to put this Bill through. The debate on this matter has been going on for some time, not only in the context of the Toronto Island Airport and the short take-off and landing services but in the context of how the Government of the day works at cross purposes. Regarding Via Rail, the Government has invested tens of millions of dollars in a high-speed passenger train called the LRC in order to provide a high speed, frequent and efficient service in the Quebec City-Montreal-Ottawa-Toronto-Windsor corridor. It has made this investment to attract people away from their automobiles and, hopefully, out of some of the congested airports in order to provide a service which a large number of people want. That is fine. Then, what does the Government do? At the same time, through the provision of capital, it proceeds to make way for the operations of a short take-off and landing aircraft service in the same corridor. That move can do nothing but inhibit, if not decrease, the potential for passenger increases on VIA Rail.

● (1240)

When the Government sinks a few hundred million dollars into some 31 locomotives and, I believe, something in the order of 150 passenger cars for the LRC, and then at the same time turns around and spends money to provide an additional service, even though there are lots of buses, trains and other aircraft operating in the same corridor, it seems to defeat the original purpose. I do not see the Toronto Harbour Commission having the money to spend on this measure since, as far as I know, the commission does not have any money. I do not understand.

I criticized the previous Liberal Government for working at cross purposes within its own ranks. I thought we would see some change on the part of the new Conservative Government. I'll be darned if it is not doing exactly the same thing. It is incredible. There were Conservatives who stood up as often as we did in previous years to criticize what the Liberals were attempting to do with respect to the Toronto Island Airport and the whole matter of short take-off and landing services in the Quebec-Windsor corridor, including Montreal, Ottawa and Toronto.

The place for that type of service is not in a highly populated and congested area where there are numerous other services such as super-highways, eight or ten buses a day, four or five airlines operating flights and VIA Rail's operations. What does the Government do? It inserts another service which divides the market up into even smaller pieces. People participating in the market take turns at going broke and the taxpayers pick up the tab. I do not understand it.

The place for short take-off and landing aircraft is not on expensive runways with expensive infrastructures. The place for this type of service is in sparseley populated areas in the northern parts of our provinces and in Arctic Canada. Short take-off and landing aircraft can be used on a gravel strip if need be. Low cost and frequent service can be provided, and those are the places for that type of aircraft.

I understand and appreciate that the Government is anxious with respect to the sale of Dash-7s and Dash-8s. I understand the Government is trying to entice countries such as Brazil, Argentina, other South American countries in the Andes Mountains such as Chile, Peru and Bolivia, as well as some European countries, to buy short take-off and landing aircraft, which are darned good aircraft. Those countries have large isolated areas and widely scattered populations where the use of that type of aircraft is ideal, such as in the jungles of Brazil, the prairies of the Argentine or the mountains of western South America.

We were told by the bureaucrats and the Government of the day a few years ago that this short take-off and landing service out of Toronto Island Airport would serve as a demonstration model for potential buyers. Well, the potential buyers received all types of demonstration models out of metropolitan areas all over the world and had the experience of probably 100 different airlines to draw from. Canada had a golden opportunity to make a much better and proper use of short take-off and landing aircraft for a demonstration model in order to entice other countries to buy those aircraft. Instead of doing that, the Government is setting up an elitist air service for business executives, corporate directors and MPs. I do not know of many pensioners or low income people who will be able to use the service.

Thus, the Government has done it backward again. From the content of the Bill, we are not sure what the Government plans for the work of the Toronto Harbour Commission. In fact, members of the New Democratic Party are not sure what the intentions of the harbour commission are toward the future of the airport. We are not convinced it will keep jets out of the airport in accordance with its agreement with the City of Toronto. The Bill states that the Toronto Harbour Commission may prohibit the use of jets. All that means is that if the commission does not say anything, then someone else can use jets. That is all that means. It seems to me the Government had better make up its mind since there is an agreement between the City of Toronto and the Toronto Harbour Commission. Is the Government trying to undermine the City of Toronto and undermine the agreement and allow the harbour commission to do whatever it likes? We are not sure the harbour commission will not use the powers of expropriation which it will be given by this Bill to obtain the lands it needs to build the bridge it wants, to expand its terminal and runway to accommodate larger and, perhaps, jet-powered aircraft at the Toronto Island Airport.

I can recall a time when the Transport Committee visited the Toronto Island Airport. It was a boar's nest. What passes for a terminal there would not make a good granary on the Prairies. The best thing that could happen to it would be a fire.

Mr. McLean: Good Lord, an arsonist!

Mr. Benjamin: Obviously, what will have to happen if, as and when this Bill passes, will be the building of a new terminal. More and larger fire and emergency services will have to be put in place. The airport will need more land. The City of Toronto and the residents of Toronto Island have been most vociferous, with some justification, about the preservation of the parks, the nice residences and the milieu in which they live on Toronto Island. They can kiss all that good-bye since there is no doubt the move is eventually to have a major airport operation in the Toronto harbour compared to what is in place now.

I cannot understand that the hell a harbour commission is doing running an airport. However, if it can improve matters then I wonder if we can have a harbour commission in Regina to run our airport and perhaps it could even run the international airport in Edmonton. It passes my understanding what the dickens a harbour commission is doing running an airport. I thought its concerns were with water and not air.

We feel these matters need to be cleared up before we can give support to the Minister's proposed changes. For example, Mr. Speaker, large co-op housing developments are being built only a short distance from that airport. That may cause those who are going to build, whether co-op housing or any other kind, to step back and take another look, because a few years down the road when this becomes something of a major metropolitan airport operation, they probably will not be able to give the development away.

● (1250)

At the moment, we are inclined to oppose this legislation and we want a lot of answers. We believe that this Bill should not only go to committee but we want a commitment from the Solicitor General, since he is in charge of this Bill at least for today, that the committee on Transport or the Legislative Committee will be authorized and empowered by an order of reference in this House to hold hearings in the City of Toronto. If that takes two or three days, that's fine, but hearings just in Ottawa will not be sufficient. There are too many people who are interested who cannot afford the travelling expense. The great thing about Toronto is that there are members of the New Democratic Party who are members of the Legislative Assembly, it has the Blue Jays, and my son, daughter-in-law and grandson live there. The New Democratic Party in the Prairies has a secret plan for Toronto—we just fill it full of wheat. There are some great people living there and

there is a nice park there which they want preserved. You can bet your bottom dollar, Mr. Speaker, that by the time these great Tory business types get through with that place in two or three years, some of those residents, if they do not sell out now, will not be able to get much for their property.

The Minister has proposed privatizing airports, which is something we do not generally support, although there is nothing new about provincially and municipally owned airports. We did not think, however, that he meant to give over the operation and the profits, if any, while retaining the responsibility for any potential loss. That is great Tory business sense, Mr. Speaker. If it makes money, business gets to keep it, and if it loses money, the taxpayers get to pay for it. They are marvellous businessmen. I am sure that this is a principle which would go over pretty well at the local Chamber of Commerce meeting. This is, of course, a standard procedure not only in this administration but in previous administrations as well. That's what happens when the tweedle-dees and the tweedle-dums are in charge. They involve themselves in business only when business needs the money.

Who is in this Toronto Harbour Commission which the Conservatives wish to put in charge of the Toronto Island Airport? The City Council gets to elect three of its members, and I suppose it is an improvement in the Bill that it will take a majority vote of the City Council and that any member of the Council can nominate a candidate for the position. I suppose that is a democratic improvement. However, why should the Toronto Board of Trade get to pick those fellows who run around in their yachting caps, blue blazers and grey flannels, the big wheels? How about the Toronto the District Labour Council or the residents' association in that area nominating someone to that harbour commission? This Government has bragged about being open and more democratic. Why should this body not be beefed up to include real elected representatives from City Council instead of a few nauticals types? Why not someone who lives on the island? No one will suffer greater change than the residents of the island community if a bridge or tunnel to link the islands were approved or built by the harbour commission.

Obviously, because the Minister has opened up the membership of the commission through this Bill even he recognizes that there should be some changes. I think we may have to move some amendments which will make a few more changes. I think we may have to move amendments which will make a few more changes.

I look on this, Mr. Speaker, as part of the whole "freedom to move" syndrome of the Government which wa started by the Liberals in 1974-1975 under the Hon. Otto Lang. It was user-pay, deregulation, too much Government, cut-backs, restraint; the "proposition 13" syndrome imported from California. It means, in the case of the Toronto Island Airport, freedom to change the different types of aircraft. It means new companies serving that airport with no need to justify their arrival, and they will want roads and warehouses and service centres and so on. It means more congestion and crowding on the island which is already congested. Getting there in a car is enough to give a coyote heartburn, and this will make it even worse for the people who reside on that island. This will involve changes to the whole waterfront because of the change to the regulations of railroads and shipping which the Government proposes in its "freedom to move White Paper". In fact, the Toronto Island Airport Bill is only one of a whole host of relatively minor things in the total package which this Government, following the lead of the previous Government, wants to implement in Canada in order to impose a theory which is at best unproven and at worst, I submit, is proven to be bad transportation economics, bad for the public and bad for the taxpayers.

The experience in other places has not shown that the so-called "freedom to move" syndrome, which I call "freedom to manoeuvre", in fact will be any kind of an improvement except to a few of the big operators. They will have a ball, as usual. But the ordinary people who live in places like the Toronto Island, who cannot afford the luxury of flying on executive-type aircraft, are not being taken into consideration.

I submit that this Bill, Mr. Speaker, is just a continuation of a Government working at cross purposes when it invests in high speed rail passenger service and also invests in a competing mode of transportation which will take customers away from the rail service.

The Acting Speaker (Mr. Paproski): Order, please. Did the Hon. Member for Regina West (Mr. Benjamin) say that he was not going to be back after lunch? I wanted to make sure that I was back in the Chair to listen to the rest of his speech. He still has 20 minutes or so. Or will he be leaving for his riding?

Mr. Benjamin: I expect to use up five or ten minutes after two o'clock, Mr. Speaker. I am sorry, may I call it one o'clock?

The Acting Speaker (Mr. Paproski): All right. Following the Hon. Member's speech this afternoon, we will to 20-minute speeches with questions and comments.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for Regina West (Mr. Benjamin) had the floor.

Mr. Benjamin: If my colleagues are lucky, I will wind up my remarks very quickly. The Minister of Transport has continued to announce plans and proceed with them before thinking about their consequences. The announcements made by the Minister last summer are an indication of his lack of planning.

Furthermore, the Minister of State for Transport has not made those studies either. She did not even introduce the Bill, although she has some responsibilities—particularly in the absence of the Minister of Transport. I assume that the Minister of State for Transport will speak in the debate today on the merits of this Bill, whatever they are, concerning the Toronto Island Airport.

Let me elaborate on how the Minister of Transport has not thought about the ramifications of the action he has taken up to this point. One of the main purposes of this Bill is to allow corporate jets to operate out of the Toronto Island Airport. A lot of those "mucky-mucks" want to operate out of the Toronto Island Airport but I am sure the President of the Privy Council (Mr. Hnatyshyn) is not one of them. He might muck around a lot but—

Mr. Hnatyshyn: Shame on you. You know me too well.

Mr. Benjamin: This Bill is an example of how the Minister of Transport introduces legislation without thinking it through. While this Bill may appear to be relatively minor in terms of the total context of national transportation, it is typical of the path we have been on since the days of Otto Lang, Jean-Luc Pépin, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and now the Minister of Transport and the Minister of State for Transport.

Perhaps an Hon. Member from the Government side could tell me why the Solicitor General was interested in introducing this Bill rather than the Minister of State for Finance? I do not know why he would be bothered because the Lester Pearson Airport is much closer to his riding than the Toronto Island Airport. He could utilize a number of airlines into Lester Pearson Airport and could even use a Challenger jet—although I am sure he would not—to go to Lester Pearson Airport rather than the Toronto Island Airport.

We must take another issue into consideration when dealing with this Bill at second reading stage and later in committee. The Toronto Harbour Commissioners had all of the development rights on the railway lands in downtown Toronto. They want to build a stadium in downtown Toronto. While I do not care where it is, they should build a stadium so that the World Series between the Toronto Blue Jays and the Montreal Expos three or four years from now can take place in Canada and give the United States a nervous breakdown. In any event, that land deal gave them all of the development rights on the railway lands.

I must question the competence, intelligence or foresight of the Toronto Harbour Commissioners for selling their development rights to those railway lands owned by CN and CP—primarily CN—for a million dollars. This is some time back, probably after the Blue Jays arrived in Toronto. On that land, that would probably buy you one acre. It is worth $30 or $40 million. But the Toronto Harbour Commission gave it away. The Toronto Harbour Commission has no money. It is broke. That means that while one or both railroads are putting up a stadium, while the Government is allowing different airline companies, whether the airlines have propeller or jet-driven aircraft, to take business away from one of its own companies for which the Government is responsible on behalf of the taxpayers, it will finance and pay the bill for Toronto Island Airport.

• (1410)

All the expenditures will have to be made because of an additional volume of air transport, and the Government will pay that in competition with its own Crown corporations. I do not understand it. If it were all a private operation and if the private operation got the authority from the Ministry of Transport, the Toronto Harbour Commission and the Toronto City Council or the Toronto Metro Council for putting up the competition for Air Canada or VIA Rail, then fine. So long as they pay the Bills for the construction of a new airport terminal, improvement of the runways, the addition of fire-fighting and emergency services et cetera, they can have their so-called competition game.

Any outfit that would give away the entire development rights for those lands for $1 million calls into question—I do not want to be unkind about this—its intelligence and foresightedness.

I have a number of other suspicions which you, Mr. Speaker, and all other Hon. Members of this House likely have. When the Minister keeps making these announcements, statements and bringing in legislation without really thinking it through, he leads us down the path we have been on since the days of one, Otto Lang.

The Hon. Member for Saskatoon West was one who was more vociferous, or as much as I was, about user pay, cost recovery, restraint, cut-back, use it or lose it. He was equally adamant in opposing that sort of concept put forward by the Liberal administration. Now we are getting the same damn thing in spades whether it is "the freedom to move White Paper", Operation 1990, or the revamping of the Department of Transport. Incidentally, I am not necessarily against that because there has been some revamping needed for quite a while, to our bitter experience in western Canada. It is not what the Government is going to do but how the Government is going to do it, who is the Government going to do it for, and who it is going to do it with.

I want to say that the whole concept of volume movement of people, goods and services in terms of transportation out of densely populated metropolitan areas has always been left to the movers and shakers who can make the biggest and the fastest bucks.

There has been inadequate, to put it mildly, consideration given to the users of those services and inadequate consideration given to small manufacturers, processors and transporters not only in the Quebec-Windsor corridor, but all over the country.

We continue to set up transportation facilities that discriminate against people because of where they happen to live or against the goods they happen to produce, process or manufacture. More particularly, the last to get consideration are ordinary people who have to, and I repeat "have to", use the

service either directly or indirectly whether they like it or not. To put additional costs on taxpayers and an additional service that is neither wanted nor needed by the overwhelming majority of ordinary citizens, whether they be in Toronto or anywhere between Montreal, Toronto and Ottawa, an additional service which they cannot use, that is luxury or elitist or one that provides accommodation for corporate jets, surely does not meet the transportation needs of the ordinary producers, processors, manufacturers, shippers and travelling public.

Surely the Toronto Island Airport syndrome that has been around for a number of years has never been designed for the ordinary citizens who travel in and out of Toronto, most of whom are residents of or residents close to Toronto. I think the Minister brings in this Bill in a hurry without really having thought it all through or having thought about its ramifications.

There is nothing personal about it. I do not question the integrity or the honesty of the Toronto Harbour Commission. I have met with the commission. I was given a harbour commission necktie, which I think the commission wanted me to hang myself with. But I question the commission on the kind of priorities it follows, which are nothing more than the logical result of the priorities established by the Government of the day, its legislation, regulations and policies.

The Toronto Island Airport is in existence. It is suitable for private light aircraft. It creates only minimal disturbance for wildlife, migratory birds, the citizens who live there and the park located there.

Why do we need—and I wish someone would explain this to me—a multiplicity of transportation services to compete in a limited market in which there are already a dozen or more companies operating? I hate to give advice to my private enterprise friends across the way in the Liberal Party, but it seems to me a good private enterprise principle. If the market is divided into too many parts, those who move in to share in the gravy take turns going broke and the service deteriorates. The problem is that the Liberals and the Conservatives want a champagne operation in a beer market.

● (1420)

If people of Newfoundland, the people on the Prairies or those in the northern parts of our provinces were asked about the project, I am sure they would say: "What about our services?". There should be a priority to spread the services around in a reasonable manner so that Canadian citizens are not discriminated against because of where they happen to live or what they happen to produce, process or manufacture. It is not only airports; it is everything.

I hope the Government will take another look at this minor detail, relatively speaking, in its total transportation policy. Perhaps it could take another look at it and realize that it should reconsider its entire thrust.

I say to the President of the Privy Council in all sincerity that we will go full circle as we did during World War I and World War II when a regulatory body was brought in which did not serve consumers and the public in general well enough. Even though we will go in a full circle, a few years down the road this Government or another one will be faced with having to reinstate a regulatory agency which will hopefully be better than the one in the past. That will be the logical result.

I hope the Minister of State for Transport comes into the House to answer the questions I have raised. The Hon. Member for Spadina and I will not ask her about travelling; we will talk about transportation.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to comment at this stage in the debate on Bill C-76, an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners.

First of all, Mr. Speaker, I must say I am not very pleased with the way this Bill was put before the House. I would say this was a hasty affair. In fact, first reading of the Bill took place on September 24, 1985, that is, last week, and this week, we get the Bill for second reading, when the Minister of Transport (Mr. Mazankowski) is absent. What is so urgent about this Bill that it had to be considered today, when neither the Minister of Transport nor the Minister of State for Transport (Mrs. Blais-Grenier) are in the House to talk about the Bill and explain why it must be approved by the House? This department has two Ministers, one senior and one junior, and neither is here to explain why this Bill is so important. I regret this, Mr. Speaker, because we would have liked to have heard from the Minister what reasons motivated the Department to hand over to the Toronto Harbour Commissioners the operations of a small airport that is practically in the heart of the City of Toronto.

This morning, my hon. friend from Davenport (Mr. Caccia) spoke with great eloquence about the fears that many people in Toronto have and will continue to have about operations that might be a threat to the environment and the tranquillity of the people of Toronto, if jets are allowed to land and take off at this small airport in the very heart of the City of Toronto.

I feel that Bill C-76, and especially the section dealing with the powers of the Toronto Harbour Commissioners to make by-laws, is a very dangerous one. I was quite astonished when I read Section 7 of Bill C-76 for the first time.

Mr. Speaker, I think it shows a lack of responsibility on the part of the Minister of Transport of this country. It is not the first time the Minister has been willing to abdicate his responsibilities in the area of transportation in this country. In the newspapers this summer, we read that the Minister of Transport was getting ready to delegate to municipal authorities, or even to private entreprise, the management and operations of many of Canada's airports. I even met a mayor from the Maritimes, who had been approached on behalf of the Minister of Transport by officials from his department, and who had expressed some interest in taking over responsibility for a municipal airport and involving his council in the daily man-

agement of an airport, and who took back what he said only a few days later, saying: No thanks! "What the Minister of Transport is trying to do is give me a booby-trapped present, a present that would involve excessively large expenditures by the municipality, and I do not want any part of this new responsibility the Minister of Transport is so anxious to give me."

But what I am concerned about, Mr. Speaker, is that we know that the Minister of Transport, to please the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance (Mr. Wilson), is getting ready to cut spending in his department and to make very severe cuts in his department's budget, to help the President of the Treasury Board and the Minister of Finance reduce this country's deficit. Now, this desire on the part of the Minister of Transport to abdicate his responsibility for operating our Canadian airports has not been fully explained in this House. We still do not know where he wants to go nor the full extent of such decentralization of airport operations in Canada.

I am looking forward to hearing the Minister of Transport express clearly in the House or in parliamentary committee his views on this question. Is the Minister planning to hand all Canadian airport operations over to the private sector or to municipal authorities? Or will just the odd airport be involved, like this Maritime airport where in fact the Government was trying to pull a fast one on municipal authorities and have them assume the responsibilities of the Canadian Government and force them to pick up the rather expensive tab in some of the remote regions of Canada?

What has me concerned is that the Minister of Transport is prepared to hand over to local authorities an airport located in the heart of the City of Toronto. The consequences can be very serious. To put it another way, the Minister of Transport is prepared to give free rein to five commissioners, three appointed by local authorities and two by the Governor in Council, but in one case on the recommendation of the City of Toronto Board of Trade. In fact, four locally made appointments and only one under the responsibility of the Canadian Government.

● (1430)

It could mean that those people, anxious to turn this small airport in the middle of Toronto into a profitable operation, would have unlimited powers to authorize jet aircraft service some time in the future. I think that would be a tragedy, Mr. Speaker, because for a number of years the Government of Canada has been trying to protect the public from air and noise pollution in major Canadian cities. I remember that the previous Government took drastic measures to prevent aircraft from landing late at night at airports located close to major urban centres to protect the public from so much noise pollution. Special efforts have been made in recent years to build airports in the suburbs of major centres. We all know about the decision to build an international airport in Mirabel rather than leaving all airport operations in Dorval where they used to be. People may now have forgotten about it, but one of the major reasons of this decision was that the population of Dorval, Lachine and other towns in the vicinity complained about the noise of planes landing at night in Dorval. However, since we have set very strict requirements for air service, especially for jets, remarkable efforts have been made to protect the environment, as well as the peace and quiet of residents. Yet, in my opinion, Section 7 of Bill C-76 could annihilate all the efforts made in this regard in recent years. I find it unacceptable that this bill should give the five Harbour Commissioners in Toronto the exclusive responsibility to decide whether jets will land at the Toronto Island Airport.

I had a meeting today with the Ontario Minister of Municipal Affairs who explained to me how carefully this issue should be examined and how important it was for everyone involved, especially those who have already expressed their views in the Toronto area, to be heard.

Mr. Speaker, one of the first things that the new Progressive Conservative Government told us after the elections of September 4 was that they would consult the population and that their Government would be an open Government, one willing to hear the complaints of everyone. Yet, as we all know, since September 4, 1984, many major decisions affecting very important matters have been made by this Government without any consultation whatsoever. The Government tried to use the back-door to de-index Old Age Security pensions without any consultation, but the outcry of senior citizens forced the Government to back down.

I would not want Bill C-26 to be the cause of another useless reversal by the Conservative Government, but the fact is, Mr. Speaker, that in my opinion, the Minister of Transport did not consult the population before tabling this bill. It is wrong to give five Toronto Harbour Commissioners the full power to decide whether or not jets will be able to land at this airport. If there had been previous consultations, I am certain that the wording of this bill would be different. I therefore believe that this bill, instead of being rammed through the House, should be scrutinized and that public hearings should be held.

I believe that the committee to which this bill will be referred after it receives second reading should hold public briefings on this Bill in Toronto. It is unthinkable for a Government which calls itself a Government of consultation to ignore the grievances of the Ontario population and of groups which are interested in the development of the Toronto Islands, and for various organizations that want to protect the peace and quiet and quality of life of Toronto residents not to be heard and to be deprived of their right to speak and express their views during the consideration of this bill.

This Bill is therefore a source of concern for me, Mr. Speaker. If this is the first of a series of moves by the Minister of Transport to elude his responsibilities in the area of airport facilities in Canada, if this is the first of such moves by the

Minister of Transport, involving as it does today the Toronto Island Airport, and if tomorrow it is going to be an airport in the Maritime Provinces, and the day after an airport in Quebec, and the next day an airport in Western Canada, certainly we should not allow the Minister of Transport to so elude his responsibilities one after the other. In my view, the Minister should make a statement in the House or appear before the Standing Committee on Transport, to indicate clearly his position on Canadian airports.

We know the Minister wants to save money, we know his hope is to transfer the operation of many airports to municipalities or private enterprise, but we do not know how and in what form. And above all we do not have a list of such airports which the Minister of Transport wants to get rid off. I submit this is not good enough. We should know where we are going. We cannot accept that the Minister should come here hurriedly on a Friday afternoon and introduce a piece of legislation, expecting us to approve it without knowing what will happen next week and which other airport will be turned over to strangers. And I say "strangers" because the Government of Canada has an important responsibility in the area of transportation in Canada. And, as my colleague for the New Democratic Party said earlier, I ask: How is this policy going to mesh with the rail transportation policy?

● (1440)

Some time ago, the Minister of Transport stated he wanted to invest very large sums of money to help rail transportation in Canada's major centres. Will not allowing a privileged operation of the Toronto Island Airport cause direct competition with VIA Rail, which intends to make its operations viable between Windsor, Toronto and Montreal? Does the Government really know where it is going?

I am asking that question, Mr. Speaker, because it is incumbent on the Minister of Transport to keep us informed on that. We want to know exactly whether there is an over-all plan, a master plan in the Department of Transport, or whether they are simply acting on impulse with day-to-day policies, and to top it all coming here in a hurry on a Friday afternoon to have us approve a piece of legislation that looks quite dangerous to me.

Mr. Deputy Speaker: Questions, comments? The Hon. Member for Restigouche (Mr. Girard).

Mr. Albert Girard (Restigouche): On the same subject, Mr. Speaker. Is the Hon. Member for Papineau (Mr. Ouellet) referring to the same concernes the people of Toronto voiced when the Liberal Party did nothing for the people of Pickering about the airport being built?

Mr. Ouellet: Mr. Speaker, I hope that the very positive response of the previous Government to those citizens will be an example to be followed by this Tory Government. The Hon. Member should know that no airport was built in Pickering. There is no Pickering airport. Our Government had consultations and decided afterwards according to the wishes of the population not to build an airport in Pickering.

I just hope now that the people of Toronto who are worried about jets being allowed to land in downtown Toronto will be heard by the Tory Government.

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad to have an opportunity to speak on this Bill which would have the effect of establishing an airport on Toronto Island of a different sort from the one that exists now.

[*Translation*]

I will deal mainly with the problems as they are in Toronto, because I think that the Hon. Members are unaware of the conditions there.

[*English*]

The fact is that this airport site has been under discussion in Toronto for many years. It has been a matter of discussion, particularly between the City Council of Toronto and the harbour commission.

For a great many years, the harbour commission has been nominally responsible for conducting the business of the harbour. It has been winding up that business—for whatever reason, the harbour seems to be disappearing—and it is gradually converting itself into a real estate operation. As new buildings are built in Toronto, cheap fill is made available and the harbour commission has been busy for many decades filling the lake and selling the new land thereby created at next to no cost to the harbour commission. The harbour commission is going out of the shipping business, or at least the shipping business is certainly leaving Toronto, but the harbour commission does not seem to care if the use it makes of the old land and the new land created under its jurisdiction is a use that is desired by the citizens and residents of the City of Toronto.

Over the years, there have been many discussions between Toronto City Council, which appointed some of the members of the harbour commission, and the harbour commission itself about its accounts. The harbour commission was always complaining that the airport was losing money. This was an airport designed primarily for recreational and occasional light commercial use, not for regular commercial schedules. Hundreds of thousands of flights did go through that airport, but they were primarily recreational and light commercial flights.

When the commission complained it was losing money and had to expand in order to recoup its losses, it would never make available its accounts. The City Council could never find out why the Toronto Harbour Commission was always losing money when it was in the land selling business as well as in the transportation business.

There are other disputes surrounding that area. There have been disputes regarding the Toronto islands themselves. At one time there was a move afoot to clear out all the residents from the islands, and most of them were cleared off. A major regional park was developed and a good deal of water and land

was left in a natural state. That is to say, marshes exist there and, as has been mentioned, birds nest there regularly and migratory birds make it a regular stop. There is a school on the island which takes in children from Toronto for a week at a time to study natural things which cannot be studies at any other school in the city.

The citizens of Toronto have been very actively concerned with that park. When it was found that there was sufficient parkland for the needs of those people of Metro Toronto who wanted to use it, the City of Toronto pushed to stop the demolition and removal of houses because it has been found that the park is better off for having a few hundred people living alongside it. Now we have an island community as well as a park in the area.

Across the water on the mainland, as the harbour commission has been moving the harbour business to the east end of the harbour where there is now a container park, the land along the waterfront has been made available for housing, commerce and a variety of uses other than heavy industry. Heavy industry is slowly being phased out of the central part of the waterfront. In fact, a number of residential buildings have already been built and occupied on the waterfront and there are many more planned. As well, recreational, commercial and very light industrial buildings are planned.

City Council has given a great deal of attention to planning the housing and other facilities that should go in the waterfront area so that there is a good balance. The City Council wants to make sure that there are housing opportunities for families who wish to live there. The present Minister of Labour (Mr. McKnight) who is responsible for housing thinks that it is a stupid idea to put family housing on the waterfront because the land is too expensive. However, City Council feels that the waterfront should be made available to all sorts of people. The council feels that the waterfront should be accessed from the land at many points and that the people who live in the waterfront area should be people of all incomes and of all family styles including singles and families. Through experience, that is the kind of neighbourhood that we have found works for Toronto.

There has been a continual debate with the harbour commission over City Council's plans for the waterfront. For that matter, there had been a continual debate with the previous federal Government which had other plans for the waterfront. It wanted to turn it into a much more expensive, aristocratic commercial and residential area. The pressure being exerted by Toronto City Council is with respect to keeping that waterfront, including the island and the Toronto Island Airport, as part of the City of Toronto. Therefore, it is disappointing to find that Bill C-76 was slipped in with the least possible notice and without any consultation with the City of Toronto.

● (1450)

When I raised the matter a few days ago with a member of Toronto City Council, who has been actively concerned with this issue for 12 or 13 years and who is one of the aldermen for Ward 9 in the Beaches, I found that Toronto City Council and Toronto planning staff had been given no information whatsoever about this Bill. That is just part of the wonderful record of consultation about which the Tory Government advertised a year ago. This Government continues to send out bales and bales of printed material to our offices which say absolutely nothing. When there is something to say with respect to a proposed law which will make basic changes to Toronto's airports, there is not a word, not one line of notice. There was not the slightest invitation to the members of Toronto City Council, or to the Planning Department of the City of Toronto, to comment on the Bill during its drafting. Nor was there an invitation extended to it to get in on the debate until this point.

I heartily support the suggestion of the three previous speakers that this matter should be referred not only to committee but that the committee should hold hearings in the City of Toronto. That is where the airport will make a difference, for better or worse.

Of course, it is always posssible to point out the benefits of an airport to those people who have the occasion, the leisure and the money to travel. What has to be pointed out, and what has been pointed out by Toronto City Council many times, is that there is a down side to the issue. For example, if jets are allowed, as this Bill tacitly permits, there will be a tremendous increase of noise over the mainland and the island. If jets come in, there will be a tremendous increase of surface traffic, of people and freight, going to and from the island. There will be a disruption of the present traffic on streets such as Front, York, University and Spadina. There will have to be a long construction process in regard to putting up the facilities necessary for a jet port and, no doubt, a new bridge or tunnel will have to be cosntructed, which will spell the end to the island park as the quiet place it is now. There is talk of putting a light rapid transit system along the waterfront and up Spadina. That plan is opposed by many people. However, perhaps it is part of someone else's plan. Perhaps it is part of someone's plan relating to the airport and the idea that there will be jets at the airport which, as I say, is hinted at in the Bill in an upside-down way. It is stated in the Bill that the commissioners may pass by-laws to prevent jets or other noisy planes. In other words, if the commissioners neglect to do that, there will be jets and noisy planes in violation of an agreement negotiated between City Council, the previous Government of Canada and the Toronto Harbour Commissioners. I will come to that agreement in a moment.

In addition to the disruption of the traffic, and in addition to that noise, there will be pressure to either stop any further residential buildings or even to do away with the residential buildings which are there on the mainland and on the island now. It will be argued that people have to move away to make more room for the jet planes. That would be the most serious violation of the spirit of the agreement which was negotiated four years ago between the Government of Canada and its harbour commission, which it controls, and the Toronto City Council.

In regard to the options for an airport, it has been pointed out by many people, including many people from the City of Toronto and many who sit on city council, that the money spent to upgrade the airport, and the money that will be spent in much greater quantity to upgrade it for a jet port, is needed to upgrade the rail system which runs east, west and north of Toronto. Rail fares are substantially lower than air fares. In fact, the travel time on the better trains between Toronto and Montreal are not that much greater than the STOL time. Of course, between Toronto and Ottawa that is a different story, which involves a train that often does not travel all the way. The train often stops in Kingston.

What is wanted by the people of Toronto is cheap and efficient rail transport, which could be available if the money were not diverted into an airport which, by its very nature, will be more expensive than rail transport and which will be used by only a few whose business or leisure concerns make that appropriate.

The Clerk of the Standing Committee on Transport is in receipt of a letter from Alderman Dale Martin, one of the aldermen in Ward 6 where this airport is located. Mr. Martin is very much concerned with the possibility of this Bill slipping through. He states, in part, in his letter:

> As you are no doubt aware, the issue of jet plane traffic and commercial air traffic into the Toronto Island Airport is a very controversial one. There has been considerable debate both at the Council level and between the Council and the Toronto Harbour Commissioners on both matters. The proposals to transfer jurisdiction for the regulation and operation of the Island Airport to the Toronto Harbour Commission is, in vew of the Harbour Commission's stated agreement to allowing jet aircraft to use the Island Airport, of some concern.

He points out in his letter that the change of the method of appointment of commissioners will have some effect toward the weakening of the sense of responsibility and answerability of the harbour commission members to the Toronto City Council. He concludes his letter thus:

> I would, therefore, respectfully submit that the Committee should hold public hearings into both of these matters, preferably in the City of Toronto prior to the Committee making its decision on the proposals.

Alderman Martin is referring, of course, to the Standing Committee on Transport which, in fact, will not be conducting these hearings. We now have in place a double system of committees which will mean twice as many meetings. There is no doubt that the meetings Alderman Martin seeks are meetings of the legislative committee with respect to this Bill. He is urging that those meetings be held in Toronto to give ample opportunity to members of the City Council, other municipalities which are concerned with the airport, the public, groups who use transportation other than air transportation, residents of the island and of the mainland, and representatives of the recreational industries around Toronto harbour and Toronto Island to speak to the committee in an effort to try to ensure that the agreement worked out with such long and arduous negotiation between City Council, the Government and its harbour commission is not just wiped out by one hastily and poorly considered Bill put through by Members of the House.

I know from my own experience, and other Hon. Members have probably had the same experience, that the new committee system is a problem. In effect, each committee has been split into two operations. Apparently, each operation must have as many meetings as the previous committee. In other words, there is almost a doubling of the work. In some cases, witnesses who give testimony before one committee will find it necessary to speak to the other half of the committee because the subject matters are different. We may have the same experience with the Committee on Transport, I don't know. It probably would have made much more sense had the Committee on Transport, prior to this Bill being introduced, held a meeting in Toronto to hear the views of Toronto people about the airport which is growing up within the City of Toronto. Had that been done, I think Bill C-76 would have been much better considered. Rather than saying the commissioners "may" make bylaws strictly prohibiting jet aircraft, I think it would have been better saying "there shall be no jet aircraft". Rather than making bylaws to prohbiit excessive noise, perhaps some kind of standard for noise should have been indicated, as has already been pointed out by the Hon. Member for Davenport (Mr. Caccia). The City of Toronto has engineers who have a great deal of experience in dealing with the noises of a modern city. They make sure that the noise level is not intolerable and at the same time the necessary operations of the city can continue. They know something about noise in Toronto.

● (1500)

Perhaps the Department of Transport knows something about noise as well. However, there should have been some agreement before this Bill was brought to Parliament about how the noise factor is going to be handled. I would also like to point out that it has been an unusual handling of the Bill. It has been slipped through with no notice. It was almost as if the Bill was to be given first reading last week before it was printed. It was not available to Hon. Members at the time first reading was asked for. There was no notice to the city which will be substantially affected one way or another by this Bill. There is no clarity as to whether there will be time for discussion. It may be that the committee will give the city only a couple of days in which to respond to this Bill. That is the way one committee I know of is operating. It wants to have everything wrapped up by the end of two weeks from now. That does not give City Council or the planning department a fair chance to respond. I ask that this Bill not only go to committee but that the committee hold hearings in Toronto and that the hearings be at a time which is practical and workable for the Toronto City Council in order to prepare its response. It should be given time to inquire of the Minister of Transport (Mr. Mazankowski) about the details which are not spelled out in order to have a fair assessment of what the impact of this law would be upon the 600,000 people who live in suburbs of Toronto and the two million who live in Metropolitan Toronto. I ask Hon. Members who do not live in Toronto to consider how they would feel if this were being dropped into the middle of the communities which each of them represents. I ask those Hon. Members to consider the necessity of giving Toronto time to consider this.

Mr. Belsher: Mr. Speaker, the Hon. Member in his speech talked about not knowing about the agreement, but later on he referred to a letter written by council with respect to the Toronto Island Airport. I am curious to know on what he was basing his remarks.

I believe the noise by-law provided for in the Bill does have the protection about which the Hon. Member is so worried. It also specifies that no straight jets will be permitted. It is also in the agreement, to my understanding, that no bridges or tunnels will be permitted. That is already in the agreement. The agreement is a public document. It is not something which is being hidden as implied by the Hon. Member.

With respect to the appointment system, it is my understanding that the City of Toronto will be able to appoint three out of five members to the Commission. It also goes one step further in that the members will not just be appointed by the executive of the City Council but will go before the total of the council, the whole council itself, which will make it in line with the rest of the nominations which go to other boards. Therefore, the council has the protection there. This has been worked out with the City of Toronto and the Commission and it is not all one way as the Hon. Member would lead us to believe.

I think those were the points I wanted to cover. I wonder if the Hon. Member would care to comment on those points or should we just leave it at that?

Mr. Heap: Mr. Speaker, those are quite relevant points and more will be said about them when there are hearings in Toronto. The agreement may or may not be superseded by this legislation. It is not clear. I tried to make an inquiry as to the effects of this legislation on the agreement and I have not found here or in Toronto clear answers as to what can happen to the terms of that agreement once this legislation goes into effect.

With respect to the appointment of the commissioners, the Hon. Member is not quite accurate when he says they are appointed by the executive. They are nominated by the executive, according to the current system, and that nomination must be ratified by a vote of two thirds of council. In other words, no one becomes a commissioner unless he or she has the confidence of two thirds of council. This will reduce the base of the commissioner's support to possibly a bare majority of council which is more likely to leave the way open for pressure from the Toronto Harbour Commissioners to have the terms of that agreement renegotiated so as to allow a drainage or tunnel or jets.

The powers of expropriation, newly given to the Harbour commission, will enable it to put pressure on the city, either through the council or through other enterprises, public or private, as a bargaining lever for getting what it wants on the airport land. These things, I believe, have not been considered by council because when I made an inquiry I did not find anything with respect to it. I know it was discussed in the Committee on Transport a number of years ago, but I do not believe the terms of this Bill were discussed in any way which made it known to members of the Toronto City Council who are the most concerned.

Mr. Friesen: Mr. Speaker, I wonder if the Hon. Member for Spadina (Mr. Heap), given his concern, is aware of the noise level created by jet aircraft using that airport? Is he aware that technology in that area has improved very significantly over the past years and that the jet aircraft using that airport, like the Challenger and other jets, have a noise level far below the parameters about which he is worried? Therefore, they would not infringe upon those parameters. The Hon. Member may have a legitimate concern about noise levels but if he draws the boundaries where he is, does he not realize that he is worried about the wrong thing?

Second, if Toronto is asking for this provision, does the Hon. Member not think that Toronto has a right to the services for which it is asking? Are we in a position to override what Toronto is asking for?

Mr. Heap: On the second point, it has not been shown that Toronto is asking for this Bill. It is not a matter of whether Toronto should be given what it is asking for, it is a matter of whether Toronto should get what certain narrow interests are asking for.

As to the noise of the jets, it is true that there are some quiet jets, and there may well be in future some quieter jets. That does not prove those will be the only ones which come into Toronto Airport. The objection to the jet service is not based solely on the question of noise, it is based also on the amount of room taken up by the new facilities which will have to be constructed, and on the amount of heavy traffic in people and freight which will be required to justify the expenditure on a jet service. It is much more than the question of noise.

• (1510)

If the Hon. Member is so sure that jets no longer provide any problem to a residential community, perhaps he is going to get some jets in his backyard, and I invite him to come to Toronto and explain to the people there the benefit of having a jet airport in your neighbourhood.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, just a few words concerning this particular Bill. I was inspired by the Hon. Member for Davenport (Mr. Caccia) who made his case so clearly a few moments ago.

I do not think anyone can deny that there should be a public hearing in Toronto on this particular request since there is some concern. If there is no concern, then what is wrong with having public hearings? Surely the Government of Canada should not be afraid of having people comment on this legislation. Surely it is not afraid of the environmentalists who will probably appear before the hearings and talk about the migratory birds—which this Government has abandonned through cuts in the Department of the Environment. Surely the Government of Canada is not afraid of that type of criticism.

There are obvious concerns regarding this Bill, Mr. Speaker, and what the Government is going to do. I have some concerns

about the Government's policy regarding airports in Canada. Clause 3(1) of this Bill under the heading "Jurisdiction and Powers" is very interesting. It says:

The Commissioners shall have power to operate the Airport for and at the expense of the Commissioners or, where there is an agreement between the Commissioners and the Government of Canada with respect to the operation of the Airport by the Commissioners for the Government of Canada, for and at the expense of the Government of Canada during such period as is described in the agreement and on such terms and conditions as are specified in the agreement.

Clause 3(2) says:

Subsection (1) shall not be read or construed so as to prevent the Government of Canada from providing financial or other assistance to the Commissioners with respect to the operation of the Airport, whether or not there is an agreement between the Commissioners and the Government of Canada as described in that subsection.

That clause will perhaps become very common in future policies of this Government. We heard about that when the Hon. Member for Humber-Port-au-Port-St. Barbe (Mr. Tobin) brought the matter up during Question Period. The Minister of Transport (Mr. Mazankowski), under whose name this Bill was introduced, admitted that consultations were going on which would affect the policy of the Government with respect to someone other than the Government operating and financing airports. You can see where these two particular clauses are going to be used in the future by the Government to implement a policy whereby someone other than the Government will be asked to operate these small airports. Perhaps, in some cases, it will not just be small airports. This will be seen by the general public, correctly, to be a move by the Government to try and shift financial responsibility onto municipalities or local commissions in an effort to save money. In other words, it is very clear to the general public that you just cannot operate an airport in, say, Deer Lake or some part of British Columbia the way Transport Canada operates it at substantially less cost. The Minister should realize he cannot have it both ways.

In outlining this policy to the municipalities across this country, the Minister has really enacted a double standard. What he is saying is that the operating costs of the airport will be borne by the local commission or authority with the safety clause as I read it:

—shall not be read or construed so as to prevent the Government of Canada from providing financial or other assistance to the Commissioners with respect to the operation of the Airport—

However, there will certainly be no outright commitment of funds as far as the airport property is concerned. The Minister then turns around and says that as far as revenues associated with the operation of that airport are concerned, where a contact by a plane coming from the Pacific, the Atlantic or across the Northern Hemisphere is made with the air traffic control centre, there will be a charge. The airline pays an initial charge of $65 to contact air traffic control, and so on. However, the Minister is clearly saying that those revenues which currently go into the Consolidated Revenue Fund will remain as revenues to that fund and not be attributable to the operation of a particular airport. In other words, the airport will still have landing fees, yes, but it will not receive credit for these other fees collected on a daily basis by the Government. All we need look at in this regard are some of the cases which went through the Supreme Court of Canada. Over the past five, six or seven years there were some U.S. airlines which did not land here in Canada, did not use our facilities at all, but made an inital contact by radio with Canadian authorities and they were charged by the Government of Canada for that contact. These airlines, mostly in the United States, then claimed that they did not really owe this money to the Government of Canada. I stand to be corrected, but I believe it was Trans World and—well, I know for sure it was Trans World but two other U.S. airlines as well which owed the Government of Canada something like $15 million. That issue had to go to court and as I understand it, and I cannot be sued for anything I say in this Chamber, they eventually paid the money they owed to the Government and the people of Canada. I believe they paid that amount, but they certainly owed the $15 million or $16 million. When an air traffic controller or air radio operator in a small airport makes an initial contact with a foreign air carrier he collects $65 for the Government and taxpayers of Canada. The air radio operator collects $45 for the people of Canada. It is incredible to think that the Bill for three airlines from the United States amounted to $15 million or $16 million over a period of four years and had to be collected through the courts.

● (1520)

The Minister of Transport intends to transfer the control of airports to local authority commissions in Canada and municipalities. However, he says, "We will not take into account these revenues that are generated by air radio and air traffic control. You can only have the landing fees". The reason is that the money goes into the Consolidated Revenue Fund of the Government of Canada.

It is absolutely atrocious. In fact, for the benefit of the Hon. Member for Moncton (Mr. Cochrane), when one checks the Consolidated Revenue Fund listed under Moncton, New Brunswick, one sees that the funds amount to more money than the cost of air traffic and air radio control. The same can be said for airports in British Columbia, northern Ontario and southern Canada which make initial contact.

For example, when we look at marine radio operators in Gander, Newfoundland, there is an incredible amount of money involved. The Minister of Transport is going to transfer those airports in Moncton, Gander and elsewhere in southern Ontario and western Canada to commissions but he will not give them the revenues that come into those airports as a result of the air traffic controller or air radio operator. It is absolutely shameful. In fact, it is quite conceivable that one could make $2 million or $3 million a year at some airports in Canada if one took the money from the Consolidated Revenue Fund and added it to the revenue of those airports.

If we look at the revenues for the airports listed in the Estimates, we see that it shows a deficit and that not one national or local airport is making any money at all. That is not true. Some of those airports are making significant amounts of money when one takes into account the revenues

generated from the example I have given concerning air traffic controllers and air radio operators. In fact, I could never understand why the unions representing air radio operators and air traffic controllers do not use that argument in bargaining because they perform a service that actually makes money for the Government of Canada.

When these clauses are to be used in other Bills to be presented in the House in relation to airports in Canada that the Government wishes to transfer to commissions or municipalities, the Government should tell the truth and give the airports all of the revenue that they deserve. Before doing so, the people in each community, as the people in Toronto, should be allowed a free and open debate through public hearings. We certainly should not be doing anything that the people in those areas do not want.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to rise to participate in this debate on Bill C-76. I must say that I stand with trepidation behind so distinguished a person as the Hon. Member for Gander-Twillingate (Mr. Baker) who has exhibited but a smidgen of the experience he has accumulated over the years with regard to transport matters.

Having said that, I shall attempt to make my own humble contribution to this debate. Let me say at the outset that we see an immediate dilemma facing the Toronto islands when we read Bill C-76. Bill C-76, the Toronto Harbour Commissioners Act is an Act to replace the Toronto Harbour Commissioners Act, 1939 which is an Act to amend the Toronto Harbour Commissioners Act of 1911. Even within the title of the Bill, we find the first and most pronounced difficulty that Members on this side—certainly in the Liberal Party—have with this exercise.

There is no recognition of the fact that we are not simply talking about a small class B airport operation in Toronto. This concerns a series of islands that represent the most important and critical recreation facility for the people who live in one of the most densely populated cities in Canada. For the people of Toronto, Bill C-76 is not just a Bill dealing with how an airport should be run and who should make decisions about such things as the kind of aircraft allowed, the number and frequency with which they land. While they are concerned about that aspect, they also see the islands as the last great important recreation area for millions of people in a city of concrete, steel, glass and diminishing green spaces. It is the last great important recreation area for them and their children.

It is with great regret that every Member from every part of this country wil discover that not a single iota, not a comma, a jot or a word has been dedicated to the preservation and recognition of the environmentally sensitive nature of the area on the islands surrounding this airport facility.

Bill C-76 could most kindly be described as a housekeeping measure. It is important from time to time to update Acts that go back to 1939 and 1911. But surely circumstances have changes dramatically in the nearly 50 years since 1939 and surely circumstances have changed dramatically in the nearly 75 years since 1911 and that reality should be recognized. We in this Party believe that if the Minister is at all conscious of the importance of this facility to the people of Toronto he would agree to allow for public meetings in the City of Toronto so that those citizens may have input before this Bill receives final passage in the House.

It is not my objective to stop passage of the Bill or to suggest that there are not more efficient ways for the Harbour Commissioners to work. However, when we are talking about one of the last green spaces and most important recreational areas in that city, certainly there ought to be an opportunity for the people of Toronto to have a say and demand that the environmentally sensitive nature of that facility be recognized in this Bill and protected in law.

● (1530)

I suppose one of the good things about the way this airport has been run is that we have not seen large volume jet traffic cruising down into the heart and soul of the City of Toronto, splitting eardrums, wrecking the environment and abusing the sacred place. That has been a good thing. With this environment of deregulation, with this pronouncement by the Minister of Transport (Mr. Mazankowski) in his paper Freedom to Move, if a company is fit, able and qualified it can fly with unfettered competition, which will be the new law of the land in the airline industry as soon as he gets his legislation before the House in January. If I were concerned about the unique nature of this Toronto Island Airport, if I had not been concerned before, I would be terrified now.

What do we find in this Bill, Mr. Speaker? Talk about doublespeak. We have the Bill saying the following:

> Without restricting the generality of section 6, the Commissioners may, in a like manner and subject to the like conditions as in the case of by-laws made under *The Toronto Harbour Commissioners' Act, 1911*, make by-laws for the regulation and control of the airport and all persons engaged in the operation of Aircraft at the Airport, including by-laws prohibiting the landing or taking off of
>
> (*a*) jet-powered aircraft—

There is provision in the Bill to give the Commissioners the right to make by-laws to prohibit the taking off or landing of jet-powered aircraft at this environmentally sensitive location.

A clause that gives the commissioners—I am sure the Hon. Member for Gander-Twillingate is pondering this—the right to prohibit the taking off or landing of jet-powered aircraft at the airport implicitly also gives them the right to allow the landing or taking off of jet-powered aircraft at the airport. Rather than say we are going to give to these commissioners in this era of deregulation permission to allow jet aircraft to land or depart at that airport, which up until now they have not done, the Government with doublespeak decides to write it in, giving them permission to prohibit such a thing from happening. Implicitly the commission, if it wants, under this Bill, via Clause 7 under by-laws, theoretically, can allow jet service into that airport, can allow that sanctuary to be violated, can allow this green place, our migratory birds, this recreational complex, which has become the womb of those who care about

God's green earth and a city surrounded by concrete, steel and glass, to be violated.

I come from Newfoundland, Mr. Speaker. In Newfoundland we do not have a lot of concrete, steel, glass and high-rises. We have a lot of green space, God's fresh air, forest and blue sky. We have a continuing compassion and empathy for those people who have been denied the abundance of God's green earth that has been given to us. There is a special sympathy and a deep anger and frustration that I feel and see because the kind of thing we can take for granted in Newfoundland is not even recognized in Bill C-76. It is a tragedy.

What else does this Bill fail to deal with? This Bill has given the commissioners, approved by the majority of the Toronto City Council, the ability to move in, to take land and property and expropriate it away from entities in this environmentally sensitive area. You may say that is quite normal, Mr. Speaker, that this kind of commission should have the power to expropriate. Perhaps it might be. But there is no power of appeal. The collective will and voice of six million people will not have an opportunity to be heard under the Expropriation Act. You ought to read the Bill, Sir. There is no power to appeal. That is the reason the Hon. Member for Davenport (Mr. Caccia), who I think has earned a place of distinction in Canada as the most ardent and genuine—and those two words together are quite a testimony to the Member—environmentalist in this House, perhaps in this land, demands, before this Bill be given final reading in this Chamber that the Standing Committee on Transport be struck and a sub-committee go to Toronto to engage in public hearings so people in that city can be heard. The Minister himself and his officials should make themselves available for public meetings in the City of Toronto.

I do not think the message has got through. I do not think the Canadian public is yet aware that after January when the Minister brings in the legislation, he wants the Transport Committee to study his paper "Freedom to Move" in two months, which is an impossible task. It took the Minister and his officials 15 months to write the paper "Freedom to Move". With all the resources of Transport Canada, the resources of the Government of Canada, the resources in the Budget to hire specialists, consultants and airplanes to fly him all over the land, it took 15 months to write the paper. Yet the Minister advised us last week that he will give the Transport Committee two months to study it. He wants a report by November 30. Here I see the calendar in front of me stating that it is October 4. This House has not even provided a reference yet for that committee to study the Bill.

We have not even begun to look at the implications of deregulation, yet we are supposed to report by November 30. Something is being rushed through for some reason. I suspect that once Canadians fully appreciate what unfettered frre enterprise in this proposed deregulation package of the Minister will mean, there will be an outcry from one end of the country to the other. Canadians know that we are not a branch plant of the United States and that if something works in the United States, it will not necessarily work in Canada. Canadians know we are a nation of 25 million people spread over a huge beautiful geographic land mass and that you cannot impose an American formula on a Canadian problem and expect the problem to go away.

Deregulation in the United States has meant that 350 communities have had reduced air service, 105 communities have lost air service entirely. It has also meant that environmentally sensitive areas in the heart of major urban centres, like Toronto Island Airport, have been changed forever because the pressure of an unregulated air industry will result—mark my words—in companies seeking to extend the facilities on Toronto Island and will seek to land jet aircraft right in the heart of that environmentally sensitive area.

Every Canadian whether living in British Columbia or Cape St. George, the tip of the Port au Port peninsula on the west coast of Newfoundland, or in the riding of the Member sitting opposite, of Burin-St. George where the great and beautiful community of Rose Blanche or Port aux Basques, Grey River, François or Ramea, ought to stand and make his or her voice heard to ensure that his or her right to see something that belongs to all of us, something that is part of the character and part of the riches afforded to us as Canadians that exist downtown in Toronto not be violated by a Government insensitive to the historic concern and historic level of Torontonians for this environmental space on their doorsteps in the heart of Canada's largest city.

• (1540)

It is no secret that many Newfoundlanders have been persuaded with great difficulty over the decades to leave their native Newfoundland and to lend their talents to the development of Toronto. Despite their reluctance to leave Newfoundland and to provide their skills to the great Province of Ontario, particularly to the great City of Toronto, on occasion they have done so. Perhaps that city would not be so great without the expertise of Newfoundlanders. I have had the pleasure of talking with fellow Newfoundlanders living in the City of Toronto. They make a contribution to the City of Toronto and to its province. When I ask them how they survive in that big, concrete jungle, or how they keep their sanity now that they were removed from salt water and fresh air, without exception they say: "I take a stroll along the shores of Toronto Island for a time of peace and solitude downtown where the environment still reigns supreme in a modern jungle; that is what helps me maintain my sanity".

It was in recalling those conversations that I decided to rise in my place this Friday afternoon to beg, urge and demand of the Minister that the people of Toronto, including my expatriate colleagues from Newfoundland, have an opportunity to be heard before the Bill receives its final reading in the House.

Some Hon. Members: Hear, hear!

Mr. Hicks: Mr. Speaker, I should like to take this opportunity to thank the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) for setting the record straight about the great City of Toronto. Earlier today the Hon. Member for Regina West (Mr. Benjamin) made some scathing, unfortu-

nate, deflammatory comments about that city. I did not have the opportunity to rise on that occasion because comments and questions were not allowed. However, the record has been set straight by the Hon. Member for Humber-Port au Port-St. Barbe who used the word "sacred" in his comments. That was more than I had even hoped for, but I appreciated it very much. Also he used the words "great City of Toronto" and "great Province of Ontario". Again I thank him for that.

I was born and raised in Toronto. I am very proud of that city. It is the greatest and safest city in North America. I assure the Hon. Member that his concerns about the people of Toronto, including transplanted people from the Province of Newfoundland, are appreciated very much. I do not think their interests will be jeopardized because much thought has gone into the formulation of this Bill. If the birds of the island and the people of the City of Toronto were to be jeopardized, the Bill would not have been put forward.

Mr. Tobin: Mr. Speaker, I regret to say that I did not hear the Hon. Member's last few comments. I do not know whether he asked a question at the end of his remarks, as I was distracted for a moment. In any event, in case there was any doubt in his mind, the Liberal Party has always believed in the City of Toronto. That is why we in the Liberal Party have done so much over the years to contribute to its growth.

We in this Party look to the future. Actually it is similar to what is said in Newfoundland—if one builds a wharf and builds it strong, it will withstand the biggest storm. When that hurricane of last week took a look at Newfoundland wharves, it went the other way. The same is true with Liberals and their approach to Toronto. We have worked hard for Toronto. We believe in Toronto. We know that Toronto, given the chance soon, will indicate that it believes in us.

Ms. Copps: Mr. Speaker, I have a question for the Hon. Member. It deals with the Government's decision to move ahead on the possibility of jet aircraft on Toronto Island. We have heard much talk around the Chamber today about the wonderful City of Toronto. We also know of the great struggle on the part of the people of Toronto to keep Toronto Island as a haven for people who want to get away from the city. These people hop on the ferry to take part in Caribana or any number of activities which—and I must admit that Toronto is a suburb of Hamilton—make Toronto a great place within the Province of Ontario.

Does the Hon. Member feel that the Conservative Members of Toronto in fact believe that jet aircraft should be allowed at the Toronto Island Airport without any public hearings, without any response from the people of Toronto or without any chance for comment, not only by the island residents who fought long and hard to save their own community, but also by literally hundreds of thousands if not millions of people who use Toronto Island as a summer refuge? Does the Hon. Member think that those people should be consulted before we allow jet aircraft to take over what is currently a beautiful recreational oasis in the Toronto area?

Mr. Tobin: Mr. Speaker, I would be delighted to attempt to answer that question. Of course it is a very difficult one. I am a humble fellow from Newfoundland who took the trouble to research and spend many hours of preparation to understand the impact of the Bill on Toronto. While I can give the Hon. Member my views on its impact, I have great difficulty in giving her the views of Conservative Members from Toronto.

Ms. Copps: Because we have not heard from them.

Mr. Tobin: That is right. In the interests of solidarity between the constituents of Toronto and their Conservative Members, I will send them a copy of my comments. I hope it will help them focus on and appreciate this environmentally beautiful, rare area in this part of Canada. I hope they will stand and be heard. Once they understand the feelings of their constituents, they will ensure that this area is preserved, protected and enhanced as an environmentally sensitive area for future generations of Canadians.

Mr. Dick: Mr. Speaker, has the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) ever landed at the Toronto Island Airport?

Mr. Tobin: No, Mr. Speaker. There are many unique and profound experiences which I have not yet had. One of them is landing at Toronto Island Airport. I am saving it for a particularly black and depressing time when I really need my spirits lifted.

Mr. Dick: Mr. Speaker, I know the Hon. Member wants to talk out this Bill until four o'clock so that we cannot get on to dealing with Canagrex.

Mr. Gauthier: No.

Mr. Dick: Oh, you want it to pass right now?

Ms. Copps: What are you, the House Leader?

Mr. Dick: Sometimes; more than I can say for you. At any rate, is the Hon. Member aware that there is a lease on the land which prohibits the use of jet aircraft?

Mr. Tobin: Yes, Mr. Speaker, I am aware of that. However, I am also aware that for some reason the Toronto Harbour Commissioners are given the power to prohibit jet aircraft from taking off or landing at that airport according to Clause 7 of the Bill.

Mr. Dick: I understand that.

Mr. Tobin: I would say that that is a double-edged sword. If they have the power to prohibit jet aircraft from landing and taking off, they now implicitly have the power to permit it. That is something new being introduced in the Bill and it brings into question whether or not that airport will be maintained in its current status. When the deregulatory pressure begins to be felt, when airlines are suddenly competing for every buck, and when people are demanding an opportunity for jet aircraft to land at and take off from that airport, that

new power, along with the ability to expropriate with no right of appeal, brings into question whether we will see some pressure to expand the facility and do away with that womb of environmental beauty in the heart of Toronto. It also brings into question whether we will see an attempt by airline companies to start flying jet aircraft into that airport. Those are my concerns.

I am well aware of the history of the airport and of that piece of land. I say that it has been a proper one. Whether it be under a Liberal administration, a Conservative administration or an NDP administration, it is irrelevant, because Mother Nature is non-partisan; she does not care. Migratory birds do not vote. If the Government allows that airport to be expanded and allows jet aircraft to land and take off from that airport, all I can say is that that Party is not for the birds.

● (1550)

Mr. Langdon: Thank you, Mr. Speaker. I have to briefly come to the defence of my colleage from Regina West (Mr. Benjamin) who after all gave Toronto the greatest possible compliment, that somebody from Saskatchewan could give, when he said that he wanted to plant it so that it would look like a wheat field. That is not an insult, Mr. Speaker. If he had wanted to insult he could have quoted people from Windsor who talk about a travel contest there in which they offer as first prize a week in Toronto and as second prize two weeks in Toronto.

I want however to finish with my question which is, in view of my limited experience with Newfoundland—

Mr. Dick: You have been lucky so far.

Mr. Langdon: I want to ask the Hon. Member how he is going to manage, after these paeons of praise for this marvellous City of Toronto, to return successfully to his constituency and survive.

Mr. Tobin: Mr. Speaker, because we were the last into this country, in 1949, and because we came in of our own volition, after two votes, Newfoundlanders are not Canadians by accident of geography, or accidents of history. They are Canadian by choice. I say this sincerely. After having chosen this country, not having been forced into it by accident of history or geography but having made the choice to be a Canadian, despite his deep pride and often heard pride in his own province, in his people, in his culture and in his history, no one will ever find a Newfoundlander who will hesitate to stand up and say that he is proud of every part of this country, every foot between the Grand Banks of Newfoundland and Victoria. I have no trouble going back to Newfoundland and telling them that on their behalf I spoke of our pride in this great country, every damned part of it.

Mr. Deputy Speaker: The period for questions and comments is over. Resuming debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too would like to speak not only in defence of the City of Toronto, but to issue a challenge because many of those on the government side of the House know that we in the Liberal Party were somewhat reduced in number after the last federal election. Our Toronto caucus numbers six. Some of us have had experience working in Toronto as Members of the Legislature and have known and loved and continue to love the City of Toronto. There are also Members, like the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), who have taken the time on behalf of the Liberal caucus under the extremely able and effective leadership of Charles Caccia to explore the issue of the Toronto Island Airport Bill which is before us today. What I cannot understand, and perhaps what some of the Government Members could elucidate to me and to the people of Canada, is where are their voices on this important issue of the literally dozens of Conservative Members who have been elected from the City of Toronto? Where are their voices on an issue which could change the very nature, the very direction and the very quality of life on Toronto Island? Where are the voices from downtown Toronto? Who is speaking up for the residents of the Toronto Island area? I can tell the Government Assistant House Leader that I have landed at the airport on Toronto Island; I have flown from the airport on Toronto Island and I for one would object vehemently if jets were allowed to land at that airport without any public consultation and if further expropriations were allowed to be carried out without any recourse or any public appeal.

Environmental concerns and the issue of quality of life were addressed very effectively by the Hon. Member for Davenport (Mr. Caccia) but we have not heard from the Conservatives. We have not heard from the dozens of Conservative Members in the City of Toronto. In fact, the responsibility to defend the interests of the people of Toronto is being placed in the hands of the Liberal Members from Hamilton, Newfoundland and from other areas across the country because we do not hear for the Toronto Members.

I can understand why the Toronto Members did not want to talk about "tunagate". I can understand why the Toronto Members did not want to talk about the Canadian Commercial Bank. After all, their Government had been caught in billion dollar booboos which were going to cost the taxpayers of Canada dearly. However, on the issue of the Toronto Island Airport we have a question, a Bill, an amendment which should bear the scrutiny and the discussion of every Toronto member of the Conservative Party but, as usual, they have been muzzled. They are sitting on the sidelines; they cannot enter the debate; they have nothing to say on an issue of extreme and urgent public importance within the City of Toronto. Therefore it falls upon us, and upon myself from the City of Hamilton. When I called Toronto a suburb of Hamilton I was not joking. Our football team is better. We are going to make it to the Grey Cup. Unfortunately our Toronto cohorts are not going to have the same privilege. We hope, and I think all of us are hoping and praying, that the City of Toronto will make it when it comes to the World Series. We are looking for the big number two to come down some time this weekend, Mr. Speaker. However, we also expect that

when it comes to issues that involve a major change in public policy for airports which have a national, local and provincial significance that we would have at the very least expected some kind of contribution, some statement, some appeal by the Members from the City of Toronto to say to the Government, "We don't want expropriation without appeal. We don't want jet airplanes without public input. We want to give the people of Toronto a chance to have a say in this extremely major change in public policy as it deals with the Toronto Island Airport and in particular we want the beauty and the environment and the tranquility of Toronto Island saved for future generations".

As usual, Mr. Speaker, the Members have been muzzled. The Progressive Conservative Government Members came to Ottawa in droves, 211 they numbered on September 4, and are rapidly falling like flies as Ministers go. They go down. The former Minister of Fisheries is muzzled; the Minister of State for Transport (Mrs. Blais-Grenier) and the Party Leader are muzzled; the Toronto Members are muzzled. Mr. Speaker, where are the Conservatives? Where are those 211 Members who were sent to Ottawa to defend the interests of the people of Toronto? Why is it that we in the Liberal Party, small though we may be in number, and I, the Member for Hamilton East, are here in this House defending the interests of the people of the City of Toronto when not one Toronto Progressive Conservative MP has stood up to speak on this Bill?

Mr. Hnatyshyn: Where are your Toronto Members?

Ms. Copps: There is a question to the people of Canada. Where are the Toronto Conservatives?

An Hon. Member: Bring on the Tories.

Ms. Copps: We may be small in number but we will continue to defend their interests and we challenge those Conservatives to get off their backsides, to get into the House of Commons and start talking about the real issues.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Hnatyshyn, (for the Minister of Transport), seconded by Mr. Beatty, moves that Bill C-76, an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Deputy Speaker: It being four o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

TEXTILES

ADVISABILITY OF GOVERNMENT SUPPORT FOR INDUSTRY

Mr. Jean-Guy Guilbault (Drummond) moved that

In the opinion of this House, the Government should consider the advisability of supporting the textile industry by:

1. using the provisions of section 19 of the General Agreement on Tariffs and Trade to impose a global quota on the importation of textiles; and

2. amending section 11 of the Labour Adjustment Benefits Act to extend the program to layoffs which represent 10 per cent of the employees in a particular branch or division of a company and not only to those layoffs involving at least 10 per cent or 50 employees of the total establishment.

He said: Mr. Speaker, thank you for putting my motion before the House. My purpose is to increase the Government's awareness of the situation in the textile and garment industry.

Mr. Speaker, this is an industry that I know and support, and I know what I am talking about because I spent thirteen years there. I also would like to take this opportunity to say a few words about my beautiful part of the country. The Saint-François River flows across the entire breadth of the riding of Drummond, which is located a few kilometers south of the St. Lawrence River. It is situated between Montreal and Quebec City, if one takes the Trans-Canada Highway, and between Trois-Rivières and Sherbrooke if one is travelling on Highway 55. The location of Drummond between these four cities puts it right in Quebec's heartland.

The riding has a population of 75,000, spread over 28 municipalities and an area of 1,675 square kilometers.

The majority of the population is francophone, but the cultural, social and economic contribution of various ethnic groups in the region is still significant.

An industrial profile of Drummond would not be complete without a reference to the textile industry, because in the past, the industry's contribution to the economy of the riding was a very important one. Nevertheless, companies such as Celanese, Dominion Textile, Consoltex, Textile Dionne, *Teinture Élite* and several other enterprises in Drummondville continue to provide a living for the people in this riding.

The total number of jobs that depend on the textile and garment industry in the riding exceeds 5,000, which shows that the industry is still responsible for the major part of the region's economy.

To illustrate the importance of an industry like Celanese in the Drummondville area, I can inform Hon. Members that this compagny generates a payroll of $25 million a year, that it pays $500,000 in taxes to the City of Drummondville, that it contributes over $100,000 per year through its budget for

social activities, and that furthermore, it has just spent over one million dollars converting its heating plant to natural gas. It has also just invested another million in two silos for storing chemical products used in manufacturing yarns.

Mr. Speaker, the purpose of the motion before the House is to provide some solutions to the problems of the textile and garment industry and to ensure its protection and survival. As we all know, jobs are being threatened by imports from the semi-industrialized countries of the Pacific Rim.

As evidence of this I would mention the numerous plant closures such as Wabasso last March and, quite recently, Dominion Textile's announcement concerning the shutdown of two plants in Beauharnois and Valleyfield, with the resulting loss of 850 jobs. According to company spokesmen, the main reason for closing those plants was the ever growing clothing imports from low wage countries.

Mr. Speaker, the number of imported clothing units was 160 million in 1981 as compared with 244 million last year. In fact, on a per capita basis we let in twice as many imports as the United States do.

It is obvious that rising imports far exceed Canada's economic growth. It is an increase of 45 per cent, whereas over the past five years the market has expanded by only 1.5 per cent a year, and it is now at the 540 million unit level.

Higher imports in the last ten years have led to 35,000 fewer jobs in Canada. In addition those imports now account for more than 60 per cent of our domestic market. American textile industries have an advantage because most manufacturing operations in foreign countries are done in American branch plants or by companies under their control in developing countries. The net result is that they improve their financial situation through profits from foreign operations.

Mr. Speaker, I would like to give a few examples of countries which did not hesitate to come to the rescue of their industries. Over the past 15 years the Japanese have intervened directly in that sector to prevent the decline of their industries, and their annual textile and clothing imports have gone up by only 2 per cent. Think about it, Mr. Speaker, 2 per cent in Japan against a 45 per cent increase in four years in Canada. Many Japanese textile manufacturers have moved their operations to Southeast Asia where labour is cheap. Those manufacturers can then ship their exports through other Asian countries. Mr. Speaker, I would like to give you more examples about the Japanese. Here, from *Global Textile Industries* Figure 48, Annex 7: preferential financing at interest rates of 2.6 to 7.6 per cent for ten years; unit production costs financed by the national Government to the tune of 50 to 70 per cent, not to mention deferred payments, grants and what have you. And then Figure 52 reveals that Japanese companies have set up shop in various countries of Western Asia, such as Taiwan where they have 47 plants or industries, Hong Kong with 18, Korea with 47, Thailand with 32, and so on down the list.

There is also the European Economic Community, or EEC, also called the Common Market, which includes 13 European countries. Their per capita textile imports have gone down from $11.80 in 1980 to $8.30 in 1984 and their clothing imports from $22.30 in 1980 to $18.40 in 1984. Incidentally, during the Multifibre Arrangements III negotiations, the EEC asked for more restrictions on imports. They proposed a 1 per cent increase and advised the European Commissioner that they would take unilateral action if other countries refused their proposals. Both the industries and the unions agreed to ask for better protection against low cost suppliers. The employers and the unions found a 6 per cent rate increase for imports excessive in view of an estimated yearly market increase of between 1 and 1.5 per cent and demanded that the rate of increase for imports be lower than the rate of increase of the market to allow European businesses to make some slight progress. The unions also suggested that the EEC fine the member countries which would authorize imports in excess of their quotas and that unused parts of quotas no longer be carried over or transferred.

Imports from the main suppliers were to decrease by 10 percent over five years. The mechanism to prevent sudden increases and designed to stop an excessive inflow of imports, whatever the level of quotas, was agreed to at the same time as arrangements for an anti-fraud clause.

• (1610)

Mr. Speaker, this information comes from an article published in the autumn 1983 issue of the periodical *International Organization.*

Certain countries try to get around the rules of the MFA. For instance, Hong Kong buys and sells used quotas from other countries. Another means is to use a third country which does not have any quota agreement. For example, Mr. Speaker, the allocation cost for selling a quota for a pair of jeans was 55 per cent of the allocation price of these same jeans.

We can see that most textile and clothing producing countries provide assistance of various types to their own industries.

Through the CIRB, the federal Government has granted subsidies of $108 million and $70 million respectively to the textile and clothing industries. During the last 10 years, the textile industry has invested $2.4 billion to modernize its equipment. Incidentally, the federal Members of Parliament had an opportunity last August to visit the textile, clothing and shoe industries in Quebec and Ontario during a tour organized by the Minister of Regional Industrial Expansion (Mr. Stevens).

Like many EEC countries and semi-industrialized or developing countries, Canada must develop a federal textile and clothing policy as quickly as possile to determine the rules

of the game. Industries in these sectors in Canada are not asking for any subsidies. They want the Government to reduce the quotas and to give them a larger share of the domestic market.

Let me remind the House that the clothing industry is a very fragmented and labour-intensive industry and that between 24 and 40 cents out of every dollar produced by the sales of a clothing item go back to the worker. I think it would be difficult to find many other industrial sectors where the cost of creating one job is so low. On the other hand, the textile industry is very complex and capital-intensive. It costs at least $300,000 to create one job in this industry. Manpower costs represent only 15 percent of total costs. In addition, the western petro-chemical industry is dependent on the textile industry for $100 million in sales each year. This industry provides jobs for 75,100 people and the clothing industry gives employment to 99,000 workers in Canada. Also, it is estimated that 275,000 additional jobs in Canada are indirectly related to these industries.

Our industries have trouble competing against countries where wages are low and workers receive an hourly wage of between 21 cents and $1.50 an hour. This is why, Mr. Speaker, I am asking the Government to state its policies as soon as possible. The Multifibre Agreement was extended in 1977, and again in 1981. Each time, Sections 3 and 4 remained unchanged. In the 1977 Protocol extending the agreement, the parties thereto however allowed the possibility of jointly agreeing on reasonable temporary adjustments on specific points in given cases. The 1981 Protocol was worded in a more liberal way still, and it increased the extent to which importing countries could restrain importats under Sections 3 and 4.

The 1981 Protocol allowed importing countries to align their levels of importation on the domestic consumption growth rate, in order to determine market disruptions. Further, the Protocol enabled the parties to reach an understanding based on a level of positive growth lower than that provided for in Schedule B of the MFA in exceptional cases where there was a recurrence or intensification of market disruption. It also authorized any mutually acceptable agreement for reasons of flexibility in cases where the generous use of quotas with a very high level of restrictions represents an important share of the market. Finally, the 1981 Protocol provided for an "anti-increase" mechanism. It left the contracting parties quite free to negotiate agreements to resolve important difficulties arising from the repeated under-utilization of significant levels of restrictions that threaten to result in serious and real damage.

To that end, I have thought out a few scenarios. A 200 million unit per year quota would enable us to create 6,500 jobs more than in 1984. A 175 million unit quota would enable us to create 17,900 jobs in the textile and clothing industries.

Mr. Speaker, according to the Canadian textile industry, their share of the Canadian market has declined from 43 per cent in 1981 to 37 per cent in 1984. This is a good enough reason to invoke Section XIX of the GATT Agreement. They recognize that the increase in importation depresses activity in the primary textile industries which supply raw materials to the clothing industry. Further, it should be noted that the textile industry and the clothing industry are dependent on each other as it was emphasized in a study made in 1985 by the Quebec Department of Industry, Trade and Commerce.

Therefore, it is my view that the Government should impose an overall quota on imports from all sources under Section 19 of the GATT Agreement. Such action is self-explanatory, because when we negotiated the agreements we were not as tough as we should have been and our legitimate rights, as described in the Multifibre Agreement, have not been adequatly defended by the previous administration.

The use of Section 19 would abrogate the 21 bilateral agreements signed by Canada with fabric and clothing exporting countries. Those agreements would be replaced by an overall ceiling on clothing imports from all sources, whether from under-developed countries, newly industrialized nations or nations with state controlled or market-oriented economies.

The Government has to make sure that existing and future quota agreements are administered and negotiated by taking advantage of all the international rights Canada has under the Multifibre Agreement.

Such instruments are subject to the international rules grouped in the various GATT codes. Their legitimate use has nothing to do with protectionism. Within its jurisdiction and under the international agreements that were ratified, the Government has the right and the responsibility to do so.

This Government must develop a policy designed to provide leadership, to create a framework and conditions for development aimed at promoting a climate of confidence in which the industry will invest, and undertake or continue the manufacturing of competitive products.

Mr. Speaker, I would like to add a few words concerning the second part of the motion, which is designed to amend the legislation on manpower adjustment benefits, Chapter 89 of the Revised Statutes of Canada. In fact, Section 11(c), as now worded, is prejudicial in my view to certain workers in the textiles, clothing and shoe industries.

As it now stands, one of the requirements before employees are certified is that the number of employees in the plant has been reduced through lay-offs by at least 10 per cent or, if the reduction is lower than 10 per cent, by at least 50 employees.

Mr. Speaker, this is unfair for some of the workers because generally it is a branch or a department of the plant rather than the whole plant that is closed. This means that some workers cannot be registered under that legislation. We should not forget that this legislation comes under the Minister of Labour (Mr. McKnight) and its purpose is to protect older workers who have been permanently laid off in sectors of operations designated by the federal Government. They do not qualify for unemployment insurance benefits and they have no

prospect of getting a job. Those benefits to be considered as a continuation of income are a last resort adjustment for older workers who on account of their age and their qualifications do not qualify for the manpower employment program and find it very difficult to cope with the new conditions.

The program is of valuable assistance to those who are more deeply affected by the shutdown of plants and the loss of jobs. It is an answer to some rather difficult conditions and helps people who have no other alternative. Moreover, Mr. Speaker, it does not apply to millions of people since, according to the most recent report from October 1st to December 31st, 1984, there were 198 applications for certification of which 150 only were approved and 48 were disallowed mainly for the above-mentioned reason.

Mr. Speaker, this amendment seems to me to be important and I ask the Government to act quickly since the shutdown of other plants in the textile, clothing and footwear industries has been announced.

• (1620)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have listened very carefully to the remarks of the Hon. Member for Drummond (Mr. Guilbault). At the outset, as he launched into a description of his constituency, I started wondering if he was delivering the Address in reply to the Throne Speech. But I soon came to realize that in describing his constituency, he was in fact outlining how important the textile industry was in that area.

The textile industry, Mr. Speaker, is also very important for the constituency I represent. Now, in the western part of that constituency, as you get closer to the National Capital, textile industry nothing to write home about, but in the eastern part of my constituency, in cities like Alexandria, Hawkesbury, l'Original and others, that industry does play an important part. In the towns of Hawkesbury and Alexandria, and other town as well, we have textile plants such as Amoco, Consoltex, Fibre World, White Sister, Canadian Uniforms, Canadian Buttons, Texturon, Wonder Bra, and a few others—those manufacturers are going to be angry at me for not mentioning their names, but it was not intentional—we have a lot of those plants in my constituency, Mr. Speaker, and they bear heavily on the employment picture for my constituents.

The footwear industry also plays an important part in my constituency, and I feel it would be appropriate for me to dwell on that textile related subject for a minute or two this afternoon.

As everyone knows, footwear quotas will be lifted in a few weeks' time, on the 30th of November, and as the deadline looms, the Secretary of States for External Affairs (Mr. Clark) and his counterpart the Minister for International Trade still have made no statement to the House with respect to the footwear industry. This is most inappropriate as that industry employs 350 people in the Glengarry-Prescott-Russell constituency. Over the last few days, I have received 131 letters from employees asking for my help so that they don't get laid off as a result of this Conservative Government's carelessness, and I wish to take this opportunity to raise the matter in the House, as it is of utmost importance for my constituents.

Having said that, I will get back to the file on the textile industry itself, before you call me to order, Mr. Speaker, since the file on the footwear industry is similar but not quite the same. Let us say that ... Mr. Speaker, I do not want to interrupt those Conservative Members who are saying goodbye to everybody, but I would like to continue with my remarks.

In my riding, aside from the 350 jobs in the footwear industry which I have already mentioned, there are some 1,500 or 1,600 jobs in the textile industry. These too are very important for my constituents.

Mr. Speaker, I have here some letters from employees of textile companies in my riding who are asking my help so that they, too, can keep their jobs, which they feel are threatened by this Progressive Conservative Government's inaction. But I am pleased to see that some Progressive Conservative Members in this House share the view that the Government should do something to protect the jobs of the textile workers; I am pleased as well to know that the Hon. Member for Drummond (Mr. Guilbault) is among those who think that the Government should move and help people in his riding and within the whole industry.

[*English*]

Last summer during the election campaign, Mr. Speaker, the Conservative Party made a number of promises which I believe I may have raised with you once or twice previously. More particularly, it made a number of promises to the textile workers. I would like to read some of them to you, Mr. Speaker. The first promise was to "promote fair trade but not free trade". Would you believe that the Conservatives said that last summer, Mr. Speaker? Second, "promote stability through the rigorous enforcement of our existing international rights and obligations including, if necessary, the establishment of global quotas and a controlled increase of import volumes". That is a promise made by the Conservatives last summer. I know that the Hon. Member for Dollar (Mr. Weiner), who is listening attentively, has taken note of that particular promise which was made in Sherbrooke, would you believe, Mr. Speaker, by the Prime Minister (Mr. Mulroney), then Leader of the Conservative Party? I am sure that other Hon. Members might want to speak on this subject in the future and say whether or not they agree with promise No. 2 made by the Leader of the Conservative Party last summer. The third promise made by the Conservative Party, and again I read from the "Book of Promises", "review Canada's existing obligations in order to ascertain whether modifications should be pursued". A fourth promise was, "promote specialization in those areas with the best prospects for long-term economic viability". The fifth promise was, "promote the nationalization

of Canadian production through the use of duty remission schemes so that Canadian producers can work with low-cost foreign producers, combining Canadian expertise in fashion, marketing, and financial techniques with foreign products in pursuit of other markets in the world". That is a long-winded promise which I have read on a number of occasions and I am still not quite able to decipher what exactly it means except that it seems to contradict promise No. 2. Of course, that would not be the first time that Conservative promises were not consistent. The only consistency in Conservative promises has been the fact that they have been so inconsistent.

Promise No. 6 was to "promote the auctioning of import quotas in order to provide funds for the modernization of the industry". Promise No. 7 was to "decrease the use of grants". I wonder how one would reconcile that with promise No. 4. However, Tories can sometimes rationalize these things. Promise No. 8 was to "increase the use of tax incentives to reward success, including the broadening of the tax definition of research and development". I remind you of promise No. 7, Mr. Speaker, which I read a few seconds ago. You can see how consistent that is. The ninth promise was to "promote the greater partipation by representatives of the industry in the formulation of textile and apparel policy". I will stop right here, Mr. Speaker, because I think it is important to discuss promise No. 9. As you recall, that promise talks about consultation with industry. I want to draw to your attention, Mr. Speaker, a letter written in December, 1984, by the Moderator of the Canadian Textile Labour-Management Committee of the Industrial Relations Department of the University of Laval in Quebec City to the Minister of Regional Industrial Expansion (Mr. Stevens). The Reverend pointed out that he had been trying to get a meeting with the Minister for six months and never could meet him. The promise was that the Conservative Party would consult with the textile industry. Yet, six months later, they did not have the time to meet with the people who had a lot to do with that industry. I think this could be interpreted by some as being inconsistent.

• (1630)

Promise No. 10 was to promote diversification of the economic base in those areas which are highly dependent on these industries. I represent a riding which is highly dependent on that industry. Since the Conservatives have been in power, they have been cutting off grants and cancelling program after program which could assist the constituency I represent in diversifying into other businesses. Not that there is anything wrong with those people or those businesses now being operated, but of course we want to diversify our economic base. We have been trying to do exactly what promise No. 10 says we are supposed to do but the Conservatives cut off the money. It was very, very difficult to live with that promise, Mr. Speaker.

Promise No. 11 was to create training programs to assist workers in adapting to technological change in the textile sector.

That is the list of promises made by the Conservative Party regarding the textile and apparel industry. This, of course, comes from a campaign document released in Sherbrooke last year. When I decided to run for office, Mr. Speaker, an elderly gentleman said to me: "When you run for office, you should ask yourself what happens in case you win." Not what happens if you lose, Mr. Speaker. If you lose, you do not have to deliver on the campaign promises. What you are supposed to remember is what happens in case you win. Maybe the Tories should have remembered that during the last election campaign. Maybe they should have asked themselves what if they have to deliver on these promises. How are they going to do it? Will they be able to deliver on all these promises, one contradicting the other? Will they be able to increase grants and reduce grants to the same industry at the same time? Highly unlikely, Mr. Speaker. Will they be able to deliver on a set of campaign promises costing $20 billion, 113 of which were to spend more money, five to spend less, two to increase revenues, 26 to decrease revenues? Maybe they should have asked themselves the question: What happens in case I win? Had they done that, they would not be in the mess they are in today a little over a year after the election. Were there an election today they would be turfed out at the polls.

Some Hon. Members: Dream on.

Mr. Boudria: I cannot wait for the next round of public polls and we will see what they have to say about the resignations and the scandal-a-day Tories sitting across the way.

Some Hon. Members: Textiles!

Mr. Boudria: The team across the way say "next time".

Some Hon. Members: No, textiles.

Mr. Boudria: Maybe next time they will come across the floor. In the meantime, I am going to keep talking about the importance of keeping their promises to the textile workers in my riding. Maybe the Tories do not want to talk about that. They are embarrassed and I do not blame them. I do not blame the Hon. Member for Gatineau (Mrs. Mailly) for being embarrassed.

[*Translation*]

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

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: The Hon. Member will start again with the same old story, he will name each and everyone of us, in order to point out if we are here or not. He will give us a lot of nonsense. Why does he not stick to the subject? We are dealing with a very important matter that my colleague has fully explained. Then, let him stick to the subject rather than starting to mention our presence.

Mr. Deputy Speaker: This is not a point of order as far as the Chair is concerned. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: As you said, Mr. Speaker, it is not a point of order nor is it a good point. The Hon. Member for Gatineau (Mrs. Mailly) will nonetheless have an opportunity later on to talk about the textile workers of her riding and say how she intends to give her constituents the textile jobs that were promised by the Progressive Conservative Party. I can assure you, Mr. Speaker, that I have every intention of talking about textile, about the commitments this Government made to the people in my riding and elsewhere who work in that field.

Mr. Speaker, we know that over 80,000 people earn their living in the textile and footwear industry and that it is very important not only in the riding of Drummond, but also here in Ontario, in the riding of Glengarry-Russell-Prescott as well as in other ridings, although I think I have the greatest number of jobs in mine, with the exception perhaps of the city of Toronto, in Ontario.

We are told there are 44,000 workers in the textile industry in Quebec, close to 38,000 in Ontario, about 1,000 in Manitoba and in the rest of Canada, approximately 7,000 for a total of about 90,000 jobs of which 42 per cent in the province I have the honour and privilege of representing in the House of Commons, the province of Ontario. So, as you can see, Mr. Speaker, this is a very serious and important matter for the constituents of Glengarry-Prescott-Russell.

In conclusion, very briefly, I ask the Government to fulfil the promises he made to the textile and footwear workers. It will have trouble keeping them all because they contradict one another but it should at least act on those that will provide permanent jobs to my constituents and guarantee them their right to work. The people of Glengarry-Prescott-Russell are not to blame for the fact we have a Progressive Conservative government. Rest assured, Mr. Speaker, that I will keep on asking and demanding assistance from this Government for the textile, clothing and footwear industry of Glengarry-Prescott-Russell and elsewhere.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Burin-St. George's (Mr. Price).

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker—

Mr. Cassidy: Point of order, Mr. Speaker. I was on my feet and it is normally the custom that all three Parties have the opportunity to participate in Private Members' hour. Is that no longer the custom or may I have the right to speak?

Mr. Deputy Speaker: The Hon. Member will know, of course, that the order of speaking in the House is entirely within the discretion of the Speaker. At this time, during Private Members' hour, I do not believe that Parties are recognized by the Speaker, but rather private members. However, for the Hon. Member's benefit, it was the intention of the Chair to recognize him after the Hon. Member for Burin-St. George's.

Mr. Cassidy: With great respect, what you are saying—

Some Hon. Members: Sit down!

Mr. Cassidy: —is that it is now going to be the policy of the Chair to prevent Members of the NDP from participating in Private Members' hour.

Some Hon. Members: Sit down!

Mr. Cassidy: That is effectively the situation you are creating, Mr. Speaker.

Mr. Deputy Speaker: The ruling has been made by the Chair.

Mr. Cassidy: Point of order.

Mr. Deputy Speaker: The ruling has been made by the Chair, which is that the Hon. Member for Burin-St. George's will speak. If the Hon. Member wishes time to speak, it may be in his interest to allow the Hon. Member to start his speech.

Mr. Cassidy: On a point of order, Mr. Speaker. The Speaker is surely aware that Members have a right to speak for 20 minutes and that will take us to five o'clock. It seems to me, therefore, that it denies opportunities for any Members of this Party to participate and debate on this important subject, a subject which affects a large number of working people and consumers. As well, as spokesperson on the subject for my Party, I had prepared to participate. I find myself in some difficulty. I do not wish to challenge your ruling—

• (1640)

An Hon. Member: Sit down, then.

Mr. Cassidy: If the Hon. Member would agree to speak for 10 minutes and let me speak for 10 minutes, then I would be happy to sit down at this point.

Mr. Deputy Speaker: I would ask the Hon. Member to allow the Hon. Member to start his speech.

Mr. Cassidy: I move that the House adjourn.

Mr. Price: Mr. Speaker—

Mr. Cassidy: Mr. Speaker, I rise on a point of order. Is there a quorum?

Mr. Deputy Speaker: Yes, the Chair believes that there is a quorum.

Mr. Cassidy: On a point of order, I intend and my Party intends to raise this with the Speaker of the House of Commons, since you were standing in on his behalf. I think it is a serious matter and that an injustice is being done, not just to Members of my Party but also to the millions of Canadians who supported our Party in the election campaign.

Some Hon. Members: Order.

Mr. Cassidy: If in fact the Chair is abusing its power—

Mr. Deputy Speaker: Order.

Mr. Cassidy: —to stifle debate from my Party in this House.

Mr. Deputy Speaker: Order, please. The Member for Burin-St.-George's (Mr. Price) has the floor.

Mr. Cassidy: That is exactly what is happening, Mr. Speaker.

Mr. Price: Mr. Speaker, I was getting rather apprehensive that perhaps I would not get a chance to speak. The Member seemed to be prepared to carry on for some time.

I should also remind the Member that there are people in my riding who would like to hear me make representations on their behalf. As well, I would like to make some comments for the record on behalf of the Department that I represent, the Department of Labour.

I want to begin by thanking and commending the Hon. Member for Drummond (Mr. Guilbault) for bringing to the floor of the House an issue that is indeed important to him and I know very important to his constituents. I come from a riding, Burin-St. George's on the south coast of Newfoundland, that has seen many years of great hardship and many years of great anxiety as a result of the difficulties of a very fragile fishing industry. I can sympathize with my hon. friend and I can sympathize with the problems in the textile industry that he is so concerned about. I can assure him that I, as a Member of the House, do indeed understand his comments and concerns.

I am sure that he would agree that the adjustment issues that he refers to are not new only to his riding but indeed are relevant to all of Canada. What we do have to ensure is that our capacity to grow and prosper as a nation goes hand in hand with our ability to manage the attendant changes with care and sensitivity.

As you know, we are living through a difficult transition period brought about by many factors, including international competition and rapid technological change. The challenge is to manage this process in a way to ensure that the benefits and costs of economic adjustment are shared in a fair and equitable manner. In this regard, the Federal Labour Adjustment Benefits Program plays an important role in assisting those who are most adversely affected by plant closures and job loss, namely older workers with a long employment history in a designated industry and with little prospect of re-employment.

The Labour Adjustment Benefits Program provides payments to assist older workers who have been laid off as a result of import competition, industrial restructuring or severe economic disruption in a designated industry and/or region. The program provides last resort income maintenance benefits and is targeted to older workers who have exhausted their unemployment insurance entitlement and are generally not well suited to other adjustment programs. They are not readily employable in other industries or occupations because of their age and because their skills are usually specific to the industry from which they have been laid off.

In order to appreciate the intent of the program and its limitations, I would like to provide some background for the record. Labour Canada has maintained an adjustment assistance program since 1972. The program, initially referred to as the Adjustment Assistance Benefits Program, provided benefits to qualified individuals who have been laid off from the textile and clothing industries. This program was extended to workers in the footwear and tanning industries in 1978. Also in 1978, a total review of all Government adjustment measures was undertaken, resulting in the establishment of the Industry and Labour Adjustment Program, more commonly known as ILAP, in 1981.

The Labour Adjustment Benefits Act, promulgated on May 1, 1982, was created to include labour adjustment benefits as part of the ILAP program and to provide for a continuation of benefits from the four general designated industries; textiles, clothing, footwear and tanning. Other industries can be designated either generally or regionally, but to date, only the above-mentioned four industries have been designated generally.

The Act also provided for the establishment of a Labour Adjustment Review Board; the five-person tripartite board which certifies persons, whose lay-offs meet the criteria under the Act, as being eligible to apply to Employment and Immigration for benefits. The following are criteria for certification: the lay-off must have taken place in a designated industry and/or region within the time frame stipulated by the relevant order under the Labour Adjustment Benefits Act; the lay-offs must have been part of a workforce reduction of 10 per cent or 50 employees, which ever is less, within a 12 month period; the workforce reduction must have been caused by one or more of the economic factors causing the designation to be created.

The board's secretariat receives applications, investigates the circumstances and reports and makes recommendations to the board which then renders certification decisions. Qualification of certified individuals to receive Labour Adjustment Benefits is carried out by Employment and Immigration upon receipt of applications from the secretariat.

I think at this point it would be useful to note the conditions under which certified persons may receive benefits. They must be Canadian citizens resident in Canada. They must have worked 1,000 hours in each of 10 of the last 15 years in the relevant designated industry. They must be at least 54 years old at the time of the lay-off and not more than 65 years old. In cases of extreme financial hardship, a person may also qualify if their age and years of service at the time of lay-off add up to 80 years. Their unemployment insurance entitlement must be exhausted and they must have no present prospect of employment or have accepted employment that pays less than the average weekly insurable earnings before lay-off.

Benefits are payable until age 65 and are approximately equal to the unemployment insurance benefits. Benefits are administered by Employment and Immigration, which is then reimbursed by Labour Canada. Policy and designation recom-

mendations are developed by the policy program of Labour Canada. In the case of regional designations, Labour Canada works in close conjunction with Employment and Immigration.

Hon. Members may recall that on April 10, 1984, the Cabinet approved the creation of a modified version of the Industry and Labour Adjustment Program. This program, administered jointly by the Canada Employment and Immigration Commission and Labour Canada, serves as a means of providing emergency assistance to communities experiencing severe economic difficulties of a structural nature resulting in serious disruption of employment.

As the financial resources of the modified Industry and Labour Adjustment Program are limited only the most severely affected communities, which meet the strict criteria of the program can be designated.

● (1650)

The modified ILAP provides two levels of assistance. Workers laid off in communities designated Level 1 are eligible for supplementary job creation measures, training and mobility assistance and CEIC portable wage subsidies. Designation at Level 2 of the program are made in accordance with the Labour Adjustment Benefits Act. In addition to CEIC adjustment measures, older workers laid off in designated industries in communities designated Level 2 are eligible for labour adjustment benefits.

A detailed review of the economic situation of some 240 communities throughout Canada have been made in connection with the modified ILAP. Following this review, the Cabinet on June 21, 1984, announced nine designations of communities most severely affected by massive and permanent lay-offs. Five of these nine designations were at Level 1 of the modified ILAP. These five Level 1 designations were to communities in Newfoundland, Quebec and British Columbia. Three additional designations have subsequently been made, one in Nova Scotia, one other in Newfoundland and an additional one in British Columbia.

Four communities have been designated Level 2 under the modified ILAP. These four communities are located in eastern Quebec and Labrador, and are totally dependent on the iron ore and asbestos industries.

All workers laid off in these designated communities can benefit from CEIC active adjustment measures. In addition to these measures, as I stated, older workers laid off by regional key industries designated under the Labour Adjustment Benefits Act can apply for labour adjustment benefits if they meet the criteria for eligibility.

As far as certification is concerned, the Labour Adjustment Review Board is authorized to grant certification where certain conditions, as outlined in Section 2 of the Act, have been met.

First, the employee must have been laid off. The legislation stipulates that the lay-offs must have taken place in order for certification to be granted. Although lay-offs may be scheduled for a specific date, for example, in a plant closing, the Labour Adjustment Review Board is not empowered to grant certification nor to provide assessments as to whether certification will be granted in advance of the lay-offs.

Second, the establishment where the lay-offs took place must be part of a designated industry. The determination of whether a company is part of a designated industry is made by the Labour Adjustment Review Board, taking into account the effective dates of designation for the industry.

In the case of general designations, that is the textile, clothing, footwear and tanning industries, there are limitations on the components of the industries which are considered to be designated. These limitations are based on industry definitions, and in this context the board generally refers to the standard industrial classification codes describing the major industry groupings.

In the case of regional designations, the specific industries included are based on Cabinet decisions. Again the board refers to the applicable standard industrial classification codes. Industries can be designated retroactively, Mr. Speaker, and lay-offs which have taken place since the retroactive date of designation may be considered for certification. All existing general designations are retroactive to May 1. 1978.

To determine that the lay-off is within a designated industry and that it meets other requirements of the Act, the secretariat of the Labour Adjustment Review Board carries out a detailed review of the case on behalf of the Board. Notwithstanding that an industry is no longer designated, an employee may be certified provided that the lay-off took place while the industry was designated.

The third condition for granting certification requires that the number of employees in the establishment must have been reduced as a result of lay-offs in any 12 month period by at least 10 per cent or 50 employees, whichever is less. This criterion is designed to ensure that the intent of the legislation is maintained, that is, to offer adjustment assistance where major lay-offs have taken place and where such lay-offs are of a non-cyclical nature.

Since a reduction in the number of employees as a result of lay-offs is a necessary condition for certification, laid-off employees who have been replaced will not be eligible for certification. In cases where lay-offs are taking place but, because of recalls and new hiring, the employee level in a company is stable or rising, certification cannot be granted.

Should lay-offs in the order of 10 per cent take place during part of a 12 month period, additional employees laid off in the remainder of that 12 month period can be certified only where a further reduction in the number of employees is evident and where the other requirements of certification have been met. In considering lay-offs which have taken place during a second 12 month period, it is necessary to establish that the full requirements for certification have been met in relation to the new period. Reduction in the number of employees in an establishment due to retirements, dismissals or resignations cannot be taken into account when determining whether a reduction of 10 per cent or 50 employees has taken place.

The last condition for certification, which I want to mention, is that the lay-offs must have resulted from the economic adjustment which caused the industry to be designated. In the case of general designations, economic adjustment must be non-cyclical and must be the result of import competition or industrial restructuring including technological change pursuant to a policy or program of the Government of Canada.

In the case of regional designations, economic adjustment refers to the serious non-cyclical downturn in the industry causing economic disruption in the region and serious loss of employment in the region.

In conclusion, I would like to emphasize that the Government's financial commitment, while limited, has increased significantly for this fiscal year. For 1985-86 the estimated funds are $20 million more than the amount in 1984-85, almost double the amount allocated last year. This is due to a significant increase in lay-offs in the textile and clothing industries in the Province of Quebec, and in response to the needs of workers in particular industries that have been designated on a regional basis.

I should also like to bring to the attention of the Hon. Member for Drummond that this amount represents the largest allocation of funds in Labour Canada's 1985-86 estimates. That is a very significant point indeed.

I want to assure the Hon. Member that his representations have been heard, are being listened to and are appreciated. As I have mentioned before, I have an industry, unfortunately an industry not designated under the Act, namely the fishing industry, and several references have been made in the House over the last couple of days with respect to that industry. Very few people have indicated that although the fishing industry has not been designated under the Labour Adjustment Benefits Act, Governments—this Government in particular—have responded to the needs of the industry by injecting additional new equity into a company called FBI of Newfoundland. As a result, that industry should now be in a position not only to stabilize but for the first time in five years show a profit. That is a Government responding to the needs of people.

I would like to thank the Hon. Member for Drummond for his representations and for giving me an opportunity to address it on behalf of the Government.

Mr. Deputy Speaker: The Chair would like to advise the House that the Hon. Member for Ottawa Centre (Mr. Cassidy) will have the floor the next time this matter is debated in the House.

It being five o'clock, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, October 7, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits be read the second time and referred to a legislative committee.

She said: Mr. Speaker, the legislation the Government is proposing intends to compensate uninsured depositors of the Canadian Commercial Bank and the Northland Bank as well as the CCB Mortgage Investment Corporation if this institution cannot resolve liquidity and other problems resulting from the failure of the CCB, and to arrange the appointment of new advisers.

Before I address the Bill more fully I want to make perfectly clear that it is not the Government's intention to set a precedent in compensating uninsured depositors in our financial institutions. We are compensating these depositors because the situation facing these two banks reflects unique and particular circumstances.

Although these two banks accounted for less than 1 per cent of the Canadian banking system they provided important support to economic activity in western Canada at a very critical time. Depositors who stayed with these banks shared the Government's view that regional financial institutions can play an important role in Canada.

[*Translation*]

Mr. Speaker, as I said last week, the problems experienced by the Canadian Commercial Bank and the Northland Bank reflect a set of unique and particular circumstances. The Canadian banking system is and remains one of the most stable in the world. In fact, as I indicated earlier, the assets of these two institutions represent less than 1 per cent of the total assets of the Canadian banking system.

Both banks had their beginnings in Western Canada in the middle of the seventies. Both were located in a region that was experiencing rapid economic growth as a result of the energy boom, and both grew substantially during this period.

[*English*]

The economic recovery in western Canada is still fragile. The boom came in the late 1970s for western Canada, and Alberta in particular was a vibrant and buoyant market-place. It was in that environment that the CCB and the Northland were born and prospered. The bubble burst in the early 1980s when world energy market conditions and the National Energy Program depressed the economy of Alberta. Through the depression those institutions, and those who kept deposits with them, helped cushion the serious economic impact of the recession on western Canadians.

My colleagues and I consider this legislation a matter of the highest priority. It is a high priority because of the importance that we on this side of the House place on easing of financial and economic problems of municipalities, small businesses, charitable organizations, credit unions, labour unions, hospitals, colleges and particularly individual Canadians. These problems are a direct result of the collapse of the Canadian Commercial Bank and the Northland Bank.

The major elements of this Bill will come as no surprise to this House. They have been the subject of some considerable discussion over the past few weeks. The circumstances surrounding both the Canadian Commercial and the Northland Bank have been put forward to this House on many occasions and most recently in a statement made here last Monday.

Let me say again that the action our Government took last March regarding the CCB was on our Government's recognition of regional financial institutions and also in recognition of the importance of the CCB to the western economy. We also based our decision on the international circumstances last March.

Our Government examined all the options at that time and in consultation with two provinces and six chartered banks we went forward with the support package. These facts are well known to the House.

Let me now also outline the key elements of this legislation so we can all speak from the same point of reference on the matter.

First, this Bill would authorize the Government to compensate all the depositors of the two banks who maintained deposits in excess of the $60,000 amount protected through the Canada Deposit Insurance Corporation.

Second, the Government is proposing that the uninsured depositors covered under the legislation be paid in two installments. The first installment would be paid as quickly as possible following Royal Assent to this Bill and would repre-

sent 60 per cent of the total amount payable to each depositor. The balance, 40 per cent of the outstanding deposits, would be paid on April 1, 1986 through a post-dated cheque which each depositor will receive with the initial payment once the legislation has been adopted by Parliament and given Royal Assent.

As Hon. Members may be aware, the payments in respect of insured depositors are made by the CDIC under the CDIC Act. The payment of the uninsured portion of the deposits is to be made under Bill C-79 following the coming into force of the Act.

Accordingly, all that is now required is that the Act be passed by Parliament. The ruling of the Manitoba court has no effect on the process of compensating all depositors.

• (1110)

Depositors will receive full compensation for amounts on deposit as of September 1 but they will receive no interest between September 1 and the date of actual payment. This decision reflects a careful balance between the Government's desire to compensate uninsured depositors in this particular case and the need to ensure continuing market discipline with respect to financial institutions.

This Bill also provides for the offsetting of deposits where possible. In such situations, depositors who have outstanding loans with the banks may have their cash payments reduced by the amount of those loans. This action is normal practice in a liquidation.

That is the essence of the Bill, Mr. Speaker. I would urge Hon. Members to give the elements of this Bill their full consideration. However, I would also urge them to do so expeditiously.

There will be many questions relating to the circumstances surrounding the demise of the CCB and the Northland Bank. I would like to remind all Members that those circumstances surrounding the failure of both banks are currently being examined by Mr. Justice Willard Estey. Therefore, today we are talking about the imperative to help those organizations and individuals across the country who have been adversely affected by the closure of the two banks. The debate today should focus on the elements of this legislation. I ask Hon. Member opposite to put the needs and concerns of Canadians above partisan politics so that this House can meet those needs in a fair and expeditious manner.

Over the past few weeks, Members of the House have voiced a number of concerns with respect to the legislation the Government has proposed. I want to address those concerns because I believe that once concerns like these are laid to rest, we can move quickly to approve the Bill.

Hon. Members opposite have demanded that the Government release the names of the depositors who will be compensated under the terms of the legislation. I have said on many occasions that the privacy of individuals must be protected and that the laws of this country do not appear to permit the publication of this information.

Mr. Cassidy: They do in a bankruptcy.

Mrs. McDougall: To violate the confidentiality of the Bank Act would put all depositors in Canadian institutions at peril should any Government in future wish to get access to and publish that data.

Mr. Cassidy: Not true. This is a unique situation.

Mrs. McDougall: That is the law, and despite the fact that the broad based nature of the depositors would probably help demonstrate that the Government is doing the right thing, the Government must respect that law and principle.

I promised the House that I would provide a detailed breakdown of the classification of uninsured depositors which should meet all reasonable requirements for information on the nature and amounts of the payments that will be made. Let me state now those categories of depositors and the value of their uninsured deposits. I shall table in the House as soon as the French version is available a list of the categories and the amounts of deposits as of August 31, 1985. In the meantime, let me tell the House of some of the highlights of that document which we expect to have available shortly.

With regard to the Canadian Commercial Bank, credit unions and credit union centrals and $67,840,043; municipalities, $41,059,682; school boards, schools and post-secondary institutions, $3,102,928; religious organizations, $2,267,241; charitable organizations, $1,499,763; labour unions, $6,510,-856; and hospitals, $5,192,054.

With regard to the Northland Bank, uninsured depositors included credit unions and credit union centrals to the extent of $61,921,647; municipalities, $40,707,740; school boards, schools and post-secondary institutions, $216,461; religious organizations, $4,970,452; charitable organizations, $13,172,-093; labour unions, $331,496; and hospitals, $4,716,434.

• (1115)

Mr. Cassidy: What about the other $600 million?

Mrs. McDougall: It will be in the document, Michael.

Mr. Cassidy: How much will foreign banks receive? What about Peter Pocklington, is he on the list?

Mrs. McDougall: The total amount of these uninsured deposits, the amount being requested under the terms of this legislation, is $414 million in the case of the Northland Bank and $532 million in the case of the Canadian Commercial Bank. The numbers which I have just quoted suggest $946 million for uninsured deposits in the two institutions. However, the liquidator anticipates about $140 million in set-offs, which would result in the Government compensating uninsured depositors for approximately $806 million. As some set-offs are likely to be subject to further legal consideration, the $875 million appropriation figure in the Bill assumes the exercising of only one-half of the anticipated set-offs. Therefore, I believe that the $875 million figure is an overestimation of what will be required.

I would like to emphasize as well that the appropriation of $875 million requested in the Bill will not be the final cost to

the Government or the taxpayer. That cost will be lower by the amount of recoveries from liquidation of the assets of the two banks.

The Canada Deposit Insurance Corporation has already begun payments to insure depositors of the CCB and is starting to make payments to insured depositors of the Northland Bank. Insured deposits for the CCB and the Northland together total $275 million and $318 million respectively. These funds will be obtained by borrowings by the CDIC which will eventually be recovered, with interest, through recoveries from the liquidation and through premium payments made by financial institutions which are members of the CDIC.

Once this legislation has been approved by the House, the Canada Deposit Insurance Corporation will act as the agent for the Government of Canada in connection with payments on uninsured deposits. Application forms will be mailed as quickly as possible by the CDIC to all those eligible under the Bill. Depositors may complete these forms and return them to the CDIC which will then issue the two cheques. Depositors will have until April 1, 1986 to file such applications to the CDIC.

I have described some of the classifications of depositors who will be paid under the Bill. These are deposits within the meaning of the definition of "deposits" in the Canada Deposit Insurance Corporation Act. This includes demand deposits, term deposits and U.S. dollar accounts.

The public policy underlying the Bill applies only to depositors—those who have entrusted their money to the banks. Other creditors are more analogous to creditors in a conventional bankruptcy and will rely on the liquidation process. The legislation does not include shareholders of common or preferred shares or debentures, nor does it include participants in the support package which was arranged for the Canadian Commercial Bank last March.

As well, the funds advanced by the Bank of Canada to both the CCB and the Northland are not covered by this legislation. Those advances, some $1.3 billion to the CCB and $500 million to the Northland, are secured by assets of the banks. The six chartered banks and the two provincial Governments which participated in the support package will have, together with the Government of Canada, the right to claim a *pro rata* share of the proceeds of the realization of the assets of the two banks once the affairs have been wound down. As holders of subordinated debt, the Governments of Canada, Alberta and B.C. will not receive a share from the realization of the CCB's assets.

Under the terms of this Bill, the depositors, in return for compensation of their uninsured deposits, will assign to the Government all their uninsured rights to a share in the assets of the banks following liquidation proceedings. In effect, the Government of Canada will become the major uninsured depositor.

I would like to be able to advise the House of the final cost to the Government of this compensation package. At this stage, though, it is too early to determine what final recoveries might be. I do not want to tie the hands of the liquidators by engaging in speculation in the House today. Every effort is being made, with the co-operation of the liquidators and the other creditors, to ensure that the sale of the assets of the two banks is undertaken in an orderly manner in order to obtain a maximum value from them.

The decision to provide compensation to the uninsured depositors was not a decision which we made without careful attention to all the factors relating to this issue. I believe very strongly in the importance of the deposit insurance system and in the necessity for investors to act responsibly in choosing where to place their money. So the support we are proposing today should not be interpreted as blanket insurance that similar support would be forthcoming in the event that a financial institution faces difficulties in the future. That is why we will move to increase the powers of the federal regulatory authorities and to change the CDIC Act so that the deposit insurance system will have the financial resources necessary to protect Canadian depositors of modest means.

• (1120)

Over the period since the completion of the CCB support arrangement, the Inspector General of Banks has supplemented the resources of his office through the engagement of individuals outside of the Public Service on a contract basis. Following implementation of the support agreement, two bankers were engaged as special representatives to supervise the arrangement.

Subsequently, three recently retired bankers were engaged to conduct an examination of the CCB loan portfolio. Another retired banker was engaged to assist with the review of the Northland portfolio.

Currently, the Inspector General of Banks is finalizing arrangements to bring under contract a number of active and retired bankers to assist in the regular program of bank inspections now in progress. All this followed, Mr. Speaker, a 30 per cent increase in the Inspector General's staff over the course of last year.

At the same time, the Inspector General will be seeking the authority to increase the permanent resources of his office. I have already indicated, Mr. Speaker, that the Government intends to introduce legislation very shortly to increase substantially the power and authority of our regulators. We will continue to do our best as supervisors, regulators and policy makers to ensure that our financial institutions meet the highest possible standards. These changes will ensure that we have the best regulatory system in the world.

As I said at the outset, Mr. Speaker, we are proposing to compensate the uninsured depositors of the Canadian Commercial Bank and the Northland Bank because the situation of those banks reflects unique factors. These depositors stayed with the Canadian Commercial Bank and the Northland Bank as an expression of confidence in the viability of regional financial institutions which we were all supporting. When I say "we", Mr. Speaker, I include the major chartered banks and

two provincial Governments in addition to the federal Government.

We are paying these depositors as well because of the serious economic impact which would result, especially in western Canada, from forcing municipalities, credit unions, charities and small businesses, to absorb the total loss of all their deposits in excess of the $60,000 limit insured by the CDIC.

I have already indicated to the House some of the classifications of the depositors, and all Hon. Members can imagine the impact on these organizations and the individuals they serve and employ if the Government were not taking the action proposed today. Many of them would be in serious financial difficulties. We are talking about the domino effect which insolvencies have with lay-offs, permanent loss of jobs and all of the problems which go with business failures of that sort.

The plight of some municipalities which invested their surplus cash in the Canadian Commercial Bank and the Northland Bank has been well documented in the media. In this part of the country we have heard of the situation facing Kanata which has been forced to defer many of its capital projects and provide only essential services until the status of its deposit has been resolved. Kanata is not the only municipality in this situation. What were we to do in the circumstances, Mr. Speaker? Should this House be telling those municipalities, "Sorry. Tough luck. Raise your property taxes or go to your provincial Government"? Surely we have a responsibility to them, having participated in the March support arrangements.

Hon. Members opposite are openly critical of the decision of the Government to include the deposits of foreign banks as part of the terms of this Bill. However, it would not be a responsible action on the part of this Government to protect only certain kinds of depositors. What kind of signals would we send to the international financial community if we were to take that kind of action? I suggest that any refusal to indemnify foreign depositors would have been seen as a major breach of trust, both at home and abroad, and our banking system would become truly insular if we paid off Canadian depositors while not paying off non-Canadians.

Therefore, the Government had to weigh the impact and the criticism from the other side of the House which it might receive because of our decision to pay all uninsured depositors against the widespread difficulties which would occur across the system had there not been such indemnification.

● (1125)

I mentioned at the beginning that it is the Government's hope that the House will move speedily to pass this Bill through all stages so that it can send out the cheques as soon as possible. The organizations and individuals affected by this problem are very concerned. Over the past few weeks, the CDIC has received over 400 calls a day from people who want to know what their status is and when they might expect to receive their compensation. Many people have written directly to me because they or their companies are facing serious problems.

Let me give a few examples. A small construction company which put its partial payment for a job into a 30-day certificate is now in the position of being unable to pay its workers and sub-contractors and will have to start laying off employees. I have also received a letter from a small western Canadian business which employe 25 individuals. The uncertainty around the status of the company's deposits and the timing of the payments means again that the business must start laying off its employees. I mentioned the plight of the Municipality of Kanata, and it is not the only municipality caught in these circumstances.

I could go on and talk about calls from individual Canadians to many Members of the House and to the CDIC. These are ordinary businesses, ordinary organizations employing ordinary Canadians and engaged in standard investment practices. They deserve the support of the House and its assistance and they need speedy consideration of this Bill so that they can get their lives and their companies back to financial stability again.

In conclusion, let me repeat what I said in the House in May when all Members agreed to the speedy passage of similar legislation with respect to Pioneer Trust. As a Government, we are committed to the responsible management of the affairs of this country. That is a heavy responsibility and one that we take seriously. It is one that carries with it the necessity of making difficult and complex decisions. We have made those decisions and we have concluded that our responsibilities include the protection of depositiors faced with the unique and unusual circumstances surrounding the fate of the Canadian Commercial and the Northland Banks.

I would like to thank Members opposite in advance for their co-operation in this matter. Believe me when I say that they are not helping the Government, they are helping thousands of Canadians who have been caught up in this regrettable matter.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, perhaps it was just a Monday morning speech, but that was not a very spirited defence of this legislation. I can understand why.

As a matter of fact, I am surprised that the Minister of Finance (Mr. Wilson) is not in his place today either to present the Bill or to hear his colleague, the Minister of State for Finance (Mrs. McDougall). He has general responsibility for the banking system and for the financial system in the country. It has been delegated, to a certain extent, to the Minister of State for Finance. However, a billion dollars is a billion dollars and the Minister of Finance should have been here to address the issue and hold himself accountable to Parliament for that issue.

In March, the Government put together a bail-out for the Canadian Commercial Bank. Those of us on this side of the House were skeptical but we—

Mr. Cassidy: But you supported it.

Mr. Turner (Vancouver Quadra): We supported it and we agreed with the Government on the basis of ironclad solutions that the bail-out would be successful and render the bank solvent and viable again. We supported the Bill on the basis of that assurance.

We were told that it was a temporary problem that was a result of a few bad management decisions. Upon review of the history of that bank, it turns out that it was more than a few bad management decisions. That bank was badly managed from its inception.

We were also told that it was an isolated incident. I want to put on the record what the Minister of State for Finance told Parliament at that time. I am quoting from *Hansard* on March 25. She said: "We are satisfied that this bank is now a viable bank, that it will be profitable in the future, that we will be repaid as will other members of the support group out of the future profits of the bank". That was an undertaking. That was a clear statement. It was not conditional. It was not hedged. She went on to say: "This particular problem was triggered by something that happened within the bank's loan portfolio in California, which then of course created problems with the organization as a whole". That was the position of the Minister at that time. It was not just the western Canadian economic position or the National Energy Program. It was the bank. The fact happened to be that the bank invested very heavily into Texas and California, into loans directed at the oil and gas industry and directed at the real estate in those states. That had as much to do with bringing down this bank as did the economic situation in western Canada.

• (1130)

Then she went on to say: "Indeed the matter must be clearly explained so that Canadians understand that this is an isolated incident due to very particular circumstances, an incident that poses no threat to the integrity of the banking system". Of course we now have a companion piece with the Northland Bank; that is about how isolated the incident was.

We agreed that the $255 million bail-out should be passed by Parliament after being told repeatedly by the Minister of State for Finance and the Minister of Finance that the problem had been solved and that there would be business as usual. We also supported the Bill at that time and the bail-out then because we wanted, as did the Government, to restore full confidence in our banking system, a banking system which, despite these set-backs, remains in our opinion among the strongest in the world. We also gave a vote of confidence to the Government at that time because we were giving a vote of confidence to our regional banks and a vote of confidence in the western Canadian economy. Regional banks have been chartered under previous Liberal administrations because we recognized that western Canadians were becoming fed up with having to come to Montreal and Toronto all the time for a loan beyond a certain loan authorization limit. They wanted banks with head offices in British Columbia, Alberta and other parts of western Canada, so that they would not have to board an airplane, come to eastern Canada and lay their problems before a remote credit institution. I believe that has helped to decentralize and to bring our banking system closer to the people of western Canada. That is why we supported the original bail-out in March. However, the undertakings which were given to Parliament and to us were pretty flimsy and very fragile, indeed. Now, just six months later, we have been told that not only one bank is in trouble, but that two banks have collapsed and that it will cost Canadian taxpayers $1 billion plus to reimburse uninsured depositors.

It is absolutely mind-boggling. We now know, on the basis of evidence before the Finance Committee, evidence given by chief executive officers and senior officers of the chartered banks, that at the time the Government brought the bail-out to Parliament, it did not know the facts. Despite the pleas of the senior officers of the chartered banks to look at the loan portfolio of the Canadian Commercial Bank, neither the Inspector General, nor the Department of Finance, nor any government official, went into that loan portfolio. The chartered banks said to the Government on a Friday night: "Give us a weekend. We will lend you some people, 40 or 50 experts, to go into the loan portfolio of the bank and to examine the assets of the bank". That was not done. That offer was refused. The Government flew absolutely blind. It did not do its homework. It had no idea of the state of that loan portfolio and, as it turns out, instead of $255 million, those loans were sour to the extent of $600 million to $800 million. The bail-out was inadequate. If we are going to bail out, then bail out; and get to the bottom of the boat.

Mrs. McDougall: Like Maislin.

Mr. Turner (Vancouver Quadra): The Hon. Minister ought to know that this matter is far more serious; it goes right to the confidence of our banking system. She should know that well and not retort in a flippant way, which has really characterized her whole performance on this issue.

The chartered banks volunteered their experts and they volunteered an analysis. All that was refused. We had a situation where the Government was flying blind. On the day before Parliament reopened in September, I called it "amateur night on the Rideau". We on this side of the House were conned at that time. We relied on the Ministers for their undertaking that this bank would be rendered viable once again. We were conned. The chartered banks were sucked in. The Government did not know anything about what it was doing. It was absolute, sheer negligence. None of the homework had been done. It was really "amateur night on the Rideau". Apparently a letter of comfort was also provided to the other chartered banks which participated in the deal. It guaranteed the survival of the bank and guaranteed that the banks would get their money back. In purchasing the proportionate assets of the Canadian Commercial Bank, the banks were guaranteed by the Government that they would be treated as depositors. We will have to look into that more closely as we get into committee.

As I said, it now turns out that about a third of the loans of the Canadian Commercial Bank were rotten, that $255 million

were thrown away and that the taxpayers' bill is at least $1 billion. The Hon. Minister said this morning that, in addition, the Governor of the Bank of Canada authorized $1.3 billion against the Canadian Commercial Bank and another $500 million to $600 million against the Northland Bank. She said that those were fully covered by the assets of the bank. We will wait and see. I hope the Minister will eventually report back to Parliament as to what are the set-offs and as to what is the final bill for the Bank of Canada. It ought to be added to the bill.

What we have here is a shaking of confidence in our system by reason of the incompetence of the Government. As a matter of fact, that confidence has now been shaken to such an extent that the market is now in control. Ottawa has lost control. Only the resignation of this Minister and the resignation of the Minister of Finance will restore confidence in the country that there are Ministers who devote their full attention to the banking system, who supervise it with care and who pay attention to the deals negotiated. Only that type of action by the Government, giving the supervisory force a fresh face, will restore what has been lost.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister of State for Finance solemnly assured us in March that no other banks were in trouble. Then, seemingly out of the blue, on September 1, she tied the problems of the Northland Bank to those of the CCB. She announced the appointment of curators for both banks. In that September 1, 1985 press release she gave Northland, "a limited time period to seek to reorganize its affairs or amalgamate with another financial institution". That was the kiss of death of the Northland Bank. Once she linked the Northland to the Canadian Commercial Bank, which had then gone into liquidation, investors, depositors and other financial institutions were given a clear warning by the Minister that the Government did not really have any confidence in the bank and was giving it just a limited period of time.

Given the complete irresponsibility of the Government in the CCB collapse in not fully examining the books of that bank, how can we now presume that a thorough examination of the books of Northland was undertaken before it, too, was declared no longer viable?

[*Translation*]

Mr. Speaker, this is unprecedented. The President of the Northland Bank said before the TV cameras that he had the impression the Government wanted to force the Bank to close, although he felt the Bank could have survived.

We are also informed that a letter delivered by hand to the Minister on September 6 informed her of a rescue operation set up by the Bank, and that the Government has yet to reply to this letter. This raises some pretty obvious questions: Did the Minister actually carry out a thorough examination of the situation at the Northland Bank? Was the Bank really insolvent? To what extent did the Government's intervention contribute to the Bank's collapse? Why was the Canadian Commercial Bank given the benefit of the doubt in March and why was the Northland Bank denied that benefit in September?

We feel the Government committed a serious mistake by giving both banks the same treatment, and it has failed to give us a satisfactory explanation for its decision to act in this way.

These issues ought to be looked into, not only by Mr. Justice Estey in the course of his inquiry but also by a committee of the House. Considering that the courts have now decided to grant the Northland Bank a reprieve, should this Bill even be before the House? Should we postpone this Bill until the courts have had a chance to rule on the matter?

Why, for instance, did the Minister of Finance (Mr. Wilson) and the Minister of State (Finance) (Mrs. McDougall) not attend the negotiations back in March? Why did the Canadian Commercial Bank decide for itself which loans would be examined by the bail-out group?

According to some reports, officials of the Canadian Commercial Bank got rid of their own shares in the Bank before the Minister's announcement that the Bank would be bailed out, which would have depressed the value of these shares.

• (1140)

[*English*]

Questions have also been raised about insider information and secret meetings. Why was no evaluation of the Canadian Commercial Bank begun until three months after the bail-out? I have already said that, on the basis of evidence given to the committee, the homework was not done and that the books of the bank were not examined before the Government came to Parliament with the $255 million bail-out package. Even then it took three or four months before George Hitchman, a former senior executive of the Bank of Nova Scotia, was finally commissioned by the Government to look at the books of the bank. It was shortly after his report was received by the Minister in late August that on September 1 the plug was pulled by the Government.

Why was a report of February 14 from the Federal Reserve Board in San Francisco not forwarded by the Inspector General to the Minister? Why did she not see that the Federal Reserve Board system of United States has serious doubts in February about the viability of the bank and its subsidiary, the Westlands Bank of California? These warnings from the American banking system were ignored by the Government.

We are now being asked to authorize the expenditure of nearly $1 billion of taxpayers' money. I venture to say, from what I was able to gather from officials who wanted to speak quietly about the matter, that the Minister of Finance was not too keen about the bail-out in March, and neither was the Minister of State for Finance. They both went to see the Prime Minister (Mr. Mulroney), who said that there was no way he was going to allow the first bank since 1923 to go bankrupt under a Conservative administration. He operatee without the facts. He did not ask for them and, if he had asked, he would

not have got them from the Ministers because they did not know the facts. If the story is correct that the Ministers did not want to support the bail-out in the first instance and were over-ruled by the Prime Minister, they may still be in their places because the Prime Minister owes them one. Otherwise it does not make any sense.

This is the first bankruptcy of any bank since 1923. The Ministers absolutely failed to do the elementary homework of looking at the books of the CCB, and they are still around with the price tag of $1 billion to the Canadian taxpayers and another $2 billion outstanding by way of the Bank of Canada. This Parliament is now being asked to authorize nearly $1 billion of taxpayers' money to be turned over to a group of anonymous depositors. The Minister said this morning that this was not going to set a precedent.

However, the people of Canada are entitled to ask the Government if in future all depositors and investors will be bailed out. Is there no meaning any more to the interest rate structure and the market system? Depositors were paid a higher rate of interest because the market presumed that there was a greater risk and now that differential and margin means nothing. Is there now to be an implicit guarantee of the Government of Canada that it will bail out future depositors in any difficulty in any financial institution in the country? The people of Canada are entitled to ask that question.

We know that there are some legitimate claims by native bands, pension funds, municipalities and credit unions. They have been in touch with us. The Minister has read out some global figures. All of these institutions were misled by the Minister in March, by the Prime Minister when he authorized the deal, and by the Minister of Finance in categorical statements before this House. On the basis of those statements, reinforced, it must be said, by statements of the Governor of the Bank of Canada, credit unions, smaller municipalities, and school commissions across the country deposited with this bank for short and medium terms. I suppose that is the moral justification, if there be any, for the Government bailing them out. The incompetence of the Government misled $1 billion worth of depositors.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): During our debate on this Bill, Mr. Speaker, we will want to examine the difference between short-term demand deposits and medium-term debentures. A good many of the credit unions and municipalities were persuaded to go in by way of debenture. If the Bill passes Parliament we will want to ensure that there is some equity between deposit holders and debenture holders despite the rather vague reference in the Bill to security under deposits.

We have repeatedly asked the Minister of Finance and the Minister of State for Finance for the names of all the depositors of the Northland and CCB. They tell us that under the Bank Act it is illegal to provide the names of depositors and that the confidentiality of deposits is fundamental to the banking system. That may be so, but as my colleague, the Hon. Member for Trinity (Miss Nicholson), set forth very clearly in questions to the Hon. Minister, these institutions no longer fall under the Bank Act. According to the terms of the Bank Act, when a curator and liquidator are appointed, the Winding-up Act takes precedence and under the Winding-up Act the liquidator is entitled to know the list of all creditors and debtors. Among the creditors, of course, are the deposit holders. More than that, not only is there no legal bond in our view, it is absolutely unprecedented for the people of Canada, through the House of Commons and Parliament, to be asked to disburse $1 billion without knowing where a cent of it is going.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We take the position that we will not support this Bill until we know who is being bailed out. This quarter of the House will not authorize any blank cheques from Parliament. How much of the money which we are being requested to authorize is going off-shore, to foreign banks, and to other banks in our own system? How much is going to class A and class B banks? How much is going to wealthy individuals who took a chance of a higher return? It may be that many who are being bailed out are of the same group who benefited from the Budget of the Minister of Finance by getting a $500,000 capital gains tax exemption for a lifetime bonanza of $125,000. How many friends of the Government are on that list? We would like to see that list to know just how coincidental the direction of this Bill is.

Mr. Hees: You certainly have no friends in western Canada.

Mr. Turner (Vancouver Quadra): Now, George.

Mr. Hees: I was just saying that you guys certainly have no friends in western Canada.

Mr. Turner (Vancouver Quadra): George, life is long and, as Mr. Diefenbaker used to say, it's a long road that has no ash cans. This is one of the ash cans facing western Canada as a result of that action.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Is this the real reason we are not getting the names? Who are they? I think it would be a fascinating list. I am sure the Minister would be intrigued to give us that list. She has a bit of an enigmatic smile on her face. I think we have reached her a bit. Only she and the Minister of Finance know, and I am sure the Prime Minister has taken a look at the list. I have heard of buying a pig in a poke, but never for $1 billion. We believe that it is high time the Government was honest with the people of Canada.

[*Translation*]

The Government is asking us to make the same mistake it made in March, to spend millions of dollars of taxpayers' money without knowing all the facts, especially the most important fact which is: Who is going to receive this money? Who are the anonymous invisible beneficiaries of the Government's generosity? Are they friends of this Government?

In fact, by tabling this Bill, the Government is saying to Canadians: "Trust us, we know what has to be done. There is nothing to fear. Just trust us." Well, we trusted them in March, and six months later, not one but two banks have gone bankrupt!

Canadians, and I say this through you, Mr. Speaker, to the Government, Canadians believed you a year ago when you said that social programs were a sacred trust. And then, in your very first Budget, you attacked the Old Age Security pension and family allowances.

[*English*]

Canadians trusted this Government when it said that it would revise the patronage system. That was one of the great ones. Twelve hundred names later, when every thirsty Tory had been to the trough, not only directly but through uncles, aunts, brothers, and brothers-in-law, when they had satisfied their thirst for patronage, we heard a sanctimonious statement by the Prime Minister and some reference to the committee of the Hon. Member for St. John's East (Mr. McGrath). So where is the reform; where is the trust? Canadians trusted this Government when it said there would be improved standards for Ministers. What are the standards? It is asking for trust here, for a blank cheque of $1 billion. We in this House are entitled to ask, where is the trust? We are losing about $1 billion in taxpayers' money, plus whatever the Bank of Canada is unable to set off against the $2 billion that the Bank of Canada had advanced. That should be reason enough for both the Minister of Finance and the Minister of State for Finance to turn in their resignations. I believe they contributed to a loss of confidence in the system.

• (1150)

Where is the new morality in this Government? The former Minister of National Defence goes to a questionable bar and he resigns. The former Minister of Fisheries allows rancid tuna on the shelves, but the Prime Minister sticks with him until the Minister contradicts the Prime Minister. There is the morality. The former Solicitor General calls into doubt the whole administration of our justice by having a secret, clandestine meeting in the Chateau Laurier with a potential accused who happens to be the Tory Premier of New Brunswick, and he stays. The former Minister of the Environment, now the Minister of State for Transport (Mrs. Blais-Grenier) undermines the credibility of our fight to protect the environment by emasculating her Department, then she takes extended business trips to Europe on questionable grounds, five hours work for a ten-day trip. She stays. Now the Minister of Finance and the Minister of State for Finance blow $1 billion of the taxpayers' money through sheer incompetence, and they both stay on the job. That is the new morality; that is the new credibility; that is the new standard of behaviour for Ministers.

Last Wednesday night in which the Tory Government almost refused the emergency debate and almost put into jeopardy your authority and the authority of the Chair, Mr. Speaker. It was only those on this side of the House who rescued the House Leader by reminding him that if they had not voted against allowing the Hon. Member for Hamilton Mountain (Mr. Deans) to bring in his motion he would be in effect sapping the confidence in the Speaker and in the Chair of the House.

An Hon. Member: You all voted for it.

Mr. Turner (Vancouver Quadra): Last Wednesday, after we insisted upon a registered vote from every Member on the other side, to restore confidence in the Chair, Member after Member on that side of the House got up and blamed past Liberal Governments for this fiasco. How absurd can one get.

Mr. Lewis: You just did.

Mr. Turner (Vancouver Quadra): How feeble an excuse. In March the Minister of State for Finance did not talk about past administrations. She said then the bank's difficulties had to do with loans into the American market in the southwest and California and Texas. Now the Minister of Finance and the Minister of State for Finance are blaming past Governments. We never had a bank go bankrupt under our administration, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That whole argument is a farce.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The question is not why the Canadian Commercial Bank found itself in trouble. It found itself in trouble because of world economic conditions but primarily because of bad management.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The issue before this House is, why did this Government come in March with an inadequate picture, with an inadequate factual background, has not done its homework, misled the Parliament of Canada and misled the Canadian people? That is the real issue.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): On Saturday at *Question Period*—

An Hon. Member: The House doesn't sit on Saturday.

Mr. Turner (Vancouver Quadra): —I am saying CTVs *Question Period* on September 20, the Minister of State, even after admitting to the reporters who were interrogating her that the decision to bail out the bank was made on false or at least inadequate information, even though she admitted it was based on inadequate information, said that she would do it again. I refer to CTV's *Question Period,* September 20. That is an astounding statement from the Minister. We in this Party believe that the banking system in this country remains strong. It is still strong and will continue to be so. We do believe that this unprecedented situation has created a crisis of confidence

in the ability of this Government to supervise the system. The system has taken over. The market has taken over. The banking financial system considers Ottawa to be irrelevant in the resolution of its problems. The Government is being ignored by the financial institutions of the country in coming to a stabilization of our system.

In appointing Mr. Justice Estey to investigate the matter the Government attempted to sidestep this House. We are going to use this Bill as best we can to get some answers that relate to the political responsibility of the Minister of State for Finance and the Minister of Finance.

An Hon. Member: And the Prime Minister (Mr. Mulroney)?

Mr. Turner (Vancouver Quadra): And the Prime Minister, indeed. These issues go to the responsibility of Ministers before the House of Commons and thereby to the people of Canada. These are not judicial matters. These are matters not properly put before a Justice of the Supreme Court of Canada. Indeed by giving him that mandate, no matter how large, the judge is being placed in an improper, indeed an impossible position. We are not going to allow the Government, Mr. Speaker, to sidestep your House. We are going to continue to press for answers because the people of Canada deserve those answers; and the people of Canada certainly deserve a more competent confident demonstration of supervision than they have received from the two Ministers and from this Government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have an amendment which reads:

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

This House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis) on a point of order.

Mr. Lewis: Mr. Speaker, I can assure the House that the Government wants full debate on this particular Bill and I know that the Speaker will want to spend some time reflecting on whether or not this motion is in order. At the time that the Speaker makes that reflection, I would ask him to take a look at Beauchesne, Citation 436(2) in which it states that an amendment—

Mr. Gauthier: Point of order, Mr. Speaker—

An Hon. Member: He is circumventing the rules.

Mr. Deans: That is what he is pulling.

Ms. Copps: You should learn your rules.

Mr. Deputy Speaker: Order, please. The Chair will read the motion and then will recognize the Hon. Member for Simcoe North.

Mr. Turner (Vancouver Quadra), seconded by Mr. Gauthier moved:

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

This House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds.

The Chair does in fact intend to take the amendment under advisement and will render a decision as soon as possible.

The Hon. Member for Simcoe North on a point of order.

Mr. Lewis: If I may say so, I appreciate that I should have waited until the Chair read the motion.

I would like to point out that I think you, Mr. Speaker, may wish to address yourself to Citation 436(2) of Beauchesne's which states that an amendment which would produce the same result as if the original motion were simply negatived is out of order. I suggest that the Government has every interest in having this Bill fully debated in order that the Opposition can bring out whatever facts it wishes to bring out and what we wish to see—

Mr. Murphy: That is not a point of order.

Mr. Deputy Speaker: Order, please. The Chair takes note of the representations made by the Hon. Member for Simcoe North. We will resume debate.

The Hon. Member for Windsor West (Mr. Gray) on the same point of order.

Mr. Gray (Windsor West): I am speaking to the point of order raised by the Hon. Member for Simcoe North (Mr. Lewis). I want to draw the Speaker's attention to Citation 744 of Beauchesne with respect to reasoned amendments. Citation 744 says:

It is also competent for a Member, who desires to place on record any special reasons for not agreeing to the second reading of a Bill, to move what is known as a "reasoned amendment". This amendment leaves out all the words in the main question after the word "That" to add other words. A reasoned amendment is in the form of a motion and may fall into one of several categories:

● (1200)

I would particularly like to draw to your attention, Mr. Speaker, that the Citation goes on to say:

(1) It must be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the Bill.

I submit that the amendment moved by the Leader of the Opposition (Mr. Turner) falls squarely within the provisions of the Citation I have just read in that it is certainly declaratory of a principle adverse to or differing from the principles, policy or provisions of the Bill, because the Bill indicates very clearly that the money in question is to be paid without disclosing the identity of those persons to whom the money is to be paid and the amendment of the Leader of the Opposition clearly

opposes that fundamental principle. Again, the amendment falls squarely within the long-standing and well upheld and understood provision that a reasoned amendment can be accepted from a Member who desires to place on record special reasons for not agreeing to the second reading of a Bill. Therefore, I respectfully urge you, Mr. Speaker, to accept this amendment.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise on behalf of my Party to speak unequivocally against the Bill that has been introduced today. It is very clear from this Bill and from the related lack of action by the Government over the summer on whose side the Government is. When a group of municipalities, people in the industry and workers from Vancouver Island asked for some $22-million worth of assistance to provide concrete jobs for those in the wood-producing sector, the Government said no.

[*Translation*]

In the Province of Quebec, when they have problems with their factories or in their communities, the Government once again says no.

[*English*]

When prairie farmers who have experienced the worst drought in several decades asked for speedy assistance, the Government said no. However, when uninsured depositors, most of whom are wealthy individuals or corporations, came to the Government, then within 48 hours the Government indicated it was prepared to give them millions of dollars and shortly thereafter billions of dollars. It is clear to us on whose side the Tories are. It is time that the Tories started listening to the people of Canada rather than the bankers of Canada.

Having heard the Leader of the Official Opposition (Mr. Turner) say that the Liberals were not going to give, in his words, a blank cheque to the Government today, I would say that it is too bad that the Liberals did not take that position last March. If they had taken that position last March, we might have been able to stop the Government from carrying on with the incredible bungling that has occurred since then.

The Leader of the Opposition says he is not going to sign the blank cheque. None other than the Leader of the Opposition was the co-signer of the blank cheque last March. If the Liberals have learned a little bit since then, perhaps the people of Canada will reap some benefit from that wisdom.

I listened with care to what the Leader of the Opposition had to say. He did not say that the Liberals would oppose this Bill in principle. He indicated that after they received a list of the names of uninsured depositors, something which this Party has showed great concern over in the last week, then they will probably support the Bill.

Mr. Gauthier: Who said so?

Mr. Broadbent: Of course he did not say so. I know how the Liberal Party works, however. The Leader implied that they would do again in October what they did last March. When the bankers call, the Liberals will come to their assistance just as fast as the Conservatives.

The average Canadian, whether a farmer on the Prairies, a steelworker in Hamilton or a bank clerk in the Minister's own riding, probably finds it hard to envisage that which the Minister throws around so casually; namely, $1 billion. To give it some concrete reality, I would say to the Minister that what she is now proposing to put as a charge on the taxpayers of Canada is equivalent to all the groceries required for one week for every family in Canada. It is equivalent to writing off the personal income taxes of every income tax payer in the Provinces of Nova Scotia and Newfoundland combined. It is equivalent to an amount of $80 being paid by every individual taxpayer. As well, after making a rough calculation, $1 billion would be enough to send every man, woman and child in my constituency a cheque for $10,000. In other words, we are talking about a lot of money that this Government is now wasting because of its own mismanagement.

That the Government is wasting $1 billion is bad enough, but we should put this in the context of the other expenditures that have occurred in relation to this mess. The total net effect of this fiasco could be in the neighbourhood of $3 billion. That is the equivalent of three tax-free years for every person in Nova Scotia and Newfoundland. The other examples to which I referred a moment ago could also be multiplied by three.

Let us add to the $1 billion bail-out the following costs: $135 million was spent in the original bail-out which occurred in March; $1.8 billion was advanced by the Bank of Canada to Northland and the CCB between March of last year and September; and another $420 million is likely to be added to the taxpayers' charges because this amount will be provided by the Canada Deposit Insurance Corporation to the insured depositors, and as the Minister well knows, this tab is likely to be picked up by the taxpayers because the CDIC is currently running at a deficit of $1.2 billion. We are talking not only about a $1-billion fiasco but quite conceivably about a $3-billion fiasco.

[*Translation*]

Mr. Speaker, the irresponsibility and superficiality of the two Ministers are as great as the amount this affair is going to cost the taxpayer. Just consider for a moment: the bail-out operation for the Canadian Commercial Bank was put together in just 48 hours, back in March, and at that time the Ministers refused an offer from the chartered banks to make a detailed study of the Canadian Commercial Bank's financial situation, which would have taken only two or three days. And during the summer, the Ministers failed to attend some very important meetings on the subject. The Ministers did nothing when the chartered banks, including the banks taking part in the bail out, withdrew $360 million from the Canadian Commercial Bank during the summer.

Finally, Mr. Speaker, the President of the Northland Bank accused the Government of sabotaging the Bank's restructuring operations. The truth of the matter is, Mr. Speaker, that we have here a monumental Government fiasco.

[*English*]

I want to indicate briefly why we are against this course of action. There are already provisions in place in legislation making it possible, through the CDIC, to compensate depositors of up to $60,000. Those beyond that were taking a risk and they knew it. Surely, the Minister who practises the efficacy of the market-place in such situations ought to be practising what she preaches. Those depositors above the $60,000 level were making those deposits to obtain additional interest for moving in the non-insurable category. They were taking risks. They knew what they were getting into. I say that, overwhelmingly, people and institutions in that category, whether they be chartered banks, other financial institutions here or banks in the United States, rich individuals or other groups in the Canadian community, were taking risks. It is inappropriate to come to the taxpayers of Canada now and ask them to bail them out.

● (1210)

Some Hon. Members: Hear, hear!

Mr. Broadbent: That is our view in principle.

A bad precedent will indeed be created no matter what the Minister says today. If we are to say now that all uninsured depositors with deposits over $60,000 will be bailed out by the taxpayers, then what type of effect will this have on management decisions in our banking institutions in the future? Will they be prudent in the future or will they simply say: "We had better not risk our capital on that sort of speculative venture in California, western Canada or eastern Canada"? Not at all. What the Government is doing by this legislation is encouraging the opposite of prudence. What the Government will be saying to banking institutions is: "There is no longer a distinction to be made between insured and uninsured depositors. Go ahead and take whatever risks you want; be however irresponsible you want to be. The people of Canada will pick up the Bill". I want to emphasize at this point that it is the people of Canada involved here, not some abstraction known as the Government of Canada or some political Party. We are saying that this is a bad example to set. We will not support it for that reason.

In recent days in the House we have given a great deal of attention to the fact that we will be giving almost $1 billion to a group of individuals, corporate entities or municipalities whose precise names we do not know. I thought it was a great bit of unintended irony for the Deputy Prime Minister who, in the House on Friday, in answer to questions on a different matter, underlined the important principle that the people of Canada as taxpayers have a right to know where their money is going. I say to the Minister responsible for this Bill that if they have a right to know in some categories where their money is going, then they surely have a right to know where the money is going in today's circumstances when the Government is proposing to pay $1 billion out of some taxpayers' pockets into other taxpayers' pockets. They have a right to know where that money is going. That is the important principle.

In the House last week the Minister replied that she could not supply that list because there is a tradition embedded in Canadian law, in fact, in the Bank Act, which says that names of uninsured depositors have to remain secret. How quaint. She does not hesitate as a Minister of a Conservative Government to change another tradition, namely, to use taxpayers' money to bail out uninsured depositors for the first time in Canadian history. She will do that but she will not similarly change this other old tradition with respect to the names of uninsured depositors being released.

To make a point I have made in the past, she cannot have it both ways. She cannot say that we will change one tradition but we are unprepared to change another, that is, with respect to the withholding of names of uninsured depositors. We are saying, quite apart from other points about this Bill, that it is absolutely fundamental to the whole notion of parliamentary democracy that when taxpayers are footing the bill they ought to know where their money is going. If uninsured depositors such as foreign banks, rich individuals or corporations inside or outside of Canada are to be paid off, then we want a list of those names.

I noted some ambivalence on the Government's part on Friday in replying to questions on this matter. In making this proposal we say there are two options. First, there is the option provided by the Conservative Chairman of the House Finance Committee, and also the President of the Toronto Dominion Bank, both of whom have said publicly that the list of all depositors, uninsured as well as insured, should be made known. We would go for that. Second, if the Government is giving this money away and if the Government will use taxpayers' money to pay off uninsured depositors, then, at the very least, it can provide us with a list of the names of the uninsured depositors.

I have made the points I want to make in this debate for my Party today. I want to conclude with these observations. We want a list of names. We do not want it in abstract categories, as I have said. We are opposed to this Bill in principle. This Government was elected on a mandate just over a year ago which promised constructive change. This Government promised to build a new atmosphere of optimism for ordinary Canadians in all regions. Since it has come to power it has increased taxes on the average Canadian by almost $1,000. That figure is before we take into account the impact of this Bill. The Government has ignored the increasing concerns of unemployed Canadians. It has not been prepared to support financially the legitimate concerns of working Canadians, whether they be prairie farmers, those in the logging industry or fishermen. The Government has made it clear whose side it is on. That could not be demonstrated more clearly than through the Bill which is before us. The Conservative Party is quite clearly not living up to its mandate to help the ordinary Canadian. It is living up to its own private agenda with respect to aiding the wealthy and the powerful.

We are opposed to this Bill. Unlike the Liberals, we will vote against it, whether or not we receive a list of the names. We think it is bad for Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The Chair has been informed of the amendment moved by Mr. Turner (Vancouver Quadra), seconded by Mr. Gauthier—

[*English*]

It meets the requirements of the recent amendment to pages 530 and 531 of Erskine May. Therefore, the Chair finds the amendment in order.

The House has heard the motion. The question, therefore, is on the amendment.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. During her speech the Minister of State for Finance (Mrs. McDougall) mentioned several amounts of money which referred to either depositors or groups of depositors. Will the Minister table that document today so that we can have access to the figures before we make our speeches this afternoon?

Mr. Deputy Speaker: That is not a point of order as far as the Chair is concerned. I understand the Hon. Member has received an informal answer from the Minister.

Mr. Gauthier: Have I received an informal answer?

Mr. Deputy Speaker: The Chair rules it is not a point of order.

Mr. Gauthier: I will make it a point of order, then, Mr. Speaker. I will make it a real point of order. There is no doubt in my mind that the Minister was reading from a text. If she was reading from a text, then that text should be available to us. I submit to you that I have a real point of order in asking the Minister to table those figures now.

• (1220)

Mr. Deputy Speaker: The Chair finds that—

[*Translation*]

—regarding the information to which the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is referring, the Minister—

[*English*]

—would have been quoting a state paper which the Chair believes was not the case.

Mrs. McDougall: Mr. Speaker, I indicated in my address that I would be tabling the documents with the detailed breakdown as soon as I had a French version. If the Hon. Member would accept an English version, I can give it to him now.

Mr. Deputy Speaker: I understand that the Minister would like to—

[*Translation*]

—table the document now in one language?

[*English*]

Very well. We will wait for the Minister, then.

[*Translation*]

Resuming debate on the amendment. The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, are we debating the amendment of the Bill itself?

An Hon. Member: The amendment.

Mr. Lanthier: I was not prepared to debate the amendment, Mr. Speaker, I just came in!

An Hon. Member: Ask your colleague to the right!

Mr. Lanthier: Very well then.

Mr. Speaker, I am pleased to take part in this debate to support the Minister of State (Finance) (Mrs. McDougall) and this important and essential measure to provide compensation to uninsured Canadian Commercial Bank and Northland Bank depositors.

The one and only purpose of this Bill is to repay uninsured depositors, although it is obvious that Members of the Opposition intend to raise many other irrelevant issues which do not relate in any way, shape or form to the legislative measure now under consideration.

I intend to focus my simple remarks on the sound reasons why this measure is both necessary and warranted, as well as on the reasons why the Bill is of utmost significance to depositors and the economy of Western Canada. It is quite clear that Parliament must endorse these repayments without delay. Indeed the issue we are debating has to do with the savings of individuals, the cash flow which small-and medium-size businesses so badly need, the temporary deposits of municipalities, small and big alike, the cash reserves of religious and charitable organizations, and many other such deposits.

Surely all Hon. Members must realize that any undue and irresponsible delay in the consideration of this Bill will have wide-ranging and disastrous consequences. For example, if a businessman were unable to cash in an investment certificate redeemable this month when he needs it to pay suppliers, subcontractors or his employees, the shortage of cash facing the businessman would have an impact on several other branch plants and their staff. This problem could be the source of unexpected and rather heavy additional expenses that are harmful to small businesses and might even lead dependent companies to bankruptcy.

Mr. Speaker, that is why I urge all reasonable Members of the House not to delay for ever the adoption of this Bill. I

suggest it would be quite unfair to seek to score doubtful political points in a spirit of shortsighted partisanship by trying to take advantage of the fact that many Canadians would thus find themselves in an economic bind.

Still, some important questions must be raised in their proper context. Some people mention the basic principle whereby it is bad policy to provide financial compensation to the depositors of the institutions, in addition to the payments they receive from the Canada Deposit Insurance Corporation on the first $60,000. They gratuitously add that the insurance money is enough and that we ought to reject all other applications for additional assistance, no matter what the mitigating circumstances might be or without any consideration for the impact on the business community.

Mr. Speaker, the Minister of State (Finance) was very clear and altogether unequivocal in supporting the existing deposit insurance system. I might remind Hon. Members that last June a private sector committee chaired by Mr. Robert Wyman of Vancouver published a detailed report on ways to strengthen Canada's deposit insurance system. The Minister is actively seeking ways and means to consolidate our deposit insurance scheme and especially to reinforce the Canada Deposit Insurance Corporation's ability to protect Canadian depositors of modest savings.

The Government feels that this protection system is fundamental, that it is a crucial and essential feature of our financial system. The bill before us, therefore, should not be viewed as weakening in any way Canada's deposit insurance system.

The Minister has clearly indicated that the Government's decision to grant additional support to the depositors in question had been made in the light of the very special circumstances under which deposits had been made in these institutions and that this additional help is in no way an indication that the Government would take similar action if and when other financial institutions duly insured under the CDIC failed in the future. I should like to remind the hon. members of the reasons why the Government has deemed it necessary and essential to take this major decision and to go beyond the normal limit provided for under our deposit insurance scheme. I suggest that the Government's decision was based on two major considerations. First of all, the very serious financial and economic difficulties which would result if the uninsured deposits were not compensated by the Canadian Government. The sustained profitability and, in some cases, the very existence of a number of small and medium-sized businesses, organizations and other smaller depositors depended upon funds frozen in both these financial institutions.

As I said earlier, a major company unable to recover most of the funds it had deposited in one of these banks might possibly fail, which might in turn cause a number of secondary firms in business with this major company to fail.

It has been repeated on many occasions that both these banks are relatively small. Their cumulative assets account for only 1 per cent of the total assets of our banking system. But everything is relative. The fact remains that within the regional context in which they operated, they played major roles indeed and were major institutions. I urge, therefore, all hon. members, while dealing with this Bill which is to provide for the compensation of all uninsured depositors, to consider the regional problems which would result in the economy of western Canada if the Government failed to act to ensure a proper treatment of the depositors.

In this regard, I should like once again to go over the detailed breakdown list of uninsured depositors of these two banks which was provided by the Minister of State (Finance). I will state the total amounts at stake for each category of depositors.

Religious and charitable institutions, for instance, have nearly $22 million invested in uninsured deposits in the two banks. The credit union movement in western Canada, which is the western equivalent of our "caisses populaires", has about $130 million in deposits of the same type as the Canadian Commercial Bank and the Northland Bank. Corporations generally hold over $141 million of these deposits, while individuals and non-incorporated businesses hold some $32 billion. The great majority of individuals, or 88 per cent of them, had uninsured deposits under $60,000 in addition to the first $60,000 already insured by the Canada Deposit Insurance Corporation. The provincial Governments had deposits of nearly $145 million, while small and large municipal administrations had deposits of some $82 million. As for the hospitals, their deposits only amounted to about $5 million.

Obviously, these are the total amounts deposited in both banks. I have only tried to summarize a few details included in the report given today by the Minister of State for Finance. However, these figures show eloquently how significant the impact would be if we did not approve quickly the bill now under consideration.

The second major factor which influenced the decision by the Government concerns the events of last spring and last summer, especially as regards the position of the Canadian Commercial Bank after the Government and its financial partners, the major Canadian banks, implemented their support program to provide assistance to this bank last March.

• (1230)

With such a program, the Government and its financial partners showed their support for the concept of regional financial institutions. As agreed, the Bank of Canada provided the required cash, first to the Canadian Commercial Bank, and later also to the Northland Bank. Depositors who kept their deposits in these banks thus showed their confidence in the action and the moral endorsement provided by a responsible Canadian Government. Unfortunately, despite these well-

designed support measures, it finally became obvious that the two banks were unfortunately no longer viable. However, if we consider all the circumstances existing at the time, I believe that any reasonable person will agree that the Government acted responsibly by helping the depositors who had shown their confidence in both regional institutions and who also had confidence in the moral support they had received from the Government.

Mr. Speaker, I am not minimizing the cost of these support measures. Payments to insured depositors will total about $875 million, or perhaps somewhat less when we know the exact amount of the liabilities of the depositors with these banks. In addition, the amounts produced by liquidating the assets of both banks will reduce the total cost.

Uninsured depositors will also incur significant costs. Indeed, their deposits have stopped earning interest since September 1. In addition, they will receive nothing as long as this Bill is not implemented; afterwards, as official trustee, the Canada Deposit Insurance Corporation will act as quickly as possible to make the first payments, amounting to 60 per cent of the deposits and interest earned until September 1. The second cheque of the CDIC covering the difference of 40 per cent of the deposits will be sent with the first payment, but it will be postdated April 1. In view of all these facts, I once more urge all the Hon. Members to allow this Bill to receive quick passage and not to delay unduly compensation of the depositors by debating at length matters which are irrelevant or only indirectly related to it.

I am not denying the crucial importance of some of these questions. However, they will be settled by other means and we shall have every opportunity to examine them in two ways. First, Mr. Justice Estey has been given the most general terms of reference possible to investigate all the circumstances surrounding the bankruptcy of these two unfortunate banking institutions. I am certain that all Canadians can trust him to make a detailed, careful and in-depth examination of these very important issues. The haste with which he has immediately set down to work is a most encouraging indication of his wish to solve the problem as quickly as possible.

Second, strengthening the system for regulating and monitoring our financial institutions raises major questions. The Minister of State (Finance) (Mrs. McDougall) has indicated how the Office of the Inspector General of Banks had already found extra resources by calling upon a number of retired bankers to help complete some urgent tasks he had to do last summer. The Minister has also announced that the Government intended to take legislative action as soon as possible to give increased powers to the regulating bodies, in order to guarantee the stability of our Canadian financial system, and in term that of all Canadian citizens generally who are directly or indirectly involved in this country's healthy financial climate.

Third, the working paper on the reform of this country's financial institutions, that is the green paper submitted by the Government refers to significant changes. This green paper is now being considered by the Standing Committee of the House. It might be useful, Mr. Speaker, to add in that respect that the committee is on schedule, and last week there was a sitting of the Standing Committee on Finance, Trade, and Economic Affairs to which members of all parties were invited. It was with great pleasure that we enjoyed the cooperation of the New Democratic Party, however we must point out the noticeable absence of the Liberal Party from those three-day discussions that were held last week.

If Members of the Official Opposition had attended, Mr. Speaker, maybe their Leader would have made quite a different speech today. I therefore give you my word that this second item of the green paper discussion is very important, and it is unfortunate that the Official Opposition did not assume its responsibilities in delegating some of its expert Members capable of playing an intelligent part right where the work has to be done, that is in the Standing Committees.

If I referred to those other questions that will be investigated and considered from a legislative point of view, it was because I wanted to make it quite clear that this Government is not today closing the door to public debate on any of those questions. In fact, we are hoping for a comprehensive and an in-depth study of the facts. Many aspects of that complex issue have to be debated. But I would like once more to urge Hon. Members to realize that the legislation should not be subjected to a protracted debate on those other irrelevant issues, however important. Let us examine the Bill with an objective eye, keeping in mind that we must act quickly so that the depositors do not have to wait unduly for the funds they so urgently need and to which we feel they have an imprescriptible right.

Mr. Speaker, on all those questions we believe that, although the matter is not *sub judice*, there are two ways of discussing the Bill, and all matters which are relevant thereto or which indirectly, involve this legislation. There are two forums: first, the Standing Committee on Finance, which is now studying in a very positive way the matter of financial institution reform, and, second, a judicial one, where we have a judge with very broad terms of reference was appointed to make an inquiry using all the means left to his discretion. Therefore, with those two points in mind, we feel we must ask the House to approve the legislation within the shortest possible time frame, in order to avoid possibly irreparable harm to small and medium-sized business in Western Canada.

Mr. Deputy Speaker: Questions, comments. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, I would simply like to suggest to the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) that if as it seems to me he is only debating a mere trifle, that is a meaningless Bill which will not cost very much, we have to consider the fact that the Bill now before us will cost some $800 million which will be paid through the Canada Deposit Insurance Corporation and the advances made by the Bank of Canada. I also find it unacceptable that the Hon. Member should have started using information available to the Government concerning organizations and institutions which had deposits at the Canadian Commercial Bank and the

Northland Bank, as if he had in his hands the names of those corporations and individuals. In my opinion, this is an improper use of that information. I suggest, judging by the statements made by the Minister of State (Finance) (Mrs. McDougall) and the Hon. Member, that the Government intends to use all the information available on the nature of companies having deposits with both institutions without actually giving out their names.

Mr. Speaker, I would say that I can make my own judgments as all other Canadians can. For example, I find it unacceptable for the Minister of State (Finance) to name credit unions, religious institutions, municipalities without mentioning chartered banks from abroad as well as large financial corporations and other institutions which do not need any protection against market hazards but will also be compensated. Why is the Hon. Member ready to use such information in that entirely partisan and political manner?

• (1240)

Mr. Lanthier: Mr. Speaker, today we are being accused of disclosing certain classes of depositors, although this was directly in line with a previous proposal by the Minister of State (Finance) (Mrs. McDougall), in which she said she was prepared to table lists of the classes of depositors, but that the Bank Act did not allow here to disclose the identity of the depositors.

The purpose of my speech was to make the Members of this House aware, first of all, of the urgency of dealing with the motion now before the House and second, of the possible repercussions of such a motion. At one point there was a reference to the names of the major banks. It is quite probable, although I could not vouch for this, that the major banks would not be in great financial difficulty if a postponement were granted. However, there are small institutions, which I do not know by name, and I feel quite comfortable here, I am not hiding them from anyone, but as I said, there are financial institutions acting as sub-contractors or rather secondary institutions, and depending on primary institutions that are unable to pay them, and there is a danger there. My sole purpose in mentioning these classes of corporations or persons in my speech was to make Hon. Members aware of the urgency of dealing with this question as soon as possible instead of using it to indulge in petty partisanship.

Mr. Gauthier: Mr. Speaker, I wonder whether the Parliamentary Secretary is aware of the fact that the Minister of State (Finance) (Mrs. McDougall) had already agreed to release, at least that is what she said in a letter she sent me last May, a list of depositors by group.

But that is neither here nor there. We already have such a list. What we are asking now is: Who are the depositors?

My question to the Parliamentary Secretary is this. They are using the Bank Act to say: We cannot disclose that because the Bank Act precludes disclosing the names of depositors. I submit to the Hon. Member ... my question is: This exceptional legislation we are considering today, this Bill, comes under the rule of exception. The Bankruptcy Act should apply, since we are talking about two banks that have failed. How can he rationalize, how can he go on maintaining the position taken by his party or by the Government, which is to refuse to disclose the names, because this "comes under the Bank Act", while everyone knows that no Bank Act but the Banruptcy Act applies in this case, as well as the exceptional legislation referred to as Bill C-79? How can he reconcile all that?

Mr. Lanthier : Mr. Speaker, there are two points of view. With respect to the first remark, it stands to reason and I am fully aware of it, but I can only repeat what the Hon. Member for Ottawa-Vanier (Mr. Gauthier) told us earlier. The Minister did repeat on many occasions that she was prepared to give the list of categories of depositors, and so she did. What Hon. Members wanted however was the list of names of depositors, and again I repeat what the Minister said, namely that legal advice given to her would indicate that she may not be authorized to make those names public.

Still, without giving out privileged information I can say that the proceedings of the Standing Committee on Finance, Trade and Economic Affairs were public. We heard evidence from bankers who were shaking in their boots. They did not make any bones about it, Mr. Speaker, releasing the names of depositors would undermine the very structure of our banking system. Confidentiality about depositors is the time-honoured hallmark of our banking institutions and it has always been like that. I can assure Hon. Members that the rescue operation launched last March by the partners—the Government and the banks—would have been meaningless if, after earmarking so much money for that purpose, it had been irresponsibly decided to release the names of all depositors. Mr. Speaker, let me tell you that there are two principles involved: first the legal principle on which, as a modest engineer, I do not feel qualified to comment, and then the other principle about which I as a depositor can indeed say that confidentiality has to be honoured. I would think that all of us here, and on behalf of our constituents, want our financial system to remain sound, and one of the basic principles in that respect has to be the confidentiality of depositors' names.

Two principles are involved here. I would not dare debate the first one, but I will certainly uphold the second.

Mr. Deputy Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a supplementary question.

Mr. Gauthier: Mr. Speaker, I have a supplementary. The Hon. Member says that the Minister of State for Finance has had a legal opinion from her advisors to the effect that she should not or must not reveal the names of individual depositors.

My question to the Parliamentary Secretary is as follows: Why not table this legal opinion in this House? We could then read it and draw our own conclusions.

Mr. Lanthier: Mr. Speaker, the Minister said during the debate that she had received legal opinions to the effect that

there were serious doubts about the propriety of revealing these names in view of the Bank Act. As for whether the Minister can table these opinions, it is not up to me to reply for her. I am replying on behalf of my Minister, but about issues that she has debated in this House and which are on the public record, and this is what she has said.

If Hon. Members want to ask her to table some papers, there are all kinds of procedures which could be used more appropriately than a request to a parliamentary assistant.

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would like to address the amendment which was moved by the Leader of the Opposition (Mr. Turner). The amendment makes it clear that we on this side are not ready to proceed without having further information about the people to whom this very large sum of money will be paid out. The Government is asking for $865 million to be paid to the uninsured depositors, that is, those people who have over $60,000 on deposit in the Canadian Commercial Bank and the Westland Bank. Let us not forget that those with deposits of $60,000 or less will be fully compensated by the Canadian Deposit Insurance Corporation. We are talking about people who are not entitled to be compensated for over $60,000 who will have received their full $60,000 back. These people, whether individuals or businesses, will be asking the Government to pay them moneys in excess of that. The Minister wants us to agree to these payments without knowing where they are going.

This is absolutely unprecedented. Treasury Board rules require that payments be disclosed in the Public Accounts of Canada. The Bill itself requires these people to complete an application in a specified form. We will know these names in any case. What on earth can the Government hope to achieve by hiding the names from us now since they will be made public sooner or later? The taxpayers of Canada have a right to know where this money is going. It must be absolutely unprecedented that an amount of almost $1 billion be paid out without public disclosure, although a large number of people will know because the application forms will surely have to be handled by officials at varying levels of seniority in many government Departments.

● (1250)

When we return to the circumstances under which this bail-out was put together, we end up with some very serious questions of trust. The Government assured us, as the Official Opposition, that it was essential to bail out the Canadian Commercial Bank. It assured us of this in private meetings and asked for our agreement to let a Bill go through all stages of the House with remarkably little information. We were assured this as well on the floor of the House.

Let us look at some of the assurances given, assurances which were absolutely unequivocal. Starting on March 25, the Minister in her own speech stated that with the bail-out, the Canadian Commercial Bank would be viable and that it would continue to make a contribution to the economy of western Canada. Assurances were also given by the same Minister that, with the bail-out which was arranged on March 25, the bank could be expected to be profitable and that some of the moneys put in by the Government might in fact be recovered. Afterwards we found that it was all based upon hope of some kind. The Minister has repeated many times in the House that the decision was based upon "the best information available". I am referring to the original decision in March to put together a rescue operation of $255 million. It was supposed to make the bank viable and profitable and was supposed to get the taxpayers' money back to them eventually. Yet on September 1, the same bank was put into liquidation.

If we look back at the sequence of events, it becomes more and more difficult to accept the Government's word, and I say that with great regret. This is why we could not possibly consider accepting on faith that the moneys would be paid to depositors and that the depositors were all hospitals, municipalities, school boards and so on.

Let us look at what happened. Early in the morning on March 25, we were told that over the weekend the Government had concluded negotiations with six banks and two provincial Governments to provide a major infusion of funds to the Canadian Commercial Bank, which otherwise, we were told, would not have been able to open its doors that day. We were told then that the CCB had sought assistance from the Government on March 14 and that prior thereto there had been no indication of the seriousness of the bank's problems. Later we found that the Government really did not know. We have had the banks concerned say that they had to make their decision based upon a segment of information provided only by the Canadian Commercial Bank, and that when they offered their staff and expertise to go in and make a full examination, they were refused. One bank president said that the only reason given for the refusal was that the Canadian Commercial Bank did not want competitors examining its assets. This was the first time a bank had failed in 62 years. When a bank comes hat in hand to Ottawa asking for $255 million, I have great difficulty understanding why it is in a position to dictate its terms and say that we may only look at the information offered, not at anything more. I cannot understand why the Government would accept that. We have asked these questions in the House and have received no answers.

Afterwards we learned a number of specific things in committee. We agreed to the passage of the Bill because we accepted the Government's word. The Official Opposition should be able to accept the word of the Government. Then we went into committee and found that there were many other problems. For example, we found that the bank was greatly over-extended as a result of imprudent lending practices. The committee found much of concern in the accounting policies of the bank and in its information disclosure. We have increasingly discovered, as a result of information before the committee and elsewhere, that the Government made its decision with inadequate information. We found that the Government did not seek out the opinion of CCB's external auditors in March before deciding to put in $255 million. The Government did not consult the minutes of the bank's own audit committee.

The Government did not attempt to inform itself about the February 1985 report of the American regulators on the Canadian Commercial Bank's U.S. agency. As I said, the Government did not insist upon a full examination of all assets but accepted the portion or segment of information provided by the Canadian Commercial Bank as a basis for decision.

At the same time as the Finance Committee was hearing these disquieting facts, and after the initial report of the Finance Committee was released, the Government continued to issue assurances about the effectiveness of the bail-out and the viability of the Canadian Commercial Bank. It was known throughout the summer that the Bank of Canada was providing considerable amounts of money to the Canadian Commercial Bank, obviously because large amounts were leaving the bank. Nevertheless, with the Government's assurances still ringing in our ears, the announcement on Labour Day of the appointment of curators for the Canadian Commercial Bank and for Northland came as a shock to most Canadians. Why had the Government put $255 million of taxpayers' money into a bank rescue, only to preside over its failure six months later? Clearly, confidence in the Government's original decision was badly misplaced. Obviously there were things which the Government had not known when it put together the bail-out.

When the House resumed in September, we asked questions, but our questions have not been answered. Today the Minister offered to table something to which she has referred for weeks, a partial list of categories of depositors. That will not meet our needs. We need full disclosure and exactly who are the depositors for which the Government is now showing a lot of concern, although it showed no similar concern for the shareholders.

Many of the shareholders are little people. I received a poignant letter from a 70-year old man who sold his house and on the advice of a broker invested all the proceeds in the Canadian Commercial Bank following the bail-out, when the Government was telling us that the bank was viable. This man has lost every penny. There is no concern for the shareholders. The shareholders include the pension plans of many Canadians. Air Canada, various teachers' groups and railway workers had invested in the shares of the Canadian Commercial Bank. They have lost every penny.

The Government has an obligation to explain why it is bringing in special legislation to pay out almost $1 billion to depositors whose names we do not know, while it is refusing to consider any special assistance for shareholders whose names we know. We know who some of the depositors are because they have chosen to identify themselves. The municipalities of Kanata, St. Catharines and Toronto have chosen to identify themselves. I have also received letters from municipalities in western Canada; they have made their position known. However, who are the depositors who have not been identified and for whom the Government wishes special legislation to pay out many millions of dollars of taxpayers' money without disclosure? We must have those names.

Mr. Deputy Speaker: The Hon. Member will have seven minutes remaining in her speech this afternoon.

S.O. 22

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Department of the Environment suffered several blows last year and this year. In particular, as time passes, the damage caused by the $3.8 million cut from the Canadian Wildlife Service becomes increasingly felt.

As you know, Mr. Speaker, the mandate of the Canadian Wildlife Service is to protect wildlife, to understand the impacts of man's activities on nature, to study the reaction of wildlife to pesticides, toxic chemicals and water pollution, and to recognize warning signals for human health while there is still time to act.

Each fall budgets are prepared for the following year. Today I call on the new Minister of the Environment (Mr. McMillan) to use his office to provide the funds required to restore the Canadian Wildlife Service to its full strength. If the Minister of State for Finance (Mrs. McDougall) can come to the House requesting $875 million, the Minister of the Environment can find the $3.8 million needed to restore 82 jobs in the Canadian Wildlife Service. Canadians benefit from the Canadian Wildlife Service. The new Minister of the Environment has an opportunity to prove that he has the political muscle needed to restore the Canadian Wildlife Service. He should act now.

* * *

ENVIRONMENTAL AFFAIRS

NEW DEMOCRATIC PARTY'S SUPPORT FOR GREENPEACE ORGANIZATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a statement on Greenpeace.

On September 23 the Vancouver *Sun* reported as follows, and I quote:

The New Democrats, usually the champions of Greenpeace environmental concerns, have been deathly silent on the subject (of the *Rainbow Warrior*). Some NDP MPs in fact have been ordered to shut up about the matter. The

reason is that the French Government is a socialist Government and socialists never—ever—criticize socialists who make it to Government.

In fact not only did the New Zealand Government, a socialist one, condemn the French Government but on the same day, September 23, on behalf of the NDP I gave a press conference on this subject. This was not covered by the *Sun*, likely because that was also the day of the resignation of the Fisheries Minister.

Greenpeace was started in Vancouver a few blocks from my house—

Some Hon. Members: Oh, oh!

Mr. Waddell: —by people who are personal friends of myself and some of my NDP colleagues from B.C. Except for the fur issue, involving as it does the livelihood of many native Canadians, the causes and sufferings of Greenpeace have been our causes and our sufferings. The French Government's sinking of the *Rainbow Warrior* was an act of international terrorism. The French Government has no business testing nuclear weapons in the Pacific.

Mr. Blackburn (Brant): Hear, hear!

Mr. Waddell: The NDP position is clear. I challenge the Canadian Government to speak out as strongly as the NDP national convention which, last July, unanimously condemned French nuclear tests in the Pacific and urged that the South Pacific be a nuclear-free zone.

* * *

STATUS OF WOMEN

SUPPORT FOR GOVERNMENT PROGRAMS

Mrs. Mary Collins (Capilano): Mr. Speaker, over the weekend more than 400 aggressive, enthusiastic Progressive Conservative women participated in Interaction '85.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mrs. Collins: Women from all regions, all ages and diverse backgrounds debated such issues as peace and security, employment equity—

Mr. Blackburn (Brant): How to pour tea.

Mrs. Collins: —pornography, aging, and volunteerism. Their opinions and input will prove invaluable as our Government proceeds with policy initiatives in all of these areas.

Some Hon. Members: Hear, hear!

Mrs. Collins: The women took pride in the record of achievements on women's issues of this Government in its first year.

Mr. Deans: Such as?

Mrs. Collins: Among them are amendments to the Indian Act, to remove discrimination against Indian women which previous Governments had failed to do; introduction of employment equity legislation to promote equality for women in the work place; new job-creation training programs focused on the needs of women re-entering the work force, and a 67 per cent increase in the number of women appointed to federal boards and commissions.

We applauded the Prime Minister's (Mr. Mulroney) statement on Saturday night as he reinforced the Government's intention to move ahead and take new measures on such matters as pension reform and child care.

It is this Government which will provide the environment and the tools for women so they can finally achieve economic equlity and social justice in our Canadian society.

* * *

[*Translation*]

HOUSE OF COMMONS

BEHAVIOUR OF CERTAIN PARLIAMENTARIANS

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, the events of the past few weeks have given our neighbours in the Opposition and even the media an opportunity to exploit a few blunders or human errors with an insolence that at times verged on paranoia. More still, Mr. Speaker, certain star performers in those same Opposition benches have led the Canadian people to believe that politics is a jungle swarming with politicians who have not yet grown out of their frustrations and have become shamefully passionate predators, and this tarnishes the image of this House.

Without wanting to indulge in self-righteousness, let me, Mr. Speaker, point out to you that too often, too many members hide behind the shield of parliamentary immunity to indulge in a language that has nothing akin to parliamentary ethics, where instinct rather than judgment prevails.

On the other hand, we see Members of the Opposition trying to be outrageously harsh to this Government. They try to inject in the population the idea that they can expect just as much from a Government hardly a year old as from a Government that has been in place for years.

In these times, Mr. Speaker, Opposition Members cannot be blamed for not doing their work, but it is no secret that many Canadian men and women are already questioning the dubious quality of their work.

[*English*]

CROWN CORPORATIONS

FUTURE OF CANADAIR AND DE HAVILLAND

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise today to call the attention of the country and particularly of Members in this House to the way in which the Government has damaged two very important national institutions that belong to all Canadians, they being Canadair in Montreal and the de Havilland aircraft company in Toronto.

There is a great deal of speculation and, in fact, rumours surrounding these two Crown corporations as to whom they might be sold, to foreign interests or Canadian interests. In fact news story after news story seems to contradict various previous statements, on whether it is going to be Gulfstream Aerospace Corporation of the United States which is going to purchase the shares or whether it is going to be the Boeing Company of Seattle.

I believe that it is time for the Minister responsible for the two Crown Corporations, the Minister of Regional Industrial Expansion (Mr. Stevens), to stand in this place at three o'clock and indicate to the House exactly what is taking place with these two Crown Corporations and whether it is the intention of the Government of Canada to sell these two Crown Corporations to Canadians and, if so, what bids he has received to date.

We have been informed by a number of sources that there are a group of Canadians, particularly workers at those plants, who would be interested in submitting a bid, but because of the reluctance of Government Members to support their cause in purchasing these two Crown Corporations, those bids have not been made public. I would urge that the Minister responsible stand in this place and indicate the Canadian—

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

SPORTS

"OKAY, OKAY! BLUE JAYS, BLUE JAYS!"

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, Canada's national passion, the National Hockey League, is due to get under way this week, but for the first time in the history of our country nobody really cares.

The attention of all Canadians is riveted on Toronto, not for the reasons that Toronto usually likes to dwell upon, but because the Blue Jays are about to launch their drive for Canada's first World Series.

Some Hon. Members: Hear, hear!

Mr. Angus: On the shop floors and in the boardrooms across the country, and even in the halls of Parliament, the talk is of that last, long fly ball to left field which allowed the Blue Jays to clinch the American League East championship.

Mr. Althouse: There must be some significance in that.

Mr. Angus: There has been a lot of concern amongst our friends to the south about having to play baseball amid the ice and the snow of a Canadian October so I would like to tell them that there is no need to worry. The sun is shining on the Blue Jays and heat generated by the blistering Toronto bats will be enough to thaw the coldest temperatures.

Mr. Speaker, the rules of the House do not allow me to make congratulatory statements under Standing Order 22, so I will not take this opportunity to congratulate Bobby Cox and the Blue Jays on their magnificent season and to wish them well in the playoffs. Instead, I would simply ask all Members of the House to join me in saying "Let's go, Blue Jays".

Some Hon. Members: Hear, hear!

Mr. Oberle: Batting to the left.

* * *

THE ECONOMY

DROP IN INTEREST RATES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, last week the Bank of Canada rate dropped to its lowest level in seven years.

Some Hon. Members: Hear, hear!

Mrs. Browes: This is not only good news for Canadian businesses, it is also good news for home owners, borrowers, and the country as a whole. Lower interest rates will give business people a new incentive to expand and increase production. Lower interest rates will shave billions of dollars from our federal debt charges, and lower interest rates will help Canadians borrow and finance the projects of their dreams. Above all, lower interest rates will help spur economic growth and create jobs.

● (1410)

Nearly one year ago the Minister of Finance (Mr. Wilson) tabled in the House a document entitled *A New Direction for Canada*. In that document the Minister wrote:

> This Government must take action to restore fiscal flexibility and by doing so help to create an environment that would allow interest rates to fall.

We, the Government, under the leadership of our great Prime Minister (Mr. Mulroney), have done just that.

* * *

SPORTS

EXCITEMENT OF BLUE JAYS DIVISIONAL CHAMPIONSHIP

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I also wish to make a statement which transcends all partisan politics. I know the congratulations that I am not allowed to express would be on behalf of every Member in this House,

those congratulations being directed at the Toronto Blue Jays for winning the American League East championship on Saturday.

I was born in Toronto and have lived all my life in Toronto. Forty-two years ago I used to go to Maple Leaf Stadium on Fleet Street to watch the Toronto Maple Leaf baseball team, a member of the International League. The price of admission was 18 cents to sit in the left-field bleachers. The price of admission has escalated slightly over the past 42 years, but so has the excitement. This year all Canadians have shared in that excitement as they watched and listened to the team which ended the season with the best record in major league baseball.

Being from Toronto, Mr. Speaker, I do not know how you can sit in that huge chair looking so composed when I know that inside you are just bursting with excitement as well. I know I speak on behalf of all proud Canadians when I wish this great Blue Jay team the best of luck, inning by inning, over the next two or three weeks.

* * *

[*Translation*]

THE FAMILY

NEED TO CONSIDER FAMILY AS CONTRACT BETWEEN EQUALS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, this week is National Family Week. This even does not aim at glorifying this institution, but simply at pointing out the difficulties faced by families in a world where children are more a problem than a source of happiness.

The structure of the labour market and our whole social organization do not favour the family, on the contrary.

Mr. Speaker, National Family Week provides me with an opportunity to demand economic equality for women. When women have their proper place in society, it will be because we shall have created social structures to accommodate families, in other words the parents who choose whether to work or not, and the children who are entitled to quality services and who we must not forget are our collective responsibility.

The decreasing enthusiasm of Canadian men and women for having children is indicative of the difficulties which children represent in our society. The best policy to promote an increase in the birth rate is to give women their legitimate place in society and consider the family as a contract between equals.

* * *

[*English*]

NATIONAL FIRE PREVENTION WEEK

FAMILY SAFETY PROGRAM

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, statistics show that 49 per cent of all fires and 90 per cent of all fire deaths in Canada occur in homes. One-third of those who die in fires are children. Such a grim record prompted fire departments from across Canada and McDonald's restaurants to launch Canada's first national family fire drill as part of National Fire Prevention Week, October 6 to 12.

Families are invited to participate in a home fire evacuation drill called "How To Get Out Alive", on October 9. The intent of the plan is to encourage families to develop their own fire evacuation routes and to educate their children about what to do in the event of a fire in the home.

The promoters of the event aim at reaching as many families as possible in order to increase awareness of fire-related tragedies and to reduce the loss of life that occurs through residential fires. I encourage all Canadians concerned about the safety of their loved ones to join the organizers in their laudable initiative.

Firemen, many of whom are volunteers, as in Nepean-Carleton, have helped to develop this program. They constantly put their lives at risk responding to direct fire alarms. I want to commend these men and women for their contribution to fire safety and prevention, and the preservation of human lives.

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—WOMEN'S PROTEST

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, today in Halifax a group of single mothers demonstrated at the provincial Legislature against the partial deindexation of family allowances. These women know that there is a profound discrepancy between what the Government promised and what it has delivered. They know that the Conservative cut-back will take milk from the mouths of Canadian children.

Conservative Members say that they are helping those in need, but these women know that after 1990 even the poorest families will lose money. Conservative Members say that they are helping those who are unemployed, but these women know that cut-backs in the family allowance will increase poverty. They know that 80 per cent of those living under the poverty line, those in the soup-kitchen lines and those in the food-bank lines, are women and children.

Conservative Members say that they can make up for these cut-backs in the family allowance by changing the child tax credit provision, but these women know that that cheque comes only once a year and not at the end of every month when they need the money. Today these women sent a telegram to the Prime Minister (Mr. Mulroney) telling him that they are opposed to any changes in the family allowance. They know that, such changes discriminate against women and children. They know that in the Conservative lifeboat, the rich go first and the women and children last.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BELGIAN PATRIOTS

Mr. Speaker: May I advise Hon. Members of the presence in our gallery today of a very special group of people who, during the Second World War, assisted Canadian airmen in Belgium to escape or evade capture. They are hosted by the Canadian Branch of the Royal Air Force Escaping Society.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT EXPENDITURES

MINISTER'S EUROPEAN TRAVELS—DEPUTY PRIME MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. On Friday the Deputy Prime Minister attempted to deflect what we believe was legitimate criticism directed against the Minister of State for Transport by using these words, and I quote from *Hansard:*

—I asked myself whether the motivation was not to arouse some kind of racism here—

After saying to him in his own constituency, where I spent the weekend, that those words were inflammatory, divisive and paranoiac, and were reflective of the bunker mentality of a Government in desperation, has he reflected upon those words and would he be willing to withdraw them?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the answer to the question, Sir, is that indeed I have reflected upon those words. As the Leader of the Opposition himself well knows, certainly it has been my experience in the House of Commons over the years that, upon occasion, Hon. Members react and say things that might better have been left unsaid. I certainly would not want to cast aspersions of racism on anyone.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am glad to accept those words from the Deputy Prime Minister.

* * *

[*Translation*]

THE CABINET

WORDS ALLEGEDLY SPOKEN BY PRIME MINISTER ON TELEVISION PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister should realize that in making this reference to racism, the Deputy Prime Minister was inspired by the Prime Minister's own comments on the television program *Le Point* broadcast on September 4. The House will recall that at the time, the Prime Minister said that his Minister was doing a good job, and to quote what the Prime Minister said, "regardless of what Anglophones have to say on the subject". Will the Prime Minister admit that his own remarks were offensive and make the appropriate apologies?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Deputy Prime Minister made himself quite clear. It is public knowledge that for instance, during the election campaign, the Hon. Member for Laval-des-Rapides called me the leader of an Orange Lodge party, and did so in public, and that the Leader of the Opposition accused my candidates, at least three of them, of being separatists. These remarks were not made in the middle of an election campaign for the purpose of spreading brotherly love and national unity. The comments I made were entirely truthful. I did not recall any past problems and like all Members of this House, I accept the excuses and comments of my hon. friend, the Deputy Prime Minister.

● (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, this is not election time, and I may remind the Prime Minister that we are in Canada's Parliament, and I am still waiting for him to give a clear explanation. So, about the TV broadcast *Le Point*?

Mr. Mulroney: There is nothing more to explain. I think my comments were crystal clear. It was for instance, deplorable that during the election campaign, the Liberal Member said . . . Yes, but just a second! They said that I was the leader of an Orange Lodge party. What is that supposed to mean? I said: This is not an Orange Lodge party, it is a party of Orange Lodges, Knights of Columbus, Filles d'Isabelle, of all Canadians—

Mr. Gauthier: Answer the question!

[*English*]

Mr. Mulroney: We are speaking on national unity as opposed to people who are trying to sow difficulty.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: We talked about national reconcialiation and we are acting accordingly. And when a comment was judged to be unacceptable, the Deputy Prime Minister withdrew it willingly and with good grace.

Oral Questions

TRANSPORT

REQUEST FOR EXPLANATION OF ALLEGED STATEMENT BY DEPUTY PRIME MINISTER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the Minister of State (Transport).

Last Thursday evening the Minister made the following statement in Montreal: "I was prepared to produce all my vouchers, but the Deputy Prime Minister suggested that I should not do that because it would create a dangerous precedent".

Then the next day I put a question to the Deputy Prime Minister here in the House, namely—

An Hon. Member: The question!

Mr. Guilbault (Saint-Jacques): Just wait for my question!

[*English*]

The next day the answer of the Deputy Prime Minister to my question was this:

Mr. Speaker, for the Hon. Member to suggest, which he has, that I put a gag order on that particular Minister or any other Minister is utterly false.

[*Translation*]

Here is my question to the Minister. Can she confirm today that she really stated in Montreal that the Deputy Prime Minister had asked her not to table the documents?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, just so the Hon. Member does not lose any sleep over this matter, I can say that there were no diverging views between the Deputy Prime Minister and me, and that all personal expenses incurred during the personal leg of my trip were personal expenses which are part of my private life. However, given the very peculiar and even bizarre circumstances of my current situation, I am prepared to make them available.

REQUEST THAT EUROPEAN TRAVEL VOUCHERS BE TABLED BY MINISTER OF STATE (TRANSPORT)

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, this being the second time the Minister indicates she is prepared to make these documents public, I would like to ask her a very simple question: Will she table the documents in the House of Commons today?

An Hon. Member: Yes or no!

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, the trips were made up of official and personal travels. As soon as I have the final statement of the full expenses of those trips, I will table, in the most appropriate manner, a summary of all expenses.

[*English*]

CANADA ELECTIONS ACT

EXPENDITURES INCURRED IN FRONTENAC, QUE.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to begin by saying that I was very pleased to hear the Deputy Prime Minister withdraw unconditionally the comments he made in the House last Friday.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: But I have another question for the Prime Minister.

According to another press report today there is a $3,000 expense which was not declared by the riding of Frontenac nor by Conservative Party national campaign officials. Apparently there has been a breach of the Canada Elections Act in both instances. Is the Prime Minister aware of this fact and what did he do?

[*English*]

Mr. Speaker: Order, please. I will ask the Hon. Member to rephrase his question because, as I heard it, it related to electoral expenses of one or more Members of the House. Questions with respect to electoral expenses of any Member do not fall within the purview of the Government. Therefore, they are not matters for Question Period when one is questioning the Government about Government policy. I invite the Hon. Member to rephrase his question.

NEWSPAPER REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I noticed that the Government House Leader was rising to answer my question which simply concerned a report which stated that there was some $3,000 not declared in the constituency of Frontenac or in the national campaign list for the Conservative Party. In either case federal law would have been broken if these figures had been taken into account. We have a bit of a problem in asking questions, as you well understand, Mr. Speaker.

I will put my question in this way. I will restrict it to the national Conservative Party campaign. Is the House Leader prepared to comment on this item? Can he tell the House what steps, if any, the Government has taken to conduct an inquiry—

Mr. Clark (Yellowhead): What nonsense is this?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member cannot make it a matter of Government policy by calling it a matter of a Party.

I am also in some difficulty since these matters are administered, as the Hon. Member knows, by an officer of Parliament

and not by the Government. Therefore, I must find these questions out of order. Does the Hon. Member want to try again?

Mr. Broadbent: I understand your difficulty, Your Honour—

Mr. Dick: It is your difficulty, Ed.

Mr. Broadbent: —and perhaps you will understand mine, Mr. Speaker, since the Prime Minister—

Mr. Clark (Yellowhead): Innuendo is getting tougher.

Mr. Broadbent: Joe's at it again.

Mr. Speaker: Order, please. It will not get any easier if the heckling continues.

Mr. Broadbent: I do not know why the Secretary of State for External Affairs is twitching. I do not think he had responsibility for this matter.

Some Hon. Members: Order.

REQUEST THAT GOVERNMENT MAKE INQUIRIES

Hon. Edward Broadbent (Oshawa): I would like to ask the Government House Leader or the Prime Minister, since last week they took in a serious way an undertaking to make certain inquiries of their own national party office, would they do likewise in this particular case?

Mr. Andre: Strike three!

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Hon. Member is no Blue Jays' fan.

All I can say in response to the Leader of the New Democratic Party is that my answer has to be, in part, the point which was raised by Your Honour with respect to the appropriateness of the Hon. Member's question. I think the NDP Leader and his Party should be the first to understand that when there is a matter under investigation it is totally inappropriate to speculate at this point in time on those matters until the investigation is complete.

Mr. Broadbent: That is the answer I expected.

* * *

[*Translation*]

INDUSTRY

JOBS IN JEOPARDY AT GULF OPERATION IN MONTREAL

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. We know that some 450 Gulf employees in Montreal might now loose their jobs following his Government's decision to allow Petro Canada to purchase part of Gulf Canada's assets. We have learned over the past weekend that Motoco Petroleum is waiting for Ottawa's assistance to buy and operate this refinery.

Could the Prime Minister assure the House that Ottawa will provide the necessary money to save the 450 jobs he has himself jeopardized?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, Gulf announced the close-down of the refinery in Montreal because of the over-supply of refinery capacity throughout the world, which has led to the shut-down of 13 refineries in Canada over the last few years. Gulf extended the period of the shut-down to ensure that employees could find alternative employment and to ensure that, should there be a buyer, there would be time for one to step forward.

[*Translation*]

REQUEST FROM MOTOCO PETROLEUM—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Two months to find other jobs, Mr. Speaker? That is not what the Gulf employees are asking. They are asking to keep their jobs at the Montreal East plant. What I should like the Minister to tell us is whether her Government will provide the required money and give Motoco Petroleum the $100 million guarantee it is seeking, in order to protect the jobs in Montreal East and nowhere else.

● (1430)

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the decision to close down the Gulf refinery—as was the decision to close down all the other refineries in Canada—was a private sector decision because of over-capacity in the refinery field throughout the world. For instance, the residential consumption of crude oil in Quebec has fallen from 50 per cent to 25 per cent because of the efforts of that province to encourage hydroelectric developments, and the efforts of all Governments to encourage conservation measures.

* * *

AUTOMOTIVE INDUSTRY

HYUNDAI CANADA—DUTY-FREE IMPORT PRIVILEGES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The President of Hyundai Canada, Mr. Park Sung Hak, met with Ministers and clearly influenced the 1984 Budget, and is reported, before the May 1985 Budget, to have met, through lobbyists, with the Minister of Regional Industrial Expansion and the Minister of International Trade. Can the Minister tell us, given the way Hyundai has kept duty-free import privileges until 1987 despite low production levels of

Canadian content, who is making automotive industry policy in this country, the Government or South Korea?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the question of the Hon. Member for Essex-Windsor, may I say that I thought he was standing to compliment the Government on getting the unemployment level in Windsor down to 5.9 per cent.

Some Hon. Members: Hear, hear!

Mr. Stevens: That level of 5.9 per cent in Windsor is the lowest unemployment level of any urban area in Canada, and the Government of Canada has done that in spite of the opposition from the New Democratic Party and the Liberal Party.

Mr. Langdon: The Minister has struck out again. If he knew anything about Windsor, he would know that no one in that city believes those jobless figures.

[*Translation*]

DECISIONS BY CERTAIN OFFICIALS—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister. We realize that this Minister will not answer questions for the Prime Minister.

Does the Government feel that everything is fine when the senior officials who make decisions concerning South Korea happen to be members of the Canada-Korea Association?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in reply to the Hon. Member, on Thursday I was at the construction of the American Motors Corporation factory at Brampton, Ontario. It will consist of 2.2 million square feet under one roof and will employ 3,000 Canadians.

Some Hon. Members: Hear, hear!

Mr. Stevens: Believe me, the Government of Canada has a plan. We are working with the auto industry and the parts manufacturers to ensure jobs for Canadians, and we would appreciate a little support from the opposition Parties.

* * *

[*Translation*]

THE FAMILY

CHILD CARE SERVICES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Prime Minister. Last weekend, he promised to create a new task force on daycare services.

I am somewhat surprised at this decision, Mr. Speaker, as the previous Liberal Government established a similar task force under the leadership of Mrs. Katie Cook. Its report has been in the hands of the Government for several months and has never been published.

I would therefore like the Prime Minister to tell us when he intends to make this report public and, more specifically, at what date it will be tabled in this House.

[*English*]

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, through you to the Hon. Member, who will know that this Government has made a priority of child care, the important report of Dr. Katie Cook will be given to the Government. It is at the moment in the midst of translation. Shortly the Government will be naming a parliamentary task force and this will become an important resource for the parliamentary committee in order for it to do its work.

[*Translation*]

REQUEST FOR REASON REPORT NOT PUBLISHED

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is this. Why try to reinvent the wheel by creating a new commission? The Government has had this report for several months. Why not publish the report instead and implement its recommendations? Women need action, not another commission.

[*English*]

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, through you to the Hon. Member, the intention of the Government is just what the Hon. Member suggests, that is, action. The background papers will provide the opportunity for the public to be heard through Members of Parliament. As the Hon. Member will know, this issue is of national concern, but largely a provincial responsibility. The importance of that dialogue and moving deliberately carefully and thoughtfully so that we come to a consensus is something about which this Government is principally concerned.

* * *

CANADA ELECTIONS ACT

PROGRESSIVE CONSERVATIVE PARTY EXPENDITURES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. He will realize that if the two allegations made by the members of the Frontenac Conservative Association are true—

Mr. Hnatyshyn: Order.

Mr. Clark (Yellowhead): Order.

Mr. Murphy: —then the federal Conservative Party went over its election expenses—

Some Hon. Members: Order.

Mr. Murphy: Will the federal Government ensure that any investigation also looks at whether or not the federal Conservative Party exceeded the limitations—

Mr. Speaker: Order, please. The Hon. Member heard me make a comment earlier about the propriety of such questions. Does the Hon. Member have a question on a different subject?

Mr. Murphy: My question, Mr. Speaker, is will the Government insist that there be an investigation—

Mr. Speaker: Order, please. The Hon. Member for Don Valley East.

* * *

EXTERNAL AFFAIRS

SOVEREIGNTY LINE DRIVE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He has spoken often and strongly about the extreme importance of sovereignty in Canada. Would the Minister tell us what impact there might be on our sovereignty, or on our new baseline relations, when a Canadian team wins the World Series later this month?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. Members will understand my deep regret at having to rule that question out of order.

* * *

CROWN CORPORATIONS

DE HAVILLAND—POSSIBLE SALE TO BOEING CORPORATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. There are again rumours that de Havilland is about to be sold, this time to the Boeing Corporation of Seattle.

Mr. Hnatyshyn: Order.

Mr. Kaplan: We know that in a sale like that, there won't be any true financial consideration—

Mr. Hnatyshyn: Order.

Mr. Kaplan: —with all the Government support programs in the area. Will the Minister assure the House that he will protect jobs at de Havilland, that he will protect the research and development and continuing research and development, and that that company will continue to manufacture its products for world markets?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member for York Centre, who is widely known to represent the "Pessimists of the World Incorporated", I want to assure not only the Hon. Member but all Hon. Members of the House that in any negotiations we have with respect to the possible sale of de Havilland, we will keep as an uppermost consideration the eventual employment of the workers at Havilland, the retention of technology, and the furtherance of the aerospace industry in this country.

Mr. Kaplan: Mr. Speaker, I represent the pessimists who votes against the Government Party.

Some Hon. Members: Oh, oh!

Mr. Mulroney: More.

Mr. Speaker: Order, please.

GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Perhaps I will ask the Prime Minister what happened to the campaign promise, to that beautiful promise that Canadair and de Havilland would be brought together into a Canadian aerospace company and that that company would be nurtured until a time that when shares could be offered to all Canadians? What happened to that promise?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member who has demonstrated why he will stay in his present seat for a long, long time, let me assure him that all alternatives are being weighed and he should not, in his pessimistic way, jump to any conclusions.

* * *

● (1440)

FISHERIES

NEWSPAPER REPORT OF STAR-KIST PLANT OPERATIONS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Prime Minister. Today, in *The Globe and Mail*, Michael Dugas, a quality control officer in the Star-Kist plant, indicated that a horror show was taking place in terms of lack of quality control in that plant and lack of protection for the public. Would the Prime Minister undertake to launch an investigation into the operations of that Star-Kist plant, or is he attempting to have Michael Dugas retract his statement?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, as Acting Minister of Fisheries I can assure the Hon. Member that one of the first things I did on assuming the acting responsibilities was to cause in-depth inquiries to be made into the quality control of all aspects of the inspection services.

REQUEST FOR COMMITTEE REFERRAL

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, since the matter is of such a serious nature, would the Acting Minister ensure that this matter is referred to the proper standing committee, with a reference from himself and the Government, to ensure that the matter is dealt with fully and in public? Furthermore, would the Acting Minister of Fisheries indicate what is happening with a federal Government grant of $80,000 which will be paid to this plant, considering the rampant rumours that the plant will shut down? What are the Government's intentions with respect to this matter?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, I do not accept the embedded inference in the second part of that question.

With respect to the first part of the question, I would expect that Members of Parliament will aggressively approach this matter in the standing committee as they do with all other matters coming before standing committees.

* * *

ENVIRONMENTAL AFFAIRS

MUNICIPAL SEWER IMPROVEMENT PROGRAMS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of the Environment. He will know that the report on national water policy that was released last week recommended that the Government join in the fight against water pollution by assisting the provinces and the municipalities with the financing of local sewer improvements. Will the Minister advise the House if he supports that recommendation, and will he be urging the Government to help pay the costs of local sewer improvement programs?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member has correctly put his finger on a major national question, given that in eastern Canada, for example, only about 10 per cent of municipal sewage is adequately treated.

I met with my colleagues, the Environmental and Resource Ministers from the provinces and territories, to discuss the Pearse inquiry. We considered the very question raised by the Hon. Member in the context of that inquiry. We will pursue various instruments, including those available to the federal Government, for a joint effort in this regard.

* * *

TRADE

CANADIAN LUMBER EXPORTS TO UNITED STATES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns a comment in a statement made by the United States Ambassador to Canada in Saskatoon when he said that Canadian forest companies should consider voluntarily slowing down the flow of Canadian lumber into the United States market. Does the Minister agree with this statement and, if not, what has he done about it?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not agree with that statement and I think that my view on the statement is well known to the American Ambassador to our country.

GOVERNMENT POLICY

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, perhaps the Minister would be candid enough to share with us in the House of Commons what he has indicated to the United States Ambassador in this regard?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have indicated to him, through public and private means, that it is the Government of Canada that speaks for the policy of Canada.

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AGRICULTURE

PRAIRIE DROUGHT—GOVERNMENT ASSISTANCE POLICY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Prime Minister who will know that on December 21 last year his Minister of Agriculture said, after paying $10 per acre in matching grants for flooded acreage in northeast Saskatchewan, parts of Manitoba and Quebec: "There will no more *ad hoc* assistance programs when crop insurance is available to help farmers through the effects of bad weather".

If that is the Government's clear policy, why does the Member for Assiniboia leave the clear impression that he has a mandate to make recommendations for further assistance in this year's drought area, or has the Government's policy as enunciated by the Minister of Agriculture last December been reversed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there has been no reversal or alteration. The Member for Assiniboia, one of the most devoted and knowledgeable people about agriculture in western Canada, has spent the summer and much of early autumn working very closely with farmers and farm organizations in western Canada in putting together a program that would be helpful and beneficial to them.

I believe that all Members of the House, including those in the NDP, would want me to thank the Member for Assiniboia who exemplifies the best dimensions of the House for doing precisely those things.

RECOMMENDATION TO CABINET

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since it has been 10 days since that same Member for Assiniboia promised farmers in Regina that a recommendation would be made to the Prime Minister and Cabinet "next week", to quote him, would the Prime Minister tell us what that recommendation is and if it includes assistance for the crop producers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, at an appropriate time that information will be divulged in a comprehensive way.

Let me say that the recommendations of the Member for Assiniboia will form an integral part of that comprehensive plan. Indeed, given all the work that he has done, I would offer a salute to the Member for Assiniboia, except in my family it is unacceptable.

Some Hon. Members: Oh, oh!

* * *

TRADE

SHOE IMPORT QUOTAS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, most of us are aware that the Canadian footwear manufacturing industry is having a very difficult time mainly because of unfair competition from offshore countries which pay their footwear employees only a fraction of the wages paid by our industry. In order to offset some of this, the footwear industry is requesting that offshore quotas be limited to 50 per cent of the shoe market in Canada to help safeguard some 26,000 jobs. It is a very reasonable request.

Would the Minister of Regional Industrial Expansion give this request active and serious consideration so as to keep the Canadian footwear manufacturing industry viable and help maintain the thousands of jobs on which so many people depend for their livelihood?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I have no hesitation in acceding to the Hon. Member's request. I compliment him on the way he has been pressing the case for an industry in Canada that I believe the Government of Canada would very much like to see remain viable.

* * *

SCIENCE AND TECHNOLOGY

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

Mr. David Berger (Laurier): Mr. Speaker, in the absence of the Minister of State for Science and Technology, my question is directed to the Prime Minister. The Government has had the five-year plan of the Natural Sciences and Engineering Research Council for almost four months now. Recently, in answer to questions from the Minister, the Science Council of Canada called on the Government to fund fully the plans of the federal granting councils.

Does the Government support NSERC's five-year plan and, more particularly, will he state now that the Government will fully fund the plan to enable 30,000 university students and researchers to do work that is vital for Canada's future?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I know that I do not have to remind most Members of the House of the ad hocery that took place with respect to this council during the Liberal Government's reign in Ottawa. I can assure the Hon. Member that that ad hocery will not continue and that an announcement will be made shortly concerning the important matter that he has raised.

Mr. Berger: Mr. Speaker, we have seen the greatest example of ad hocery with the bank fiasco in recent months.

UNIVERSITY RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, the Government wasted no time in finding a thousand million dollars for bank bail-outs. Why does it take so long to commit a similar amount over five years for university research which, unlike the bank bail-outs, will do something useful for Canadian jobs?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I remind the Hon. Member that this Government is dedicated to increasing research and development and the development of new technology in this country. I agree that that is where jobs will be created. The jobs we promised in the election are the jobs that will be produced.

* * *

• (1450)

ENERGY

NATURAL GAS DEREGULATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Alberta's Minister of Energy recently said that the November 1 deadline for natural gas deregulation set out in the Western Accord was arbitrary and that negotiators need not feel bound by it. This morning the Minister received a report of the Natural Gas Industry Summit Group which agreed to disagree on the most contentious price issue. Does the Minister agree with Mr. Aaozirny, the Alberta Minister, or is it the intention of the Government to stick to the November 1 deadline?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member is correct in saying that today was the day that I gave the summit group to bring forward its proposals for consideration to find a system of domestic gas pricing which, as I have said, must be accept-

able to both buyers and sellers. I will be reviewing that report this afternoon and I will be discussing its contents with my provincial colleagues later this week. When I have something further to report, I will do so.

Mr. Waddell: I note that the Minister did not answer my question about November 1.

COST TO CONSUMERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, is it the Government's policy that Canadian gas consumers right across the country will not have to pay more for natural gas than American consumers will have to pay after the deregulation on November 1?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have long been on record as saying that Canadian consumers will never pay more than their American neighbours. That has been central to these discussions between the producers and consuming interests. I cannot add more than that. Once I read the report I will be in a position to comment on it.

* * *

MEDICAL CARE

FEDERAL PAYMENTS TO PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of State for Finance. Is the Minister going to take seriously the warnings from the provincial Health Ministers of Newfoundland, Nova Scotia, and New Brunswick that they will have no choice but to cut back on programs in medicare unless the federal Government remains a fair partner and reverses its decision to decrease the number of tax dollars being transferred for medicare and education?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that I have made it very clear that we take our discussions with our provincial counterparts very seriously. The Minister of Finance has been discussing program funding with them and has reassured them that there will be no cutbacks. Yes, we always take those remarks seriously, Mr. Speaker.

PAYMENTS TO ONTARIO

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, is the Minister aware of the discrepancy between the numbers tabled on May 23 when the Budget was produced and those now used by the Treasurer of the Province of Ontario? He now indicates that the losses to Ontario will total $2 billion and as a result the Treasurer will have no choice but to increase the provincial deficit, or to increase taxes, or to reduce services. Whom are we trying to fool?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we are not trying to fool anybody. I do not know who the Hon. Member is trying to fool. We indicated very clearly in the Budget that there will continue to be an increase in payments to the provinces and that the proportion of federal spending to the provinces will be the same at the end of the decade as it is now.

* * *

THE DISABLED AND THE HANDICAPPED

SALES TAX ON WHEELCHAIR PARTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister and I know it is of concern to him. For many disabled Canadians the use of wheelchairs is absolutely necessary. Will the Government move now to remove the sales tax on wheelchair replacement parts?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, all of the measures which were introduced in the Budget have been the subject of further discussion. In terms of some things we have already made some changes.

REQUEST FOR REMOVAL OF TAX

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am certainly delighted to know that we have made changes on some things, but the point I want to make is that for many people a wheelchair is an absolute necessity. I want to ask either the Prime Minister or the Minister of State for Finance whether, recognizing that fact, the Government might not move immediately to remove the sales tax on replacement parts necessary to keep wheelchairs operating and effective.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as my hon. friend knows, we have already taken measures designed to be of assistance to the disabled in Canada. I think this was widely regarded as being very helpful. My hon. friend brings to my attention an observation which strikes me as helpful and one upon which perhaps the Government would be well advised to act. I will consult with the Minister of State for Finance and advise the House and my hon. friend as quickly as possible. I thank him for bringing it to my attention.

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HISTORIC SITES

GRASSY ISLAND PROJECT, N.S.

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister is aware of the Government's efforts to identify new economic initiatives for the Strait of Canso region of Nova Scotia. Development of Grassy Island has been put forward as such an initiative. Can the Minister

tell us the status of plans for development of the Grassy Island National Historic Site at Canso?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I share the Hon. Member's high regard for Grassy Island because of the role the Canso area played in the international fishery in the eighteenth, and even in the seventeenth century. There is a management plan which predated my appointment as Minister of the Environment but I have embraced it as one of my own priorities. To date the federal Government has spent approximately $350,000 of an estimated total of $1.7 million. We expect to proceed with some dispatch. I pay tribute to the Hon. Member for his persistent representations on behalf of his constituents.

* * *

[*Translation*]

STATUS OF WOMEN

WOMEN'S FREEDOM OF ACTION ON MILITARY BASES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of State for the status of women. I would like to ask him whether he believes our Armed Forces are providing equal opportunities by not letting women canvass door-to-door with antiwar plans while members of the Armed Forces have the right to lobby for things like Star Wars and other national and international projects. Does this represent equality for women?

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, as I have indicted, there remains as part of the regulations under which the military operated, a rule that political activity on base is prohibited, by whatever group. As I have also indicated, the question of the definition of political activity is under review. In view of today's circumstances, it may well be that the internal definition used could be subject to change. We are looking into that question.

[*Translation*]

Ms. Copps: Mr. Speaker, my question was to the Minister of State for the status of women. I do not know whether he has had time to consult his wife, but I would like to ask him what representations he has made to Cabinet as concerns the status of women on military bases because women now have no rights there and he should take some action on their behalf.

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, let me remind the Hon. Member that this Government has undertaken to review the matter, which the previous Government did not.

Some Hon. Members: Hear, hear!

Mr. McLean: Second, let me remind the Hon. Member that when the Minister of Justice brought forward his amendments coming out of the Charter there were some areas which were not clear and at that moment we established a parliamentary committee to study those sensitive areas. Third, let me remind the Hon. Member that it was this Government that enhanced the Charter challenges to include women. If this is an area which needs that specific definition, there is a provision to undertake it under our Charter Challenges Program.

* * *

MUNICIPAL AFFAIRS

REPLACEMENT OF SEWER SYSTEMS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister may remember that prior to the Budget this year the Canadian Federation of Municipalities met with the Minister of Finance and the Minister of Employment and Immigration to point out the serious condition of municipal infrastructure. The water quality report has said much the same thing.

Would the Minister indicate to the House and to the municipalities of Canada whether his Government will now move to provide the necessary federal funding in order that municipalities can replace their existing sewer systems so that we can have quality water in our country?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member should know, as I suppose he does, that the federal Government got out of national programs in support of municipal infrastructure largely because the provinces resented what they thought was an intrusion into provincial jurisdiction by the federal Government.

• (1500)

In that connection, the previous Government also abolished the Ministry of State for Urban Affairs for the same reason. I do not hold out much possibility for the resuscitation of national programs in support of infrastructure. However, if the provinces, in individual cases, can demonstrate that they consider municipal infrastructure a priority, then the federal Government would be very open to discussing with individual provinces on a bilateral basis the possibility of federal funding, perhaps through ERDA.

FEDERAL-PROVINCIAL CONSULTATION

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have a supplementary question. Perhaps the Minister might want to take some leadership, approach the provinces directly and encourage them to get involved with the federal Government to provide that kind of funding now, when they need it.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, within minutes of receiving the Pearse inquiry report, which addressed itself to this very question, I was personally in touch with every Minister of the Environment in the country.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, October 4, 1985, meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. SPEAKER'S RULING RESPECTING SUPPLEMENTARY QUESTION

Mr. Speaker: I have the notice of a question of privilege from the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on Thursday, October 3, I attempted to put a supplementary question to the Minister of Indian Affairs and Northern Development (Mr. Crombie) with regard to personnel cuts in his Department. It was supplementary to the principal question put by the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

On that occasion, before I could get four lines of *Hansard* out of my mouth, I was interrupted on two occasions by Your Honour who asked me to put my question immediately. I finally did not do that because I was completely frustrated, feeling that I could not put the question without a brief outline of the situation leading to the question and the parameters of the question.

I was to assure you, Mr. Speaker, that I am completely opposed to long preambles to principal questions or to supplementary questions; I might say as well, to long, rambling questions which disguise the same material as preambles within the questions and accomplish the same thing. I submit, with great sincerity, that I feel that many of Your Honour's rulings with regard to supplementary questions and preambles unduly restrictive and without precedent.

I decided to check *Hansard* of the last Parliament on this matter, and I found numerous, numerous precedents. I started with the most recent dates. For example, on May 18, the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick)—

Mr. Speaker: Order, please. Clearly the Hon. Member has a complaint which he wishes to make to me. That is his privilege, and he may want to come and do that. If he wants to pursue this, he will have to convince me pretty quickly that there is a question of privilege. Therefore, I think he will have to deal with the foundation of his question of privilege, not the issue he wishes to raise.

Mr. Allmand: Mr. Speaker, the foundation of my question of privilege is that Question Period is one of the few opportunities for Members of Parliament to hold the Government accountable for its actions by putting questions and by putting them in a way which can be understood by the Government, by all Members of Parliament and by Your Honour. I submit that the type of restrictive application of the rules which Your Honour applied to me—and I say "rules" very loosely—or your ruling with respect to me last Thursday was such that it restricted my right to put a question to the Minister in a way in which I could hold him responsible or have him answer on a very important issue of policy which was being implemented by his Department. I felt completely unable to do that in the House and I submit to Your Honour that if that sort of ruling—

Mr. Speaker: Clearly that is not a question of privilege, nor is it a point of order. The Hon. Member appears to be unhappy with the fact that when I asked him if he wished to put a supplementary question, he said "no" and sat down. If the Hon. Member wishes to discuss with me or to debate with me the practices with regard to Question Period, he is perfectly free to come and do so. As he knows, his House Leader and the other House Leaders do that regularly, as do his Whip and the other Whips. However, it clearly has no foundation for a point of order or for a question of privilege in this Chamber, and that is the end of the matter.

Mr. Allmand: On a brief point of order—

Mr. Speaker: That is the end of the matter.

Mr. Allmand: On a brief point of order—

Mr. Speaker: No. I invite the Hon. Member to come and see me to discuss it, if he wishes.

ROUTINE PROCEEDINGS

[*Translation*]

CONDOMINIUM ORDINANCE VALIDATION ACT

PRESENTATION OF LEGISLATIVE COMMITTEE REPORT

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-73, an Act to validitate certain ordinances of the Yukon Territory and the Northwest Territories, without amendment, in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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PUBLIC ACCOUNTS

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the seventh report of the Standing Committee on Public Accounts.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

[*English*]

TRANSPORT

TABLING OF DOCUMENT "FREEDOM TO MOVE"

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, under the provisions of Standing Order 47(2), I have the honour to table in both official languages the document entitled "Freedom to Move".

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BANKS AND BANKING

TABLING OF LIST OF CATEGORIES OF UNINSURED DEPOSITORS

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 47(2), I would like to table in both official languages the list of the categories of uninsured depositors of the Canadian Commercial Bank and the Northland Bank.

* * *

TRANSPORT

ORDER OF REFERENCE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations among the Parties, and I think Your Honour will find that the following Order of Reference will be received now by the House and passed without debate, by unanimous consent. The Order of Reference is as follows:

That the document entitled "Freedom to Move", tabled in the House earlier this day, be referred to the Standing Committee on Transport;

That the Committee examine and report on the proposals contained therein and, in particular:

(1) the role of transportation in improving Canada's trade position; developing employment opportunities; and complementing regional economic development in Canada;

(2) the role of transportation Crown corporations in an open and competitive transportation environment;

(3) foreign control of Canadian transportation companies;

(4) the ways and means of improving services in northern and remote areas in a new regulatory environment;

(5) the issue of compensatory rail rates and suggested measures to discourage predatory pricing in a new regulatory environment; and

(6) the measures to protect and/or enhance services to captive shippers;

That the Committee be empowered to travel within Canada; and

That the Committee report its findings no later than December 13, 1985.

Mr. Gauthier: Mr. Speaker, indeed the House Leader for the Official Opposition has informed me that negotiations have taken place, and we are pleased to give our concurrence.

Mr. Deans: Yes, we would too, Mr. Speaker.

Mr. Speaker: The House has heard the terms of the motion. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent, shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canada Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Miss Aideen Nicholson (Trinity): Mr. Speaker, earlier today I was speaking about the reasons we on this side of the House would like information about depositors who will be paid over and above the $60,000 insurance as a result of this special Bill before us which requires $875 million to be paid out of the Consolidated Revenue Fund.

While I was speaking this morning, there was delivered to my office a letter from a group called—

[*Translation*]

—the Committee for the defense of the rights and interests of Canadian depositors in the matter of the Canadian Commercial Bank's bankruptcy.

[*English*]

This group made a very special plea that individual depositors be reimbursed early on and gave some rather interesting reasons. It also gave a total figure which I have not as yet been able to check because just two minutes ago, in fact as I was rising to speak, I received the list just tabled by the Minister detailing some of the depositors by categories. It shows foreign banks, Schedule A banks, Schedule B banks, trust companies, et cetera. I suppose by adding up all this, separating it from the total, one might arrive at the individual depositors,

although not necessarily, because I believe that when the Minister spoke this morning she said this would not be a complete breakdown.

● (1510)

However this group who delivered the letter to me this morning says that it would cost approximately $37 million to compensate fully all the individual depositors for the non-insured portions. In their letter which, as I say, is addressed to the Prime Minister (Mr. Mulroney), but of which they have made copies available to some people, they speak very sadly about the fact that they made some of their decisions based on wrong information from the Government. They say in part:

[*Translation*]

Canadian savers are now being seriously penalized as a result of the bankruptcy of a Canadian bank among others because ... the officials of the Tory Government of Canada have ill advised and badly protected them.

We believed you, Mr. Mulroney, when you and your officials stated on several occasions between March and August, 1985, that with the bailing-out plan of March, 1985, the Canadian Commercial Bank was solvent and that investments in that bank could be made with the utmost security.

We trusted you, Mr. Mulroney, we made deposits and we kept our savings in that institution.

[*English*]

It is easy to understand why this group feels that it was misled when one looks at the statement in this House made by the Minister of State for Finance (Mrs. McDougall) on March 25, an I quote from page 3312 of *Hansard*. The Minister said:

—we are satisfied that this bank is now a viable bank, that it will be profitable in the future, and that we will be repaid, as will other members of the support group, out of the future profits of the bank.

The Minister also said on March 25 that the decision to bail out the bank to the extent of $265 million was, and based on her confidence, I now quote:

It indicates, I think the faith of the Province of Alberta, its confidence and our confidence in the ability of the bank in the future—

That was said by the Minister on March 25.

In view of those assurances, Mr. Speaker, one can understand the concerns of the individual depositors, that they were misled. While I am not necessarily supporting the view expressed by the writers of this letter that individual depositors should be reimbursed first, and while I would like to check their figures, this is however additional proof that we do need more information about the depositors.

Mr. Deputy Speaker: Questions and comments.

Mr. Cassidy: Mr. Speaker, I would like to ask a question of the Hon. Member who was, of course, a member of the Government Party prior to the last election and who has served in this House for some time and whose interest in these areas of financial responsibility is well known.

My question is this. The new Government has certainly made many errors in this particular area. However, it inherited the Inspector General of Banks; it inherited an office of the Inspector General of Banks which was woefully weak and understaffed; it inherited in fact a can of worms from the old Government which had allowed the shenanigans of the Canadian Commercial Bank to go on, the playing around, the chairman in California, the shoddy loans, the consorting with people of the reputation of Leonard Rosenberg and so on. I would simply like to ask the Hon. Member where she and her Party were and where her Government was when seeds of the problems, which will cost the taxpayers $1 billion if this Bill goes through, were being sowed under the former Government. Why on earth were not members of the Liberal Party at that time speaking up and saying that something has to be done to make these banks act responsibly?

Miss Nicholson: Mr. Speaker, what is at issue in this debate is not the conduct of the banks *per se* but the conduct of the present Government. No Liberal Government ever let a bank fail, neither did any Liberal Government pump in taxpayers' money to rescue banks. It is no secret that in a similar situation what the previous Liberal Government had done was to ask other banks to arrange a merger or to put their own house in order. I have raised this point more than once in this House. We have never seen fit to put in taxpayers' money to rescue a bank. This Government did, and did it without looking at the facts.

Furthermore, the Government not only put in taxpayers' money to bail out the bank in March and assured us that it was then safe, but in September, only six months later, it is presiding over the failure of the bank and asking us to agree to use more taxpayers' money in order to compensate those people who were led to keep their money in the bank between March and September by the assurances of the Government.

In this debate we deal with the conduct of the present Government not previous Governments.

Mr. Greenaway: Mr. Speaker, I disagree with the Hon. Member in that last statement. As the Hon. Member for Ottawa Centre (Mr. Cassidy) says, if the previous Government had made sure that the office of the Inspector General of Banks was functioning properly—he only has eight people working for him, for heaven's sake—if he had a full support staff—the State of New York has 300 people in such an office—if we had a situation where we had the proper staff, does not the Hon. Member agree that this kind of thing would not have happened?

The Hon. Member said in her speech this morning that this Government was not aware of what was going on until March 14 when the CCB people came to the Government for help. Surely to goodness, when we look back into what has happened, proper inspection would have indicated that this bank was in trouble a long time before that, and the blame lies right in the pocket of the Member opposite, in the previous Government's purview.

Miss Nicholson: I said this morning indeed that the Government told us on March 25 that it had no indication the bank was in difficulty prior to March 14, but in fact, in response to further questions in the House, it emerged that the Minister of Finance (Mr. Wilson) had had a discussion with the Inspector

General of Banks in September, 1984 in which he was alerted to certain problems.

While I think the Hon. Member opposite certainly has a point in saying that the Inspector General of Banks can use more staff, that does not alter the fact that a political decision was made on March 25; that in fact existing information was not used and, while the Government might very well have arrived at a better decision if it had had additional information, it did not use existing information because it made a political decision and chose not to look at facts and at material which was available.

Mr. Fraleigh: Mr. Speaker, through you to the Hon. Member for Trinity (Miss Nicholson), whose knowledge of the financial world I had grown to respect, and I admit my inexperience in that world. I would like the Hon. Member to respond to one straightforward question with a yes or no answer. Does she support her Party's position that individual depositors' names should be disclosed and made public?

● (1520)

Miss Nicholson: Yes, Mr. Speaker.

Mr. Riis: Mr. Speaker, my question to the Hon. Member for Trinity (Miss Nicholson) is a reflection of the earlier questions regarding the lack of regulation and supervision that occurred and resulted in the collapse of these banks. Can the Hon. Member explain why, over the years, the office of the Inspector General of Banks had only eight inspectors to do the job of supervising and monitoring the entire banking system? Why was there any hesitation in expanding that office when the banks themselves paid for the Inspector General of Banks and all the people he hired? Why did the Government not go out of its way to expand the size of that office when it was not costing the taxpayers of Canada a red cent?

Miss Nicholson: Mr. Speaker, I do not know why additional staff was not added to the office of the Inspector General of Banks at a time when, following the revision of the Bank Act, the number of banks in Canada greatly increased. There was a rather obvious case to be made for increasing the number of inspectors. However, I still say that that is not relevant to the present situation because there was information available from the Inspector General of Banks which the Government did not look at in making its decision.

Furthermore, no matter how many inspectors there are or what information they can provide, political decisions are the final responsibility of Ministers. The Ministers chose to make a decision based upon very little information. Even if we accept that because of the small size of the staff in the Department of the Inspector General the information presented to the Ministers was inadequate for them to make a responsible decision, we must not forget that the banks concerned offered staff and resources to make a fuller appraisal before the final decision was taken and their offer was refused.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity to say a few words about Bill C-79, the famous banking bail-out Bill. It has been referred to in all sorts of ways but I think the people of Canada have now begun to appreciate the seriousness of this situation.

If the last few weeks have been any indication, I suspect that the people of Canada have become rather confused by the Government. There have been statements one day saying one thing and then retractions the next day. For many weeks, we have heard Ministers and other members of the Government say one thing, only to have to reverse their positions within 24 or even 48 hours. By and large, people are beginning to wonder to what extent they can believe what the Government says.

Today we are debating the $875-million bail-out Bill. This is just the first instalment in a long list of pay-outs. I do not want anyone to get the impression that only $875 million will be shovelled out of the taxpayers' sack into the bail-out operation. Much more is yet to come.

Regarding the changing points of view of the Government, do we not all remember when the Minister of Finance (Mr. Wilson) rose in the House of Commons to say that the Canadian Commercial Bank was a viable bank, and after he said that the bank failed? The Governor of the Bank of Canada phoned the offices of *The Globe and Mail* on a number of occasions to say that he had full confidence in the Canadian Commercial Bank, that it was a viable operation and that he would stand behind it. As a matter of fact, at a meeting of the Finance Committee held on May 19, he said that he had a high regard for the management of that bank. Since then, we have come to understand just what kind of management the Canadian Commercial Bank had. Certainly some very questionable practices were being used.

The Inspector General of Banks, time and time again, said that the Canadian Commercial Bank was indeed a viable Canadian bank and that no one had anything to fear. Of course, as we all know, the bank failed. Unfortunately, my good friend, the Minister of State for Finance (Mrs. McDougall), was required on a number of occasions to rise in the House to say that the Canadian Commercial Bank was a viable operation in western Canada and that no one had anything to fear. Of course, the bank failed.

We cannot have a viable institution on Monday and a failed institution the next Monday unless the people to whom we look to supervise and monitor the bank did not do so. It cannot have happened unless Governor Bouey and all the other players did not know that about which they were speaking when they made those public commitments.

What has become very clear is that this is an example of group-think. The Minister of Finance, the Minister of State for Finance, Finance Department officials and senior bankers all got together to say that they were wonderful, sophisticated people with a great deal of banking expertise, that the Canadian Commercial Bank is viable and that they would all agree to that. What they forgot to do was their homework. They forgot to ask if they had the facts that enabled them to make those comments. As we now know, they had incomplete information.

We are told, and of course we do not know the facts, that the Inspector General went to the management of the Canadian Commercial Bank, a management we now know is highly suspect in terms of carrying out prudent bank management practices, and asked for the facts. The management provided the Inspector General with facts that were not facts but fiction regarding the viability of the assets of the Canadian Commercial Bank.

We did not have the facts. Since the Minister of State for Finance is an experienced Bay Street financier as is the Minister of Finance, I do hope that this is not a reflection of those on Bay Street. Hopefully others are not making decisions regarding Canada's banking and financial future based upon incomplete or even no information.

I would like to make one suggestion today. I suspect that we will hear from members opposite regarding a retraction or explanation of this. We are now dealing not only with the Canadian Commercial Bank failure but the Northland Bank failure. I suspect that one of the reasons for the Northland Bank's failure was that when the Minister of State for Finance made her announcement after the Labour Day weekend, she said that the Government would rescue the uninsured depositors as well as the insured depositors not only of the Canadian Commercial Bank but of the Northland Bank. I suspect that a great many people took that as a very clear message that the Northland Bank was in serious difficulty. If they had not removed their funds already, they certainly did so after hearing that announcement. In a sense, we could say that the Minister of State for Finance began the slow demise of Northland Bank which was trying to rescue itself in the troubled western economy.

I would repeat what the President of the Northland Bank himself said. He called a press conference and said that the Government of Canada was sabotaging western banks. He said that it was not interested in providing assistance to get the Northland Bank back on its feet. Just the other day, one of the directors of the bank said that they were considering suing the Government of Canada because it had not given their proposals a fair hearing. This is a very serious set of allegations.

If the President of the Northland Bank and one of its major directors is saying that the Government of Canada did not do what it could to rescue this ailing western institution at a time when it was experiencing serious difficulties because of the problems in the western economy, that is a very serious case. I assume that the inquiry being carried out by Mr. Justice Estey will bring this out into the open.

The people of Canada have become rather confused by the antics of those on the government benches in the last few weeks. I suspect a great many people are scratching their heads. For as long as I have been a Member of this House, I can recall hearing members of the Conservatives Party prefacing their remarks with the belief in a free market system. They said that they believed in free enterprise and in the invisible hand of the market-place to direct decision making. They said that they believed in the discipline of the market-place. When the previous administration provided bail-out money to ailing corporations it said that this action must stop, that market discipline must prevail if we want to see a decent economy unfold. What has become extremely clear is that the comments about the free market which are directed at the small business sector, farmers, ranchers, fishermen or Canadian individuals does not hold when it comes to banks. When banks get into trouble they are not allowed to go under. They do not even have the opportunity to go under because the Government steps in to rescue them. It is not like any other bankruptcy where 40 cents, 60 cents or even 70 cents is paid on the dollar—in this case 100 cents will be paid on the dollar. The Government of Canada has made itself the laughing stock of the financial community of the country.

• (1530)

I encourage Hon. Members who sit on the Government benches to stand in their places and say who they believe are recognized financiers in our country who think this move is a good example for the financial community to have placed before it. I do not think we will find anyone who will say that. I believe it was the Chief Executive Officer of the Bank of Montreal who could not help himself from laughing in front of the television cameras when asked: "What do you think about this bail-out?" He said: "I cannot believe it. We cannot believe we are being bailed out at 100 cents on the dollar. We were thinking of writing off those deposits, but the Government of Canada in its wisdom is going to bail us out." The banks could not believe it.

It must be recognized that what we have here is a direct repudiation of the free market-place. What we have here is reward for failure. In other words, the message which has gone out is that if you are an imprudent lender and if you run a sloppy management system with your bank or trust company, do not worry about it because the Government of Canada will come in and rescue you. What kind of message is that to send out to the investment community of Canada and abroad? We are saying that pay-offs for incompetence is the rule of the day. We are telling these investors: "You are an incompetent banker, do not worry because the Government of Canada will stand behind you." I do not think that is the type of message the Government of Canada ought to be sending out at this point in time.

I say that $875 million, which is the amount of money involved in Bill C-79, is only the down payment—it is only the beginning. The Government has already paid out $60 million which some folks may have forgotten. That is what was paid out in the original bail-out scheme. We will also pay out the $60 million which the banks paid out in the first rescue package. Those banks have letters from the Government saying that their bail-out money is to be considered on the same level as a deposit. As a number of bank presidents have indicated, they are expecting a full return on their original bail-out contribution, which is another $60 million. Then, of course, there is the sum of $450 million in the CDIC which is part of the insurance plan to bail out those depositors who have $60,000 on deposit or less. It is obvious that that sum will come from the taxpayer of Canada in the short term. Then,

there is the big figure of $1.8 billion which the Bank of Canada has advanced to the Canadian Commercial Bank and the Northland Bank because of everyone running off with their deposits. They have to fill them up with taxpayers' money. We will not get a good portion of that money back. When it starts to come back it will not be next Friday or next year. It will take a number of years, perhaps even 40 or 50, before all assets can be dumped on to the market in western Canada. That cannot be done all at once. It will take many years for that money to be returned to the Central Bank. Again, it will cost a few hundred million dollars in addition to the sum we are debating here today. When one looks at the total picture, it could involve a billion plus—that plus could be another billion or another billion-and-a-half.

While we were falling over ourselves to get legislation through Parliament originally in this respect the Government was making plans to cut back increases in senior citizens' pensions because it said it could not afford an increase. The other day the Government said it could not afford to increase family allowances to keep up with the cost of living. The Government says it can afford $1 billion or $2 billion for the banks but it cannot afford to give any increases to mothers receiving family allowance cheques. There is no help being provided to ailing small businesses in the country. Nor is there any help being given to the drought-stricken ranchers in western Canada. There is no help being extended to those who cannot afford a first mortgage. The Government cannot just afford expenditures of that type. I could go on and on in this respect but I do not want to sound silly by going on for half an hour describing all the things the Government says it cannot afford.

Mr. Thacker: They are all getting help.

Mr. Riis: If they are all getting help then tell that to those drought-stricken people in British Columbia. Tell that to small-businessmen on whom the banks have pulled loans prematurely. The Hon. Member is wise enough to know that the banks have moved in on all sorts of small businesses in the country and pulled loans even when those loans are being kept up.

Mr. Gauthier: Tell that to the 15,000 public servants whose jobs will be cut.

Mr. Riis: The Government says that it cannot afford to help those whom I have outlined but when it comes to the banks there is not even a bloody murmur. There has not been a single member of the Government stand in his place to disagree with this move. Thus, I am assuming that the 210 government Members are in support of this bail-out package to the banks. The lowest blow of all is the handing over of hundreds of millions of dollars of taxpayers' money to unknown persons, unknown companies and unknown banks.

There is a certain morality involved in the House, Mr. Speaker. We are given the responsibility—nay, the duty—to disburse the moneys we collect from taxpayers wisely. All we have done in this instance is we have created a new financial black hole. A black hole has been created which we call the Canadian Commercial Bank and the Northland Bank. The Government has backed up its trucks to the big financial black hole and dumped money in by the hundreds of millions of dollars.

Mr. Malone: Keep dreaming!

Mr. Riis: The Hon. Member for Crowfoot (Mr. Malone) says: "Keep dreaming." This is a nightmare and not a dream. This is a bloody financial nightmare. The Hon. Member says that he does not want to know the names of these depositors. He says he wants to give out a $20 million cheque to a numbered account held by a faceless phantom out there.

The Minister of State for Finance has been courteous enough to provide us with a list of categories. I appreciate her gesture. When we look at this list we notice that the largest beneficiaries of this bail-out-Bill—those who will receive in the order of $113 million—are the foreign banks. It will not be the small businesses which will receive this sum. It will be the foreign banks. I am speaking of the Deutsch Bank, the Bank of Singapore, Lloyds International, the Bank of America, the Bank of Tokyo, the poor Chase Manhattan Bank and the Hong Kong Bank. These are the banks which will receive taxpayers' money by the tens of millions of dollars without ever having to come forward to ask for it. That is what members of the Government say they support.

In terms of these banks, we are dealing with some of the most sophisticated investors in the country—in fact, some of the most sophisticated investors in the world. They knew that when they put their deposits in these banks they were not insured. They knew they were risky deposits. They receive higher returns because of that risk. However, in this case there is no risk involved. The discipline of the market-place has been eradicated. In other words, for the big investor there is no risk at all. When one considers that $332 million will be going to large financial institutions of one kind or another and $113 million to foreign banks such as the Bank of America—

Mrs. McDougall: You do not know that.

Mr. Riis: The Minister of State says to me, and rightly so, that I do not know that for sure. We do not know if it is the Bank of America, the Deutsch Bank, the Bank of Singapore or Barclays Bank. We do not know that for sure because she refuses to tell us. She is hiding behind the Bank Act which she says does not allow the release of those names. I say that if that is the case—and there is some question whether it is—

Mr. Frith: It is not.

Mr. Riis: There is no mention in the Bank Act that this information cannot be provided. There is also no mention in the Bank Act of bailing out banks which get into trouble. If the Minister wanted to introduce legislation today, because of this unique situation, which would allow the Government of Canada to release 100 cents on the dollar bail-out to insured depositors, I suspect that the Liberal Party—although I cannot speak for it—would support us and we would pass the legisla-

tion in 15 minutes. There are other ways, of course, Mr. Speaker. One recognizes, perhaps, that there are groups which are experiencing some hardships because they were encouraged to deposit money into an institution—which they should not have done—because of the words of the Minister of State for Finance After all, she is the highest authority in finance except for the Minister of Finance and he said the same things. They said, "we stand behind the bank. The bank is viable". If they say that, one has to believe them. If they misled the people of Canada, if they did not know or made a wrong commitment, that is their problem. If there are some hardship cases, why not put a special hardship fund together to pay out to those folks who are indeed going to be hard hit as a result of their lost deposit? That would cost perhaps $5 million or $10 million but it certainly would not cost $875 million.

● (1540)

If we are going to hand out money in a bankruptcy, it is unheard of that a person is given 100 cents on the dollar. When the assets of these two banks are liquidated, we will find out what the uninsured depositor ought to get. It might be 70 cents on the dollar or 30 cents on the dollar, but that is what they should get, if anything. They should not get 100 cents on the dollar. That is unheard of.

Let us ask ourselves, Mr. Speaker, what they do in the United States. It has had failed institutions. Are the uninsured depositors bailed out with taxpayers' money?

Mrs. McDougall: Sometimes.

Mr. Riis: They are not, Mr. Speaker. The United States does not do this. It uses other ways. It finds mergers to pull banks together but the United States does not come in with taxpayers' money to bail out uninsured depositors of its banks. But we do. The Government of Canada does. The people who are the most sophisticated financial investors in the world knew what they were doing with those deposits. They were uninsured. By the Government's action, we are rewarding failure and in a sense encouraging imprudent banking practices.

This Party, for one, will not support this Bill in any way, shape or form. We think it is inappropriate to spend the money of the taxpayers of Canada in that way.

Mr. Winegard: Mr. Speaker, I found the comments of the Hon. Member this afternoon a real revelation. I am impressed at how much in love he now appears to be with the banking system of the United States of America. I did not know that was part of the New Democratic Party philosophy. I listened to him say, "It's all for the banks, for the banks", and how that Party would have nothing to do with it. I hope, Mr. Speaker, that the members of credit unions who have $100 million at stake will remember the position of the NDP on this Bill. I hope members of hospitals who have $5 million at stake will remember the position of the NDP on this Bill. I hope that small business with its $5 million at stake, the charitable organizations with their $15 million at stake and the municipalities with their $80 million at stake will remember the position of the NDP on this Bill. Those people are going to be very pleased with that Party. With respect to the $150 million to the provinces, it was only today during Question Period that someone in that Party moaned that we might actually cut back funding to the provinces and what a terrible thing that would be. The Minister said, of course, that the Government was not going to do that, but the NDP was worried about the provinces during Question Period and here it is now a quarter to four in the afternoon and the NDP does not care about the provinces any longer. It is prepared to let that $150 million go down the drain. What a turn-about in an hour and a half. It has been a real revelation; it really has.

Mr. Riis: Mr. Speaker, that is one of the most succinct questions I have heard from the Conservative Party in a long while.

Mr. Frith: And he didn't ask you a question.

Mr. Riis: He did not ask a question, he made a few statements. However, let me respond to the Hon. Member by saying that I indicated very clearly that I was unimpressed with any Government which spends hundreds of millions of dollars in bailing out foreign banks. I suppose the Hon. Member missed that comment in his list of categories. I wonder if the Hon. Member heard me when I said that we should put together a special hardship fund and if those groups, individuals and organizations could clearly demonstrate that they would be in a hardship situation if they were to lose their deposit, then we would return it. Of course, if there were hardship cases, we would do something. However, I do not think the Chase Manhattan or the Bank of America is a hardship case.

Mrs. Sparrow: You don't know that.

Mr. Riis: I do not know that because you refused to tell us. There is $130 million for foreign banks. These are not Schedule B banks, these are foreign banks. I am just assuming who they might be. I am assuming it is the Bank of America, the Chase Manhattan Bank, the Citibank. I want to find out but you refuse to tell me.

I would like to ask the Hon. Member a question, Mr. Speaker. I would like him to explain how it is he supports taxpayers money being—

An Hon. Member: You're not supposed to ask questions.

Mr. Riis: I know I am not supposed to but I suspect the Hon. Member has the integrity to stand up and answer my question. Would he say whether he supports using taxpayers' money to bail out foreign banks and large financial institutions which knew what they were getting into, if he believes in a free market-place?

Mr. Fraleigh: Mr. Speaker, I thought the questions were to be directed to the person who had made the speech.

Mr. Riis: You guys never make any speeches.

Mr. Fraleigh: I know that the New Democratic Party has some pie in the sky economic philosophy which would allow it to make fish of one and foul of another.

Mr. Cassidy: Pie in the sky? You should talk.

Mr. Fraleigh: I want those Hon. Members opposite to be sure to go back to their credit unions, many of which have a very small capital base. If their names were disclosed, it would probably ruin them overnight. I want them to go back to their people and tell them that. I wish those Hon. Members would, for my edification, tell me how they are going to explain that to those credit unions.

Mr. Riis: Mr. Speaker, first, I asked the Hon. Member for Guelph (Mr. Winegard) a question. I realized he probably would not answer, but the point is that we very seldom have an opportunity to question Conservatives because they very seldom participate in this kind of debate. We hope that that will change, however, as the opportunity presents itself.

Mr. Frith: As we come closer to the next election.

Mr. Riis: The Hon. Member talks about "pie in the sky". We are talking about a $1 billion pie today. It is perhaps a $1.5 billion pie or, perhaps, a $2 billion pie. I believe the Hon. Member who just spoke is a new Member of Parliament and I want to remind him of the fact that there was a provincial Government in this country which did not have a deficit. That Government was deficit-free for years and years. That province was the Province of Saskatchewan under a new Democratic Party Government. For many, many years it was the only province which had no deficit.

Mr. Malone: False.

Mr. Riis: That's not false.

Mr. Malone: That is false.

Mr. Riis: Well, stand up and make a speech some time, will you? The point I want to make is that the Hon. Member raises the question of a "pie in the sky" philosophy—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but the Hon. Member for Crowfoot (Mr. Malone) has a point of order.

Mr. Malone: Mr. Speaker, the Province of Alberta did not have a debt.

Mr. Deputy Speaker: That is not a point of order, of course. The Hon. Member for Kamloops-Shuswap (Mr. Riis) has the floor.

Mr. Riis: I stand corrected, Mr. Speaker. With a multibillion dollar heritage fund and sitting on the vast oil reserves it does—our version of Saudi America—no, Alberta did not have a deficit. However, I want to talk about Saskatchewan, a have-not province. That situation does not exist any longer. It has a deficit today and it is quite a large deficit because of the change of Government.

Mr. Cassidy: Under a Tory Government.

Mr. Riis: Under a Conservative Government that province went from being deficit free to having a significantly large deficit.

Mr. McCurdy: How much is it?

Mr. Riis: It is over $1 billion now.

Mr. McCurdy: Why doesn't the Government give the Government of Saskatchewan the $1 billion instead of giving it to the banks?

Mr. Riis: That is a reasonable suggestion, Mr. Speaker. Perhaps $1 billion would help out the Tory Government in Saskatchewan. The point I want to make is that—

• (1550)

Mr. Fraleigh: Answer the question.

Mr. Riis: In my speech, and in response to my friend from Guelph, I indicated—

An Hon. Member: Answer the question.

Mr. Riis: I will be waiting for those Members to make their speeches later. Let me tell the Hon. Member that we said that a hardship fund could have been established to assist any firm that experienced serious financial difficulty by not being bailed out beyond the $60,000. We say that if there is an ailing firm in western Canada, or anywhere in Canada, as a result of the collapse of these two institutions let us establish a special fund to assist those individuals, firms, corporations or agencies. That is the kind of response that I would give to any credit union or organization experiencing financial difficulty as a result of this collapse.

Mr. Cassidy: Mr. Speaker, I believe that my hon. friend, the Member for Kamloops-Shuswap (Mr. Riis), is saying quite specifically that despite being the defenders of free enterprise, the Conservatives are effectively advocating imprudent and irresponsible banking because they are prepared to bail out to the last penny people who made deposits in these institutions without any regard to whether these institutions were being run responsibly. I believe he is also saying that the New Democrats are committed to a prudent banking system as opposed to irresponsibility on the Government side.

Mr. Riis: Let me remind Members opposite particularly that their reputation on Bay Street today has been tarnished as a result of this decision to bail out uninsured depositors. To my knowledge there is not a single respected financier who supports the Government's decision.

If some of the 210 Members opposite know a responsible and respected financier who will say that a bail-out of 100 cents on the dollar under these circumstances is the appropri-

ate action, I challenge them to rise in their places, even on a point of order, to tell me the names of those financiers. Certainly when they make their speeches they could indicate who supports them. Really, do they not also feel embarrassed that the Minister of State for Finance and the Minister of Finance got them into this mess?

Mr. Orlikow: Mr. Speaker, when the finance committee held meetings in May and June of this year, it heard evidence about the tremendous difficulties facing the Canadian Commercial Bank. The Minister of State for Finance (Mrs. McDougall) stated that if it was assisted it would continue to be a viable organization. Could the Member for Kamloops-Shuswap (Mr. Riis) give us an indication of how many hundreds of millions of dollars less we would be asked to approve in this Bill if we had faced the real facts at that time and closed the operations of Canadian Commercial Bank or both banks at that time?

Mr. Riis: Mr. Speaker, it has become clear that when the banking witnesses offered the Government unlimited staff to go in and seriously evaluate the situation and identify the problem, the Government did not bother and said that it did not need their help and the extra staff. It was not until the eleventh hour, when Mr. Hitchman, the retired banker, was sent in and then reported that the bank was too far gone when the collapse actually took place.

I suggest that the Government did not act on the best advice of the financial community at that time. I might add that had it acted on the Canadian Commercial Bank when the offers of assistance first came from the banking community, I do not believe we would be dealing with the collapse of the Northland Bank today. I believe it was the Minister's comments and the run on the Canadian Commercial Bank that led to the demise of the Northland Bank as well.

Mr. Deputy Speaker: Resuming debate.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I welcome the opportunity to speak in support of Bill C-79. In view of the urgency among uninsured depositors of the Canadian Commercial and Northland Banks to receive the payments which this Bill would authorize, I do not intend to unduly prolong this debate. It is important that the Bill come to an early vote and be sent to a legislative committee for detailed consideration.

I think it is important, however, to emphasize just how vital it is to western Canada that Parliament should act promptly on this legislation. There are some people who argue that we should reject this proposal, that these depositors should be left to sink or swim. The image that comes to mind is that of the ocean liner whose captain refused to stop and put out lifeboats to rescue the crew of a foundering fishing boat.

There are also those who feel that the names of the banks' depositors whose deposits exceed the insured limit should be revealed to all and sundry prior to this Bill being debated. I wonder if those who advocate such a revelation would also like Canadian income tax returns published in book form? The privacy which a depositor expects with regard to his or her banking arrangements is just as important, in my view, as the privacy accorded to an income tax return.

I do not think that it is discounting the importance of the deposit insurance principle when we recognize that there are particular circumstances which had to be considered in the case of the failure of these two banks. The Government should be commended for its willingness to stop and pay attention to the problems raised by these bank failures and to show concern for economic dislocations which these developments threatened in western Canada.

Anyone with a first-hand knowledge of how business operates will appreciate the danger to a business should a large part of its funds be tied up in another institution or lost in the failure of a bank. Some businesses cannot survive the shock and go bankrupt even though they are innocent third parties which deposited their funds in good faith. Moreover, bankruptcies can have a domino effect, hurting still other businesses, supplies and employees. Even if the business depositor manages to avoid bankruptcy, it is still highly likely that her or she will incur very substantial costs in terms of lost funds and unforeseen expenses.

We must recognize clearly that it is not possible for the federal Government to come to the rescue of everyone who is hurt by bankruptcy. Moreover, the Minister of State for Finance (Mrs. McDougall) has made the important point that we are not establishing a blanket policy of rescuing uninsured depositors in the future event of failure of financial institutions belonging to the Canada Deposit Insurance system.

However, we cannot ignore the magnitude of the problem that has been created by the failures of the Canadian Commercial Bank and the Northland Bank. Granted, they were not major players on the national banking scene, but they did play a very significant role in the economies of the western provinces. The potential losses to uninsured depositors, estimated at some $875 million in this Bill, would have an impact in the western business community that we simply cannot disregard.

The figures that were provided by the Minister of State for Finance show just how large that impact could be if we do not act. In the two banks there are 437 business corporations with uninsured deposits totalling over $140 million. Small unincorporated businesses have another $4.7 million at stake. However, the potential problem is far wider than those figures alone indicate. Over 750 individuals had a total of some $27 million in deposits not protected by CDIC. Religious and charitable organizations stand to lose more than $21 million; hostpitals $4.7 million; school boards and other educational institutions some $3.3 million and labour unions close to $7 million. The list goes on and on. The credit union movement has a very large amount at stake, nearly $130 million in the two banks. Municipal governments, some of them in eastern Canada, stand to lose over $80 million in uninsured deposits and provincial governments stand to lose close to $145 million. That is still only a partial list of the amounts involved. It is obvious from these figures that we are dealing with a very

substantial problem which, due to its very size, demands special consideration.

● (1600)

The Government has stated a policy of supporting and promoting the development of regional financial institutions and I commend it for this approach. Regional institutions can fill a very real need in their own areas. In the case of depositors in these two banks, their deposits were a vote of confidence in a regional financial institution. There can be no doubt that one consideration which we must keep in mind is the question of confidence in other financial institutions. That confidence could be damaged if we decide that uninsured depositors in these two banks must absorb losses in the amounts I have just indicated.

There is just one culprit in this whole affair, Mr. Speaker, and that is the infamous National Energy Program which came down in 1980. These two banks were born during a buoyant economy in the West. If they had been able to hold on until the steadily mounting benefits of the Western Accord had reached a level to sustain them, this whole affair might never have happened. How were western Canadians to know that the main source of that buoyant economy was to be raped by the machinations of the Liberal Government in 1980? I personally would not like to feel that the future of other regional banks in our country is jeopardized by this unhappy affair. It was brought about, without any doubt whatsoever, by the actions of an eastern oriented and anti-western regime which wanted for itself the hard-earned profits of western innovation and determined effort.

This Bill deserves the support of this House, but what is more important is that this support should not be delayed. It has been argued that adoption of the Bill should be stalled until Mr. Justice Estey completes his inquiry. Nothing has been advanced to suggest that the issues to be examined by that inquiry have any relevance whatsoever to the question of reimbursing these uninsured depositors. It is misleading to suggest otherwise.

Let us consider the question of reimbursing these depositors on the merits of that issue alone. The issues which Mr. Justice Estey will be examining are important in themselves and the Government has ensured that there will be the widest possible inquiry. Surely, however, the question of whether or not to reimburse the depositors is quite irrelevant to the inquiry. To delay the Bill on those false grounds would be a mistake. The only result would be to add to the uncertainties and costs facing the uninsured depositors. No payments can be made until this Bill becomes law. Prolonged delay of this Bill would simply add to the depositors' costs in the form of interest earnings foregone on their funds and extra costs incurred in borrowing the necessary interim funding. I therefore urge all Hon. Members to recognize their responsibilities and allow speedy passage of this legislation which is so vital to so many businesses, organizations, and individuals in western Canada and elsewhere.

Mr. McCurdy: Mr. Speaker, there has been the frequent expression of hope that the government Party would enter the debate in a constructive way. I really must say that I am shocked to hear the allegation of the moral equivalent of racism. The situation of the western banks exists because the East has raped the West. What nonsense! I hope the Member will reconsider the significance of her comments in terms of Canadian unity and the need for all of us to address the situation that is before us in a reasoned way.

When we are talking about reasons, let us pose these questions as matters of principle. The Member says that this bail-out should not be identified as establishing a new principle. How can it be otherwise? Are we now eschewing what I thought were the very fundamental principles motivating the Government, described in a variety of ways and in various contexts? Let private enterprise, in an unfettered way, proceed to take risks. Risk is what makes the economy go and you are now telling us that in this particular situation risk ought not to mean anything because if the effects of taking risks and losing becomes severe enough in its implications as to involve large amounts of money, then the risk should be eliminated.

The Member says that this is a different situation because the amount of money is so large. Well, suppose the Canadian Imperial Bank of Commerce should find itself in the same situation. My God, the risk would be huge. Would she then argue that it is the East and we therefore should not do it? What principle will one apply? She says that we should bail out those who are uninsured. Where is the principle of insurance involved here? There are all kinds of situations in this world where people are not insured for a variety of things. I think that many of us can identify with the homeowner who has 10 children and is uninsured. I think that most of us would be far more sympathetic to furnishing the money needed to rebuild and re-establish a home for a family in that situation than to placing money in the hands of those who ought to be sophisticated enough to know that there is a danger of losing. How does one ensure prudent investment if there is a vague assurance by the Tory Government, which is so clearly identified with free enterprise, that even imprudent investment in the last analysis is deserving of a reward?

I ask the Member to please elaborate on what principle she has identified herself with. What principle motivates this free enterprise party of which she is a member in this particular situation? How does she preclude a future situation in which the same kind of bail-out will occur? Tell me why, again in terms of this instance, it is not reasonable to identify those who are going to receive the money whereas in bankruptcies in every other similar situation, where they only get part of the money that they would have lost, they must be identified.

There are a number of questions there and I pose them because on the one hand I think that the speech of the Hon. Member was not based on what I thought were the principles motivating her particular political philosophy, and, on the other hand, I think that much of what she said is not only not reasoned, but dangerous in that it sets one part of the country against the other.

Mrs. Sparrow: Mr. Speaker, the Hon. Member for Windsor-Walkerville (Mr. McCurdy) obviously does not understand the value of regional banking. To compare a large major bank such as the Canadian Imperial Bank of Commerce to a small regional bank in western Canada is to indicate that you have no idea of what the West has been through. I had the opportunity in 1980 to come to Ontario to try to explain to some of the people here what the effects would be in western Canada if the National Energy Program went through. There was high employment not only in the West, but right across the country. The Member does not seem to realize that the West does need regional banking. We need banks that will take care of small businesses. We need banks that will take care of private individuals. We have banks which will look after hospitals and municipalities. Even municipalities from Ontario were investing in our banks because they cared about the small person. This is why regional banking is so necessary. I am not pitting the east against the west. I am saying exactly what happened. If we had had a decent energy program, these banks probably would never have fallen.

• (1610)

It is very interesting how people can rise and criticize now. Obviously the regulatory system has failed to adapt to changes in the banking system over the last eight or ten years. The Inspector General will simply require more authority and power to go in and review all operations of all banks. We will require more inspectors and tougher audits in order to keep the banking system straight.

I support the Minister of State for Finance in that she put forth a Green Paper to review the banking system. Hopefully we will move forward on that, so that there will not be another disaster in western Canada or in eastern Canada. We are one nation and we stand together.

Mr. Taylor: Mr. Speaker, I congratulate the Hon. Member for Calgary South (Mrs. Sparrow) on her excellent and positive address. It was refreshing. It was like a fresh breath of air to hear someone speak positively from that side of the House. I congratulate the Hon. Member.

Some Hon. Members: Oh, oh!

Mr. Taylor: Hon. Members of the NDP are making a lot of noise. They are opposing the Bill. If they were in power, they would nationalize all banks, and we would be responsible for every cent they spend. They keep on saying that we are paying the banks. I am glad the Hon. Member for Calgary South put that straight. We are not paying the banks anything. We are compensating the people. I suppose the NDP would like to see payment denied the people who put their pension moneys into the banks and had no reason to believe that they would fail. I suppose NDP Members would rejoice if we denied the school boards, school teachers' associations and the Alberta Government telephone people that invested their pension funds. These are ordinary, everyday people. They are not rich and wealthy people. I tell the NDP Members to wake up. Who are they fighting for? Common people of the country had every reason to believe that they could put their money in the banks. Because of non-failure for many years, there is an obligation to look after the people, not the banks. We are not putting money into the hands of the banks. We are looking after the people who put their money in the banks and trusted them. That is what we want to continue. There is a world of difference between giving money to the people and giving money to the banks. Having listened to some speeches, I get the idea that they think we will make millionaires out of the banks, out of an odd bank manager or shareholder. This Bill will help people who put their money in the banks.

Mr. Frith: People who trusted your Government.

Mr. Taylor: I see the Hon. Liberal Member shaking his head. There would never have been a bank failure in the West if it had not been for the national energy policy. That was the beginning of it. It took money out of the pockets of the people. The Liberal plan was to discriminate, destroy and cripple industry in the west. Now the Liberals rise and indicate sorrow. They did it. They have the gall to rise when we talk about the savings of the people of the west.

I enjoyed the Hon. Member's comments about the national energy policy. Would she once again emphasize that this money is being paid to the people, so that it might get into the heads of Liberal and NDP Members?

Mrs. Sparrow: Mr. Speaker, I thank my hon. colleague for his very kind remarks. He is absolutely right. We are paying the moneys to the uninsured depositors, to the people of western Canada as well as those of eastern Canada. We are also paying the hospitals and the municipalities which invested pension funds. That is about whom the Government cares. That is why it is necessary for us to act immediately and get the Bill before the legislative committee.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Sarnia-Lambton (Mr. James)—Customs and Excise—Service at Blue Water bridge international crossing; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Indian Affairs—Departmental reorganization—Effect on employees; the Hon. Member for Western Arctic (Mr. Nickerson)—Air Transport—Airline ticket taxes—Effect on northern travellers.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, over the course of the next 15 minutes to 20 minutes, I hope to put this debate into references which the average people on the street can understand. Frankly, there is a great deal of confusion in the minds of the Canadian public about what exactly the Bill is supposed to do and about the bail-out package. This comes as no surprise to me, or to many Members of Parliament. Many people do not even understand the basic concept of what is a billion dollars. Each day during Question Period Members of Parliament, in an attempt to get average Canadians to understand the sum of a billion dollars, use the term "one thousand million dollars". Part of the problem is to make average Canadians understand that amount. That is complicated by the fact that there is a great deal of confusion on the part of average Canadians about what the Bill will do.

What is the difference between the rights of shareholders and the rights of depositors? That may well be understood by some Hon. Members of the House, but I do not think that it is well understood by the majority of Canadians. If they began to understand some of the definitions, then we could begin to focus the debate as it should be focused. What is at the heart of discussion today is not so much the fact that a bank collapsed; at the heart of the discussion is the trust issue. Fundamental to the way in which the House of Commons operates, we must have a degree of civility and a degree of trust between both sides of the House. That trust factor was broken in this debate by the Government front-benches several months ago.

I should like to bring into the debate the chronological series of events which occurred last spring so that average Canadians can begin to understand why we in the Opposition at this stage, now that we have had the collapse of a commercial bank, are taking our position. Back some time prior to March 25, in other words, in the months of February and March 1985, a degree of concern was raised by inspectors in the banking system as to the viability of the Canadian Commercial Bank. I would assume at that stage that those inspectors would report to the Bank of Canada, namely to Mr. Bouey, the Governor of the Bank of Canada, and indicate that they had a great deal of concern about the commercial and financial integrity and viability of the CCB. In other words, warning bells would sound. This is what inspection systems are all about. Therefore, the inspection system was operating under normal conditions at that stage. Once the Governor of the Bank of Canada was handed a report by his Inspector General, he had no choice but to report to the Minister of Finance (Mr. Wilson), who is the Minister responsible in the House of Commons for the way in which the Bank Act is to be administered. He takes the political responsibility.

Let us for the first time in this debate separate the two responsibilities. There is an administrative responsibility which is in the hands of the Governor of the Bank of Canada and his officials, and there is a political responsibility for the banks which rests with the Minister of Finance. In this case, as we did in previous Governemnts, because of the work-load on the Minister of Finance the position of Minister of State for Finance was created. I would also assume that the events which transpired in late February and March, 1985, indicated that the Minister of Finance, who was preoccupied at the time, no doubt, with consultations in order to bring forward his first Budget on May 23, indicated to his Minister of State for Finance (Mrs. McDougall) that he wished her to take responsibility for shepherding the problems of the Canadian Commercial Bank through the various stages for which the Government had responsibility.

• (1620)

I suppose it is going to be up to the Estey Commission to determine exactly what were the prime reasons for the collapse of the Canadian Commercial Bank. I doubt very much if Mr. Justice Estey is going to comment on the political considerations that went into the bail-out of the bank but rather he will focus his investigations on other considerations that led to the collapse of the Canadian Commercial Bank.

Those questions that are going to be raised by Mr. Justice Estey deserve to be raised and the Canadian taxpayers have the right to know the answers to them. Equally, or I would say even more important, the Canadian taxpayers have a right to demand of their political masters, namely the Government of Canada, in this case the Conservative Government and its front-benchers, political accountability for their actions in this whole process of the bail-out of the Canadian Commercial Bank.

There are rumours to the effect that the Minister of Finance and his junior Minister, the Minister of State for Finance both personally opposed the bail-out of the Canadian Commercial Bank. There are other rumours as well, that it was the direct intervention of the Prime Minister of Canada (Mr. Mulroney) that led to the decision by the Government to bail out the bank. If rumours are correct, and this is why it was rather interesting to hear some of the comments from the Members of Parliament from western Canada, the Prime Minister made his decision not on facts that he had in his hands at that moment but on the basis that he did not want to have the political responsibility to be the Prime Minister of the country at the time when it had its first bank failure in almost 62 years. He wished to make sure that he would not have any

stains on his own being concerning the collapse of the Canadian Commercial Bank.

For that reason, on the weekend leading to March 25 the Prime Minister and his senior financial advisers, including the two Ministers I mentioned previously, despite the fact that they did not have any idea of the worth of the assets of the Canadian Commercial Bank, decided to bail out the bank. That decision having been made by the Government of Canada, I would like the people here in the galleries and across this country to understand how the political system works. Once that decision was made, representations were made by the Prime Minister and by his Finance Minister to make sure that the Official Opposition in this country would agree to that package bail-out that they had agreed to on that weekend. Frankly, they said, trust us. Here is the trust factor. They said "Trust us when we say that this bail-out package is going to work and, if you raise any serious questions on the floor of the House of Commons in Question Period on Monday, March 25 there is going to be a run on the assets of the Canadian Commercial Bank the like of which you have never seen."

Members of the Government said, "As a responsible Official Opposition, we are asking you to take the words of the Minister of State for Finance, the Minister of Finance and the word of the Prime Minister of this country that the bail-out package that we put together for the Canadian Commercial Bank is going to save that institution."

That was the trust factor that led to our decision on this side of the House to support the bail-out package at that time. Clearly, as has been pointed out today in interventions, the NDP Party wished to have no part of that bail-out. That is fine, they can answer for their Party. I am just indicating to you, Mr. Speaker, that the reason that the Liberal Party acquiesced to the demands for that bail-out were because we trusted the Government and we understood as well, as the Official Opposition, that we had a responsibility to the financial structures of this country and simply do not for frivolous reasons decide not to take the word of a Minister of Finance on such an important issue as the potential failure of a bank in this country. Therefore the trust factor was entered into for the first time.

Since that time we have had reason to doubt why we decided to take the word of these Ministers that I have mentioned but surely it is critical to the political process that when a decision is made, when a Government gives its stamp of approval to a bail-out that the bail-out had better work. As my leader said this morning, if there is going to be a bail-out, make sure to get to the bottom of the boat, get all the water out and keep the boat afloat. What happened in this case was that after the bail-out package was presented on the floor of the House of Commons, it was another three months before the Minister responsible asked for a separate accounting of the assets to occur.

Mrs. McDougall: Wrong.

Mr. Frith: These are the events that have been chronologically put forward by the questions and responses made by the Minister of State for Finance on the floor of the House of Commons. To suggest "wrong", good heavens, Mr. Speaker, if the bail-out was going to work last March 25 the bail-out should never have occurred again in September of this year because the price tags have certainly increased in the intervening six months.

I come back to this trust factor. The Opposition trusted that that bail-out package would work and so did every one of the depositors who had money in those banks. They took the word of the Ministers. Unfortunately the Ministers made a mistake. Clearly something happened from March 25 to September 1 of this year in which the wind-up of the Canadian Commercial Bank was announced by the Minister of State for Finance. In those intervening six months I have no idea about which institutions and which individuals took out moneys and at least saved their deposits, but there were a lot of institutions in this country and a lot of people who took the word of the Government and lost their money.

Therefore, I come back to what is at the heart of the issue. Is it a trust factor? I say it is. What led to the decisions that made for bad management of the Canadian Commercial Bank? Was it the National Energy Program? I scoff at the idea but let's take that suggestion for one moment. It comes as a surprise to me to learn that the Members of Parliament from western Canada want to indicate that it was the National Energy Program that shut down the Canadian Commercial Bank.

Some Hon. Members: Hear, hear!

Mr. Frith: They do not want us to talk about the mismanagement at the Canadian Commercial Bank. They do not want to talk about the collapse of banks in the State of California, such as the Westland Bank, during the same period of time. There is no National Energy Program in California that I am aware of. They want to quietly go over the fact that the Continental Bank of Illinois collapsed and had to have a bail-out package by its federal Government in the United States in this past 12 months. Was there a National Energy Program in effect south of the border as well? No. I do not have the time so I am not going to digress into what happened as a result of the National Energy Program in some other sectors of the economy in western Canada. The point I am making is that there was bad management at the Canadian Commercial Bank. Those questions will have to be answered by Mr. Justice Estey. I will be very plain about what should be answered on the floor of the House of Commons and that is the political accountability of the two Ministers who guaranteed, in their words, that this bail-out package was going to work. That is why this Bill does nothing, nor does the manoeuvre of getting the problem of the Commercial Bank and the Northland Bank into the hands of Chief Justice Estey take away from the fact that this Government should have political responsibility here.

I want to talk a bit about the essence of the Bill. It is going to cost, as I mentioned earlier, an estimated $875 million of taxpayers' money to undertake the bail-out of the Canadian Commercial Bank and the Northland Bank. In addition there was the original Bank of Canada's $225 million that was put in. Let us say $1 billion. Let us put that in some perspective. We had a report a year ago that said it would only cost $600 million to clean up International Nickel Company's smelting operations, Noranda Company's smelting operations in Quebec and the Hudson Bay's smelting operations in the Province of Manitoba. These are the smelting operations that have made the major contributions to acid rain in this country. In other words, this bank bail-out is going to cost the Canadian taxpayers more than it would cost to clean up acid rain. That is the perspective that one has to look at. Put another way, and this is the only other thing I am going to have to say about this, it is going to cost every man, woman and child in this country $35 each to bail out this bank.

The Members of Parliament for the Conservative Party sat here, wrapping themselves around the western flag, the Alberta flag, around the fact that these poor depositors need bail-outs. Let us take a look at the rationale. I come back to this. A bad decision is a bad decision whether it is made in western Canada, central Canada, Quebec or the Maritimes. That is number one.

● (1630)

Second, before we give approval to the $875-million bail-out, we would like to see tabled on the floor of the House of Commons a list of the names of the depositors involved. We have been told by the Minister of State for Finance that she is now wrapping herself in the privacy provisions of the Bank Act. She has said that the Bank Act prevents her from revealing the names of the depositors. We are not dealing with the Bank Act in this legislation. The reason this Bill is before us is because the Bank Act will not allow the Minister to give back moneys to the depositors, and that is why she has come before us with this Bill. Therefore, the Bank Act does not apply in this case and it should not apply in the case of the release of the names of depositors who want their money back.

There is a good, legal case to be made that it is not the Bank Act at issue here nor is it the Bill that is before us. Frankly, what is at issue is part of the Winding-up Act. In my opinion the Winding-up Act allows for a person filing under the Winding-up Act who wishes to have compensation to be forced to sign a release indicating that his name can be made public. It seems fundamental to parliamentary democracy and accountability that when $875 million of taxpayers' money is going out the front door, my constituents should at least know who it is they are using the $875 million to bail out. However, that is not the case. We are told we are not allowed to ask who the depositors are.

I said that this is a very complex subject, and that is quite true. Frankly, most Canadians can better understand the political errors that were made in the "tunagate" affair than they can the failure of the Canadian Commercial Bank. That does not surprise me because they understand what it means to have a million cans of rancid tuna fish on the supermarket shelves. They can conceptualize what that is all about. They cannot conceptualize the meaning of $875 million and $225 million. I sure know one thing, though, Mr. Speaker. What they do understand is that it is not right that the Government is bailing out every one of the depositors in the bank with taxpayers' dollars while not coming to the aid of the shareholders. This comes as a surprise.

Let us return to the events of March 25. The reason we have a bail-out package and the reason this is such an exceptional occurrence is that the Minister of State for Finance and the Minister of Finance put their words on the line when they said the bail-out package would work. That is the only reason we are bailing out the depositors above and beyond the $60,000 to which they are entitled under the Canada Deposit Insurance Corporation's scheme. If that is the case, why is it just that the depositors be fully reimbursed while every one of the small pension funds in this country that invested in the shares of that bank will not be helped at all by this bail-out package?

I have heard from Hon. Members opposite who have asked if we are trying to delay this Bill and who have said that credit unions in western Canada will be down our backs because we are delaying the passage of the Bill. They have said that the poor pension funds that have deposits in this bank will complain. Damn it, if they are worried about them, why are they not worried about the shareholders who are losing just as much as the depositors? We have already broken all the rules by bringing foward this Bill to bail out the depositors to the tune of $875 million.

Let us not deal with whether the depositors are foreign multinational banking interests, credit unions or pension funds. Please, do me a favour and do not suggest to me that because we want to delay the passage of this Bill until we find out who the depositors are, we are not being a good Opposition. Frankly, I think that Hon. Members opposite should look into their own hearts. They should go back to their home towns this coming weekend and ask their constituents whether or not they feel it is fair that they are being asked to fork over $35 for every man, woman and child to pay for this bail-out. I say this in all sincerity as most of us do go home every weekend. I do not know in which world Members opposite have been living but they certainly have not walked the main streets of their home towns and asked their constituents whether or not they think this is fair. I can tell you the answer to that question right now, Mr. Speaker. They think that this bail-out is a complete desaster.

Mr. Deputy Speaker: Questions and comments? Resuming debate.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, it is my pleasure to take some time during this debate to try to set the record straight. Members of the Liberal Party have spoken in animated indignation and have tried to pretend that in this chain of dominoes, it is only the last domino to fall that caused the whole collapse. The truth of the matter is that we are faced

with a history of western economics which was affected by a Liberal regime that preceded the present Government. That Liberal regime brought about the most destructive ruination of the western economy that ever took place in a free, western, industrialized nation.

The Liberals of the previous administration basically caused the collapse of the western economy. They chased $20 billion and 250,000 jobs out of the Canadian economy. Now they have the audacity to come to the House of Commons, bearing in mind that that kind of drain of economic activity out of any region of this country would cause ramifications, and try to pretend that this happened with the flick of a switch yesterday.

One thing about billions of dollars is that that kind of capital has a sort of momentum. Very rarely if ever would billions of dollars ever fall into a state of ruin overnight. The National Energy Program chased from the western sedimentary basin 50 per cent of the drilling rigs into Venezuela, Mexico, Oklahoma, Montana, Colorado, Australia and the North Sea off the coast of England. It chased away with it the talent, the workers and the capital. Along with that went some 250,000 Canadian jobs. After taking that much of the economy out of the country through the National Energy Program, it simply is not possible for Liberal Members to rise and say that this collapse took place because of recent events.

For one not to suspect that Liberal Members had some responsibility for the collapse of the two western regional banks would be for one not to suspect the tomcat when the canary is missing.

Mr. McMillan: Wait a minute.

Mr. Malone: Sorry, Sir. I forgot that your name is Tom. It would be like not suspecting any cat when the canary is missing. The truth of the matter is that the western economy went straight downhill following the introduction of the National Energy Program in 1980.

Just as an indication of what happened when that program was turned around through the signing of the Western Accord under the present Government, numerous companies have announced an increase in their investment intentions. For example, Imperial Oil has indicated that it intends to invest some $1 billion in 1985. Shell Oil recently announced its plans for $500 million capital spending for 1985 plus $200 million in expansion for its oilsands plants near Peace River. The Peace River expansion is expected to generate 900 person-years of direct employment and 1,800 person-years of spinoff employment. Other major investments include $1.75 billion by Trans-Canada Pipelines; a $500 million expansion by Nova in its natural gas generating system; $450 million for expansion by BP Canada in its Wolf Lake heavy oil project; and numerous other spinoffs.

● (1640)

Taken in context for the country, in 1980 we were in a period of recession with one shining star in the whole economic picture. I am speaking of the energy sector. That was just not good enough for a Liberal Government. It could not stand to have the western part of the country working with some type of success.

The National Energy Program introduced five new sets of taxes. In the first year the program was in place the tax on that particular industry in that particular region of the country doubled. In the second year it doubled again. In four years $20 billion drained out of the area, chased not only by capital but by jobs and investment. The whole economy shrunk. Now these pompous people stand up in their places and say: "You killed two banks." They pretend as if it happened today. They pretend that since we came into government a year ago all of the tragedies which have happened to the western economy happened within the year.

The truth of the matter is that the tragedy started in 1980 with the National Energy Program. It started when we chased our jobs to Venezuela, Mexico, the United States and Australia. Anyone who lived in the western basin knew families who were being damaged and hurt by the spinoff of the Liberal policies. These policies had an effect on the Nisku Industrial Park which is located just south of Edmonton. The Hon. Member for Wetaskawin (Mr. Schellenberger), if he were here now, could relate firsthand the experience of grown people crying as they sold off their investments for a fraction of their worth. I am speaking of major million dollar investments which were being sold for less than 10 per cent of their value. I speak of the community of Brooks in the riding of the Hon. Member for Bow River (Mr. Taylor), which is a service sector community. It virtually dried up because the activity simply disappeared. I speak of the expansion in Calgary's downtown core which simply froze as a result of one single policy of the Liberal Government. Those Liberals have the audacity to stand here and pretend the collapse of these two banks happened simply because the Conservatives came to power one year ago. In their own pontification they may foool some people. They may make Canadians somewhere believe that somehow this collapse was as a result of events very recent. However, they will not fool the people of the energy sector in western Canada who know that these two banks made the majority of their loans to the small business community and to the service sector of the oil industry. By and large the deposits of these banks were related to the growth which was taking place in a province which depended upon the energy sector. When the National Energy Program was put into place it killed the economic motivation of that area which subsequently began to shut down its potential.

With respect to the impact of the NEP, the Syncrude project was slowed down as a result of it. The Cold Lake heavy oil project was stopped. I will come back to the specifics of how important that was. New tarsands plants were stopped. The Judy Creek project was put on hold, as was the Alsands project. The Petro-Canada-Nova project was stopped, as was the Lloydminister heavy oil upgrader. Sometimes people think that when we speak about these matters we are speaking principally about regional issues—apples in the Annapolis Valley or the Okanagan, grain in Saskatchewan or Alberta, oil in Alberta or manufacturing in Ontario. The truth of the

matter is that every sector of the economy impacts on every other sector. One oilsands plant in its 25-year lifetime will put $108 billion of direct spending into the Province of Ontario.

I just read a list of a number of projects which were closed down as a result of the National Energy Program. We will feel the impact of the Liberals coming to power in 1980 for the rest of this century. It is not surprising, or it ought not to be, that there are ramifications with respect to bank closures because the economy was so adversely and unfairly affected. It was affected by a Government which had grossly over-spent and allowed its debt to spiral and spiral. Irrespective of the constitutional guarantee with respect to resource ownership for the provinces, it chose to directly tax the resources in the Province of Alberta as if they belonged to the federal Government and it upped taxes to such a level that after four years it amounted to $20 billion. Some 250,000 jobs fled the country. Then, the Liberals over the past week have pretended in animated indignation that the last domino to fall was the only one that mattered. They speak as if there is no history to the issue. How cynical can the Liberals be? When they point their finger at us the other fingers on their hands are pointing back at them. They are the real cause for the ruination of our banks today.

We saw a great many cut-backs, reduction in services, rigs leaving the country, plant expansons being stopped along with tarsands projects, all at a time when we were importing 200,000 barrels of oil a day from off-shore. It was in that context which the Liberals stopped the expansion in western Canada through an unfair and unmitgated tax regime.

In our first year in power we brought in the Western Accord and the Atlantic Accord. We have the data to establish the turn-around in western Canada. In fact, you can sense that it is more buoyant. As an absolute statement of fact I say that had the Western Accord been put in place two-and-one-half years ago these two banks would not have been in a state of collapse. Moreover, had the National Energy Program not been introduced, these banks would not have collapsed.

Mr. Gauthier: That is nonsense.

Mr. Malone: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) is taking the opportunity to laugh. Somehow he does not believe that $20 billion can leave a relatively small economic sector and not have any ramifications. He ought to be one who should know. He is an experienced Member of Parliament. With the introduction of the incremental oil revenue tax, the oil export tax, the natural gas and liquid gas tax, the Canadian ownership charge tax and the Petroleum and Gas Revenue Tax the taxation to the region doubled in one year and doubled again in the next, which took $20 billion out of the economy. Liberals opposite laugh because they think those taxes had nothing to do with the collapse of these banks today. It had everything to do with the banks and their collapse. It is the Liberal history which brought about the demise of the Northland Bank and the Canadian Commercial Bank. Their collapse rests on the backs of the Liberals since it was Liberal policy which brought about the ruination of the economy in western Canada on which those banks depended for their financial generation. The National Energy Program confiscated 25 per cent of the oil companies' assets in the offshore drilling and north slope. In addition to five new taxes which doubled in each of the first two years, it also confiscated in the offshore situation 25 per cent of its assets, all because of one piece of legislation. Those Liberals stand in the House and pretend to be squeaky clean, saying the banks went down and the Conservatives did it. No Canadian is going to believe such tom-foolery. Canadians know very well, I am sure, that there is a history to this problem. We do not lose billions of dollars in an overnight flash. That comes about because of significant and long-term ramifications of change. When these changes come into fruition during the period of a new administration, it is nothing but pure audacity to stand up and point one's finger and pretend it all happened within the time of the present administration.

● (1650)

We have the loss of $20 billion. What did that do? The loss of $20 billion meant the loss of jobs. It meant that our dollar, relative to that of the United States, lost its value. The loss of $20 billion and the lost value of our dollar vis-a-vis the United States meant that interest rates went up. All of that is part of the impact which caused the terrible recession which followed throughout the rest of the tenure of the Trudeau years. The Liberals did not care about the principal economic engine of growth which at that time was the energy industry in Canada. It did not matter to that Government that we were importing more than 200 million barrels of oil per day. That Government not only allowed the industry to shrink but caused it to do so. It caused the industry to have a decrease in its economic initiatives. Subsequently, we find ourselves in this situation where we are now bearing the unfortunate ramifications of the Liberal policies. We must stand here and watch the Liberals blame someone else for their own fault.

The people who have caused this dilemma like to pretend that there is someone else they can blame. Prior to the National Energy Program, the oil industry was the one bright light in the whole of the Canadian economy. Before May 1980, most of our rigs were working in western Canada. Following the National Energy Program, in May 1983, one year later, we had 51 rigs drilling, 17 rigs moving, and 388 rigs which were shut down, stopped, closed. When we talk about the rigs, we in western Canada saw the photographs of line-ups of trucks at the Montana border. Most people do not understand what it is to move a rig. They think all you need is a truck or two. It takes 16 liner trucks to move a rig. It costs $500,000 to move a rig from Alberta to Texas. We lost more than half of our drilling capacity. Two thirds of it was shut down. However, somehow the Liberals stand here today and pretend that when the Canadian Commercial Bank and the Northland Bank closed, the Conservatives did it. You would have to believe in the Easter bunny to believe that this all happened since the day before yesterday.

This is a problem which comes about as a result of a history of attack on western Canada and its principal resource. Perhaps you have noticed, Mr. Speaker, that when one talks about

Liberals, one gets pretty hoarse. That is probably because I have a sense that I am speaking to one. Suffice it to say that we have turned the corner in the Atlantic Provinces with the Atlantic Accord and in the western provinces with the Western Accord. Investment is now taking place. It is unfortunate that we could not have sustained for a longer period the viability of those banks because I am one who believes in the premise that Canada needs more banks and more competition in banking. We need regional banks and, had we had the viability of the present Western Accord for another six months to eight months, I believe that the new economic initiatives which are now taking place throughout the country would have sustained these banks and they would not have collapsed. It is clearly the past policy of the Liberals which has brought the death to those banks. What an unfortunate shame for Canadians.

Mr. Gauthier: Mr. Speaker, the Hon. Member for Crowfoot (Mr. Malone) put himself into an unfortunate position. He did not address the Bill before us and, therefore, I take it that he will be addressing the Bill when we get to it after discussing this amendment to not proceed with Bill C-79 which encompasses expenditures of $875 million.

The Hon. Member began his speech by talking about the National Energy Program. Of course, I would not argue with him on that matter because I believe he knows much more about that subject than I do. He made me smile when he said that one has to suspect the tomcat when the canary is missing. It came to mind, Mr. Speaker, that one cannot soar like an eagle when one is dealing with a turkey.

The arguments put forward by the Hon. Member were not in the least convincing. What he did was bring in a subject which was not the purpose of this debate. He did not tell us why we should vote for this $875 million. He did not tell us why Canadians should not be told where this money is going to be spent, in his opinion. He did not tell us anything about the Bill. He went on a rampage of diatribe about the National Energy Program, and we have heard that from the Hon. Member before. He is a great specialist on diatribe. However, the accuracy of his statements, Mr. Speaker, only hides the fact that he failed to address the Bill before us.

I would ask the Hon. Member how he can explain to Canadians the expenditures of $875 million without telling them where this money is going. I ask the Hon. Member honestly if he does not think it would be proper and appropriate for the Government to table the list of those uninsured depositors who are going to be covered by this $875 million. That is a great amount of money and I am concerned about the fact that he never once in his 20 minute speech addressed the issue at hand. I say to the Hon. Member that I understand he has his problems. I have mine. He talked about the National Energy Program but let's talk about the Bill before us today. What does he think should be done with the uninsured depositors? Does he think we should hide them away and still pay them that amount of money? Is the Hon. Member telling us that he would vote for this Bill without knowing how he, as an accountable Member of Parliament, is going to account for that money? Is he going to let the public accounts tell us in a year hence where that money went and not tell Canadians today what that money is going to be spent for? I ask the Hon. Member to honestly give me an answer to that question.

Mr. Malone: Mr. Speaker, I intend to honestly answer the question of the Hon. Member for Ottawa-Vanier. He asks me if we will tell Canadians what the money is going to be used for. Of course, we will. It is going to be used for the depositors.

Mr. Gauthier: Who are they?

Mr. Malone: There he comes again with a question. He asks me who they are. He also wants to know how much the deposits are. The Hon. Member knows full well that it is very much a part of the fabric of Canadian society that both with respect to income tax and bank accounts, it is no one else in the country's business to know anything about someone's personal business as to how much one has, how much one has deposited or how much money one has in his account. The principle is that we are securing the depositors, not the shareholder. We are securing the depositor who had his money in those two banks which are in a state of ruin because of past Liberal policies. That is why my speech is relevant to the debate. It explains why the banks are where they are today.

• (1700)

If we were to take the thesis of the Hon. Member for Ottawa-Vanier to its logical conclusion, he would have us expose income tax data. If he wants to become involved in exposing who had deposits and how much, surely he recognizes that in Canada there is a sense of privacy about one's individual banking practices.

Mr. Deputy Speaker: It being five o'clock the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

GOVERNMENT OF CANADA

OFFICIAL APOLOGY RESPECTING "ON TO OTTAWA" TREK

Mr. Simon de Jong (Regina East) moved:

That, on this the 50th Anniversary of the 'On to Ottawa' trek, the Government of Canada does now extend to those who participated its unequivocal and official apology for the Government of the day having perpetuated the following:

(1) Having caused through the use of violence as administered by the combined police forces of the Regina City Police and the RCMP the termination of the trek in Regina, Saskatchewan on July 1, 1935 with attendent loss of life, and numerous trek and citizen participants being injured and imprisoned;

(2) Having contributed to rather than detracted from the plight of the unemployed by;

(*a*) forcing many unemployed young men into work camps,

(*b*) abrogating its responsibility of providing the necessary leadership in a time of high unemployment which would have created decent and rewarding full time employment;

(3) Displaying a total lack of policy initiatives which would have provide meaningful work and wages for the unemployed and for the violent attack on the participants of the 'On to Ottawa' trek.

He said: Mr. Speaker, I understand that the Whips of the three Parties have agreed that I can proceed with my remarks while seated because of a foot injury.

Mr. Gauthier: Mr. Speaker, I am the one who recommended that he remain seated because he has a fractured foot. However, he wants to make his point and I think we should hear him out.

Mr. Deputy Speaker: The House agrees to make an exception to Standing Order 33 and allow the Hon. Member for Regina East to proceed.

Mr. de Jong: Thank you, Mr. Speaker. I wish to thank Members of the House for allowing me to proceed with my remarks while seated.

The motion I have before the House today calls for an apology which is half a century overdue. The tragic events that took place on July 1, 1935, in Regina's Old Market Square are an infamous blot on the history of Canada. The events of that day, commonly referred to as the Regina Riot, were, however, at least in hindsight a logical result of the social and economic circumstances of the time.

The social and economic crisis that gripped this and other western countries during the 1930s left few untouched. Thousands of Canadian men and women, blue collar workers, white collar workers and professionals, lost their jobs. Businesses were lost. Farms were lost. Homes were lost. Droves of unemployed workers crossed and recrossed the country in a futile search for non-existent jobs. Soup kitchens, flop-houses and "hobo jungles", where the jobless spent cheerless nights huddled together for companionship, safety and moral support over communal cookpots, sprang up across the country. Farm families, their pitiful possessions loaded in ancient automobiles or on horse-drawn wagons, were a familiar sight on prairie roads in their desperate flight from the drought-ravaged land. The good times were gone. Despair, defeat and depression filled the country.

The Government of the day, which will never be remembered for its generosity and speed of action, was finally forced to respond to the crisis. Relief centres for destitute families were set up across Canada but everywhere it was mean, stingy and humiliating. Even this small measure of cold comfort, however, was not available to everyone. There was no relief for the single, unemployed army of men whom the Government regarded as a potential threat to peace, order and good government. For them, the Government of the day had another solution—the Single Men's Unemployed Relief Work Camps. Here, the men were given meals, a bunk and 20 cents a day spending money, hardly a princely sum even in those days. The men who lived in these camps have described the conditions there as having been very hard.

Official Apology

One man, a founding member of the Relief Camp Workers' Union, provides us with the following description:

The camp rules were British Army rules. The camps were under the jurisdiction of the Department of National Defence and all the camp superintendents were former World War One army officers, some of whom used to try to put the men through drill . . . the Government deliberately picked remote spots for the camps. Some were in nice, scenic locations but the camps themselves were terrible. Some were nothing more than tarpaper shacks . . . The beds varied. Everything from spring cots to wooden bunks. Our clothing consisted of surplus World War One sweaters, pants and boots. They didn't have any of those warm greatcoats left over from World War One. They would have been nice but we all had back jackets and caps. They were new . . . The camps, in some cases, were set up around projects. Some of the projects were sensible and had a reasonable purpose but most of the work we did was meaningless, particularly the road (construction) work which had to be redone later on. In a camp of 150 men, there might have been four meaningful jobs. There was no incentive to work . . . Every man in the camps was issued a card. When you got thrown out of the camp (for some misdemeanor), the card was stamped on the back. You had one crack at being reinstated if you confessed. When you got blacklisted, they'd transport you out of the camp and dump you miles from anywhere. You were on your own—

Such were the conditions that led to a general strike called by the British Columbia Relief Camp Workers' Union in the late spring of 1935. The camps emptied. One June 3, 1935, a thousand men met at the foot of Gore Avenue on the Vancouver waterfront. They were on their way to Ottawa to put their grievances before the Government of Prime Minister R. B. Bennett. By the time the trekkers reached Regina, their numbers had swelled to 2,000. Unknown to the trekkers, however, Regina, not Ottawa, was the ultimate destination and there the trek was terminated.

At eight o'clock on the evening of July 1, 1935, a mass meeting was in progress on market square in Regina. In the crowd of 2,200 that had gathered to hear a report-back of the trekkers' delegation to Ottawa there were no more than 300 trekkers, many others having gone off to attend a local ball game. On the platform sat representatives of the local city council, the citizens' committee and the trekkers' committee. Jerry Winters, a member of the trekkers' committee, was in the process of making an appeal when his words were cut short by the sharp blast of a police whistle. Suddenly, mounted members of the RCMP poured from the huge vans that had pulled up on three sides of the square. Armed with batons, they charged into the crowd and disrupted the meeting which, until that moment, had been entirely peaceful and orderly. Onlookers were clubbed to the ground, making them instant "recruits" to the trekkers' cause. Joined by Regina citizens and armed only with makeshift clubs, the trekkers fought back against police officers armed with guns. The shooting and fighting continued until midnight. When the smoke cleared, one police officer lay dead, 21 other people were taken to hospital for treatment of injuries and 120 citizens and trekkers were arrested.

Police reports and newspaper accounts of the day have left a misleading impression of the circumstances surrounding the riot, laying blame for the riot on the heads of the trekkers. Much of what was written then and unfortunately believed to this day is nothing more than a "masterpiece of lies" as one trekker has described it. I repeat that the assembly was

peaceful and only broken up on orders from the Government in Ottawa.

The facts of the case are that the riot was planned and provoked, not by the trekkers, but by the police on direct orders of the federal Government which, in so doing, illegally usurped the authority of the provincial Government which was in the process of negotiating a settlement with the trekkers. Such action, Mr. Speaker, not only warrants an apolicy but begs forgiveness.

● (1710)

The motion I have placed before the House might merely be regarded as a footnote to history were it not for the fact that history has a tendency to repeat itself. The sad fact of the matter is that the history I have just outlined is in many ways and many places across this country repeating itself today. Many of the problems for which the trekkers sought solutions in the 1930s have returned in spades in the 1980s. Once again we have massive unemployment. Once again we are faced with widespread business failures, farm foreclosures, personal bankruptcies and food banks.

The parallels which can be drawn between 1935 and 1985 are truly staggering. Even nature has co-operated by providing prairie farmers with a return engagement of the drought and grasshopper epidemic which plagued their parents and grandparents 50 years ago. Once obvious parallel for which nature cannot be given credit, however, is the return engagement of a Conservative Government in Ottawa with identical attitudes in an identical situation. A little more than 50 years ago Conservative R. B. Bennett promised to "end unemployment or perish in the attempt". Last year the present Progressive Conservative Prime Minister (Mr. Mulroney) promised "jobs, jobs, jobs". Fifty years ago the Conservative Prime Minister, R. B. Bennett, espoused "imperial preference" as the key to economic recovery. Today the Progressive Conservative Prime Minister espouses the private sector and free trade with the United States as the key to economic recovery.

One and a half million jobless Canadians, men and women, young and not-so-young, cannot be written off. As much as the Government opposite might wish, they will not disappear or go away for the simple reason that they have nowhere to go except, perhaps, to fall further down into a sea of entirely understandable despair and disillusionment on their part.

What does 1.5 million unemployed Canadians really mean? To economists and statisticians it means a nice round figure that can be played with and juggled about on paper with relative ease. To the Government opposite it probably means a pain in the neck that refuses to go away. To the country as a whole, however, it means a shameful waste of precious human resources. To the 1.5 million Canadian men and women who find themselves without work and with little hope of finding work, it means personal disaster. To the unemployed auto worker with a family to support and a mortgage to be paid it means the probable loss of a home. To the unemployed professional—and their numbers are growing every day—it means a greatly reduced standard of living all too often culminating in a one-way ticket to poverty. To the unemployed single mother it frequently means welfare and a day-to-day struggle just to keep herself and her children fed, never mind adequately clothed. To the unemployed young person just graduated from high school, technical school, or university, it means a wasted effort and a future without hope. That is what unemployment really means, Mr. Speaker.

What does the Government opposite propose to do about this most grave situation? Leave it to the private sector, that is where the jobs will be created we are told. We are told that but we do not believe it and neither do the 1.5 million unemployed Canadians whose lives are being wasted by the do-nothing attitude of a pass-the-buck Government.

Massive unemployment and its attendant social problems, contrary to what the Government opposite might wish to believe, is not the result of an act of God, Mr. Speaker. It is a man-made problem and it demands a man-made Government-led solution. Unfortunately, the solution to such massive unemployment as we are faced with today will never be found by leaving it to the private sector and various applications of the tried-but-not-true trickle down economic theory. We need solid, sensible action by Government on unemployment and we need it now.

Canada is not a poor nation despite the obsessive pleas of the Government opposite regarding our deficit. Canada is a rich nation in both natural and human resources. We have vast natural resources that lie waiting to be developed and a highly educated, highly skilled workforce waiting to be allowed to develop those resources. We are not only a rich nation, we are a young nation, and much remains to be done. Much remains to be done in agriculture, in forestry, in industry, in education, in health care, in communications, and in technology. We have hundreds of projects which lie crying to be undertaken. We have hundreds of thousands of jobs that lie crying to be created and hundreds of thousands of unemployed Canadians waiting to fill those jobs. We cannot leave that to the private sector alone, Mr. Speaker. It is the responsibility of the Government to ensure that those projects are undertaken and those jobs created.

We cannot wait for a solution to unemployment to fall from the sky. That is what the Government did 50 years ago when the solution to the unemployment problem of that ear finally arrived in the form of a world war. Such a solution in this day and age would mean the end of civilization. I do not mean to suggest for a second that the Government opposite would ever consider such a solution to our present unemployment problem. What I do mean to suggest, Mr. Speaker, is that the Government should take a lesson from the past and undertake sensible and constructive projects that will put people back to work and this country on the road to economic recovery and prosperity.

Fifty years ago a handful of tired, hungry, destitute trekkers tried to do something about unemployment and were beaten and insulted by a callous and uncaring Conservative Government. The survivors of that valiant group of men deserve an apology from this Government for the actions of the Govern-

ment of that day. This is not a new idea, Mr. Speaker. I remind the House that on June 29, 1984, the former Leader of the Opposition and present Prime Minister asked the Government of the day to apologize to the Japanese Canadians. He said:

> I am asking him if he will rise to the occasion and convey, on behalf of the Government of Canada, a genuine apology to Canadian citizens who were so badly done by.

I use the same words of the then Leader of the Opposition to appeal to him and to his Government to apologize to those Canadians who were so badly done by that previous Conservative Government.

There is much more that can be done, that must be done for the mean and women who today face the same problems experienced by the trekkers half a century ago. I hope the House will unanimously and whole-heartedly accept the motion that I have placed before it. I understand as well, Mr. Speaker, that after the Prime Minister met with the trekkers earlier this year he promised to give serious consideration to their request for an official apology and said that he would take this matter to Cabinet. I hope that when we hear from the spokesperson of the Government that he or she will indicate the Government's support for the resolution that I have placed before the House today.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to start by congratulating the Hon. Member for Regina East (Mr. de Jong) on making his speech in difficult physical circumstances. I realize he felt it was his duty to be here in the House today, and I think that is admirable, although I do not agree with the text of his motion.

Mr. Speaker, from the text it is clear that what is being asked is an unequivocal apology. I would have expected the Hon. Member to concentrate more on showering abuse on a Government that refuses to side with the workers, since today, there is a tendency to say that the same situation may be repeated.

Mr. Speaker, I am pleased with this opportunity to take part in the debate, because I have been active in the labour movement, both as a union member and member of an association. I also worked for twelve years on the management side as a negotiator in collective bargaining sessions at the local and provincial levels. I am also pleased because the motion before the House today, which of course refers to the past, to events that occurred 50 years ago, also goes back to a time in history which I find it interesting to recall, as a former history teacher.

That being said, Mr. Speaker, I think the Government will conclude by saying, I do not think, I am sure that the best way to build the future is to look to the past, to analyze events, and instead of constantly apologizing for what happened in the past, to be prepared to change things for the better.

• (1720)

Mr. Speaker, 50 years ago, conditions were terrible. It was in the beginning of the thirties, in fact during 1930-40 eight or nine years before the war, the Great Depression, when economic conditions were poor, and the Government at the time did not have the kind of economic leverage that we have today, and people did the best they could according to the time-honoured method of trial and error.

I remember when I was younger, at Sainte-Anne-de-la-Pocatière, when my grandfather was terribly insulted when the first Old Age Security pensions came through, because old people had to declare their income. It was not an ideal situation, but instead of spending our time apologizing to these people because we forced them to make these declarations, what did we do? We established a different and necessarily better system.

That is past experience. The same thing goes for family allowances and a great many social measures which did not exist in those days but which we enjoy today. Mr. Speaker, I do not have to apologize for my father's or my grandfather's actions because had my grandfather chosen a different field of activity I might be a little bit richer today. I do not have to apologize for that.

History does teach us that it ought to be used to understand rather than to accuse, and I rely on historians to relate what went on in Government. We will analyze the situation and attempt to benefit from all those trying experiences so as to leave something better for our children.

So with respect to the past, Mr. Speaker, we must always keep the historical context in mind, never forget that the passage of time clears up past incidents which must be viewed in their proper perspective. I would suggest that my colleague is getting carried away when he claims that history is repeating itself right now.

All we need do is examine some figures or data. For the past five or six months, Mr. Speaker, I have been working on the Industry and Labour Adjustment Program—ILAP for short. Mistakes were made and corrected, and again last week benefits paid by the employer and deposited in a trust account were deducted from benefits available under ILAP. A change had been made on October 16, not through a ministerial order, but by amending the regulations, and then was implemented—Your Honour knows how fast we are—on April 25. As soon as we realized that a mistake had been made, instead of apologizing for that mistake, we tried to remedy the situation, which has been done as of last week.

Was it a mistake? When the Department of Justice analyzed the last ILAP proposals, did it make a mistake? I cannot answer in term of mistake, but what I can say, though, is that we have taken into account the working men and women who had based their decisions to retire early on their expectation as to their income: they would get their unemploy-

ment insurance benefits, as well as their early retirement benefits and a Government program. Now, their Government program was being taken away from them.

Instead of apologizing to them, Mr. Speaker, what we did out of respect for them was to change the regulations. That was important to understand the historical background. There is not a Government, not a politician, not a single member on either side of the House, who enjoyed certain events that happened in the province of Quebec. I am referring to the strike of asbestos-industry workers which was a turning point in the history of union development in Quebec and contributed more to the establishment of a labour code in that province than hours after hours of interminable discussions in an assembly.

When the Quebec government or the Iron Ore decided to close its operation in Schefferville, I can say that the negotiations that took place at this occasion has helped us achieve some progress, and I was able to realize that when the Quebec Government decided to close the town of Gagnon located North of Sept-Iles. If experiences such as those of Schefferville have helped us in the case of the town of Gagnon, the Gagnon experience will in turn help us settle other problems. The idea is not to apologize but to work harder for a better future.

My hon. colleague says that he is afraid that the same thing will happen and that the situation might come up once again. I do not think it can, Mr. Speaker.

You just have to look at some of the figures. In fact, let us take the first figure, which is the Gross National Product. It has increased annually by 4.1 per cent. This increase in the GNP is very important in assessing the situation, and I do not think that the same conditions existed in the 30's.

There is another interesting figure, Mr. Speaker. We have 284,000 less unemployed now as 284,000 jobs have been created since last year. Unemployment has fallen from 11.6 per cent in September 1984 to 10.3 per cent in August 1985. Youth unemployment has also fallen from 18.3 per cent to 15.9 per cent. This is still high, but the situation is under control and the rate is going down. Another figure which is often forgotten and which has a direct effect on all working men and women concerns the interest rates. Current interest rates in Canada are lower than they have been in the past seven or eight years.

It is not only the Members of Parliament who pay lower interest rates, but ordinary workers. These are ordinary people and consumers. For instance, the amount spent on car purchases or current expenses have increased by 25 per cent since last year. This also has an impact. As a Government, we should not be content with spending our time making excuses for the past. Instead, we should build better conditions for the future, conditions without uncertainty, and try to control them as much as possible. The interest rates are a very important factor for consumers, in building a house, in obtaining individual loans or in getting commercial loans. Mr. Speaker, the confidence of investors is important for the future of the Quebec economy.

According to a Conference Board survey, 53 per cent of owners want to make investments in the coming year, while 8 per cent do not want to do so and the remainder are undecided. What does this show, Mr. Speaker? It shows that people are confident in the future and are willing to gamble on it. Moreover, Statistics Canada says that capital expenditures have increased by 12 per cent in 1985. All these facts show that the conditions have changed.

Mr. Speaker, consumer expenditures have increased by 12 per cent. The increase has been 23 per cent in automotive purchases alone, as I mentioned earlier. Here is a clue, a sign as people say, that conditions are not as they were in 1930. Times are bad, but not as bad as in 1930. The number of building permits has increased by 19 per cent. In 1930, I doubt the increase was as high. The consumer price index has never been that stable since 1971, and statistics are self eloquent: 4 per cent. We have the most stable consumer price index since 1971. The conditions are not the same. This is the best token of consideration that can be given workers, giving them those conditions rather than having to apologize. Bankruptcies have been fewer. Economic activity is on the upswing. All that, Mr. Speaker, to say that the best token of consideration that can be give to a worker, instead of apologizing, is not to prevent a recurrence of those conditions, and to work arduously, in cooperation.

We may disagree—the Opposition Party, the New Democratic Party—we may disagree as to the means, but the facts are there and must be taken into consideration.

Mr. Speaker, as you know, interest rates for eight years—we are just out of last year's election, and that matter of interest rates has been a sensitive issue for the Official Opposition. But rates are now the lowest in eight years. Those are facts!

They can argue. They can say this is not the right way of doing it. They may say it is our fault, it is not our fault! But the facts are there, Mr. Speaker.

As I said, the best way to honour a worker is to provide him with better economic conditions. The best way to correct a mistake, in my experience as a personnal manager, was not to send letters of apologies to everyone, it was to try and not to repeat the same error twice, and when I did so you may be sure that they confronted me with it. They said: "Besides memory, I think you also lack judgment." This is the way to show people consideration, Mr. Speaker.

For all those reasons, Mr. Speaker, I think we are building something sound, and one of the efficient tools we have now set up is the new employment strategy the Minister of Employment and Immigration (Miss MacDonald) announced in this House. This is an employment strategy that is based first on flexibility, and second on agreement with the Provinces.

There are six possible ways in which this may be developed, and for the first time, Mr. Speaker, we have a program that is not readymade in Ottawa and undiversified for the whole country, because previously, whether you came from Nova Scotia or British Columbia, your program was the same. Now we have divided it along regions, and there will be six possible avenues. A region may chose this option or this strategy, rather than another one.

Mr. Speaker, this is not all. We have even thought that in a given Province, in the district of Regina, Hamilton or Valleyfield, according to circumstances, there were employment development trails that could be more interesting. This is something that we did! First we must show flexibility and then try to reach an agreement or seek a consensus. All manpower centres will have working committees which will call upon working men and women.

Mr. Speaker, a case in point is the new Jobs Strategy, its guiding principles and its purposes, all geared to basic training. All employment development programs are based on training, and that is what we call building for the future. We want to make sure that tomorrow will be more than a slightly indexed yesterday! That is what the Government has been working on for a year, Mr. Speaker, and the results are promising. Some 284,000 jobs have been created and there will be more now that the new strategy has been set in motion.

That is an important consideration, Mr. Speaker, for we know we have to attract the private sector. Not only do we attract private sector interests, but we get them involved and tell them: We need you, we will support you and you will create new jobs.

All that has been set in motion, Mr. Speaker, but I do not think past conditions reflect the current situation. Most important, we must not fall asleep or gaze at our navels. A lot remains to be done because a 15.9 per cent unemployment rate among youths is still much too high even though we made some progress since it once stood at 18.3 per cent.

Mr. Speaker, the best homage we can pay working men and women or the union movement which did much for the economic expansion of our country is to encourage them to build a different future and call upon every available resource to make sure that we will indeed have a more promising future and not repeat past mistakes.

Mr. Speaker, again I say that we respect working men and women as well as unions and management. A good Government relies upon its people, Mr. Speaker, and I suggest that our Government has made a commendable effort in that direction.

● (1730)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we have just heard, according to the Hon. Member for Beauharnois-Salaberry (Mr. Hudon), that even considering what was said to workers and the unemployed 50 years ago, we should not apologize to them because we must look to the future.

Mr. Speaker, if we consider the case made by Japanese Canadians, and if we look at other situations and even the Riel case which was examined in the House since I became a Member of Parliament, it is quite obvious that if we want to understand the future, if we want to act responsibly as a Government, and in our dealings with young people or the unemployed, everyone ought to know what happened under a Conservative Government 50 years ago. And we, both as Members and as the Government, should apologize to the unemployed workers who were forced to take to the streets to seek their own rights which they should have been given by the Prime Minister at the time, who abdicated his responsibilities in this respect.

I think it would be useful for all students of Canadian history, not just for us who are considering the problem in Parliament today in a rather abstract context, if we could look at the situation as it was in 1935. We know very well, for instance, that it was a terrible time for all unemployed in all the provinces. And I quote:

[*English*]

Beyond the evidence of the human condition there are the statistics drawn here from the report of the Royal Commission on Dominion Provincial Relations on an index of 100 for July, 1929 on unemployment. In 1929 there were 107,000 unemployed workers across Canada. By 1933 there were 646,000. Per capita incomes across the country had fallen dramatically and at an appalling rate. We see, between 1929 and 1933, that the income in the Province of Saskatchewan alone fell by 72 per cent. The per capital income in Alberta fell by 61 per cent. In the Province of Ontario it fell by 44 per cent and in P.E.I. 45 per cent. In British Columbia it fell by 47 per cent; in New Brunswick by 39 per cent and in Nova Scotia by 36 per cent.

What was the federal Government's response at that time? Was it in fact to assist in programs which would facilitate municipalities and provinces to develop work programs? No. It took the same attitude as this Government is taking. That is it wants a hands-off approach. It does not want to be involved in the creation of jobs because somehow Conservative Governments see something distasteful in direct Government job-creation. In fact, the Bennett solution at that time was to send the workers off to work camps where they lived in intolerable circumstances and in fact were not ever able to have the dignity of a democratic election in those particular camps.

We know the situation and I would agree the support systems that have been built over the past 20 years here, no thanks to the Conservative Government, have in fact led to a situation where in the recession that we suffered over the last couple of years the workers were not as hard hit as they were in the Great Depression. For those of us who did not live in that time, I think it behooves all of us to look at history, to consider the situation as cited in the report of the Royal Commission. Canada had never again experienced an unemployment problem of such magnitude. During previous periods

of economic depression the problems of unemployment and destitution had usually found their solution in self-sufficiency; self-sufficiency of the household; solidarity of the family; the establishment of new homes on the agricultural frontier and the increase of emigration to the United States. By the 1930s such opportunities had all but disappeared.

We know that the workers were in a desperate situation. In fact it was spoken in the House of Commons in the words of J. S. Woodsworth, and I think this question applies today in 1985 when we are hearing about the unemployment figures of 15 per cent and 16 per cent among young people, and this is the quote:

—I do suggest that you cannot expect young men in the prime of life—

Of course, in those days they did not talk about young women, but it continues:

—young men in the prime of life to go into these camps to get a bare living month after month, and some of them, year after year, without their losing hope. I think of the moral influences which prevail in such places. Young men who under normal circumstances would have a certain amount of social life and would look forward to marrying and rearing their own families are now deprived of all the amenities of home life and are simply kept in these camps for an indefinite future. Really I wonder that there are not more criminal acts in this country than there have been in the immediate past.

● (1740)

The book goes on:

A growing conviction seems to have entered the minds of most of the men that they are a forgotten group. The isolation of many of the camps renders it impossible for men to keep in touch personally with former employment or with new work opening up. It is true that the Provincial Labour Bureau does seek to bring men in camps to the attention of employers—yet the employment of the men from the Relief Camps is so rare that a fixed idea prevails among the men that they are deemed unsuitable for employment, and are shunned by those seeking workmen.

We can see the sense of desperation that had arisen at that time. I am sure the Government of this day, being of a Progressive Conservative stripe, can argue that we should look to the future and not dwell on the past. However, I would suggest that if we look to another Conservative government, we would see the difficulties that are currently being experienced in the great country of Great Britain. There has been so much hopelessness and despair felt by young people in Britain that it has led them to violence and that is the kind of hopelessness and despair that we in Parliament should address before we see the same kind of situation arising here in Canada.

Hon. Members of the Government side can say that apologies or excuses have no place in a plan for employment for our young people. The Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon) has spoken of the Government programs. We know that the programs that have been instituted by the Minister of Employment and Immigration (Miss MacDonald) are too little too late.

We know that the current regional program is in a shambles because employers are not taking up the 25 per cent subsidy that was offered by the Government on make-work programs in the private sector. We know that there are very serious problems that have manifested themselves in Government Departments across this country because instead of adopting a program that had already been put in place by the Liberal Government, the First Chance Program, the Minister of Employment and Immigration took it upon herself to wash her hands of any Liberal initiative and to leave young people waiting for weeks, months and in some cases years for their first chance to get out into the workforce.

For those of us in the House who are really concerned not only about the unemployment of our young but about the unemployment of older people, I think that the record of the Government with respect to older workers is as shameful as was the record of the Bennett Government with respect to those who were driven into work camps. I cite the insidious provisions that have been instituted by the Minister of Employment and Immigration to gouge older workers, to cut their severance benefits and to make them use up their holiday pay by insisting that as of next January, they must exhaust all pension benefits before they can collect unemployment insurance. We heard an Hon. Member say today how wonderful it was that they had discovered a discrepancy between the amount of money that employers paid in ILAP areas paid into unemployment insurance and the amount paid by those in other areas.

As soon as the discrepancy in the employer program was discovered, the Government acted quickly. It moved in to make sure that employers were not paying too much into the program. In fact, in 1985, older workers who are in their fifties and sixties many of whom have no real chance for future employment, the same as in 1935, have to spend every last penny of their pension benefits, severance benefits and holiday pay before they can collect one dime from the Government. That is the kind of compassion and humanity that we see coming from the Conservative Government of 1985.

I would suggest that when speaking of a lost generation, the lost generation is not only the youth but also those older men and women who have been replaced through technological change, the euphemism for being replaced by machines and becoming redundant. These people have been hit by Government indecision and waffling on issues such as the shoe quotas. In my riding, there are literally hundreds of jobs that are currently being threatened by the Government's failure to act. In a sense, these men and women are facing the same situation as those men and women in the work camps faced some 50 years ago.

In my riding, the unemployment rate is at over 10 per cent across the board and not only among young people. Older workers, many of whom may not have a great command of the English language, knock on doors. They may have an old back injury or they may be 55 years of age and greying. They may not have the kind of marketable skills that would put them back into the market-place. They are being turned away. Those people are members of a lost generation and a generation the Government has a responsibility to address through specific Government-initiated job-creation programs.

It is folly for the Minister of Employment and Immigration to say that the private sector will help these people out. We

saw what the private sector had to say to the Minister when she commented on the corporate behaviour of INCO in the riding of Sudbury. We saw what kind of corporate response came from that company when it came to developing an agreement with the union in that particular industry. It seems to me that in this area, we have a responsibility to lead, not to follow. We also have a responsibility to ensure that Government programs are not whittled away while we wait for private-sector response to a 25 per cent subsidy in the job market.

It is my understanding that the 25 per cent subsidy program is not working and that it is in shambles across the country, notwithstanding the fact that it was with great *brouhaha* and fanfare that the Minister announced the program at the beginning of September. More than a month later, many of those programs are not yet operational. They are still waiting to be launched because the Minister has not even passed along the information to regional Departments regarding what will be offered and what is necessary.

That being said, I think it is clear that one way of clearing the record and beginning the new trek is to say to those Depression workers and their families, just as we said to the families of those Japanese Canadians who were wrongly interned, that we were wrong and made a mistake. We should say that we are sorry. While it may not mean much in terms of individual compensation for the agony suffered by those people who lived through the Depression, it would certainly be a first step on the road to clearing the record. There is a saying with which I am sure Members of the House are familiar and that is that "Tory times are tough times". Dating back to the days of the Great Depression and the days of the Bennett Government, there is a sense that when times were tough, instead of reaching out to help workers, the Government of the day reached out to line the pockets of the rich, wealthy, powerful and famous.

It seems to me that we saw a manifestation of this same sense in the first Conservative Budget of this administration. In that Budget, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) said to the Canadian people that they would cut back on baby bonuses, reduce increases in family allowances and at the same time offer a $500,000 capital gains tax write-off to that top 4 per cent of the population that is in a position to take advantage of it.

Mr. Malone: What about the farmers?

Ms. Copps: We are not talking about the farmers. Of course Members will talk about the farmers. The farmers will only benefit when they sell out. Most of the farmers I know want to hang on to their land. That Budget offered nothing for those farmers. At the same time, there is an underlying Conservative philosophy that, "Them that has, gets, and them that hasn't gets put down even further". That is why we are concerned and fearful and rightfully dismayed when reading about the kinds of initiatives that this Government has undertaken with respect to older workers.

An Hon. Member: Can't hear you.

Official Apology

Ms. Copps: The Hon. Member may not be able to hear me but the people of Canada are getting the message that this Government was elected on a platform of broken promises. The Prime Minister cannot be trusted to believe that universality is a sacred trust. As soon as the Minister of Employment and Immigration was given the chance, she moved in to cut away on workers' pensions, workers' severance benefits and workers' holiday pay. Yes, even as we speak in the House of Commons, those employees of this place who did not have their pension benefits deducted are now being penalized by monthly deductions from their pay cheques for a mistake which was made by the Government and for which they had no responsibility. I am speaking of House of Commons employees who earn somewhere in the neighbourhood of $12,000 to $15,000 a year. They are not living in the lap of luxury. However, as soon as the Government discovered its mistake it moved in quickly to institute automatic salary deductions from those employees in the same way as it is suggesting to workers who have been laid off at companies such as Consolidated Bathurst in Hamilton that their pension funds, holiday pay and severance benefits should be taken into account before they collect one cent of unemployment insurance. Consolidated Bathurst is a company which shut its doors no more to open. Employees with 30 years of service have been let go. The average length of service at the company was about 24 to 25 years. I am speaking of people who invested their lives, hopes and dreams in a company which has closed its doors. If this particular piece of legislation had been in place at that time, those employees would have been required to liquidate every last penny of their pension funds, as well as their holiday pay and their severance benefits, before they could collect one cent of unemployment insurance.

• (1750)

The people of Canada recognize that this Government initiative is wrong. They further recognize that there comes a point in the life of any man or woman when the ordinary channels of law do not succeed. We have seen that in the "On To Ottawa" trek. They called the politicians. The Prime Minister met them with deaf ears. They contacted their provincial officials and, in fact, were given no satisfaction.

I would like to quote for the record a comment made by one of the trekkers when he spoke directly with the Prime Minister of Canada at that time. He said:

—I was satisfied that Mr. Bennett was not there for he had not been prepared to deal with us sympathetically or to discuss in detail any of our demands. So that I did not think it was necessary for me to accept any more of his bullying and brow-beating and when he told me I was a thief, then I told him he was a liar . . . He said, "You have just come out of the penitentiary at Westminster." Objection was taken to this encounter by Mr. Cosgrove.

Mr. Speaker, do you know what those men were seeking in terms of justice for Canadian workers? They had a list of demands which were considered communist by the Prime Minister of the day. The list of demands included something as simple as work wages being instituted at a minimum of 50 cents per hour for unskilled workers and trade union rates for skilled work being instituted on the basis of a six-hour day,

five-day week, with a minimum of 20 work days a month. They wanted to work, but they wanted to do it for a living wage. Can Members of the House imagine how revolutionary it was for these people to ask that all workers in relief camps be covered by the Compensation Act? They asked that adequate first aid supplies be carried on the job at all times. Those were some of the requests which the Government found so heinous that it would not allow them to even come to Ottawa. They were stopped in Saskatchewan. The borders were closed, as were the rails. These people were prevented from coming to Ottawa to express their democratic God-given rights for better conditions in the work camps. They also asked that the system of blacklisting with respect to national defence and all military control in which men are cut off from all means of livelihood be abolished. They asked for a discontinuance of blacklisting, Mr. Speaker. That was a simple request. They also asked that democratically elected committees be recognized in every camp.

I do not think these requests by the trekkers were heinous enough to have resulted in the type of brutal application of government force which we saw in 1935. I further feel as a Canadian it is important for this Government today, in 1985, if it is truly sincere about beginning to gain back the confidence of young working people, young unemployed people, older working people and older unemployed people to realize that the time has come for it to endorse an all-Party resolution which calls for an apology to redress an event which occurred 50 years ago and which is indicative of the type of Conservative mentality which has led all Canadians to realize that Tory times are tough times.

The Government has its chance today. Private Members have their chance today. They can stand up and vote in favour of a democratically elected institution and vote for democracy. They can stand up and make to these people a general, all-encompassing public apology. I suggest that that act of good faith and of goodwill on the part of the Government would begin to restore the credibility which this Government has lost in insisting upon measures which are anti-worker, anti-family, anti-labour and anti-union with respect to the type of measures we have seen outlined in our discussions today.

Work must be done or the Government's word cannot be believed. Now is the chance for the Government to win back some of the credibility it has frittered away since September 4.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, we have just discovered that if you sit while you speak you get a bum speech. I have certainly noticed that the speeches we have heard fit that category absolutely. We have heard about an issue which took place some 50 years ago. Some of the debate has been twisted in order to put it in a perspective relevant to today. All this under the guise of a Private Member's Bill to advocate socialism! In all of the singsong which the Hon. Member for Regina East (Mr. de Jong) has put forward with respect to the riot of 1935 he spoke about one person having been killed. He ought to have mentioned that the person who was killed was a police officer.

Mr. de Jong: I did.

Mr. Malone: It was not one of the trekkers but one of the police officers.

These are the people who, in their mentality, would like to take the time of the House of Commons to apologize. They would apologize for the Acadians, for small pox given to the Indians, for the tooth decay of the Inuit, for the Chinese Canadians who built the railway and for the FLQ crisis. They would have us apologize to Oregon and Washington because the British Empire did not act fast enough to make them part of Canadian territory. Members opposite wish to rewrite history. They have read up on Engels and they know about Joseph Stalin. They know about how those two rewrote history. They say: "That is for me. Let us rewrite the stuff."

Today, we are talking about a crisis which was world-wide 50 years ago. It was not just a Canadian crisis. It was something which was taking place in the United States, north and west Europe, the Soviet Union and throughout the British Empire. A world-wide Depression was taking place. The Depression occurred because at that period of time in history countries were building protectionist walls around each other. They were building walls so that the economies could not expand. All around the world in 1935, before the Depression, country after country was saying: "It is me. It is mine."

We stand here today after having come through the last few years which were solely concerned with protectionism. Today, the Government says: "Let's open up. Let's use efficiency and initiative so that we can get our products on the world markets. Let's open up trade initiatives." Yet, what is the response of Liberals and New Democrats to that forward piece of thinking? They say: "Do not talk with the United States. Let's close our borders." These are the very people who came here today to apologize for 1935. They are asking to do the same thing as that which took place in 1935. They want us to close up the borders and not talk to the Americans about expanded trade. They are saying that they want to have it all here in Canada without a world market. Now they want us to apologize for that. They want us to apologize for something which took place 50 years ago. The Hon. Member for Regina East cannot even get his facts straight. I cannot think of anything more unbelievable—

Mr. de Jong: Six o'clock. Saved by the bell!

Mr. Malone: I have four more pages of notes. However, since the Hon. Member himself has realized his Bill is not worth a darn and he is calling it six o'clock, why would I want to stand here and debate? Since the Hon. Member has called it six o'clcok, we will let the Bill go where it should.

Some Hon. Members: Hear, hear!

• (1800)

Ms. Copps: Mr. Speaker, I rise on a point of order. I do not believe it was six o'clock when the Hon. Member sat down.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

CUSTOMS AND EXCISE—SERVICE AT BLUE WATER BRIDGE INTERNATIONAL CROSSING

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I would like to talk about a particular and very serious problem in my area. Personnel of the Blue Water Bridge Authority at Sarnia have compiled statistics for me which detail the extent of the traffic back-up on the bridge over the last number of months. These statistics were recorded at 15 minute intervals for four months, from April 29 to August 31, 1985. What these statistics reveal to me is that there is a very serious problem which must be addressed as soon as possible.

Until the end of June there were six custom lanes available for use by customs officers at the Blue Water bridge. In July of this year, the seventh lane was constructed. However, due to a shortage of customs personnel and staff—and we are again threatened with further cut-backs—only half of the available seven lanes were staffed most of this summer with customs officers. Because of this, 44 per cent of the lanes were closed but traffic flows, if anything, continued to increase daily. As a matter of fact, car traffic is up 5 per cent and truck traffic is up a fantastic 20 per cent over 1984.

While this may not seem so terrible because 56 per cent of the lanes were open, in reality this causes back-ups and/or a waiting period of anywhere from 10 minutes to an astronomical five hours, which makes the severity of the situation very apparent and lends to it a note of urgency for action.

On certain occasions during peak periods there is a back-up of vehicles waiting a horrendous two hours just to get over the bridge. This results in cars, buses, transport trucks, in fact all motor vehicles being backed up the full length of the Blue Water bridge and onto the I-94 freeway which approaches the bridge on the Michigan, United States, side.

I would like to cite a few examples. On August 15 at 11.30 a.m. the cars and trucks were backed up 7,000 feet on the bridge. At 1.30 p.m. vehicles were still backed up 3,500 feet, which resulted in a two-hour clearance time. On May 24 five lanes were open at 5.50 p.m. and the cars and trucks were backed up for 2,500 feet. At 6.15 p.m., with the same number of lanes open, the back-up was approximately 5,500 feet for a four hour and thirty-five minute time to clear.

I know my colleague, the Hon. Member for Erie (Mr. Fretz), has similar problems with the bridge in his constituency. I think I can speak on behalf of the tourists who come to Sarnia-Lambton by saying that when faced with such a lengthy delay it would be very easy to throw in the towel and turn around and go home.

It seems ludicrous to me that we now have a Minister of State for Tourism (Mr. Murta) who is placing this year, for the first time, greater emphasis on the beneficial effects of a productive tourist industry, and yet we make it so very difficult for these tourists to come into our country to spend their dollars and boost our economy. I feel that if we do not begin to remove the causes of this problem, we will not have to worry about the tourism industry because we will be lacking the one essential ingredient—tourists.

● (1805)

On the July 4 weekend traffic was backed up on the Blue Water bridge 3,500 feet and there was a five hour clearance time on the bridge on that particular day. Such delays add much frustration to the tourists and does much to discourage Americans and Canadian tourists from western Canada who come to our area via that route, from visiting my area and the rest of Ontario and Canada through this very important port.

Considering that tourism is an $18 billion a year industry and employs more than 600,000 Canadians directly and thousands more indirectly, I believe this is very good reason to look at the problem seriously and make every effort to find a solution. The Government must stop cutting off the right hand with the left hand, as in this case.

I would like to address the problem we are facing with trucks attempting to clear customs. While there are two specific Customs lanes available for clearance, on all problem occasions only one booth was open, again through the shortage and/or deployment of customs personnel. Particular trucks were faced with delays of anywhere from 10 minutes to one hour and fifteen minutes to get through those lanes. Delays are occurring in all instances, even when trucks wish to leave our country. They are probably trucking those very important Canadian exports into the United States.

The outbound booth for traffic is supposed to be manned 24 hours a day, seven days a week. Yet, it has been noted that this booth was closed for 157 hours during this review period. This forces the driver to park his truck and cross three busy lanes of westbound traffic in order to have the appropriate documentation arranged in order to allow him to leave. Must we wait until a serious traffic accident occurs before we act to correct this matter? We should not stand by while our exports are being held up.

Also, during the review period customs employed an extra 12 students. I am concerned about how these students were deployed and whether there was the flexibility to deploy them in the proper manner so that they would be most effective. I suspect that this did not happen.

It is imperative that we find a way to get people across the bridge and through customs more expeditiously. Our inability

to do this affects the attitudes of our visitors. I believe that word of mouth is one way to either completely enhance or suffocate our tourist industry. It also effects the commerce and thus the well-being and standard of living of the community and the country, as well as affecting the ability of our customs officers, as first-line officers, to do their job properly. If we must, I suggest that we find a means to make the existing quota of person years for customs officers work more efficiently and effectively for us.

I believe that the solution is simple. We need to consider having more rather than less personnel at those first-line positions, as well as flexibility for deployment of those first-line officers. This becomes even more crucial when we consider that the I-69 Freeway through the State of Michigan, which will be completed soon, will bring even more traffic through and across the Blue Water bridge.

There is a positive working relationship between the Blue Water Bridge Authority and the customs management. Over $70 million in duties was realized at that bridge last year. It is a very important port.

It would seem that the domino effect is very strong in this particular case. Actions of the customs officers affect the tourism industry and the commerce of the area and the increased traffic flows with the decreasing number of staff manning the booths do little to relieve the problem.

I urge the Parliamentary Secretary and the Minister of National Revenue (Mr. MacKay) to act on this matter swiftly. I offer my assistance to them in any way which may help correct this problem.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, I thank my colleague for raising this issue and offering to co-operate with us. Mr. Speaker, I can assure you that the level of services offered by Customs at Sarnia's Blue Water Bridge in Ontario is presently under on-going monitoring. Monitoring has revealed that in certain cases many factors may have contributed to delays and traffic tie-ups.

Improvements to the main local highways—the link between Interstate 69 in the United States and Highways 402 and 401 between Sarnia and London, among others—have contributed to higher traffic density. Roughly 6 per cent more passenger cars and 20 per cent more trucks have used the Blue Water Bridge. In addition, traffic figures were 54 per cent higher than in winter.

Customs noted four incidents which led to abnormally long delays this past summer. Delays resulted from problems related to work hour schedules and unexpected traffic density. Customs officials agree that customs clearing has to be made easier, but as you know, Mr. Speaker, they are responsible for making sure that our laws are applied and respected.

The Department of National Revenue, Customs and Excise, constantly monitors traffic trends at the Blue Water Bridge to establish peak hours and make sure that enough employees are on duty, as recommended by my colleague. In addition, better use of part time and seasonal employees during summer peak periods will contribute to increase regular staff so that the level of services will be adequate and generally acceptable.

Now that students hired for the summer are gone, more part time employees will be on duty in October 1985. Those part time employees are added to the regular staff, something we found necessary as a result of last summer's monitoring.

In conclusion, Mr. Speaker, the Deputy Minister of Customs and Excise has told the Minister of National Revenue (Mr. MacKay) and myself that there is no plan to reduce the number of inspectors at the Blue Water Bridge. There are now 89 year-persons at that location, including 50 for border traffic operations.

• (1810)

INDIAN AFFAIRS—DEPARTMENTAL REORGANIZATION—EFFECT ON EMPLOYEES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I shall, if I may, start on a more personal note. I welcome this opportunity to participate in the adjournment debate before you the Hon. Member for Gaspé (Mr. Marin). As you know, my grandfather, Louis-Philippe Gauthier, would have been delighted to see you in the Chair. I hereby salute his memory and the riding of Gaspé!

Mr. Speaker, the adjournment debate is supposed to give Hon. Members a chance to expand or reflect on answers given by the Government during Question Period. A while ago, on October 3, I put a question to the Minister of Indian Affairs and Northern Development (Mr. Crombie) about the changes in his department and the eventuality that 1,500 workers in his department, representing one quarter of the establishment, would be laid off. The Minister corrected me, saying that he had never talked about 1,500 jobs, and I would like to quote verbatim from page 7302 of *Hansard*, October 3, and I am quoting the Minister:

> I did not hear about 1,500 jobs from me or from anyone else who has responsibility for the matter. In fact, that was a newspaper report and of course is not the figure that anyone else is using.

Mr. Speaker, during the same Question Period, but perhaps fifteen minutes earlier, I heard the answer given by the Minister to the Member for Cowichan-Malahat-The Islands (Mr. Manly). In his reply to concerns expressed by the Hon. Member regarding the same matter, the Minister said: "Mr. Speaker, we want the 1,500 jobs and more for Indian people, not federal bureaucrats." And that was followed by "Some Hon. Members: Hear, hear!"

Mr. Speaker, I was not talking through my hat 20 minutes later, when I told the Minister: You talked to us about 1,500 jobs. He said as much himself. So perhaps the Minister would like to apologize because he implied to me or at least the House that I was spreading false rumours, and I do not like

that sort of thing. He may have given the public the impression that this was only a lot of idle gossip being spread around by the Liberals.

Mr. Speaker, we have heard about these Government cutbacks and jobs ever since they came to power. According to their Budget, 15,000 jobs will be cut between now and 1990-91, and not long ago, we were told that in departments like the Department of Transport, an estimated 5,000 employees might be laid off.

• (1815)

We were informed that in the public service in general, there were 1,150 jobs in departments such as—and I quote here from an article appearing in *The Citizen* on October 5: "308 jobs cut at the Department of Public Works, including 300 low-paying jobs mostly held by women. The Department of National Health and Welfare is cutting 26 full-time jobs and six term jobs, while the Minister responsible for Amateur Sport (Mr. Jelinek) is cutting five clerical and administrative jobs. The Department of External Affairs is to eliminate 182 positions this year". And I could go on, Mr. Speaker. I could tell you that at the Department of the Secretary of State, it seems 329 positions will be abolished. Several agencies, several Crown corporations have implemented one of this Government's policies, which is to reduce their establishment.

The Minister says that the Hon. Member is spreading false rumours! I wish the Parliamentary Secretary would at least confirm what the Minister said. It is true! He said: "We want the 1,500 jobs and more for Indian people, not federal bureaucrats". I am not here to criticize the Minister or to suggest what he should do, and whether his department should cut jobs to improve the services this Government is supposed to provide to our native peoples. It is not up to me to criticize the Government's policy to decentralize. I believe it is a good thing, but when they say we are spreading false rumours when we are only repeating what the Minister told us in the House, that is cutting it a bit fine.

Mr. Speaker, in last May's budget, the Minister of Finance (Mr. Wilson) himself announced that he intended to cut 15,000 jobs in the Public Service of Canada between now and 1990-91.

I repeat, the way this Government is hurrying to cut back human resources in the public service and agencies and Crown corporations, you would think they are trying to achieve in one or two years the goals they are supposed to attain in four or five, to make the Public Service more effective and efficient.

[*English*]

We were told that this would be done by attrition. At the time of the 1979 Government of a former Prime Minister, attrition was a buzz word. It was the gimmick used to tell people that the Government would cut into the Public Service of Canada and that no one would be affected. Attrition works sometimes, but it does not work all the time.

I should not make an allusion to who is present in the House, but I see an Hon. Member across the way who knows what I am talking about. Attrition is the wrong tool to utilize when trying to make the Public Service more efficient and more effective. The attrition which we are told would be put into effect in this new program of 15,000 job cuts was indeed targeted to reduce x number of jobs in Departments. Months ago I asked the Government to come clean with the directives as to where, what and who would be affected. I have yet to receive a satisfactory answer on the objectives of the Government with regard to cutting the Public Service of Canada.

The most simple-minded individual would tell us that attrition, if used as a tool, will not work. We know that. We cannot replace an engineer with a technician. We cannot replace a meat inspector with someone doing clerical work in a level below the inspector. We cannot possibly use attrition to cut back in the Public Service. That has been proven in practice. It is not a good and efficient manner by which to cut into the Public Service.

• (1820)

In my opinion greater efficiency and effectiveness would be reached if we could consider and discuss here on the floor of this House the policies this Government wants to put into effect to make the Public Service more efficient and more effective. We will get savings by more efficiency; we will get possibly better results and better services by having more effective use of the people presently in the Public Service. We must remember that we have one of the best public services in the world and we must maintain it. We must not continue to spread the fear and the anxiety that these programs are creating amongst public servants.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the Minister of Indian Affairs and Northern Development (Mr. Crombie) is committed to the principles of self-government for native people. In order to achieve this, the Department must transfer programs to Indian and Inuit people, a process which will involve careful planning and consultation. One of the major effects of such a transfer of programs is a down- sizing of the bureaucracy. The Minister is certainly concerned about the affected employees and will ensure that the impacts on them are minimized.

Departmental officials have begun the process of briefing employees, as well as continuing the consultation process with Indian organizations and chiefs across the country. Given the diverse nature of the Department, this process will take some time, but all employees will be made aware of the plan for reorganization.

The cornerstones of this new initiative have been articulated by the Minister. Each of these will have as its central theme programs and policies which respect the dignity and the way of life of Canada's Indian and Inuit peoples.

The Department has been transferring programs to bands for a number of years and has been handling the resultant work force adjustment I think reasonably well. The Minister is calling for a redoubling of efforts within the Department to ensure that all reasonable efforts are made to meet the needs of those affected individuals.

Foremost will be the efforts by the Department to avoid laying off employees. The Department, through human resource planning, will ensure that normal attrition, a word which my colleague likes, and retirements are used to redeploy vulnerable employees into jobs which will not be affected by the down-sizing. These plans and all resourcing for the Department will be tightly controlled, and they will be monitored. If retraining is required for redeployment it will be provided, I assure you.

Eventually some employees will be given notices that they will be surplus. I wish to assure the Hon. Member and the House that every effort will be made to ensure that these employees have continuing employment. In the past many departmental employees have been hired by the bands or Indian organizations, and the Department has established policies which allow bands to set up pension plans reciprocal with those in the federal Government.

Other employees will choose continuing employment in the federal Government. The Department has set up a special work force adjustment unit which controls staffing at a departmental level and ensures fair consideration of surplus staff. The unit provides professional counselling services, helps establish retraining plans and works to meet the needs of individuals affected by changes in the Department.

Mr. Speaker, the Department has led the way in affording employees longer notice than was necessary under the administrative rules of the past Government. The Department gives at least six months notice of surplus to employees.

The Minister of Indian Affairs and Northern Development is concerned. He is concerned about ensuring that Indian people manage the programs which affect their communities. As a result of this initiative the Department will have to down-size, but it will be done in partnership with the Indian people of Canada, with concern for the individual needs of employees and in a manner which minimizes the impact on departmental employees. It will be done in accordance with a timetable that will be developed with the Indian people of Canada. When this timetable is established, the Minister will be in a better position to inform the House about the number of employees affected and the details of special programs to ensure that their needs are met.

● (1825)

AIR TRANSPORT—AIRLINE TICKET TAXES—EFFECT ON NORTHERN TRAVELLERS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, by Order in Council P.C. 1985-2026 dated June 20, 1985, the cap or ceiling of $30 previously applied to the 9 per cent airline ticket tax was removed. In my question to the Acting Minister of Transport put on October 3, 1985, just a few days ago, I pointed out how this was unfair to and discriminatory against northern air travellers.

I am not suggesting that members of the Cabinet, when they sat to discuss that Order in Council, passed it maliciously. I suspect it was an oversight on their part. They were looking at ways to raise additional revenue, in this case about $90 million Canada-wide, and they just did not consider the ramifications for the remote areas of the country. This points out the difficulties that occur when these things are done without proper parliamentary debate. When things are done through Order in Council, all the arguments cannot be brought to bear and things slip by. I would hope, Sir, that as a result of my presentation tonight the Government will change its policy.

In the North, there is very often no alternative but to fly. In a great many places there are no roads, and distances between sizeable communities are much greater than in the south. Per-mile costs are very much higher than in the south. They range from 10 per cent to more than 100 per cent higher. As well, it would appear that unless some changes in policy are to be made, the North is to be denied the full benefits of deregulation. The deregulation process is carrying on quite well in the south but whether or not it will be applied in its entirety to the North yet remains to be seen.

At the same time as this additional tax burden was placed on northerners, we see that literally hundreds of millions of dollars have been spent on transportation subsidies in the south. We need only look at the amount of money being given to Via Rail, for instance, none of which is of any advantage to northern travellers because we do not have Via Rail in that part of the country. I would hope that the policy being pursued is not to subsidize transportation in the south while applying the user-pay concept in the North.

In certain circumstances there has been an increase of up to tenfold in lease and rental fees being charged at the new air terminals in Whitehorse and Inuvik. Fees have been levied to such an extent that operators are not able to use the new facilities.

You will undoubtedly recall, Mr. Speaker, the recommendation of the Air Transport Committee of the Canadian Transport Commission which reported on the adequacy of air services in northern and remote areas in December of last year. The recommendation made as a result of a detailed study by the Air Transport Committee was the very reverse of that brought about by the Government. The commission's recommendation was that the air transport tax in the North be eliminated, quite the reverse of what really happened.

Let us take a look at some typical air fares. In the south, travelling from Toronto to Vancouver, a distance of 4,200 kilometres, costs $842 on a basic fare, and that brings about a tax of $76. In the North, the typical route of Yellowknife to Frobisher Bay, 2,900 kilometres, costs $1,488 on a basic fare, about twice as much per kilometre as in the south, and this would result in a tax of $134, about a 350 per cent increase in the tax previously levied when a cap was in place. At the same time, the tax on international flights has remained at only $15. How are we to encourage tourism in our own country and

particularly in northern and remote parts, when there is this discriminatory tax?

If you lived in Vancouver, Sir, you could fly to Hawaii on a special seat sale fare by spending just about the same amount of money you would pay in taxes to go from Vancouver to Frobisher Bay. That really does not encourage tourism. In the North perhaps 75 per cent to 80 per cent of air travellers are Government sponsored. They are either public servants flying around the country, or people involved with native organizations which are funded by Government. Perhaps they are people travelling for medical reasons, again, at public expense. Thus, in those cases, it is just taxpayers' money being shuffled from one pocket to the other.

• (1830)

This leaves a small number of people such as local business people and tourists who have to bear the brunt of this increase in taxation. That is hardly fair. This measure puts a disproportionate amount of hardship on northerners. I hope the Government will reconsider this matter, and take into account the advice of the Air Transport Committee and its recommendations. I hope the wide-ranging advice which has been received from all types of northern organizations, whether they be municipalities, chambers of commerce, organizations designed to promote tourism, or Ministers of Transport and Ministers of Finance will be taken into consideration. I hope that the cap will be placed back on in the case of northern transportation or, preferably, that the tax will be removed altogether.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to assure my colleague from Western Arctic that it is not the intention of the Minister to pay the $778 million anticipated deficit on the air side through the collection of taxes in the high north. Very few Ministers have shown as much concern for transport in the Arctic as has our present Minister of Transport (Mr. Mazankowski). I share the Minister's concern. I appreciate the remarks of the Hon. Member for Western Arctic (Mr. Nickerson). As he knows, the Standing Committee on Transport will have an opportunity to travel to the North. I am sure the Minister would want me to invite the Hon. Member along on that trip. Indeed, I am sure he would want me to invite all Members from the North to make their views clearly known.

The air transportation tax is the one method by which we help pay for airport facilities and air navigation requirements and needs. As I have just mentioned, the deficit is some $778 million in this regard. That works out to about $58 for each round trip, which is a great deal of money. I was shocked and surprised to learn just how high the formula could take this amount in the North.

The change in tax will shift more of this burden to those who benefit directly. Not very many of us from the south fly in the North, just as I appreciate not very many northerners have access to VIA Rail. The federal Government has given special attention to the development of airport facilities and air navigation aids in the North because, as I have mentioned, it is of concern. There is a general exemption from the air transportation tax for all air travel on aircraft weighing less than 18,000 pounds. My distinguished colleague is aware of that. He may not be aware of the following. It is established that as many as 35,000 Arctic trips annually may benefit from this provision on at least part of their journey, if not the entirety.

Since 1979, smaller Arctic airports have been exempted from landing fees, aircraft parking fees and fuel concession fees, points so ably made by the Hon. Member. With respect to the larger airports and larger aircraft, the points he makes are substantial and true. However, landing fees have only been increased once since 1957 and they still remain approximately 60 per cent lower in the North than they are here in the south.

I reiterate to my distinguished colleague the pending presence in the North of the Standing Committee on Transport. I invite and urge him to make sure that his views are made clear and well known to the members of that committee.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.35 p.m.

HOUSE OF COMMONS

Tuesday, October 8, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canada Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to take part in this debate on Bill C-79, because we in the New Democratic Party are definitely opposed to the Government's decision to hand more than one billion dollars over to companies that had deposits with both banks, that is, with the Canadian Commercial Bank and the Northland Bank, and to do so despite the fact that the deposits were not insured.

Mr. Speaker, there are a number of myths that have been spread around in this debate by some of the speakers on the Conservative side. The story is that the Canadian Commercial Bank was a small Western bank, a regional bank, that was helping the average customer out West and was forced into bankruptcy as a result of the National Energy Program.

Mr. Speaker, I have just looked into the growth figures for the assets of this bank, since some of the Conservative Members have pointed out that the bank was forced into bankruptcy as a result of a program launched by the Liberal Government in 1980.

Mr. Speaker, the facts show otherwise. Between 1982 and 1984, the assets of the Canadian Commercial Bank grew from less than $2 billion to about $4.5 billion, thus tripling within a two-and-a-half-year period. This means that most of the bank's obligations, most of its loans were contracted after the Liberal Government's energy program was put into place. So it was the management of the Canadian Commercial Bank that knowingly made loans on an unsound basis, which have now forced the bank into bankruptcy.

Mr. Speaker, it is also clear that it was not just a small bank run by well-intentioned businessmen and women. There is a whole history of poor management at the Canadian Commercial Bank. In 1981, the bank decided to expand and diversify, the result being that 45 per cent of its assets would be in the U.S. This is not just a regional bank! It was a bank with dealings across Canada that now decided to purchase the Westland Bank in California and also to make further investments in the United States.

However, instead of investing in other sectors of the American economy, it decided to invest in the energy sector. This meant that all its eggs were in one basket, or just about.

Mr. Speaker, they knew that nearly half of their business would be in the United States. So it was not a regional bank.

[*English*]

Mr. Speaker, the Conservative Members who have spoken on this particular subject seemed to think that this was a jolly little western bank, a regional bank and that it should be encouraged because it was making westerners stand proud and giving them a chance to deal with someone locally who would understand the problems of their region.

What the Conservative Members do not say is that while the CCB may have intended to fulfil that role when it first began, it had many other plans as well. They do not talk about the way in which the Chairman, Howard Eaton, took the bank into all kinds of very shaky financial deals. They do not talk about the link with Leonard Rosenberg, the man who at one time sank Crown Trust, Greymac and Seaway Trust in Ontario, who at one point controlled 27 per cent of the share capital of the Canadian Commercial Bank despite the Canadian rules that indicate that a shareholder's holdings should be no more than a maximum of 10 per cent. They do not talk about the fact that in 1983 a cease and desist order was issued on the subsidiary that the CCB had acquired in the United States, the Westland Bank. The cease and desist order made it quite clear that the Westland Bank had made lousy investments, that its accounting practices were wrong, its lending practices were questionable, its costs of doing business and therefore its overheads were too high. Those were the same problems which prevailed with respect to the Canadian Commercial Bank as well.

In its drive to expand at an imprudent pace the Canadian Commercial Bank almost tripled in terms of assets between 1981 and 1984. Its biggest growth, and therefore the biggest increase in obligations which we as taxpayers are now being asked to pay for, was not taken into account before the

National Energy Program was put forward as some Conservative Members have been saying, but came after the National Energy Program was a fact of life. The various taxes imposed by the Liberal Government were a fact of life. The impact that that was going to have, if there was going to be an impact, on drilling, on exploration and on the growth of the oil industry in western Canada was a known quantity when most of the growth of the Canadian Commercial Bank occurred. Therefore it is a myth for members of the Government to claim as they are claiming that it was the NEP that did this poor little bank in.

Incompetence is incompetence whether it takes place in western Canada or whether it takes place in eastern Canada. Mismanagement is mismanagement whether it takes place in western Canada or whether it takes place in eastern Canada. I think that for Conservatives to use this debate as an excuse to vent their frustrations about the National Energy Program is a complete red herring. They should in fact be looking at the factors that brought this Bank down, looking at the incompetence not just of the management of the Canadian Commercial Bank but also the incompetence of the Inspector General of Banks, both under the old Government and the new Government, and the political incompetence which has led us into a commitment made by this Government to bail out depositors in these banks to the tune of something over $1 billion.

• (1110)

The current Bill calls for a payment of $875 million, but that is not all. The Bill does not count the costs that have already been incurred, including the fact that the Canada Deposit Insurance Corporation is in for some $600 million in insured deposits, $280 million for the CCB and $320 million for the Northland Bank. The Bill does not talk about the fact that the Government of Canada and the CDIC already incurred an obligation of some $120 million in the $250-million bail-out that was entered into in March. The Bill does not count the fact that the Bank of Canada has advanced some $1.3 billion to the Canadian Commercial Bank and some $500 million to the Northland Bank through its rescue efforts over the course of the last six months.

Taken all together, we are talking about more than $3 billion, $875 million of which is a direct charge on the Treasury. The money advanced by CDIC will also be a charge in terms of borrowing from the Government of Canada because the Canada Deposit Insurance Corporation is broke right now and any money it advances has to be borrowed from the Treasury. Back in the spring, the Minister of Finance (Mr. Wilson) presented a Budget which projected that we would reduce the deficit by $2 billion or from some $35 billion to some $33 billion. Now we see that more than half of that has been taken up through this one foolhardy project. I for one say that the deficit of Canada should not be allowed to rise and rise continuously just because we are bailing out big corporations and individuals who put money into these banks when they should have known the risks they were taking.

In addition, the money advanced by the Bank of Canada may well wind up being a charge. We just do not know yet if we will have to pay that charge indirectly.

[*Translation*]

What we are seeing, Mr. Speaker, is considerable incompetence on the part of the bank and also of the Government, and we can see this as failure on the part of the Government to act responsibly.

Mr. Speaker, let us first talk about the Government's competence. If a company had financial problems and decided to go to ask a bank for a loan, obviously, a banker would say: Show us all your accounts and prove you are capable of repaying the loan and of recovering once your problems have been solved.

Mr. Speaker, I know people who go to a bank, individuals as well as companies and who are not forthright about their problems. They say: I need $5,000 or $5 million, if they really need $10,000 or $10 million, but they do not want to be frank with the bank because it would refuse to help them if they asked for a more substantial amount.

That was the situation at the Canadian Commercial Bank. The director, the president, the entire executive of this bank decided to hide the bank's real position, thinking they might be able to solve their problems. They asked for a bail-out of $255 million, although they themselves knew perfectly well that the kind of situation they were in would require much more.

Mr. Speaker, for a number of years, the Canadian Commercial Bank had a policy of safeguarding some of its loans by making additional ones.

[*English*]

They gave more money to borrowers to allow them to pay their interest payments and keep their loans from going into default.

[*Translation*]

Mr. Speaker, the bank knew that, and the Bank of Canada . . . the Inspector General of Banks should have known that as well, but instead of asking the kind of questions a bank would have asked, no question were asked at all.

• (1115)

[*English*]

In fact, last May when we debated this matter involving the $255 million, we saw a very curious situation. The Minister of State for Finance (Mrs. McDougall) at that time assured the House that the profits of the Canadian Commercial Bank would rise. I believe I gave some figures with which she agreed. She said that the estimates were that the bank, which had made only $800,000 in 1984 and which was going into a terrible situation with the write-offs in 1985, would nonetheless make $12 million in profit in 1986; $32 million in 1987; $38 million 1989; and $38 million per annum thereafter.

The Minister of State for Finance used to be a respected excutive on Bay Street. She used to work for the Minister of Finance. He, too, was an executive on Bay Street. I wonder

what on earth the country would come to if these people were running the financial affairs of the private sector. Last spring, they were acting as if they were babes in the woods. They were accepting stories which no one in their right mind would have accepted.

Certainly, in participating in that debate, I for one cast my doubts on those estimates of the types of profits which were said to be available. As I indicated, if that type of profitability were available in the banking sector and if the laws of free enterprise worked, then there would be a great many other people to skim off those profits and bring them down to a level which would be more reasonable. In fact, that prediction came true. The bank was nowhere near restoring solvency and nothing was done by the Government to establish exactly what the situation was for a full four months after the Canadian Commercial Bank came in and asked for assistance.

On behalf of my Party I asked where the devil the Bank of Canada was when the press reports came out about the Westland Bank and its problems. I asked where the devil the Inspector General of Banks was. Even if he had only eight inspectors, it seems to me he could well have gone to the tenth largest bank in the country and placed some inspectors in it in order to find out what the devil was going on. If he was not aware of what the situation was, then he was incompetent. If he was aware and was not telling the Minister, then he was irresponsible. Either way, we feel very strongly that his resignation is one of the things which should result from this particular affair.

I am talking not of events which occurred in the course of a month or two, as happened with the rape of Crown Trust in Ontario. I am talking about events which went on for a very long period of time. The rotten management and the rotten management practices at the Canadian Commercial Bank were known for a long time. They were common parlance in the banking industry. The bankers themselves in the big five banks knew the problems they were having with prudent lending practices, in terms of losses which they were taking in Alberta and in British Columbia. They knew, too, that the Canadian Commercial Bank, as a junior bank, was taking risks which they were not prepared to take. Let us face it, pigs do not fly and rotten loans do not turn to gold. Therefore, they knew that the losses experienced by those banks must be a lot greater than the loss experiences they were having with their rather more prudent lending.

Did the Inspector General go in? No. Did the Inspector General hire consultants if he was unable to send his own inspectors in? No. Did the Minister of State for Finance, who must have been seized of these problems when she took over responsibility for the banks back in the fall of 1984, tell him that something should be done? No. The Minister of State for Finance keeps on joking that women are not good enough to sit on the boards of directors of Canadian banks; but now she is running them. Is that not a turn-around? Yes, it is. Quite frankly, I say to her that her responsibility is to prove the type of confidence women can have in the banking sector and not just demonstrate incompetence. We are looking at $1 billion which will flow down the drain because of incompetence, not just of the staff but of the ministry.

I am reminded of the fact that the Minister said she tried to get a director and could not obtain one. She could have named the Inspector General to the board of directors of the Canadian Commercial Bank and told the management of that bank that she would take him off as soon as they put someone decent on the board. She could have placed officials from the Department of Finance on the board, or even retired bankers, as her nominies. She would have been entitled to do that as a condition of the bail-out. However, that did not take place.

Some three years ago, we saw an example of responsibility under the parliamentary system in Great Britain. The Minister and Hon. Members will recall that at that time the Foreign Office staff in Buenos Aires failed to notify their superiors in Whitehall that Argentina was on the verge of making an attack on the Falklands. The gossip was abroad in Buenos Aires at that time and either the Foreign Office staff, the diplomatic staff, did not know, in which case they were incompetent, or they knew and did not tell Whitehall, in which case they were irresponsible. Lord Carrington, who was a very trusted and very senior member of the British Cabinet, submitted his resignation which was accepted because he took full responsibility for the incompetence or irresponsibility of the people who worked under him. He had no knowledge of this, it was not his fault, but he took the responsibility.

• (1120)

I suggest, Mr. Speaker, that it is about time we had that kind of behaviour in this House of Commons. I suggest that when it became clear to the Minister of State for Finance that the bail-out was not working and that the commitments she, the Minister of Finance, the Governor of the Bank and the Inspector General of Banks made might cost the taxpayers a large amount of money, she should in fact have submitted her resignation—which should have been accepted—because that would have been the honourable thing to do. In this case, as well, I would point out, it is not just a matter of things which were done on behalf of the Minister of State for Finance without her knowing. This was a dosier which was a major responsibility in which she was very closely involved and, therefore, she had the ability to know what was going on.

When the Inspector General did not go in, Mr. Speaker, for months upon months to find out about the other portfolio, the Minister of State for Finance should have demanded his head. She should have said, "go in there and find out what is happening". But she did not. She waited for four months, and that was totally irresponsible.

Mr. Hnatyshyn: What have you got against western Canada?

Mr. Cassidy: The Hon. Member who is heckling is not in his seat, Mr. Speaker. Incompetence is incompetence whether it is in the east or the west. The Minister of State for Finance comes from the riding of St. Paul's, which is in eastern Canada. If she came from Alberta, I would still demand her

resignation because of her irresponsibility, which is costing the taxpayers of Canada more than $8 billion.

I would like to conclude, Mr. Speaker, by suggesting what we could do with $1 billion. We are going to be told over the next three years that we cannot do all of these things because of the deficit. We are going to be told, "We do not have any money". We have heard that already. The National Research Council is devastated because of spending cuts. Environmental services are devastated because of spending cuts. With $1 billion, we could spend $500 million and create 66,000 jobs by increasing the number of social housing units financed by CMHC to 50,000. That is something we could do right now but we will not be able to do it because the Minister of State for Finance blew $1 billion on the bail-out of the Canadian Commercial Bank and the Northland Bank.

We could spend $150 million as a down payment in developing a national universal daycare system so that women and families could have that kind of care for their kids, which is essential for young families in these days. The Progressive Conservatives promised a nationwide network of transition houses. That was one of the promises made on television by the now Prime Minister (Mr. Mulroney). We could take $50 million and use that to produce 4,000 new jobs for women and support 300 transition houses to provide refuge for women whose lives and health have been threatened by sexual and physical violence, one of whom in Ottawa, in my riding, was killed a few months ago after 30 years of abuse by her husband.

We could use funding to put $200 million into reforestation and put the economy in western Canada, particularly British Columbia, back on its feet. The forests are being raped right now, Mr. Speaker. We could use $100 million to provide farm mortgage refinancing and $7 million to restore Canagrex as an international marketing agency for farmers, again to help the economy of western Canada.

But if our Party proposes these things, the Government is going to say, "No, we cannot do that because we blew $1 billion on Barbara's folly," and that, Mr. Speaker, is inexcusable. That is why we are opposing this particular Bill.

The Acting Speaker (Mr. Paproski): There being no questions or comments, we shall resume debate.

Mr. George Minaker (Winnipeg-St. James): Mr. Speaker, I am very pleased to take part in the debate on Bill C-79. I feel it is important that we develop the history leading up to the need to bring this Bill forward, what actually took place. I believe this has a bearing on why this Bill is here today.

We were seven months old as a Government, Mr. Speaker, when we were faced with this situation in western Canada. I might point out that these problems occurred far before we, as a government, had the responsibility to deal with this matter. In 1980, changes to the Bank Act resulted in 58 new banks being established in our country. Yet the regulations affecting banks have not even been revised since that date. There has been no regulatory change at all. Not only that, the Liberal Government of the day came out with its famous National Energy Program which devastated the banks in western Canada. We know the effect it had on our economy, yet the Government made no effort to change the regulations or assist in the development of a regional bank in western Canada. I might add that the NDP supported the Liberal Government in establishing the NEP. As a member of the Government from western Canada, I am very proud that we tried to save these regional banks in western Canada. Regional banks are very, very important to our economy, not only in western Canada but in all areas of the country. Regional banks have the pulse of the community in which they operate. They know the small business community, they are part of it. I am a member of the Standing Committee on Finance, Trade and Economic Affairs and we had a long series of hearings during which we had the good fortune to hear a presentation from a well-known U.S. economist by the name of Thibaut de Saint Phalle. He is well known in the economic field. I want to quote the following from page 8 of his brief to the committee:

● (1125)

> Regional development is particularly important to Canada given the extent of its undeveloped wealth. It should be high on the Government's priority list. But regional development in no way depends upon local regulatory authority.

He believes the regional banking system is important to our economy, and I support 100 per cent the efforts of our Government to retain these regional banks in western Canada. He went on to say:

> Recent events in western Canada involving the difficulties of two small Canadian banks may well discourage the Canadian Government from taking action at the present time on the proposals before this committee. There is always a natural tendency to believe in such situations that the event would not have occurred if there had been more Government regulation. We are passing through a similar phase in the United States during a period of time where savings and loans, a large money-centre bank, and numerous government-securities firms have gone under. If local development, which is so necessary in a developing, though mature, economy like Canada's, is to progress, local banking institutions are in my view to be encouraged regardless of temporary set backs.

Mr. Speaker, I would also like to comment on the Opposition's position and the effect it had on this entire situation. Back in March the Governor of the Bank of Canada, the Inspector General of Banks, six of the Schedule A banks, along with the Provinces of Alberta and B.C. as well as the federal Government, sat down and decided it was worth while saving these regional banks based on the information they had at that time. That to me was a visible assurance to the people who had money deposited in these banks. This group of Government and industry representatives came together and said that this cash infusion should result in the stability of the bank. That was a visual insurance to the investors and depositors that it was safe to leave their money there. There is no doubt in my mind that the depositors felt assured that everything was going to be fine.

● (1130)

What was the Opposition's position on this, Mr. Speaker? It had an integral part in this scenario, and I believe it was a discredited part. There were wild statements made in the House of Commons by the Leader of the Opposition (Mr. Turner). To give you an idea of how the Opposition was trying

to disturb the stability of the depositors and investors, I would like to quote the Leader of the Opposition as reported in *Hansard* of September 17. He said:

> Mr. Speaker, would the Prime Minister have authorized the bail-out if he had known, as we now know, that between the time the CCB received a cease and desist order from the Federal Reserve Bank in San Francisco and the time it came before the Inspector General of Banks on March 14, it had transferred all of its good assets and good loans down to the California subsidiary? The California subsidiary is still prospering; it is the Canadian parent in western Canada which is now bankrupt.

A headline the next norning read, "CCB transferred millions of dollars to the U.S., Liberals charge". I quote from *The Globe and Mail* of September 18 the following:

> The Liberals charged in the House of Commons yesterday that the Canadian Commercial Bank transferred up to $300 million in good loans to its ailing U.S. subsidiary shortly before the CCB itself received a $255 million bail-out.

The next day in *The Citizen* a headline read, "U.S. contradicts Grits on CCB cash transfer". The article reads in part as follows:

> However, David Scott, deputy superintendent of the State Banking Department in Los Angeles, told *The Citizen* Wednesday the U.S. Federal Reserve Board did not warn the CCB of a pending "cease and desist order" about Feb. 21 as Turner claimed.
>
> He also said there was no flow of $300 million in assets to the Commercial Center Bank, the CCB's California subsidiary.

I think that was part of discouraging the depositors and investors in the Canadian Commercial Bank. It obviously concerned them when the Leader of the Opposition made false charges of this nature right in the House. This is the kind of support that the Official Opposition gave to the attempt to save a western regional bank. The NDP itself is not without fault. It called for an emergency debate on the Northland Bank.

Mr. Riis: The Speaker agreed with it and so did you.

Mr. Minaker: They talked about the CCB and its potential failure. They talked about the crisis in the banking industry. All of these words are cause for alarm for depositors and investors in those banks. At that time the Government was trying to assist the integration of moneys into the Northland Bank to help it survive the situation it was in. Therefore, the NDP is not without fault in my opinion. They discouraged the attempted salvation of these two regional banks in western Canada.

I feel that the Government has a moral obligation to help the depositors and investors who stayed with the bank upon receiving visual assurance in March when the banking community got together with the provincial and federal Governments to save these institutions. Who are these depositors?

Mr. Riis: The Bank of America.

Mr. Minaker: It is interesting to note who they are. If we had decided not to help these uninsured depositors I wonder whether the Opposition would have taken the reverse approach and asked us why we were not helping the credit unions. There is approximately $130 million on deposit by the credit unions and their centrals in these facilities. Does the Hon. Member for Kamloops-Shuswap (Mr. Riis) have a credit union in his riding which has moneys in that bank?

Mr. Riis: Three of them.

Mr. Minaker: Is there a school in his riding which is a depositor in that bank?

Mr. Riis: No.

Mr. Minaker: They are very selective in the way in which they would like this assistance to flow. Among the depositors are pension funds, both public and private, with third parties involved.

Mr. Riis: Which ones are they?

Mr. Minaker: Why should they not get their money back if there is a moral obligation? Does the Opposition want to become selective and give the money only to the credit unions, universities, colleges, and schools?

Mr. Riis: That's right.

Mr. Minaker: If it does not want to give any money back, why does it persist in giving the Government heck with regard to transfer payments to the provinces? The transfer payments which the federal Government gives to the provinces cover education, medicare, and the costs of the provincial Governments themselves which have deposits in these banks. On one hand opposition Members say that we are not giving enough in provincial transfer payments, and on the other hand they are criticizing us for helping out the facilities and institutions which happen to have deposits in this bank. I have great difficulty in understanding why, on the one hand they want to save the credit unions but, on the other hand, they criticize us for assisting them in this particular situation. My understanding is that the credit unions have more money invested in these two banks than the foreign banks have. Can we decide to give money only to the credit unions? There are labour unions with money on deposit. Do we give money only to them?

Mr. Riis: Name them. Who are they?

Mr. Minaker: I find it difficult to understand how the members of the Liberal Opposition can say that $100 million is needed for Domtar in Quebec, and, on the other hand, they criticize the federal Government for trying to help small industries across Canada which have moneys on deposit in this bank. As Hon. Members know, small businesses could have been using this bank as a clearing house. At the time when the bank was closed down they may have had accounts in a surplus situation. They owe people money, and all of a sudden they lost $140,000. This is a situation through which we can help a wide range of institutions by supporting the uninsured depositors.

I would like to refer again to the Opposition's approach to what I call selective aid. The Hon. Member for Ottawa Centre (Mr. Cassidy) said that we could assist other agencies with that money. A member of the Liberal Party stood up and said

that the fishermen need $6 million or $8 million in aid. A member of the NDP stood up and said that we must help the farmers. I agree that we have problems in western Canada, but do we become so selective that we decide to help the farmers, but not those farmers who have retired and have their pension money in these banks? Does the Opposition want selective aid? Does it want to discriminate against depositors? Does it feel that there is no moral obligation to those who had faith and tried to keep this western regional bank going?

Mr. Riis: Not the Bank of America.

Mr. Minaker: Is that the position the NDP has taken? In my opinion we have a responsibility to ensure that our economy continues to grow.

● (1140)

Finally, the statement we hear about a billion dollar bail-out is incorrect.

Mr. Riis: It is $3 billion.

Mr. Minaker: A $3 billion bail-out is also incorrect. You are assuming that there is a 100 per cent loss on all of the assets of those two failed banks. However, there will be some money left when these banks are wound down. Perhaps it will be 60 cents or 70 cents on the dollar.

Mr. Riis: It could be 30 cents.

Mr. Minaker: It could be 50 cents or 60 cents. However, we are looking at the difference. For example, if there is $530 million in uninsured deposits, we are talking about only $160 million if there is a return of 70 cents on the dollar. Is it not worth-while for the economy of Canada to spend $160 million on that one bank, if that is the liquidation cost, to save the credit unions, the hospitals, institutions, schools, unions and those third-party depositors who have their money invested in pension plans? The statements in the press reflect a 100 per cent loss, yet we know that this will not happen.

The Hon. Member for Ottawa Centre suggested that all the money will come under general budgetary costs. That is not correct. Members of the Finance Committee know and Members of the House should know that the deposit insurance fund, which is financed by the banking institution, will bear a major portion of the costs. They know that there is a proposal being considered to increase the premium from one-thirtieth of 1 per cent to one-tenth of 1 per cent of the deposits. Yet, Members of the Opposition will not say so. They claim that the taxpayers will bear all the costs.

I am pleased to support this Bill. I believe that we are correct in recognizing the moral obligation to these depositors and that it will be good for the country in the long run. When Canadians realize that the actual costs are much lower than those being projected by the media and the Opposition, they will see that in the long run this measure will be good for Canada and Canadians.

Mr. Gray (Windsor West): Mr. Speaker, I understand that I will be the next speaker for the Official Opposition. However, before entering the debate, I want to ask the Hon. Member how he can claim that statements made by the Leader of the Official Opposition on September 17 harmed the confidence of depositors and investors in the Canadian Commercial Bank when the Government itself closed down that bank two weeks before?

Mr. Minaker: Mr. Speaker, I believe that it was harmful to the Northland Bank and the whole banking system in western Canada. It caused fear not only among depositors but among investors about the stability of the banks and whether there would be a run on the banks. The general public does not really differentiate between the CCB and the Northland Bank. They consider it in terms of a western regional bank.

It was not only that statement that was harmful but also the general questioning throughout the period after the infusion of funds took place in March. I believe that the constant questioning on this issue undermined the confidence of those people who may have either deposited or invested in the CCB. I was using the statement referred to by the Hon. Member as an example of how the Opposition would make any statement in order to gain political points. I believe that affected the ability of Northland to find investors to keep it going.

Mr. Gray (Windsor West): Mr. Speaker, surely the lack of confidence in the Northland Bank was created by the Government itself when it linked the Northland Bank with the Canadian Commercial Bank by trying to wind it up last March at the same time it applied to wind up the Canadian Commercial Bank. If the Government itself made that expression of lack of confidence, how can the Hon. Member expect the financial community itself to have any more confidence in that bank?

Furthermore, is it not a fact that doubts about the viability of the Canadian Commercial Bank and the Northland Bank were expressed from the time of the rescue in March and afterwards by financial journalists and the financial community itself, which is well before questions were raised last September when the Government announced that it was closing down the Canadian Commercial Bank? Is the Hon. Member telling the financial community that it should have shut up and not asked any questions?

Mr. Minaker: No, Mr. Speaker.

Mr. Nystrom: Mr. Speaker, I have a very short question and, depending on the answer, a quick supplementary. Does the Hon. Member believe in free enterprise? A yes or no answer would be adequate.

Mr. Minaker: Yes, Mr. Speaker, I believe in free enterprise. I also believe that there are moral obligations involved when the free enterprise system is encouraged to save a facility. The provinces of Alberta and British Columbia, the Government of Canada, the Governor of the Bank of Canada, the Inspector General of Banks and six major banks indicated at the time

they invested their money that, based upon the information they had the bank was sound and could continue operations. They asked free enterprise to stick with the bank, and I believe there is a moral obligation to those people who stayed with it pursuant to the assurances they had in March. I believe in free enterprise.

Mr. Nystrom: How can this be called free enterprise when there is such massive government interference amounting to hundreds of millions of dollars? It was always my understanding that the free enterprise system meant letting the market forces determine the weak from the strong so that those who cannot compete in the market-place would unfortunately fail. That is what I have been told by many free enterprisers over the years, "If you cannot survive in the market-place, you probably should not be there because you are inefficient".

How can the Hon. Member be a free enterpriser on the one hand while, on the other hand, justify such massive Government intervention and bail-outs? That is not free enterprise at all.

Mr. Minaker: Mr. Speaker, let me throw the question back to the Hon. Member. If he is for free enterprise, does he support the request for aid to the farming community because of the drought situation or do we just let the market-place take its toll? In the case of a drought, it was an act of God, while in the other case it was an act of the Liberal Party with its National Energy Program.

Mr. Clinch: Mr. Speaker, the Hon. Member referred to the National Energy Program and how it negatively affected western Canada. Would he elaborate on that statement, because it would be very enlightening for Members from the east to know how that program affected confidence in western Canada and ultimately how confidence in those banks may have been diminished because of that program?

Mr. Minaker: I thank my colleague for that question. I will attempt to keep my answer short but I could go on for 25 minutes on this subject.

The first impact after the National Energy Program was announced was an exodus of drilling rigs to the United States. Without the search for oil and gas, primarily in the provinces of Saskatchewan and Alberta, the demand for manpower began to decrease. There was no drilling or construction of new refineries. The demand in the real estate markets for such things as housing and the activity in the business community fell.

These banks obviously had real estate holdings in the various spinoff industries from the oil finds. That was the general impact that took place and one of the major reasons that these banks failed.

• (1150)

Mr. Murphy: Mr. Speaker, I have a comment and then a question for the Hon. Member for Winnipeg-St. James (Mr. Minaker). He made much about the fact that the National Energy Program created hardships in western Canada. However, if he looks at the situation, especially the one at the Canadian Commercial Bank, he will realize that there was bad management of that bank. Certainly that was made very public over the last few months.

We, as taxpayers of Canada, are being asked to bail out an undisclosed number of individuals and corporations. We do not know who they are or how much they will get. I think we should know those facts.

I realize that I have very little time in which to direct my question to the Hon. Member. However, he used to be a Cabinet Minister in the Province of Manitoba under the premiership of Sterling Lyon. Does he not believe that Sterling Lyon, who is a member of the Board of Directors of the Canadian Commercial Bank and who has always been a strong free enterpriser, would tell him that if we do not know to whom the money is going, we should not pay it?

Mr. Minaker: Mr. Speaker, I do not think that I would be giving away Cabinet secrets by saying that when we were in the Government of Manitoba we discussed the question of saving the credit unions in that province.

Mr. Murphy: But you did not do it.

Mr. Minaker: We would have done it. We were in the final stages at the time defeat occurred; we were in the throes of saving the credit unions. We, as a Government, did not ask for the names of the people who had moneys on deposit with the credit unions.

Mr. Murphy: And you did not bail them out.

Mr. Minaker: The Premier of Manitoba at that time, Sterling Lyon, did not request the names of the depositors in all credit unions in Manitoba. I see no difference in this case.

I have been a member of different levels of Government, and I had to sign declarations of holdings, et cetera. I never believed in them but I signed them. If an individual obeys the regulations of the land and the regulations of a bank, if he has moneys on deposit in that bank and has the faith to leave it there, then I see no reason why we would need to know his or her name.

Mr. MacLellan: Mr. Speaker, I certainly do not agree with the comment that the National Energy Program caused the problems in these two western banks. The Government is trying to throw the blame on the former Liberal Government. It is ridiculous to state that that is the reason; we have heard the comments about bad management and about the moneys which went from this bank out of the country.

If the Hon. Member for Winnipeg-St. James (Mr. Minaker) and his Government firmly believe that the National Energy Program was the cause of the problems, and since the NEP has been in place for quite a number of years, why did they not bite the bullet in March? Surely, if it was only the National Energy Program, the additional months would not make any difference.

Mr. Minaker: Mr. Speaker, I will try to keep my answer short. The information given to the Government and to the bank involved indicated that an infusion of money at that time would stabilize the bank. Being a Government which believes in regional banks, we have tried to maintain both banks. If the Hon. Member has an opportunity to read *Hansard* tomorrow, he will see that I indicated that I felt the National Energy Program was a major contributor to the failure of these banks, not the only one.

Hon. Herb Gray (Windsor West): Mr. Speaker, yesterday the Right Hon. Leader of the Opposition (Mr. Turner) moved the following amendment:

this House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds.

In speaking about this Bill, and in particular about the amendment, the first point which has to be made is that this Conservative Government must bear the full and ultimate responsibility and blame for a fiasco which will cost taxpayers, not simply the $875 million requested in the Bill, but close to $3 billion in total. I am talking about the Government's bungling first last March of the rescue of the Canadian Commercial Bank, the failure and closing of that bank itself and then the failure of the Northland Bank over the past few weeks. The $875 million, which the Bill indicates would be needed to reimburse uninsured depositors in the Canadian Commercial Bank and in the Northland Bank, is only one part, the smallest part, of what Canadians will have to pay for the Government's mismanagement of the CCB and the Northland Bank affairs. The Government will have to find close to $2 billion to cover the advances of the Bank of Canada to the two banks in question. We are talking about amounts which are very large. Certainly the $875 million in this Bill alone is a very large amount by anyone's standards, by the standards of any Canadian in any walk of life.

There is a basic principle which in this case above all has to apply, that is, if taxpayers' moneys are to be spent, then Parliament on behalf of taxpayers should know who will get that money. If, as the Deputy Prime Minister (Mr. Nielsen) said, this principle applies to cases such as the travel expenditures of the Minister of State for Transport (Mrs. Blais-Grenier), surely it must apply when we are talking about billions of dollars, not just thousands of dollars, which have to come from the ordinary taxpayer, the ordinary Canadian.

The Minister of State for Finance (Mrs. McDougall) said yesterday that the privacy of individuals has to be protected, that was what the law indicated and that was what individual depositors were entitled to, if they were to have faith in our banking system. Surely what she said applies only in circumstances where depositors deal with their banks in the ordinary way and when their banks are doing business in the ordinary way. However, when we are talking about the failure of the Canadian Commercial Bank and the Northland Bank, surely we are not dealing with normal circumstances. These banks have failed, and the normal course of action under the law is that depositors would be compensated only for deposits under $60,000. Surely depositors knew that, or should have known that, when they put their money into those two banks. Canadians are entitled to ask why Parliament should treat these depositors differently when it comes to reimbursing them for amounts above $60,000, if these people are not even willing to disclose their identity and the Government is not even insisting that they disclose their identity to Parliament and to Canadians generally.

The Government in itself and by itself supplies the reason for the approach in this Bill. It provides the answer to the basic question as to why depositors should be reimbursed for deposits in the Canadian Commercial Bank and in the Northland Bank in excess of the amounts insured under the ordinary law. The answer is a simple one. The Government is saying that this should be done because this incompetent Conservative Government induced depositors to stay with these banks when it said that they were viable and would survive. The Minister of Finance (Mr. Wilson) and the Minister of State for Finance said over and over again that the bail-out or the rescue last March of the Canadian Commercial Bank made the bank viable. In effect, the Government gave its word that the Canadian Commercial Bank would survive.

The Government was wrong. It bungled the bail-out. It bungled its obligation to monitor the situation properly after the bail-out had been approved by Parliament. This incompetent Conservative Government is asking Parliament, and therefore ordinary taxpayers, individual Canadians, to pay for its own incompetence and its own mishandling of this bank fiasco.

• (1200)

Mr. Speaker, these are extraordinary circumstances and surely the Government's argument that the privacy of depositors should be respected cannot apply in these extraordinary circumstances. The Government says that the Bank Act prevents it from releasing the names of the depositors. I say, show us exactly where in The Bank Act it says that this cannot be done. If there are legal opinions that the Bank Act says this, show us the legal opinions in question; table them in the House. Even if the Bank Act does say that the confidentiality and the identity of depositors has to be respected, surely the Act can be amended to clear up this point to take into account the very extraordinary circumstances that we are dealing with now, circumstances that the Bank Act was not intended to deal with in the ordinary course of its application to the banking industry of this country.

Let me say again, surely the Bank Act and what it says about the privacy of depositors applies only in a normal bank situation where a bank continues to do business in the ordinary way. Here we are dealing with the winding up of a bank, in effect a bankruptcy proceeding, in effect the bankruptcy of a bank. In a bankruptcy proceeding if a creditor wants to be paid what he is owed by the bankrupt firm, that creditor has to file a claim and his identity is public, it is known, it is listed. That list is public. If he does not want to do that, then that creditor's claim is not paid.

The Government has failed to provide any convincing and reasonable explanation that any ordinary Canadian would accept as to why things should be different when it comes to paying the uninsured depositors of the Canadian Commercial Bank and the Northland Bank. I say that no *bona fide* depositor would feel that the terms on which he or she put money into the Canadian Commercial Bank or the Northland Bank were not being followed if it was a requirement of the law that in order to be reimbursed for uninsured deposits his or her identity had to be disclosed. Those terms were only that deposits were confidential in the ordinary course of banking business and if the bank failed each depositor would get only $60,000 from the Canada Deposit Insurance Corporation. Any person who wants his identity to remain confidential, if that person is a depositor in the Canadian Commercial Bank or the Northland Bank, is saying in effect that reimbursement should be made only for the first $60,000 of the deposit.

In this Bill the Government has gone partway toward the Liberal position in that the Bill says that a depositor must file a claim for the uninsured amount of his deposit. However, the Bill does not specifically say that the depositor's identity must be publicly disclosed. We say that the Government can and should insist on this as a condition of the claim being paid, and in fact the list of claimants has to be made public and this has to be written clearly into the law.

Why should any *bona fide* depositor object to this? What has any depositor got to hide, or, a much better question, what does this incompetent and bungling Government have to hide? Are we talking about firms or individuals who are particular friends of the Government? What exactly, under the circumstances, is the Government trying to keep back if identities are not disclosed? If the indentities of uninsured depositors are not disclosed, then the Government itself has created doubt and a suspicion which will be left hanging over this fiasco for a long time to come.

We are not talking, after all, only about little guys looking for a safe place in which to put their life savings. The figures tabled yesterday by the Minister also suggest that there are a lot of depositors who put their money into these banks as an investment to get a higher return. A higher return implies a higher risk, and this Government has not yet made a convincing case as to why people who put money in deposits into the Canadian Commercial Bank and the Northland Bank as investment should not bear all or part of that risk above $60,000 rather than having the burden assumed by the ordinary Canadian taxpayer.

The only real answer to this kind of question is that the Government is saying that the depositors in these banks should not have to suffer from the bungling of the Governemnt and its Ministers and that the burden should be placed on the ordinary taxpayer. There was bungling here, there was incompetence, there was mismanagement of the situation by the Government and its Ministers in how they dealt with this bank fiasco.

The Government is trying to evade its responsibility by talking about the economy of western Canada and by suggesting that the problems of the banks were recent and even hinting at problems with the system of bank regulation and bank inspection. When the Government first proposed the bail-out of the Canadian Commercial Bank last March it blamed the problems of the Canadian Commercial Bank not on the western Canadian economy and the National Energy Program but on the Canadian Commercial Bank's own investments in California in energy projects and real estate. There was not any National Energy Program in California.

When it comes to the possibility of problems with the Canadian Commercial Bank and the Northland Bank, going back several years, and the question of the efficiency of the regulatory system with which the Government found itself when it took office, let me say this. No bank failed under the last Liberal Government. No bank has failed in this country since 1923. It is only after this incompetent Conservative Government took office that we have the failure of not one but two banks. If there are problems with the regulatory system, is it not funny that that regulatory system worked until the Conservatives took office? I repeat, no bank failures took place under previous Liberal Governments. They happened only when the Conservatives took over.

If the system of bank inspection needed improvement, why did the Conservative Government not move immediately to make changes as soon as it took office? The Conservatives boasted how they had been spending years to plan the transition, years to plan what had to be done once they took office. They moved quickly in their November economic statement to modify all sorts of Government programs and Departments. They could have done something with the office of the Inspector General of Banks if the problems connected with it were so obvious. Instead, they continued to make decisions based on the operations of the Inspector General's office as they found it when they took office. They made decisions for which they have to assume responsibility.

The fact is that only this incompetent Government and its two incompetent Ministers, the Minister of Finance and the Minister of State for Finance, are responsible for the decision to bail out the Canadian Commercial Bank and only they are responsible for the decision about the form and manner of that bail-out last March. This took place after the Conservatives had been in office for a good seven months—or should I say a very bad seven months.

The Conservatives said to Parliament last March: "The situation is urgent; the Bill to save the Canadian Commercial Bank has to be passed quickly. We worked out a package", they said, "and it is the right package. We worked it out in consultation with the banks and the provincial Governments. Trust us", the Government said, "we know what we are doing".

With all the doubts we had about the Government, we felt, with great reluctance, that if the banks and the provinces were involved surely the Government would not put forward a proposal that had not been properly worked out and was not soundly based. It turns out that this Conservative Government misled the Canadian people and Parliament because we now

know that there was no proper basis for the Government's decision to structure and carry out the bail-out package it had put before Parliament last March. We now find that there had been no independent evaluation or assessment of the Canadian Commercial Bank's loan portfolio before the Government decided to rescue that Bank. The Government in fact, before that rescue decision, rejected offers of the other chartered banks to carry out a quick but sound independent assessment of the value of the Canadian Commercial Bank loan portfolio. This bungling Government, instead of carrying out a sound assessment of the loans or having the other banks do it, took the word of the bank management, the very people who had been there when the Canadian Commercial Bank got into trouble. This bungling Government did not even insist as a condition of its rescue of the Canadian Commercial Bank that that incompetent management be replaced.

• (1210)

Obviously this bungling Government did not properly monitor the operations of the Canadian Commercial Bank once the rescue package was in place. Its previous management was left in place by the Government and the Government did not even make sure that that management filed reports of liquidity, reports required by the law. The rescue package was in place and the Government went back to sleep and put the wellbeing of the financial system at risk. The Government finally got around to having an independent assessment done of the value of the Canadian Commercial Bank loans only months after the bail-out was approved.

Not only the Government as such but the Minister of Finance and the Minister of State for Finance must bear personal responsibility for this fiasco. The Prime Minister (Mr. Mulroney) also must bear personal responsibility. There are strong rumours which have not been denied indicating that the Prime Minister personally insisted that this bail-out be carried out in a rushed, hurried and incomplete manner so as not to spoil the PR image of his national economic showcase, a showcase he has put forward in his imperial presidential style under the guise of valid consultation with the Canadian people. That did not turn out to be the case at all, as we learned from the Budget.

It is this incompetent Conservative Government and its bungling Ministers who made the deision and must bear the responsibility for the decision to rescue the Canadian Commercial Bank. The form of the rescue package and the lack of proper analysis before the package was decided on is their responsibility as well. They must bear the responsibility and blame for saying over and over again that the Canadian Commercial Bank was viable once the package was in place, thus enticing people to deposit and keep money in that bank. They must bear the blame for the failure of Northland by linking Northland to the Canadian Commercial Bank last March in a way that I think almost ensured its failure. Now, to compound its bungling, this incompetent Government wants Parliament to hand over almost $1 billion to people it will not identify. Taxpayers have a right to know who is being bailed out. Parliament has a right to have, on behalf of the Canadian people, a list of the names and addresses of all those who have deposits in those banks. To conclude, I would like to say that if the Government does not do this, Canadians will ask what the incompetent Government has to hide in this entire matter and whom it is protecting. Canadians will draw their own conclusions, conclusions which will, quite properly, be adverse to this incompetent Government.

The amendment proposed by the Leader of the Opposition must be approved by this House if the public interest is to be protected. I say on behalf of all Canadians, approve this amendment or this Bill does not deserve to be approved by the House.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. In his speech, he mentioned that no bank failed while the Liberal Party formed the Government and it is only since this Conservative Government took over that we have had these problems. Does the Hon. Member not recognize the fact that while no banks failed between the years 1980 and 1984 while the Liberals formed the Government, 17 trust companies failed? People with deposits in those trust companies have been compensated or will be compensated by the Canada Deposit Insurance Corporation, a federal institution.

Does the Hon. Member not realize that if the Liberal Government had established the kind of monitoring policies which were needed and which we now see were so deficient, we would not have had the failures of those trust companies or of the banks with which we are now dealing? The Hon. Member shoul look at his own record and not simply attack the Conservatives, though I am certainly not here to defend the Conservative Government.

Mr. Gray (Windsor West): Mr. Speaker, the Hon. Member said that he is not here to defend the Conservative Government. However, he certainly sounds as if he were. He may want to rise later to withdraw his remarks.

I would like to deal with the specific question raised by the Hon. Member. If the Hon. Member were to check, he would find that the trust companies in question all fell under provincial jurisdiction—

Mr. Blenkarn: They were not.

Mr. Gray (Windsor West): They were not subject to federal jurisdiction. If I am wrong, I will correct that but either all or most of them fell under provincial jurisdiction. If I am not mistaken, most of the trust companies in question fell under the jurisdiction of Conservative provincial Governments. I think we have to deal with matters under our own jurisdiction. I repeat that the regulatory system of banks worked until the Conservatives took over. No banks failed until this incompetent Conservative Government took office.

[*Translation*]

Mr. Lanthier: Mr. Speaker, the House is now debating an amendment aimed at revealing the identity of the banks' depositors. Members opposite seem to have their signals mixed up, they are attempting to compare or add apples and oranges.

I learned the rudiments of finance on St. James Street, which may or may not be in the same league as Bay Street, but the Hon. Member can always consult his colleague, the little guy from Bay Street, and find out whether the principles are different. We were told there is no common link between the depositors and the shareholders of a banking institution. In a case of liquidation debenture holders and shareholders are not covered and their identity is made public as it is in any other bankruptcy, Mr. Speaker. I think an attempt is being made in the debate at confusing the issue of confidentiality in banking institutions. Incidentally I might point out that confidentiality is a relative concept here since the Government has access to everything. There are some countries where confidentiality is a commercial commodity—Switzerland to name one. We are not prepared to go that far, but had Liberal Party Members attended all sittings of the Standing Committee on Finance, Trade and Economic Affairs they would have seen for themselves the banks, credit unions and caisses populaires were all strongly against publishing the names of depositors before or after the collapse of a banking institution.

Mr. Gray (Windsor West): Mr. Speaker, fortunately I do not have my colleague's experience on St. James Street. Quite possibly such experience is no better than that of the Minister of State (Finance) (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) on Bay Street, because it sure did not help them avoid the bank fiasco.

Mr. Speaker, I emphasize the fact the identity of bank depositors must remain secret only when the institutions continue to operate in the normal way. We are talking about an extraordinary situation, the collapse of a bank. On behalf of ordinary Canadians I have to say that if the Government wants to waste almost $3 billion of the taxpayers' money, we want to know the names of individuals who expect to get their money back, because this whole exercise is due to the incompetence of this bankrupt Government.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, the Hon. Member for Windsor West claims that not a single bank went belly up when his Government was in office. Well, the whole country went bankrupt while you were in office! Unemployment reached unprecedented levels, interest rates skyrocketed to the extent that the one region in Canada which at long last might have spurred our economic recovery had to throw in the towel, not only because of those interest rates but because of the National Energy Program as well. There is no need to hide the facts and take this holier-than-thou approach. You know that your policies did ruin our country's economy. The only explanation for the fact that not a single bank declared bankruptcy is that they had agreements which we want to honour today.

Some individuals may have made the unfortunate decision to deposit money in banks which perhaps were not as conventional as others, but I fail to see why we should punish them by revealing their identity as well as jeopardizing their privacy and their confidentiality. That is indeed a lack of ethics which is strangely similar to the kind of approach you took when you were on the Government side.

• (1220)

Mr. Gray (Windsor West): Mr. Speaker, I should like to say first of all that if the Hon. Member is referring to a situation which has existed in Canada for a number of years, she should recognize that Canada shared these economic problems with all the other countries of the Western world, and that if the situation is now better than it used to be, it is not so much because of the policies of this Government but rather because of those of the Liberal Government, the impact of which took a little time to be felt.

Also, Mr. Speaker, if we refer to the situation of the banks, in spite of the economic situation and the energy program, we are blaming a decision of this Conservative Government . . . an ill-advised decision made in March of this year to bail out the Commercial Bank of Canada. I have presented the facts to clearly demonstrate that this decision was quite wrong then and that the Government must now assume full responsibility for that decision, as well as for allowing both these banks to fail a month or so ago.

No matter what Hon. Members opposite may say, Mr. Speaker, and whatever the economic situation may have been these past few years, their party was in power when these two banks failed, and they failed because of decisions taken last March by this same Government. We have been dealing daily with this situation for over a month now, and this bankrupt Government must assume full responsibility for the failure of these two banks, although it is the Canadian people who in the end will have to foot the bill.

I can assure you, Mr. Speaker, that it is this bankrupt Government which will foot the bill come election time.

[*English*]

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. I recognize the Hon. Member for Yorkton-Melville (Mr. Nystrom) on debate.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I too wish to say a few words with respect to this Bill. A good place to start is by taking a look at what happened in this House many years ago, long before I arrive. In 1957 the Government of the day under the leadership of Louis St. Laurent had grown arrogant with old age. At the time there was the great pipeline debate. Prior to the 1957 election, C. D. Howe, a powerful Minister in that Government, threw up his hands and said: "What's a million?" We now have a Government which, after only a year in office, is in effect throwing up its hands and saying: "What's a billion?" C. D. Howe was defeated after he made that comment. He was defeated by Douglas Fisher in the Lakehead riding. The people thought he was

being sloppy and arrogant with the use of taxpayers' money when he made his comment. How times change.

[*Translation*]

Mr. Speaker, it is C. D. Howe who asked a long time ago: "What is a million?" He was defeated by the Ontario voters of Thunder-Bay becaused he had asked this question: "What's a million?"

Now we have a Government which has just asked "What's a billion?" As if it was not enough for this Government to give away one billion dollars of our money, it also refuses to tell us to whom the money will be paid.

[*English*]

We do not even have a list of the depositors of this particular bank.

I make my second point because I am surprised at some of my good friends in the Conservative Party who believe in free enterprise. They believe in the capitalist system. They believe that the market-place should determine what happens. They believe in free trade. They believe that the efficient survive and the inefficient go under. Yet we now have two banks which have gone bankrupt and these same free enterprisers are saying they should be rescued through massive Government intervention. I say to my friends in the Conservative Party: Rebel, you disciples of free entreprise. Do they not believe in the system? Do Members opposite not see that these banks have been inefficient through bad management? The shareholders of these banks have invested money at their own risk. They were taking a risk. If they are badly managed institutions then why not let them go belly up?

I have listened for years and years to members of the Conservative Party espouse the philosophy of free enterprise. I disagree with the whole ideology. However, I respect what those people are saying. I expect them to remain consistent. I want to know how they can stand up in the House and say that we should have socialism for the rich and free enterprise for the poor.

I come from a part of the country in which a drought is affecting the farmers of southerwestern Saskatchewan. We have had the double disaster of too much rain and too much snow. If Hon. Members had watched television last night they would have seen the snow falling down. Yet, the Saskatchewan Chamber of Commerce said lst week that there should not be emergency aid for the farmers. It said that it is their tough luck. However, there should be emergency aid for the big banks and big depositors in this country because they are friends of the Government. This Government espouses socialism for the rich and free enterprise for the poor.

I say to Government Members across the way: If the Government is to bail out big bankers and rich Tory friends, why can it not supply emergency aid to the farmers of western Canada? If John Diefenbaker were in the House today, I am sure he would be absolutely astounded and shocked. He used to stand in the front row. He would be shocked at the utter disregard of ordinary Canadians by a Conservative Government in Canada. The Conservative Party is now more interested in Bay Street and its friends. It is a Government which is bringing in socialism for the rich and free enterprise for the poor.

[*Translation*]

And I know, Mr. Speaker, that my new Quebec colleagues probably do not agree at all with the situation.

[*English*]

I do not know if it is the type of Party these people thought they were joining. I make that appeal. Disciples of free enterprise, stand up and rebel in the House. If they want a free enterprise system, then let them be consistent and have one. If they do not want that type of system, then let them not fool us with rhetoric and let them not mislead the people of Canada. I say that if we can spend $1 billion on bankers in the country, then we can spend a few million dollars on farmers who are suffering from a national disaster.

I was in Regina a week ago last Friday and I saw a few hundred farmers in a demonstration who came out and said: "Why is there not any assistance?" My good friend, the Hon. Member for Assiniboia (Mr. Gustafson), has been given the task by the Prime Minister (Mr. Mulroney) of studying the drought situation in southern Saskatchewan and the southern Prairies. We have been told time and time again that his report would be on the Prime Minister's desk in September. We were told there would be something coming from the report very soon. Yet we have not seen the report. Where is the report? It seems to take the Government weeks and weeks to study a situation affecting ordinary Canadians, the farmers of the West, yet it takes it only a few days to bail out banks and rich people in the country. That is a contradiction. That shows who the true friends of the Conservative Party are in this country. I see an Hon. Member on the back bench of the Conservative Party agreeing with me.

Where is the report from the Hon. Member for Assiniboia? The farmers want to know where it is. The farmers want to know why there is a double standard. They want to know why the Government is so fast in bailing out rich bankers, many of them foreigners, and so slow to bring aid to the farmers of Saskatchewan. I believe there is something in the order of $108 million being given to foreign bankers—

Mr. Riis: It is $134 million.

Mr. Nystrom: Some $134 million will be given to foreign bankers. Instead of that money going to foreign bankers, let us put up the same amount to start an emergency fund for prairie farmers because of the weather situation on the Prairies. I hope we have some support for this idea from some of the back-benchers of the Conservative Party. I know I have a few friends in that Party who believe that the western farmers need some help. I believe the whole thing we are seeing now is a tremendous double standard. I can give the Minister of State for Finance (Mrs. McDougall) a list of bankrupt farmers in my riding who could be bailed out if we are going to bail out the banks. I can think of a farmer in the town of Kenora, for example, who, through no fault of his own, had to undergo the

process very recently of forclosure on his farm. I know another farmer in the Yorkton area and other farmers throughout Saskatchewan and, indeed, Canada, who went bankrupt. I know small businessmen and small businesswomen who have gone bankrupt. I know people who are having trouble with their mortgages. There are Albertans who are having trouble with their mortgages because of the oil boom which has collapsed. Why not bail out some of those people?

● (1230)

I am talking about consistency, Mr. Speaker. I am talking about having the same philosophy for the small people of this country as we have for the big people. Why this double standard? Why can we not have an emergency fund of several hundred million dollars for farmers if we can put up $1 billion for the banks of this country?

Another point I would like to make, Mr. Speaker, is that we are told we are helping western Canada is when we help the great western institutions. What I say as a western Canadian, that there has been bad management and that there is a bad Bill before the House. If this is because there is an incompetent Minister, it is still wrong whether the bank is in western Canada or in eastern Canada. To me a wrong is a wrong and I do not feel we should play the kind of regional politics in this House, saying that the only reason we are doing this is that the bank is located in western Canada. A wrong is a wrong, Mr. Speaker, whether it is in Saskatchewan, Quebec, Newfoundland or even in Edmonton, your beautiful city, Mr. Speaker. I can understand why you would agree with that particular point.

I do not want to defend my colleagues in the Liberal Party but with respect to the point which is made that it is the National Energy Program which destroyed absolutely everything in western Canada, I ask the question: Why have the assets in the Canadian Commercial Bank from 1981 to 1984 gone up from around $2 billion to around $4.5 billion? Obviously the National Energy Program cannot be the only reason, otherwise the assets in that particular bank would not have gone up so radically between 1981 and 1984.

I submit to you, Mr. Speaker, that what we are seeing here is incompetence on the part of the Government. We have seen in the last few months the collapse of two banks in this country, the Canadian Commercial Bank and the Northland Bank. This is the first time in 60 odd years we have seen this happen in Canada. We have a Government which is falling apart at the seams in spite of its very large majority. We are seeing a Prime Minister who has communication problems right in his own office. He is not being told of important political problems in the country. In fact, the Minister of Justice (Mr. Crosbie) said in Newfoundland yesterday or the day before, according to newspaper reports, that the Prime Minister's senior advisers are not politically smart. I agree with the Minister of Justice. That is just another side of the incompetence of the Government across the way. I know the Minister of Justice is a very competent long-time politician and he would not say this unless he knew what he spoke of. The Prime Minister's Office is incompetent. It does not have political smarts. That is one reason this Government is floundering.

We have seen in the last few weeks two Ministers resign, and now there is a third Minister who should resign. A Minister resigned last fall as well. Several different Conservative Party officials disagreed publicly with the Prime Minister, but many of them have retracted or changed what they said after they had been quoted and named in the press. We have heard the charges of racism in this House, which were withdrawn by the Deputy Prime Minister (Mr. Nielsen), and we have heard innuendoes from the Prime Minister himself that, for example, the Anglophone press is very unfair to the Minister of State for Transport (Mrs. Blais-Grenier). Those kind of innuendoes are not withdrawn. I suggest, Mr. Speaker, that there is across the way a very incompetent Government.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I was wondering just how relevant the remarks of the Hon. Member for Yorkton-Melville (Mr. Nystrom) are.

[*English*]

The Acting Speaker (Mr. Paproski): I was asking myself the same thing. I think the Hon. Member, who has been here 17 years that I can remember, knows very well that there is such a thing as relevancy and I hope that he will get back to the debate of the day.

Mr. Nystrom: I never argue with you, Mr. Speaker. The Speaker is part of the club of '68. I would never argue with him. He is a very distinguished and senior statesman in this House.

Some Hon. Members: Hear, hear!

Mr. Nystrom: I really resent, Mr. Speaker, that some members of the Party with whom you used to sit laughed at you when I called you a statesman.

Some Hon. Members: Never.

Mr. Nystrom: I feel that to be a terrible slight when we have such a very distinguished gentleman in the chair, and I would not argue with him.

I was just talking about how incompetent the Government was and that is one of the reasons these banks have collapsed. I suppose I got carried away in mentioning the resignations of two Ministers, the failure of the banks and the lack of communication in the Prime Minister's Office, and so on, but I thought that I should mention, them as further evidence that what we are dealing with here is an incompetent Government.

By interjecting, Mr. Speaker, you have reminded me of something I was not going to mention, but I will. We are hearing time and time again from across the way—and in fact the Hon. Member from New Brunswick mentioned it a few minutes ago—that it is the incompetence of the Liberal Government with its National Energy Program which caused this

country so many problems. I do not disagree with that. Last September 4, of course, the voters of this country punished the Liberal Party and threw it out. That Party went down from approximately 140 seats to only 40 seats. It was a massive reduction. The people of Canada had spoken and we all agree with their decision. I am sure the Liberals themselves agree with it. But this new Government has now had over a year. Finally the time must come when a Government begins to stand on its own record. The time must come when a Government must take responsibility for itself rather than blame someone else for everything that has gone wrong. I think that time has come. I think that judgment date has arrived. It has come piece by piece, and this particular Bill before us today is another example of the incompetence of the Government.

We are told, Mr. Speaker, to vote for a Bill to provide around $1 billion to the depositors of these particular banks. I represent 70,000 people in the Yorkton-Melville constituency. And $1 billion is a lot of money to them. As C. D. Howe said, "What is $1 million?". But he was thrown out on his ear. We now have a Minister who in effect is saying "What is $1 billion?". I was elected, Mr. Speaker, to represent the people of Yorkton-Melville. I am not going to sign a blank cheque for $1 billion, or participate in signing that blank cheque, particularly when I do not know who is getting that money.

According to the profile of the Canadian Commercial Bank as of June 30—and I want to put this on the record—the Government of Canada had $14.4 million on deposit; the various provinces had $45 million on deposit; the individuals, and we do not know who all those individual Canadians are, had $308.5 million on deposit. I said, "Canadians". They are not all Canadians, of course, they could be individuals anywhere in the world. The banks themselves had $267.2 million on deposit. Then there is a category called "others". I do not know who the "others" might be. Perhaps they are the Edmonton Eskimo football team, but $774.6 million was on deposit from "others" in the Canadian Commercial Bank. That totals up to $1.4 billion.

I am not about to agree, Mr. Speaker, and facilitate the passage of a Bill which in effect asks Parliament to sign a blank cheque for money which I believe could be used in a much better way. It could be used to create jobs, to help the small business people and, in particular, the farmers of western Canada through an emergency drought relief fund because of the natural disasters with which they are faced. There was a drought in the beginning and now there is snow. That is a double disaster the farmers are facing in western Canada. I believe we can stimulate the economy of this country by helping the base industry such as the farmers and the fishermen. You do not stimulate the economy of this country by helping the big banks.

● (1240)

[*Translation*]

Mr. Speaker, we now have a Government which is bent on helping multinational corporations as well as the rich in this country. It is not at all bent on helping the farm producers of Western Canada, our unemployed and ordinary Canadians.

[*English*]

I plead with my friends in the Conservative backbenches to be consistent with their philosophy of free enterprise. Here are two companies which failed because of bad management. If you believe in free enterprise, then the efficient company, the one that can make it in the market-place, will survive and the others will fall by the wayside. Here are two giants who have fallen. I ask my friends in the Conservative Party, why the rush to support a Minister of Finance and a Minister of State for Finance in bailing out these big, big people in our country when they cannot give similar aid or even half of it to the ordinary farmers of the West and the ordinary working people of Canada?

Mr. McDermid: Mr. Speaker, as I look through the list of those who deposited money in both these banks, I note that labour unions had almost $7 million invested. I gather that labour unions are made up of ordinary people, not big bankers as the Hon. Member refers to them. I notice as well among the list of depositors some school boards, colleges and universities, and religious organizations. I notice charitable organizations have almost $15 million on deposit. Those organizations are made up of ordinary people donating money to a cause trying to do good for other Canadians. How can the Hon. Member go on and talk about the big banks being saved when in most instances, when you go through this list, you find it is the ordinary people who are being helped?

Mr. Nystrom: Mr. Speaker, I would like to see that information. All we have is a listing by category. We do not have a list of how much individual big banks or big business have deposited in the bank. I do not think he or I were elected to sign a blank cheque. If he were in opposition, he would be getting up and asking the same kinds of questions. Why a blank cheque? How much do we have to pay to the foreign banks and big companies? I do not know. If we could see a list, perhaps we could set up a hardship fund for organizations like the ones he has mentioned. All I am asking for is to see a list of the companies and individuals affected, and I say that is not asking too much. He mentions $7 million for labour unions. I am sure there are municipalities and pension funds involved, but from what I can see those are in the minority.

Mr. McDermid: They are not.

Mr. Nystrom: I would like to see the list and have it tabled in the House because I am not going to sign a blank cheque.

Mr. McDermid: You want the labour union's name?

Mr. Nystrom: We have responsible Government. We are supposed to have freedom of information. I remember Jed Baldwin, a great and distinguished parliamentarian from Alberta, getting up and saying that what we need is greater freedom of information in this country. I remember the Government of Joe Clark moving in that direction. What has happened to that philosophy in the Conservative Party now

that it is in power, albeit with another man at the head? All I am asking for is that the Government provide us with a list of those depositors.

Mrs. McDougall: Mr. Speaker, I recall that the Hon. Member for Yorkton-Melville (Mr. Nystrom) urged me very strongly last winter to pay off uninsured depositors in Pioneer Trust. He never once asked for a list of those depositors. Neither did the NDP in the Province of Saskatchewan raise the issue of a list of uninsured depositors when the Government paid those depositors. Perhaps he can explain the inconsistency?

Mr. Nystrom: Someone used the word "hypocrisy". If the Minister will look back at that case, it was a different situation.

Some Hon. Members: Oh!

Mr. Nystrom: I will explain it.

Mr. McDermid: Maybe because you are from Saskatchewan.

Mr. Nystrom: No. I raised the question about people who were uninsured despite the fact they had less than $60,000 on deposit. The Minister remembers that. I gave her documentation concerning ordinary farmers in Saskatchewan who bought income averaging certificates. The Minister is nodding her head. These were people who thought they were insured and they received documentation from the CDIC to that effect. Pioneer Trust said that they were insured. These were deposits of less than $60,000 but the regulation at the time—and I think it was number 12 or number 13, I cannot remember all the details—said that if the IAC was for a term in excess of five years it was not insured. These people thought they were insured up to $60,000. It was not one farmer, it was a lot of them.

Mr. McDermid: What about the rest of the depositors?

Mr. Nystrom: I remember a guy from Englefeld who had, I think, $30,000 invested in Pioneer Trust and he was not insured. This was the specific case that I brought to the attention of the Minister. She looked into it, went over it with her officials, agreed this was an injustice, people had been misled, and of course that was rectified. As you can see, I am not always negative; I am giving the Minister credit for doing something good. I am saying to my friends across the way that they should stand up for something good as well.

Mr. McKinnon: Mr. Speaker, the Hon. Member made quite a thing out of C. D. Howe's remark about a million and I presume he is unfamiliar with what C. D. Howe had to say, which was not that at all. He was being cross-examined by the Hon. Howard Green and what he actually said was:

> So I hope the Hon. Member will agree that to operate a department with 1,100 people for a year, $3 million is not exorbitant. Will he go that far with me?

This was translated by the press into: "What's a million?", which he never said. I think the reason Doug Fisher beat him in the subsequent election might have had more to do with another quotation of Mr. Howe's when he said:

> Who would stop us? Don't take yourself too seriously. If we wanted to get away with it who would stop us?

He was talking about a constant whittling down of trade preferences by the Government. The Hon. Member for Winnipeg North (Mr. Orlikow) just paid tribute to the Conservative attitude over the years and I thought I might repay a small favour.

Mr. Nystrom: Mr. Speaker, I thank the Hon. Member for his contribution. He is a former paperboy in the City of Yorkton and I always listen very closely to his words of wisdom. No doubt that is what C. D. Howe said in the House. My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), who has been in politics much longer than me, said that C. D. Howe actually said: "What's a million?" in the election campaign of 1957. My comment today was that C. D. Howe was defeated after he said that, and today we have a Government which is saying in effect: "What's a billion?" I think that is wrong.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, the Opposition is delaying passage of this Bill. That means that the depositors who had confidently invested their money in a Western regional bank will have to wait a long time before being reimbursed.

The Hon. Member for Yorkton-Melville (Mr. Nystrom), who boasted about having our friendship and respect, should know that our respect for him has gone down a lot since he has risen to speak. Mr. Speaker, he says that the big banks, the bigwigs, the very wealthy, will benefit from this legislation. He complains about not having the list of those who will be reimbursed. Yet, the Minister of State for Finance tabled yesterday the list of categories of depositors, and I do not see that many very wealthy people on it. When we look, for instance, at the figures for the municipalities, we see things things like populations of 25,000. I cannot believe that in a village with a population of 25,000, all 25,000 would be very wealthy people.

This small municipality is owed $10 million. An amount of $10 million is a lot for a municipality of 25,000 people.

Another municipality has a population of 50,000. That is even smaller than my city of Gatineau, which is considered an average-size town. This small town is owed $143,000. Then, there is a town with the same population as Gatineau which is owed $4 million.

I can tell the Hon. Member for Yorkton-Melville that if the town of Gatineau had had the misfortune of investing $4

million of the Gatineau taxpayers' money in the Canadian Commercial Bank, there would be a major crisis in the municipality.

In fact, I heard this morning on the radio a financial advisor for the city of Hull who spoke about the investment of this city, which has a population of 55,000 and is therefore a small town, which investment had been recommended by financial experts. The Hull advisor said that the town had been approached by the big chartered bank after people had been encouraged to trust the Canadian Commercial Bank and it was the big bank which told him: Why do you no longer have your deposits with us? Why do you have your deposits with a small regional bank? That is when the City of Hull tried to withdraw part of its investment.

However, there is still at least $5 million in the Canadian Commercial Bank which belong to Hull taxpayers. Yet, I do not believe that these are very wealthy people, Mr. Speaker.

In my opinion, the Hon. Member, whom we used to respect, does not do himself any credit by using such methods and by trying to criticize the Government and to suggest that the decision made last March was ill-advised. He speaks about the list of depositors. He wants the names of those who had deposits with the Canadian Commercial Bank. But would he pass a judgment after receiving such a list? Would he be the one to decide, for instance, that Municipality A and Pension Fund B would be reimbursed, but Labour Union C would not be because it had invested an enormous amount, which means that it is a big union and therefore very wealthy. Does this mean that Union C should not be reimbursed?

How would he choose amongst the mutual funds? Would he choose on the basis of the amount invested? Of the population served? Of the language spoken? Of the size of the area? Of whether the area served is rural or urban? How would he choose?

Mr. Speaker, it is nonsense to ask for a list of depositors before helping all of those who invested in all good faith in the Canadian Commercial Bank.

As recently as yesterday, we saw the lawyers involved with the Estey Commission which is investigating the unfortunate situation of the two banks, and it is very difficult to get access to documents deemed confidential under the legislation.

• (1250)

Mr. Speaker, it is provided for in our conventions that the indentity of depositors and the amounts of their deposits are to be kept confidential. It is a well-known fact that we have a most stable society in which private property and the privacy of citizens are respected. Our banking system, also one of the most stable in the world, requires that sort of confidentiality. When we have expert and legal opinion to the effect that the names of those depositors should not be disclosed, I see no reason why the Opposition could ask us to breach conventions that have been serving us well.

We know full well, Mr. Speaker, that the Liberal Party, when they were in power, did breach a number of times and seriously several of those conventions with respect to business matters. This is why confidence of the business community declined to a point where there was tremendous harm done to the economy and an astronomical rise in unemployment. In their Government's energy program the Liberals also failed to show any respect for the business people who are building this country and who were on the point of providing Western Canada with the most remarkable development opportunities.

As far as the New Democratic Party is concerned, they believe that private property is some sort of a sin or crime. Virtue is not being rich, it is being poor. It is indeed because of that lack of respect for business conventions such as for instance the passing of retroactive legislation aimed at people who had invested in confidence in Western Canada's oil development that this country's economy was undermined. So Mr. Speaker, we are once again witnessing an effort, a new attack from the Liberals in the Official Opposition and from the New Democratic Party against conventions that are protecting our economic community and and our quality of life.

With their meddling habits, the Official Opposition and the New Democratic Party have developed an attitude that is harmful to the business community and public enterprise. We, who belong to a party that respects private enterprise, private property, and the privacy of citizens, will not accept that, under the guise of feigned outrage, a new attack be launched to once more undermine efforts at protecting private property and the privacy of citizens. This is witchhunting, Mr. Speaker. It is true that those depositors will be getting refunds from the Public Treasury, but they are still entitled to that confidentiality so long as we are not satisfied that there is an essential need to brush it aside. This would then be a most serious precedent, as stated a number of times by witnesses before the Standing Committee on Finance, Trade and Economic Affairs. They said that if ever there was a breach of banking confidentiality, then the whole banking system would be endangered. One has but to check the minutes of the Committee to see how concerned they were with the Opposition launching such a witchhunt, using that kind of an excuse.

As far as the Leader of the Official Opposition is concerned, reading from press clippings and *Hansard* for mid-March, we see that he was absolutely silent on the issue. Maybe he recalled that he represented a Western constituency, or maybe he wanted to act responsibly. It is unfortunate that he has now strayed from that responsible position that honored him last March. We even noted in the speech he made yesterday, that he is trying to backtrack from that first attitude. This in my view is quite typical coming from the Leader of the Opposition, Mr. Speaker. He does not seem to be able to stick to his decisions. He suggests they were imposed upon him or,

when he finds out that the wind has turned, he makes an about-face.

Mr. Speaker, I believe it is almost one p.m., and I would like to continue this afternoon, if you will allow me, rather than being cut right in the middle—

The Acting Speaker (Mr. Paproski): The Hon. Member has eight more minutes, plus ten minutes for questions and comments.

[*English*]

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

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

TOURISM

CRITICISM OF GOVERNMENT POLICY

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, "Tourism Tomorrow" is the title of a conference taking place this week here in Ottawa. Industry and Government have gathered at the Congress Centre to discuss the future of tourism. I too am concerned about what lies ahead for tourism. However, my concerns run through a different vein.

The tourism sector has been hailed as our proudest growth industry. But there will be no tourism industry tomorrow if the Government continues to stymie the efforts of operators across the country. "Change the image of Canada", the Government says. "Give it more sex appeal". This industry needs serious consideration before sex appeal.

How do we convince Canadians to vacation in their own country when the price of gasoline has skyrocketed? By January, 1987, the cost of filling up at the pumps will have jumped 18 cents a gallon. Canadians will stop dead in their tracks when that hits them in the pocket book.

How do we persuade foreigners to explore our vast and diverse regions when the Government is not prepared to launch an effective marketing campaign? It will not spend the dollars to sell our wares in a way that works.

Closer to home, our local operators need assistance to grow and prosper. They are small business people. Provide them with what it takes to ensure that tourists return to our rugged regions year after year.

S.O. 22

It is time for the Government to accommodate the tourist operators. Bailing out the banks does not build a healthy economy. Supporting a growth industry like tourism does. Listen to what the industry is saying. The tourist operators know what works.

* * *

ENERGY

PETROLEUM INCENTIVES PROGRAM—EFFECT OF CANCELLATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Minister of Energy, Mines and Resources (Miss Carney) is treating the Province of Nova Scotia in particular as a poor orphan.

Unbelievably, without any replacement or alternatives, she announced the end of the Petroleum Incentives Program, or PIP grants, which had sparked offshore drilling for gas and oil. Either in business terms or public policy terms, it is totally unacceptable to pull the plug without an alternative plan.

Uncertainty will kill hopes for prosperity from offshore gas development. Companies must plan, even if the Department of Energy, Mines and Resources does not. Drilling projects are ending, leases are expiring and, give it another month or so, companies will leave and not come back.

The Prime Minister (Mr. Mulroney) promised "jobs, jobs, jobs" and economic development for Atlantic Canada. However, the September report of Informetrica predicts a loss of jobs and no production from the Venture development. That would be a tragedy.

There you have it, Mr. Speaker. No PIP, no alternatives, no hurry, and no concern. Why has the Minister of Energy, Mines and Resources, who was such a Santa Claus with the Western Accord, become such a Scrooge to Nova Scotia? Surely Nova Scotia deserves more than this foggy silence from the Minister.

* * *

EXTERNAL AFFAIRS

ISRAEL—CONDEMNATION OF AIR RAID ON TUNIS AND OF PALESTINIAN TERRORISTS

Mr. Alex Kindy (Calgary East): Mr. Speaker, the bombing and devastation of Tunis last week by the State of Israel was in direct violation of the Geneva and Hague conventions as well as of the United Nations Charter to which both Israel and Canada are signatories.

The terrorist activities by a dissident group of Palestinians in piracy on the high seas, as well as the murder of innocent Israelis in Egypt, can no doubt be tied into the bombing.

The attack on Tunisia resulted in the death of women and children, not by a phantom terrorist group, claimed by no one,

but by the most sophisticated armed force in the world—the State of Israel.

Canada, as a respected and peaceful nation and as a friend of Tunisia, Egypt, and Israel, should not hestitate to indicate our disgust with the unlawful incursion on the sovereignty of Tunisia, the murder of innocent civilians in Egypt, and the terrorist piracy by a fanatical few Palestinians.

I urge the Government to move as soon as possible to raise a motion of censure and condemnation in the United Nations of the State of Israel as being in willful and direct violation of the ninth and tenth Conventions of the Hague and Geneva and United Nations Charter, in concert with a motion of condemnation of the terrorist activities of Palestinians against innocent people of any nationality.

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

ABORIGINAL RIGHTS

HUNTING AND TRAPPING—SUSPENSION OF GREENPEACE ANTI-FUR CAMPAIGN

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, we welcome the decision by Greenpeace to suspend their European anti-fur campaign and trust that this signifies a new appreciation of the importance of hunting and trapping to Canada's aboriginal peoples. We are proud of the success which Indigenous Survival International has achieved, particularly through the efforts of its co-chairman, Mr. Georges Erasmus.

Canada's native peoples have enjoyed a harmonious relationship with nature for thousands of years. Indigenous Survival International promotes an awareness that cultural survival for native peoples depends upon their right to hunt, trap and fish. Our Government believes in the sustainable use of the world's renewable resources and encourages the efforts of Indigenous Survival International to promote the wise conservation of these resources.

While this recent success by ISI is encouraging, it is only a beginning. Much work remains to be done before other groups realize that their anti-fur crusades threaten to destroy native peoples and their cultures.

I am confident that the Government of Canada will continue to support the right of native peoples to pursue their traditional ways of life.

[*Translation*]

THE FAMILY

REQUEST FOR GREATER SOCIAL JUSTICE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have with me thousands of petitions signed by mothers protesting the Government's decision to cut $55 million from income support programs for families with children, and more specifically, to de-index family allowances.

Mr. Speaker, the families I met in Montreal, in Quebec City and in other communities seriously question the Government's decision to cut $55 million from these important programs, while at the same time it is tabling a Bill for the purpose of spending $800 million to compensate rich people and rich corporations in connection with the two bank failures, and they also wonder why the Progressive Conservative Government, at a time when it is cutting $55 million from programs that are vital to families with children, has decided to table a Bill to raise the salaries of our poor judges from a mere $117,000 to $135,000.

Mr. Speaker, I trust that all the Members of this House will invite the Right Hon. Prime Minister (Mr. Mulroney) to withdraw Bill C-70, in order to deal fairly with families with children.

* * *

[*English*]

CANADA ELECTIONS ACT

FRONTENAC, QUE.—STATEMENTS ATTRIBUTED TO PROGRESSIVE CONSERVATIVE ASSOCIATION OFFICIAL

Mr. Rod Murphy (Churchill): Mr. Speaker, I realize that it is only Tuesday, but we already have a winner for the "Retraction of the Week" award. He is John Vincent, a key figure in the Frontenac Riding Association of the former Minister of Communications. On the weekend, Mr. Vincent claimed that $3,000 for chartering buses to the Conservative Leader's election rally was not the responsibility of the local campaign but was properly the responsibility of the federal Conservative campaign. This figure would have put either Conservative campaign in violation of the law.

Yesterday, after the issue was raised publicly, Mr. Vincent claimed that the undeclared cost of the buses was only $2,000, an amount which would, by itself, keep the federal campaign under the election expense limits. In awarding this week's retraction award to Mr. Vincent, I ask only this question: Who from the Prime Minister's office called Mr. Vincent?

Obviously, this series of statements by Conservative campaign officials points out the necessity for ensuring that the RCMP inquiry not only looks at the undeclared expenses of the Frontenac campaign but at the national Conservative campaign as well. In that vein, I have written to the Chief Electoral Officer and the Solicitor General (Mr. Beatty).

POLITICAL PARTIES

LIBERAL PARTY'S FUND RAISING LETTER

Mr. Joe Reid (St. Catharines): Mr. Speaker, recently I was the recipient of a fund raising plea from the Liberal Party of Canada. That was their first mistake, for why in their confused minds would they include me, a true blue Tory, on their mailing list?

However, their confusion does not stop there. That same letter goes on to set out Liberal Party achievements. Talk about stretching, misrepresentation and dreaming. One achievement they claim is that Ontario Liberals managed to defeat the Tories in last May's election.

Just to keep the record straight, not only did the Liberals not defeat the Conservatives in the May election, the Tories hold five more seats than the Liberals. However, the Liberals had to bow down, compromise, and sell out to their friends, the NDP, to defeat the Tories in the Legislature.

There is still more of this distortion of fact and truth. The Liberals say they scored an upset victory in the Yukon. I feel certain that the Leader of the Opposition (Mr. Turner) would not want the public to be misled that way. He has too much respect for the Deputy Prime Minister (Mr. Nielsen) for that. The Tories are strongly entrenched in the Yukon federally and they form the Oppositon in the Territorial Government were the NDP, not the Liberals, are in power.

I urge the Right Hon. Leader of the Opposition to check with his officials, speech writers and fund raisers so that he can bring a halt to the pot calling the kettle black.

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MEMBERS OF PARLIAMENT

OPPOSITION CHARGED WITH CHARACTER ASSASSINATION

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Opposition is losing all credibility. A few days ago the Liberal Leader stated in the House that the CCB had moved $300 million in assets to a U.S. subsidiary, which was promptly denied by the American authorities. It appears that he was angry because the rat pack was outratting him, so he took over the job of ratting. Incidentally, he is doing a better job at it than the rat pack. Whenever the Liberals make an untrue statement, the NDP, not to be outdone, say: "Me too, me too, me too".

• (1410)

Instead of taking the high road by improving legislation and working for a united Canada, opposition Members revel in character assassination of good and honest Ministers. When they think they have a Minister down, they all jump on him or her at once like a pack of wolves. Will the Opposition ever learn that one does not build a country or a Party by negativism or by making untrue sensational statements just to get the headlines in the press?

Our Prime Minister (Mr. Mulroney) and the Government are acting positively. We are carrying out the mandate given to us by the Canadian people to heal the wounds inflicted by the Liberals during years of misrule. We may make mistakes, but they will be honest errors. We may have to bleed a little at times, but we will keep right on building a united nation, creating a climate to encourage investment and jobs, fostering prosperious agricultural and manufacturing industries until every—

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

* * *

ROYAL CANADIAN MOUNTED POLICE

COMMISSIONER'S LETTER TO NEWSPAPER

Mr. John Nunziata (York South-Weston): Mr. Speaker, it appears that Commission Simmonds of the RCMP has allowed himself to become a mouthpiece for the Prime Minister (Mr. Mulroney). In a politically partisan letter to a Toronto newspaper, the Commissioner challenged journalist Claire Hoy to name his source to substantiate the claim that Mrs. Mulroney asked the RCMP to salute her.

This type of action by the Commissioner is very uncharacteristic. In the RCMP's internal review of the Hatfield case, the Commissioner took a completely different view of a journalist revealing his source. Writing on Mr. Nick Hill's involvement in the Hatfield case, the Commissioner indicated:

> He refused to disclose his source, which is an understandable position for a journalist to take.

Why does the Commissioner change his tune in this instance and challenge Claire Hoy to reveal his source?

Editorializing on the work of Mr. Hoy, the Commissioner went on to indicate:

> There is little that Hoy writes . . . that holds much appeal for members of the RCMP who have little respect for vitriolic babbling.

It is highly unusual for the Commissioner of the RCMP to criticize a journalist just because the journalist happens to be critical of the Conservative Government or reveals information which is embarrassing to the Government. It is not his role to be a propaganda organ for the Prime Minister's Office. It is unprofessional and unbecoming of the head of the RCMP to criticize the work of a journalist in such a partisan fashion. I would hope that the Commissioner realizes that the RCMP is there—

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

S.O. 22

INCOME TAX

PREPAYMENT OF TAX BY SENIOR CITIZENS HOLDING CANADA SAVINGS BONDS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I should like to inform Hon. Members of the House of a situation which was brought to my attention by several senior citizens in my riding of Brandon-Souris. As we are aware, many senior citizens invest a large portion of their savings in Canada Savings Bonds. However, as income tax is not deducted from interest payments, or from most other sources of income for seniors, that income tax frequently must be prepaid on a quarterly basis, even though interest from those bonds is not received until November.

Unfortunately, it is often quite difficult for many senior citizens to do their own calculations on the amount of interest they will receive and on the amount their payments must be. Furthermore, they fail to understand why they must make income tax payments on money which is yet to be received.

Perhaps, to alleviate some of these problems, income tax could be automatically deducted from interest payments on bonds as it is from RRSP pay-outs, or perhaps bond holders might be able to have their interest paid on a quarterly basis as well. Certainly in an age of electronic banking this could be an option. Failing these reforms, the least that could be done to ease the situation would be to ask the Government to issue a statement, or a bill, to senior citizens reminding them of when to pay and calculating that payment for them.

Senior citizens in Canada are not opposed to paying their fair share of income tax, but they do not feel that that tax should be paid until the income is actually received.

* * *

AGRICULTURE

PLIGHT OF PRAIRIE GRAIN FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Hon. Members of Parliament are no doubt aware of the terrible drought which affected southern Saskatchewan or the southern Prairies last summer. Now we have the double disaster of a drought on one hand and rain and snow on the other hand, so that the grain in the fields is lying under snow and cannot be harvested.

Last summer, the Prime Minister (Mr. Mulroney) asked the Hon. Member or Assiniboia (Mr. Gustafson) to head up a task force which would make recommendations to assist farmers suffering from the drought. That was not weeks and weeks and weeks ago. Where is that report? Farmers want to see it and its recommendations. They want that report made public now.

A number of years ago C. D. Howe said: "What's a million?" and he was thrown out of office. We now have a Government which is in effect saying in aiding the banks: "What's a billion?" The Government has a billion dollars for the banks but it has nothing at all for the grain farmers of western Canada. I call upon the Government to come up with an acreage payment immediately for western farmers who are suffering from the drought, and for other western farmers who are suffering because their grain is lying under snow and rain. We need that assistance now. We want an acreage payment, and we want it now.

ORAL QUESTION PERIOD

[*English*]

FINANCIAL INSTITUTIONS

UNINSURED DEPOSITORS—MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of State for Finance. Yesterday, in the House of Commons, she said that it was not the Government's intention to set a precedent in compensating uninsured depositors in our financial institutions.

My question relates to the future policy of the Government. Is it, then, her intention to rescue only depositors who were led into error by her statements and those of her colleagues and by the report of the Inspector General?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already made it clear in the House, and in other statements I have made, that we have in every way regarded institutions which have come to our attention as unique, and we have taken into account, in the circumstances, what we feel must be done on behalf of depositors, taxpayers, and economic conditions. In this case we made a decision which we feel is perfectly appropriate. We will continue to make our decisions on those bases, should such an eventuality arise again.

[*Translation*]

INQUIRY WHY FOREIGN BANKS WILL BE COMPENSATED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary for the Minister. Could she inform the House why she thinks it is fair to compensate foreign banks which had deposits with the Canadian Commercial Bank or the Northland Bank, but refuses to reimburse holders of debentures or shares, such as investment funds, pension funds and credit unions?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I had thought that this Bill was being debated before the House, but I am prepared to answer the question. There is a definition of "depositor" within the CDIC Act. It is the only appropriate precedent for how one defines a depositor. We have used that definition in this case, and I think it is perfectly appropriate.

[*Translation*]

REQUEST FOR IDENTIFICATION OF TWO DEPOSITORS RECEIVING COMPENSATION

Right Hon. John N. Turner (Leader of the Opposition): I would like to put a supplementary, in the public interest, Mr. Speaker.

The documents released yesterday by the Minister show that one private citizen had invested $1,423,668 at the Canadian Commercial Bank and another had invested $2,154,555 at the Northland Bank, which means that these two people, and we do not even know whether they are Canadians or not, will receive a total of over $3.5 million—

[*English*]

Mr. Speaker: I am afraid I had risen to ask the Right Hon. Member to ask his question and that his question was asked when the microphone was off. Perhaps the right hon. gentleman could repeat his question.

[*Translation*]

Mr. Turner (Vancouver Quadra): Who are these two people, Mr. Speaker, who were mentioned yesterday by the Minister and who will receive more than $3.5 million, if the Bill now before the House is adopted?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated that I have prepared for the House a table of the categories of depositors. I continue to be prepared to put before Mr. Justice Estey a full list of the depositors and have him reach a decision on whether or not it should be published.

Some Hon. Members: Hear, hear!

Mr. Penner: This is the highest court right here.

MINISTER'S PRESENCE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is also directed to the Minister of State for Finance. Can the Minister confirm that she was in Canada during the entire month of July and the first two weeks of August, a period which was crucial for the health and safety of the Canadian Commercial Bank and the Northland Bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I was not in Canada in July, and I was in Canada in the first two weeks of August.

MINISTER'S ABSENCE

Miss Aideen Nicholson (Trinity): Mr. Speaker, given the magnitude of this problem, given that Canadian taxpayers are now being left with a bill of almost $1 billion, and that this was the most important issue for financial institutions in 62 years, did the Minister not consider that it might have been wise to remain in Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as I understand it, we live in the age of the telephone.

Some Hon. Members: Hear, hear!

* * *

• (1420)

PRIME MINISTER'S OFFICE

STATEMENTS ATTRIBUTED TO MINISTER OF JUSTICE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for a man of unimpeachable integrity, namely, the Minister of Justice.

Mr. Crosbie: Thank you.

Mr. Broadbent: In recent weeks we have had a Cabinet Minister, a Member of Parliament, and the National Director of the Conservative Party all publicly contradict the Prime Minister's staff. Today, however, another step has been taken that is potentially quite serious. We have had the Minister of Justice describe the performance of the staff in very negative terms.

Some Hon. Members: Order, order!

Mr. Hnatyshyn: You are out of order again today.

Mr. Broadbent: My question to the Minister is this. Given the importance of the Prime Minister's staff to the functioning of the Government will the Minister of Justice elaborate on what he had to say earlier?

Mr. Hnatyshyn: Don't you know the rules around here?

Mr. Clark (Yellowhead): Sure he does, although he breaks them. He shows contempt for the House of Commons.

An Hon. Member: He knows better.

Mr. Speaker: Order, please. I think the Hon. Member for Oshawa knows full well that questions to the Minister of Justice should relate to the Justice portfolio. I invite him to ask questions of the Minister of Justice in his ministerial portfolio.

Mr. Broadbent: My question of course pertains to the work that is done by the Minister of Justice. I want to ask him, when he described the Prime Minister's staff in those terms, was it because in exercising his responsibility as Minister of Justice he made a request to the Prime Minister's office that was never conveyed to the Prime Minister, or did he ask for some other project to be carried out that was not carried out by the Prime Minister's staff.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, both the question and the

Leader of the New Democratic Party are peachable rather than impeachable. I made no statement yesterday giving my views on the PMO. I said what other people were alleging with reference to the PMO.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): That is right.

Mr. Crosbie: Those personages being Members of the Opposition offices. The present PMO is far superior to anything that Coutts or Axworthy could possibly produce.

An Hon. Member: Where is Pinocchio today?

Mr. Crosbie: I find it to be perfectly satisfactory despite the scurvy allegations and imputations of the hon. gentlemen opposite.

DESCRIPTION OF STAFF

Hon. Edward Broadbent (Oshawa): Making that comparison with Mr. Coutts is to damn with faint praise, may I put it that way.

Mr. Crosbie: Yes, you may.

Mr. Broadbent: With reference to the question that was put to him, which was would he say that the Prime Minister's staff consists of a bunch of dolts, the Minister is quoted to have said "that is as good as possible interpretation as any".

Is the Minister of Justice taking back those words or does he stand by them?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, order! The Member for Oshawa knows full well that—I think we all know what he is doing but it is not a question that is appropriate to Question Period.

Mr. Clark (Yellowhead): It is abuse of the House of Commons.

Mr. Speaker: The Hon. Member for Egmont.

SALE OF CANNED TUNA—MINISTER'S ALLEGED STATEMENT

Mr. George Henderson (Egmont): My question on the same subject is to the Deputy Prime Minister. The Minister of Justice has criticized the Prime Minister's staff for its handling of the tuna affair. The Minister said that the senior staff in the Prime Minister's office should have taken immediate action to withdraw the tainted tuna from supermarkets as soon as they found out it was unfit for human consumption.

Mr. Crosbie: I did not state that.

Mr. Henderson: Does the Deputy Prime Minister agree with that statement by the Minister of Justice?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The answer to that question has been given over and over and over again.

An Hon. Member: It still smells.

Mr. Nielsen: With respect to the staff in the Prime Minister's office, unlike many of those critics who advance uninformed and unfounded opinions with respect to those personnel—

An Hon. Member: Like the Minister of Justice.

Mr. Nielsen: —I can assure him that they are of the highest possible calibre, certainly an improvement over the previous crew that was there.

MINISTER'S POSITION

Mr. George Henderson (Egmont): The Deputy Prime Minister is suggesting that the Member for St. John's West is ill informed. My supplementary question is to the Deputy Prime Minister. Why did the Justice Minister change his statement about the level of competency in the Prime Minister's office? Did the Minister of Justice have a sudden attack of amnesia or was he given an ultimatum, change your story or resign?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have stated in this House and I state again, that I made no such statement. I have not been asked by anyone to withdraw any statement because I can't withdraw a statement I did not make. An interview was twisted, and the hon. gentleman—

Mr. Angus: You mean they got the best of you, John?

Mr. Crosbie: —seeks to twist it further. No such statement has been made; no word of criticism has passed my lips about the PMO and that is the position, so there it is.

Mr. Speaker: The Hon. Member for Kamloops-Shuswap.

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FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

CATEGORIES OF DEPOSITORS RECEIVING COMPENSATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Thank you, Mr. Speaker.

Mr. Crosbie: And anyone who wants to put his seat on the line, do so. You are running out of seats over there.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, order.

Mr. Riis: Thank you very much, Mr. Speaker. For someone who has not made a statement, he seems a little jumpy.

My question is directed to the Minister of State for Finance. Now that she has committed the taxpayers of Canada to this billion dollar bail-out, given the information she provided to the House yesterday, would she confirm that 70 per cent of the bail-out money will go to domestic banks, foreign banks, investment dealers, large corporations and provincial Governments? Will she confirm that 70 per cent would go to those categories?

Mr. Clark (Yellowhead): Order.

Mr. Speaker: Order, please. We had a question earlier relating to policy in the future which became a question relating to anticipation of the Bill before the House. The Hon. Member is indeed asking a question about the matter that is currently under debate in the House and he should know that that is not therefore in order. Does the Hon. Member have a question with regard to other policy?

Mr. Riis: Mr. Speaker—

Mr. Speaker: Order. Could I invite all the Ministers who want to tell me what Beauchesne's says, to do it somewhere else.

Some Hon. Members: Hear, hear!

CANADIAN POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my new question to the Minister of State for Finance is this. Considering that in the United Kingdom as well as West Germany and the United States the Governments in those countries have never seen it appropriate to use taxpayers' money to bail out uninsured depositors above the insured limit, would she explain why the Government of Canada has felt that this is required in Canada when it has not been required in West Germany, in the United Kingdom or in the United States of America?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am not responsible for policy in West Germany, the United Kingdom or any such country. I am responsible for policy in this country and I stand by our decision to assist the economy of western Canada, which I am sorry that the NDP has totally lost interest in, by looking after our financial institutions in those areas, and the depositors and the borrowers in those areas.

* * *

PENITENTIARIES

PRIVATIZATION OF PRISONS INQUIRY

Mr. John Nunziata (York South-Weston): Mr. Speaker, in the absence of the Solicitor General I would like to address my question to the Deputy Prime Minister. Can he advise the House whether it is the intention of the federal Government to privatize federal prisons in order to cut costs?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I am afraid that that is a question that will have to await the return of the Solicitor General. I will take it as notice and bring it to his attention.

PROGRAM REVIEW INQUIRY

Mr. John Nunziata (York South-Weston): Can the Deputy Prime Minister confirm that as part of his task force a study has been conducted which will recommend the privatization of federal prisons and is he prepared to table that report in this House of Commons?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I know of no such plan with respect to the work on program review. The study team that is examining Justice has just been composed. It is one of the last to be composed and hopefully it will be completing its work by the end of November.

* * *

● (1430)

FINANCIAL INSTITUTIONS

COMPENSATION FOR UNINSURED DEPOSITORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance. I wonder if the Minister could explain why she feels it is appropriate to use taxpayers' money to bail out foreign banks with uninsured deposits in Canadian institutions when that does not happen in the United States, West Germany and the United Kingdom. In other words, if those countries do not bail out their own banks, why should we feel an obligation to do so?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I feel the responsibility to look after the integrity of our banking system. Those depositors to which the Hon. Member referred are just as legitimate as other depositors. As well, we do not have the kinds of regulations that exist in those countries, regulations which I very much want to put before the House and have passed as quickly as possible.

* * *

[*Translation*]

SHIPBUILDING

CONSTRUCTION OF FRIGATES IN MONTREAL—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Supply and Services.

Last September 30 the Prime Minister reluctantly met with Canadian Vickers Limited workers in Montreal. Since then, did the Prime Minister ask the Minister of Supply and Services to look into this matter, did he report on that meeting, and does the Minister intend to make sure that this contract, awarded for the construction of frigates in Montreal, will be honoured?

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, the Prime Minister has not been in touch with me concerning this matter but the Hon. Member for Hochelaga-Maisonneuve has made representations on behalf of all the workers. He brought representatives of the union to my office last week. Tomorrow I will be having a meeting with the president of Vickers. This matter involves a very complicated legal question and I have solicited a legal opinion to determine what course of action we might have available. It is a serious problem. We are dealing with it and we hope to have an appropriate response shortly.

[*Translation*]

INQUIRY IF CONTRACTS WILL BE HONOURED

Hon. André Ouellet (Papineau): Mr. Speaker, I thank the Minister for his answer. I am glad he will meet with Vickers management.

I would like to ask him whether he will tell company officials that all frigate and shipbuilding contracts must be honoured. Under those contracts awarded by his predecessor, the work was to be shared equitably by the various shipbuilding yards throughout Canada, and this contract in particular was to be carried out by Vickers workers in Montreal.

Will the Minister tell the president of Vickers that the contracts must be honoured?

Mr. Speaker: Order, please.

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I am not sure what the question was, but I can indicate that there will be no movement of workers out of the Province of Quebec. All that is envisaged by Vickers is a possible move of workers from Montreal to Quebec City. That may be something over which the Government of Canada has no power. It may be a matter of contract. That is what I have undertaken to determine: what are we legally entitled to do?

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—GOVERNMENT POLICY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, this is Family Week and I would like to ask the Deputy Prime Minister about the Government's priorities. Is it more important to the Government to use $1 billion to bail out banks or is it more important to use this money to maintain fully indexed family allowances for Canada's children through 1990?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Party that now forms the Government has always considered the family unit to be at the root of all of its policies and will always use the appropriate priority whenever any of these decisions have to be made.

* * *

FAMILY VIOLENCE

FUNDING OF TRANSITION HOUSES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, if the family is the most important unit, I would like to know why there has been no action taken on the promise made by the Prime Minister to do something about battered women and families. Why would the Deputy Prime Minister not recommend to Cabinet that the Government take just 3 per cent of the bank bail-out money to create 300 new transition houses across Canada?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Hon. Member suggests that there is an instant answer. The Hon. Member knows that the delivery of service to battered women and the question of the funding of transition houses is a number one priority. My colleague, the Minister of National Health and Welfare, has been dealing with the provinces, as well as the Minister responsible for housing. This is a priority in federal-provincial discussions. The Hon. Member has our assurance that this is a priority of the Government.

* * *

CANADIAN NATIONAL RAILWAYS

OPERATION OF SERVICES BELOW COMPENSATORY RATES

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the Government's White Paper entitled *Freedom to Move* quite properly observes that the Government should be sensitive to allowing Crown corporations unfairly to cross-subsidize their operations, will the Minister now move to forbid CN from operating any rail service below a compensatory rate?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I am sure the Hon. Member is aware, the document entitled *Freedom to Move* has been referred to the Standing Committee on Transport. Through its terms of reference, I have asked it specifically to consider this important matter as it is an issue that has been raised throughout the country.

PUBLIC SERVICE

CAREER PLANNING FOR EMPLOYEES FACING LAY-OFFS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is for the President of the Treasury Board. Last week the Minister of Indian Affairs and Northern Development confirmed to the House that through a massive reorganization of his Department there were up to 1,500 job cuts in that Department. Weeks before we had been told of job cuts in the Public Service of Canada, in Transport Canada, in the Department of Communications and in the Department of the Secretary of State, affecting thousands of employees. What career planning does the Minister have in mind for these public servants? Does he plan to offer them retraining, or does the Government have a plan to help these workers recycle themselves or find alternative employment in the Public Service of Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it is quite true that in the last several days announcements have been made about the potential layoff of some employees in the Public Service, quite in line with what was announced in the May Budget, which was a reduction of 2 per cent in the actual workforce for the coming fiscal year. However, I am very happy to say that regarding workforce adjustment policies as well as most of the other commitments we have undertaken vis-à-vis the unions, we have worked out a policy that provides for the kind of pre-notice, retraining and recycling within the Public Service that will minimize the adjustment of these workers to an obviously difficult situation.

[*Translation*]

JOB SECURITY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): A supplementary question, Mr. Speaker.

Can the Minister confirm to the House that those employees will get the same service and the same attention from the Public Service Commission and, for instance, will a priority list be established? Will they have the right to appear before the PSC to make sure that everything is done to help them find other jobs?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, not only is everything done to enable them to find other jobs within the Public Service, but they are indeed given priority. Notice periods have been negotiated with the unions so that displaced employees may benefit from the most complete retraining available. If I may refer to what happened after last November's exercises, all but 130-odd employees out of about 3,000—I do not remember the exact figure—have so far been recycled within the Public Service. We hope to be able to do the same thing in the future.

[*English*]

CONSUMER AFFAIRS

DISCOUNTING OF INCOME TAX REFUNDS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs. The Minister has been urged repeatedly by church, consumer, and anti-poverty organizations to stop the discounting of income tax refunds. Last month at a federal-provincial meeting of Ministers of Consumer Affairs, it was agreed that income tax discounting of tax returns of persons receiving the child tax credit should be stopped. Today the Minister received a telex from the Manitoba Minister of Consumer Affairs asking when action would be taken. Can the Minister give the House any information as to when he proposes to deal with this question?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I simply want to answer that we have been considering this matter for several months. We have had many consultations with the parties concerned as well as with the provinces. I may remind my hon. friend that a policy of this kind involves a number of other departments as well. We are consulting with our colleagues and intend to make a decision as soon as possible.

• (1440)

[*English*]

REQUEST THAT PRACTICE BE BANNED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is now less than three months until the next tax year commences. The Minister has to do something. Can he tell these organizations and the Manitoba Minister why he cannot ban the discounting of the child tax credit and of all income tax returns since this has already been done successfully in Quebec and the United States? What is the difficulty the Minister has in defending our poorest Canadians?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, there are of course a number of problems, but it would take too long to mention all of them this afternoon. Can you imagine what is involved?

However, I have already indicated I intend to deal with the situation as soon as possible, and I hope the matter will be settled before the start of the new income tax season.

[*English*]

GOVERNMENT OF CANADA

STATEMENTS ATTRIBUTED TO MINISTER OF JUSTICE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is for the Deputy Prime Minister. It involves the same extraordinary interview of the Hon. Member for St. John's West at VOCM in St. John's. My question involves the way the Government passes information on to the public.

With respect to the Prime Minister telling the truth, the Minister was quoted as saying that he would be crazy if he was not because these things are not important enough for him not to have told the truth. Does that statement suggest that for matters of unimportance the Government will tell the truth and that for matters of extreme importance the Government may not tell the truth? Will he please clarify how the Government decides to fess up or not?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I doubt very much the relevancy of the Hon. Member's question with respect to my ministerial responsibilities. Nonetheless, I can assure him, as I have assured Hon. Members before him who have asked the same type of question, that the calibre of staff in the Prime Minister's Office is of the highest possible quality. I am sure the Minister of Justice shares that view with me, as he has already stated in the House today.

Mr. Penner: He does not share any such view.

POLICY INQUIRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I think the Deputy Prime Minister failed to understand the question. It is critical when a Minister of Justice of the Government of Canada suggests the Prime Minister was telling the truth because the matter was not important enough not to have told the truth. It other words, the matter was not important enough to have lied. Is there such a policy in this administration, as suggested by the Minister of Justice, that on unimportant matters they will tell the truth but on matters of great importance, great political exposure, they may not tell the truth? Is that the policy of the Government?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, that is the most extraordinary pulling out of a 10-minute interview, a scattered word here and there. It befouls and smirches the reputation of the hon. gentleman in the way he asks his question. It should not be permitted, Mr. Speaker. It is a disgrace that this type of questioning is permitted.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That won't work, John.

Ms. Copps: Tell the truth, John.

Mr. Crosbie: You would not know the truth if it struck you in the head.

Mr. Speaker: Order, please.

Ms. Copps: Erase the tape, John.

Mr. Crosbie: Another bunch of twisters. You are incapable of even reading straight.

Mr. Speaker: Are Hon. Members finished yelling at each other now?

Mr. Crosbie: I have not even started.

Mr. Speaker: Would Hon. Members like us to stop Question Period for three or four minutes so that they can go on? Question. The Hon. Member for Ottawa Centre (Mr. Cassidy).

* * *

[*Translation*]

SMALL BUSINESS

CLOSING OF DOMINION TEXTILE PLANTS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, they do not even know enough to calm down!

My question is directed to the Minister of Regional Industrial Expansion and concerns the closing of Dominion Textiles plants at Saint-Jean and Valleyfield.

Considering statements by the union that these shutdowns were an attempt on the part of the company to break the union, will the Minister conduct an inquiry into the use of public funds and review all federal subsidies earmarked for modernizing the plant, in order to establish this was not an attempt to break the union?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, we are well acquainted with the problem at Dominion Textile. Yesterday, I met with the president of the company, and we are trying to find solutions so that Dominion Textile will not have to close down, and if it were obliged to do so as a result of the situation in the textile industry, we will find another use for the plant, even before it closes down.

JOBS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is this an undertaking that the jobs of these employees will be restored, especially considering the fact that this is the most modern textile plant in Quebec?

Will the Government give the House the assurance that the company will not close down simply to try to avoid having a union that works for its employees?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, the Government cannot interfere in the operations of a private company, nor can it dictate any guidelines. However, our Government, unlike what happened during the last five years, is trying to find jobs and to restore the textile industry.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST THAT UNITED STATES ALLEGED CRIMINAL BE DEPORTED

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is for the Minister of Justice. He will know that the Federal Court of Canada has ruled that the Minister of Justice and not the courts must deal with the extradition matter of Joseph Kindler. When will the Minister send this man back to the United States where he can be properly tried and punished for a most heinous murder committed there?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, it is a pleasure to be asked a relevant question about a matter of public policy.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The position with reference to the person involved is that the appeal period has not yet expired. However, counsel for Mr. Kindler wishes to write me to set out reasons why I should exercise my discretion under the extradition treaty, on behalf of her client. I may well give her a chance to come to make an oral presentation as well. Once that is done, then a decision will be made.

Mr. Broadbent: Check it with the PMO.

Mr. Crosbie: I cannot make a decision until the lawyer for the person involved has been given a chance to make representations.

* * *

NATIONAL REVENUE

GULF TAKEOVER—TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the Minister of National Revenue. If the Minister has been briefed, he will have read an article in *Maclean's* magazine dated October 14 entitled "Sweetheart Tax Ruling" which deals with the Gulf acquisition. If the Minister has read the article he will have seen that the taxpayer was able to accomplish indirectly what could not be accomplished directly. Will the Minister not agree that it would be improper and not in accordance with the guidelines of his Department to give a ruling in such circumstances?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, again, the distinguished Member opposite, because of his previous experience, knows that in asking a question such as the one he has asked he is inviting me to violate some of the important principles of Canadian income tax jurisprudence. He knows that I cannot make such an observation under the circumstances. I have assured him before that to the best of my knowledge any such actions which were taken with reference to the provisions of our Income Tax Act were taken according to law. Unless he has evidence to the contrary, I can go no further.

AMOUNT INVOLVED

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, if the Government will not be forthcoming with respect to the contents of this ruling, will the Minister at least tell the House—

Mr. Clark (Yellowhead): The Minister follows the law.

Mr. Crosbie: You are a lawyer, remember?

Mr. Johnston: We have heard enough from you today.

Mr. Crosbie: You are a tax expert.

Mr. Johnston: Will the Minister please tell the House whether in fact the contribution of Canadian taxpayers—you and me, Mr. Speaker, and other Members of this Chamber—exceeds $1 billion?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, again, my hon. friend knows that for me to hazard an opinion, a guess, or to provide information of that nature, would be very much against the traditions of what the income tax laws of this country stand for. I ask the Hon. Member opposite how he would like to have his affairs disclosed in the House of Commons.

* * *

ENERGY

EXPLORATION INCENTIVES PROGRAM

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Last spring, in the Western Accord, she announced the end of the Petroleum Incentive Program grants called the PIP grants. These are grants for offshore exploration mainly in Canada Lands. The Minister is aware that these grants led to quite a bit of offshore exploration in Nova Scotia. She has put nothing in to replace it. Does she think this is fair, especially to the Province of Nova Scotia, whose oil and gas boom is collapsing now around Nova Scotians?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member should know that my colleague, the Hon. Minister of Supply and Services, has announced, in Halifax, that we will be revealing shortly the contents of our new incentive program. I am sure that he will welcome such an initiative.

• (1450)

Mr. Waddell: The Minister should know, perhaps, that her Department said not before the end of the year.

TIMING OF ANNOUNCEMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, given that the rigs are leaving now, that companies are making other plans, that there is instability in Nova Scotia, would the Minister speed up that decision and, for goodness sake, announce a decision fairly soon so that the Government does not treat Nova Scotia like some orphaned province?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member can be assured that we are not treating Nova Scotia like an orphaned province. I have already told the Hon. Member that we are going to be announcing our new incentive program shortly. Is he suggesting that he would prefer we do nothing?

* * *

[*Translation*]

BANKS AND BANKING

SOCIAL JUSTICE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Prime Minister, the Minister of National Health and Welfare and the Minister of Finance being absent, I will direct my question to the Minister of State (Finance) who is carrying on the fight in the House of Commons to reward individuals who have deposited more than $60,000 in the banking institutions.

I have here petitions signed by people from across Canada. Can the Minister explain what social justice notion prompted her action to cut $55 million off income support programs for families with children, and then hand out $1 billion to banks whose depositors have more than $60,000? On what social justice notion did she base her decision?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, our actions with respect to the bank are designed to help ordinary Canadians. Many of the Canadians who have deposits in these banks, who are westerness, are individuals. They are small businesses and employ people. I have pointed that out to this House time after time.

Mr. Broadbent: Give us the list, Barbara.

[*Translation*]

REQUEST FOR WITHDRAWAL OF BILL C-79

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, does the Minister know that she will penalize 3.5 million Canadian families just to reward 100-odd rich bank depositors? Is the Minister prepared to recommend to the Prime Minister that Bill C-79 be withdrawn?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have no intention of withdrawing Bill C-79.

* * *

HEALTH

REQUEST FOR EDUCATION PROGRAM ON AIDS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Deputy Prime Minister. Could the Deputy Prime Minister advise the House whether the Government is considering entering into a public education campaign across the country to satisfy a growing concern amongst Canadians with respect to AIDS?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, not to my knowledge. I know the Minister of National Health and Welfare is very concerned about increasing public awareness with respect to this disease. Perhaps I could take the question as notice and ensure that it is brought to the attention of the Minister of National Health and Welfare for a fuller response on his return.

FUNDING OF RESEARCH

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed again to the Deputy Prime Minister. Could he take it as notice to the Minister of National Health and Welfare to inquire whether the Government intends to increase the amount of monies which could be made available for research into Aids?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will certainly take it as notice and ensure that the Minister of National Health and Welfare gets back to the Hon. Member. If my recollection is accurate, I believe that the Government is already assisting some operations to increase public awareness in this area, particularly—as I am informed by my colleague—in the Vancouver area.

* * *

CANADA POST CORPORATION

COMPLAINTS ABOUT SERVICE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister responsible for Canada

Post. I continue to receive many complaints about this Crown Corporation, its high cost and its poor service. I understand there are at least three studies under way, the private sector task force, the Auditor General's review, and the Laventhol and Horwath Review. What is the Minister's timetable for action in this area of vital concern to thousands and thousands of Canadians?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, in reply to the Hon. Member, the Auditor General's final report is expected to be submitted to the board of directors of the Post Office by the middle of November. It is its responsibility to decide whether or not to make it public. The Fisher report on the Ed Varma situation is expected to be submitted by the end of this month and, again, it will be submitted to the Minister, Ed Varma, and the corporation, and we intend to make it public as soon as we receive it. The Marchment report is expected to be submitted at the beginning of November and as soon as we receive the recommendations we will properly deal with that.

* * *

ENERGY

LLOYDMINSTER HEAVY OIL UPGRADER PROJECT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Would the Minister tell the House why her Government is reviewing the federal commitment to the Husky Oil upgrader project in Lloydminster?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I think it would be prudent of any Government to review the terms of a $750 million loan guarantee in the light of the improved conditions which the Western Accord has given the industry.

IMPACT OF WESTERN ACCORD

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my supplementary question is directed to the same Minister. Will she explain why she said last May that this project was a direct result of the Western Accord? And why did she take credit for creating 15,000 person years of employment when the federal Government is now reviewing its commitment to the entire project which was originally approved by the former Liberal Government?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, this Government is on record as supporting the biprovincial project. It is because of the improved economics of the project under the terms of the Western Accord that we are making sure that the over-all financial package is attractive enough for it to proceed.

PORTS

PORT OF CHURCHILL—IMPROVEMENT PROJECTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Transport. The Minister knows that in 1984 there was a federal-provincial agreement signed which was aimed at revitalizing the Port of Churchill. In the timetable set out in that agreement, work was supposed to be done on dust control immediately, dredging of the harbour was to be done by the summer of 1985, and a new tugboat was to be ready for the summer of 1986. Would the Minister tell western Canadians when that work is actually going to start?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, those projects are still under active consideration. In fact, I have had discussions with the Minister of Transport for the Province of Alberta with a view to an extension of the shipping season into Churchill and the assurance that ice-breaking services would be made available. In so far as the subagreement is concerned, ongoing discussions have taken place. The rehabilitation of boxcars is occurring. Some other elements of it are still under active consideration. With respect to—

Mr. Speaker: Order, please. This is beginning to be a statement.

Mr. Murphy: Mr. Speaker, I believe the Minister of Transport meant to refer to the provincial Minister of Transportation in Manitoba with respect to consultations about extending the port season.

FEDERAL-PROVINCIAL AGREEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister has responsibility for certain aspects of that federal-provincial agreement. When is he going to live up to those aspects of the agreement? When is the money going to come from the federal Government?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, we do have responsibilities with respect to the ERDA subagreements. We also have responsibilities to the taxpayers to see that the money is spent prudently and wisely.

* * *

FISHERIES

SALE OF CANNED TUNA—REQUEST FOR COMMITTEE REFERRAL

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Government House Leader. In view of the comments made by the Minister of Justice in reference to the Member of Parliament, Mr. McCain, that "The only issue that might have been brought up was the complaint that fish inspectors, the bureaucrats, were out of hand. I mean, he may have complained somewhere of bureaucrats, so it could have been brought up in that

way"—he was referring to caucus—in view of these new comments and revelations, will the House Leader agree now to appoint a parliamentary committee to investigate the whole tuna affair in order to exonerate the Minister of Justice?

Mr. Broadbent: Just say yes, Ray, and sit down.

• (1500)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I do not believe that I or most Canadians feel that the Minister of Justice requires any exoneration. He just finished pointing out that the statements attributed to him are not in fact what he said. I do not think anything can be clearer than that, and the normal parliamentary tradition is that we accept the word of the Hon. Minister.

* * *

AGRICULTURE

USE OF GRAIN ELEVATORS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister responsible for the Wheat Board. Prairie farmers have a considerable investment in grain elevators across the country. Could the Minister give us some indication of whether the policy of the Government is to force farmers to haul to elevators other than their own in an attempt to have them pay back their advance payments?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I think the Member raises a rather technical matter having to do with how farmers are required to pay back their advance payments before they are considered in default and charged interest. We have been dealing with a lot of these cases and I would be very happy to deal with whatever concerns are raised by his constituents if he would provide me with the full details. It is a serious matter and we are perfectly willing and able to do whatever we can to assist farmers if, as the import of his question suggests, a hardship is caused by asking people to haul their grain further than they need to haul it.

* * *

POINT OF ORDER

DISTINCTION MADE BY MR. SPEAKER BETWEEN TWO QUESTIONS

Mr. Speaker: I am in receipt of a notice concerning a point of order by the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, during Question Period the Right Hon. Leader of the Opposition (Mr. Turner) posed an appropriate question asking for the names of individuals who were large depositors in the two failed banks in western Canada. Later on in that same Question Period I asked a general question about the Minister's reaction to a large category and you said that was an inappropriate question. I seek a clarification on why one was appropriate and one was not?

Mr. Speaker: I invite the Hon. Member to come and see me. I tried to indicate at the time that I had been in some difficulty in the earlier questions because the questioning had begun with questions about future policy and then came back to what might have been a matter of the Bill. When I heard the Hon. Member's first question it was quite clear to me that it related specifically to the Bill. It is always difficult in a situation as fluid and as political as the bank question to make a distinction between the Bill and other matters. If the Hon. Member is aggrieved, I would be more than happy to consider it again with him. My only intent was to remind Hon. Members that it is improper to ask questions during Question Period on a matter currently before the House.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Health, Welfare and Social Affairs, in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

UNEMPLOYMENT INSURANCE—PENSION DEDUCTIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents of the Kamloops area who are concerned that the Minister of Employment and Immigration (Miss MacDonald) has announced that workers laid off after December 31 of this year will have their pension benefits deducted from their unemployment insurance benefits, thus effectively eliminating the pension package benefit for the workers.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a petition signed by residents of Flin Flon, Manitoba, in which they complain about the Government's intention to have pension benefits, which are essential to the maintenance of family income and compensation to workers for their lifelong contribution to society, included as income for unemployment insurance purposes. They ask that all retired employees keep their pension benefits and receive their unemployment benefits without deduction of pension income.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by many members of the Ontario Secondary School Teachers Federation protesting changes in the Unemployment Insurance Act which are to come into effect on January 1, 1986. They call upon Parliament to ensure that such a change is not proceeded with and that those who are pensioned off are able to collect their pensions as well as unemployment insurance if they so qualify.

FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my pleasure and honour to present to the House a petition signed by a number of residents of the area surrounding Prince Albert in which they ask the House of Commons to reinstate full indexation of universal family allowance and rescind unfair tax increases.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour in this National Family Week to present petitions from constituents in the City of Thunder Bay and the Township of Nipigon. They protest deindexation of the family allowance and the massive cut-backs to our child care system, and call upon the House of Commons to restore indexation of family allowances.

* * *

TRANSPORT

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations among the Parties and I think you will find there will be unanimous consent without debate of the following motion:

That the fifth report of the Standing Committee on Transport, presented to the House on Tuesday, October 1, be concurred in.

Mr. Speaker: Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent, shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Mr. McKinnon: Mr. Speaker, I would like to ask the Parliamentary Secretary when he could hope to provide an answer to Question No. 379 which I asked on May 24, and inquired about again a month ago. This is one of a pair of questions on closely related subjects, one having to do with the Supplementary Retirement Benefits Act, which has been answered, and one to do with the Canadian Forces superannuation account, which has not been answered. I am worried that one of these is being held up because it will present a view opposite to the one that the Parliamentary Secretary or someone else may want to present to the House.

I would like to point out as well that the answer to Question No. 383 contained a gratuitous note at the bottom which appears to be an answer to a question I did not ask. It is purely subjective in nature and I ask, when the Parliamentary Secretary does answer Question No. 379, that he spare me the editorializing on the subject matter.

Mr. Dick: Mr. Speaker, I can indicate to the Hon. Member that part of the answer to the question he asked would involve some other areas of Government where there are negotiations going on at present. I propose to answer that question upon the completion of those negotiations.

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

Some Hon. Members: Agreed.

Mr. Speaker: Shall the Hon. Member for Victoria (Mr. McKinnon) and the Parliamentary Secretary have a meeting later?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canada Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, in concluding this morning, I said it was unfortunate that the Leader of the Opposition had relinquished the responsible ways he had shown so well last March when he supported the rescue plan.

I read in an article in the *Edmonton Journal* that what the Leader of the Opposition, claimed, was unfounded and I quote:

[*English*]

"It's unlikely that the Canadian Commercial Bank pumped $300 million into its U.S. subsidiary, as charged by Liberal Leader John Turner, a California banking regulator said Wednesday. "To my knowledge, there was no such infusion of funds", said David Scott, California deputy superintendent of banks "Remember that Westlands only has $386 million of assets in total"."

[*Translation*]

Mr. Speaker, this reminds me of a statement made by the Leader of the Opposition when he was Prime Minister, when he said that the Progressive Conservative Party was going to fire 600,000 public servants as soon as we were elected, although everybody knew perfectly well we only had 258,000 public servants in Canada. So there was some amateur exaggeration involved, and unfortunately, the Leader of the Opposition is now resuming this practice.

Journalists, whom the Leader of the Opposition quotes with such authority and relish, also had a few things to say, namely that the Government had no choice but to lend a helping hand to this regional bank so as to safeguard its deposits and also avoid hurting the economy of Western Canada which was slow to recoup and was in fact lagging behind the rest of the country's economic recovery. I would like to quote here from a column by John Ferguson of *Southam News*, which appeared in the *Ottawa Citizen* on March 26, 1985, the day after the rescue plan for the Canadian Commercial Bank was announced. He said, and I quote:

• (1510)

[*English*]

"The continuing problems faced by the Canadian Commercial Bank underline the fact that the economic recovery is still very uneven, with the West lagging well behind the rest of the country. A major part of the Commercial Bank's problems are the result of the large number of poor loans it has in western Canada, much of the money loaned to the oil and gas industry or for home mortgages during the boom years".

[*Translation*]

He went on to say:

[*English*]

"Money that would have been paid to the debenture holders out of future bank profits now will increase the Commercial Bank cash flow making it more likely the banks and the governments will get paid back".

[*Translation*]

Mr. Speaker, people really thought the rescue plan would succeed. This journalist also had the following to say, and I quote:

[*English*]

"Allowing the ten-year-old bank to go under would have negative impact on financial markets, possibly even with some effect on the value of the dollar. Finally, if the Commercial Bank had gone under, there would have been losses to several pension fund investors. Quebec's Caisse de Depot, which invests money for the Quebec Pension plan, held 10 per cent ownership according to a 1983 prospectus filed by the bank. The Canadian National Rail pension fund, the Air Canada pension trust, the Alberta Government Telephone pension fund, and the Alberta Teachers' retirement fund also would have lost out if the bank had been allowed to go under".

[*Translation*]

Mr. Speaker, it is obvious that a decision had been made, and even our journalist who does not have a reputation for being particularly soft on this Government admitted that the decision was a sound one. However, Mr. Speaker, a few weeks later, at a meeting of the Committee on Finance, Trade and Economic Affairs, some doubts were raised about this measure which had been taken to help the regional bank, and they were raised by the Hon. Member for Trinity (Miss Nicholson), which led the chairman of the board of directors of the Canadian Commercial Bank, Mr. Paul Paine, to complain in June that the proceedings of the committee on which this particular Member was sitting had undermined the public's confidence in the Bank during the rescue period. I would like to quote from an article in the *Calgary Herald* of June 14, by David Triguero, where he says, and I quote:

[*English*]

"Paine emphasized that CCB management practice had been approved and supported by William Kennett, Federal Inspector General of Banks, and Gerald Bouey, Governor of the Bank of Canada, who may be described as 'all people of high degree of independent credibility and people who understand banking'. Its critics, on the other hand, 'are not terribly familiar with banking and could not be expected to learn much in the few short sessions that the committee heard evidence' ".

[*Translation*]

However, Mr. Speaker, the Hon. Member for Trinity had already raised doubts about the rescue operations. Lack of responsibility, Mr. Speaker? It is not surprising that the rescue plan did not succeed.

Another subject is that of deregulation of the banking system.

[*English*]

A very good part of this debate, Mr. Speaker, should focus on Liberal inaction on regulatory reform for the last 16 years. Even John Evans, former Liberal Chairman of the Committee on Finance, Trade and Economic Affairs, admitted last week on the CBC that the previous Government was well aware of the problems vis-à-vis financial institution regulations, and yet did not act. Our Government, Mr. Speaker, on the contrary, is committed to regulatory reform and has indicated so in the Throne Speech, the economic statement, the Wyman Report, and a discussion paper on financial institutions. Earlier, the Hon. Member for Windsor West (Mr. Gray) asked why we did not do anything immediately. The reason for that is that we were busy mopping up the mess that the Liberals left us; a mess of unemployment, high interest rates, and a large deficit.

[*Translation*]

Mr. Speaker, eleven institutions were operating in Canada when the Bank Act was revised in 1980. After that, the number jumped to 70, which means that 59 new institutions began to operate after the revision of the Bank Act, yet no effort was made by the previous administration to change the regulations.

So Mr. Kennett had to make do with what was there when the Canadian Commercial Bank problem arose.

Why did the Liberals fail to make the necessary changes? Perhaps they were too busy trying to thwart the western petroleum industry which was about to show that it no longer needed to depend on the central Government.

For instance we know that Mr. Lalonde's philosophy was that the central Government had to be very strong, intervene in everything, and tell the regions how and when to develop.

[*English*]

In other words, Mr. Speaker, instead of backing the winners they were bleeding the winners. That is why we found ourselves in a situation where a bank that was doing very well in the boom years suddenly found itself in difficulty. Today we are faced with the results of the bad administration which we suffered for almost 20 years, and we want to help its victims. However, we are told by the same Liberal Party and by the same NDP, which supported the energy program and several other policies that were so detrimental to the West, that they cannot have their money, that they are big, rich and powerful, even though they are small municipalities, small credit unions, and small insurance companies. Somebody somewhere has a life insurance policy on a loved one and would probably depend on the insurance money to raise a family if a tragedy happened. However, the money is tied up in the Canadian Commercial Bank and we are not allowed to give them relief because they are considered to be very rich people.

[*Translation*]

Again, Mr. Speaker, I repeat what I said earlier. I think that the request for a list of depositors is nonsense. I think it is immoral to want to intervene in the private life of Canadians. And I think it is about time this Bill be adopted by the House. We have wasted enough time and must get back to work immediately, as we began to do, on a review of the banking regulations and give the Inspector of Banks the tools he needs to ensure that our banking system remains sound.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, you speak Fench very well. I have a question for the Hon. Member for Gatineau (Mrs. Mailly). This morning she spoke eloquently on the issue of the Canadian Commercial Bank collapse and she argued why she thinks it has now become necessary to help people who have deposits with the Canadian Commercial Bank.

Here is my question. If we are going to help the Canadian Commercial Bank, should we not do the same thing for small- and medium-sized businesses? A lot of them in my riding face similar problems and a good many of them had to close down. There are quite a few farmers in my riding, they had to cope with drought, then lots of snow and rain, bad weather generally, so should we not now do for farmers and small businesses what the Hon. Member wants to do for the Canadian Commercial Bank?

The Acting Speaker (Mr. Paproski): The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, the Hon. Member for Yorkton-Melville (Mr. Nystrom) knows very well that in cases of small businessmen and farmers he is talking about shareholders, people who own businesses and are experiencing difficulties, whereas the Bill we are debating today has to do with depositors, people who invested their savings in a bank they thought was sound. That is an aspect of our overall banking system and a different situation altogether.

But as you know, Mr. Speaker, we already help farmers as well as small- and medium-sized businesses. We have already brought in legislation to help such businesses in Canada. We also advocated a legislative measure—for which the New Democratic Party had no use at all, as I recall—to abolish the capital gains tax on farms.

• (1520)

Again they sang the same old tune: those farmers are too rich as it is, we should not abolish the capital gains tax.

They said the same thing when we wanted to abolish the capital gains tax on small- and medium-sized businesses. In our judgment that is one way to help them and make sure that the business remains in the family.

Mr. Speaker, I think the Hon. Member should be consistent. If he wants to do something worthwhile for people he should take a second look at this measure—Bill C-79—and approve it to help the depositors, just as he should do in the case of other legislative measures designed to assist small businessmen and farmers through abolition of the capital gains tax.

The Acting Speaker (Mr. Paproski): The Hon. Member for Yorkton-Melville (Mr. Nystrom) on a supplementary question.

Mr. Nystrom: Mr. Speaker, the Hon. Member has just referred to capital gains. If a small- or medium-sized business were to file for bankruptcy, how could any change in the capital gains legislation be of any help? I fail to see the logic, Mr. Speaker. I am talking about a situation where a company is bankrupt, yet she suggested an amendment to the capital gains legislation. It has to be the other way around! To help someone through the capital gains tax, that someone must have capital gains to begin with.

Mrs. Mailly: Exactly, Mr. Speaker, there is no ambiguity. The abolition of the capital gains tax will give a bit more cash to small businesses. You always make the same mistake. The NDP Members always make this mistake, and so do the

Liberals, when they say that those who have capital gains are wealthy because they have made a profit. However, they should know that small businesses which do not make a profit will soon be in trouble.

There is no ambiguity. In one case, the good is to help the depositors who got caught in a bankruptcy caused by the deterioration of the economic climate due to ill-advised policies of the previous Government. The other is an assistance program for small businesses, because when they go under, it is very often because they do not have the cash they need to operate.

We saw this with small businesses in the oil sector. These small businesses which borrowed from the Canadian Commercial Bank did not have enough cash flow because they were overtaxed by the Liberal Government which wanted to centralize everything in Ottawa without allowing a single region to develop.

Mr. Lanthier: Mr. Speaker, the Hon. Member for Gatineau (Mrs. Mailly) has raised a very important point in saying that, in 1980, the Canadian financial market included 11 banks and that, one year later, this figure increased to approximately 70.

I would like the Hon. Member for Gatineau to comment on the relationship between the haphazard manner in which our predecessors launched all these new banks and the situation last week at the Committee on Finance, Trade and Economic Affairs, which was considering the reform of financial institutions, when the Liberal Party did not see fit to send any representatives to the Committee while this serious work was going on. I would also like her to comment on the relationship between these two things which are strangely similar.

Mrs. Mailly: Mr. Speaker, my colleague has just given a perfect example of the ambivalence of the Liberals who pretend to want to help everyone, but who are never there when the time comes to make a positive rather than a negative contribution.

We are certainly interested in reviewing these regulations. This should have been done a long time ago, Mr. Speaker, as I pointed out in my speech, and I am very happy that my Government is following up on the promise made in the throne speech to the effect that these regulations would be reviewed urgently. If this had been done two years ago, heaven knows that we would not be faced with such a tragic situation today!

Mr. Gauthier: Mr. Speaker, in view of the exchanges between Government Members, I should like to quote from an editorial from the well-known *Edmonton Journal* dated October 2, 1985, which reads as follows:

[*English*]

"The Tories say the Liberals allowed foreign banks to open with inadequate regulations". That is from the *Edmonton Journal* of Octber 2. It goes on to say, "If the regulation was so lax why did McDougall's spring Green Paper on Banking propose to further deregulate the industry by allowing insurance companies to get into money lending, perhaps creating hundreds of new Schedule C banks?"

If deregulation is not the answer, what is?

Mrs. Mailly: Mr. Speaker, as usual, the Member for Ottawa-Vanier (Mr. Gauthier) is taking something out of context.

Mr. Gauthier: No.

Mrs. Mailly: He is taking an article from the paper. They seem to run their Opposition by reading the paper. Every morning they read the paper and decide what their position will be for the day. If the paper changes the day after, they change their position. We have seen that with the Leader of the Opposition.

[*Translation*]

As a reed bowing in the wind; if reporters tell them that they are good-looking, that they are fair and chubby, they are pleased, but as soon as the circumstances change, everything becomes different. The regulatory process is not the only issue with which he deals, there is also deregulation and a new control procedure. Did you know, Mr. Speaker, that in Mr. Kennett's office there are only six employees to help him audit the banks while in the state of New York there are 300 experts working under the Inspector of Banks, for they have of course a banking system which is said to be less conventional than ours. However, six employees for a whole country compared with 300 employees for one single state—

Then, Mr. Speaker, obviously what we needed was a new approach to review and regulation. Besides, we came to realize that when another bill relating to trusts, for instance, was debated under the previous administration. We were well aware that the Liberal Party which was then in power wanted to extend to trusts all sorts of measures which were previously unavailable while they were not required to assume as many responsibilities as the banks but they wanted the same advantages—

[*English*]

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

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I hope the Hon. Member for Gatineau (Mrs. Mailly) is going to stay near her seat, because we have a few things to say to each other. In any case, I would like to read to her the last paragraph, since I only have a minute, of the editorial that appeared in the *Edmonton Journal* on October 2, 1985, which reads as follows:

[*English*]

"Principles lost in bank fiasco". It states, "By trying to blame the Liberals for the collapse of the Canadian Commercial

Bank and Northland Bank, the Government shows it is bankrupt of any sense of responsibility for its actions".

[*Translation*]

Mr. Speaker, in taking this opportunity to speak to Bill C-79 and especially to the amendment. I would simply like to clarify the issue and start by saying that the amendment before the House is what is referred to as a reasoned amendment and objects to the principle contained in Bill C-79. The House will recall the amendment was moved by the Leader of my party, Mr. Turner, and seconded by myself, and it reads as follows:

"this House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies to unspecified persons or corporations, thereby substantially denigrating Parliamentary accountability for expenditure of public funds."

Mr. Speaker, if there is one thing we do in this House, it is that we are accountable to our constituents and to Canadians in general, and in this respect, I think it is very important that the federal Government, with the spending powers it has, should be able at all times to justify its expenditures and do so publicly.

The purpose of Bill C-79 being considered today is to authorize the expenditure of $875 million to compensate uninsured depositors who had invested money with the Canadian Commercial Bank, the Northland Bank and the CCB Mortgages Investment Corporation, and all this without revealing the names of the people who stand to benefit from this legislation. The legislation is of course meant to compensate over and above the usual $60,000 paid to any Canadian depositor in a bank that is a member of the Canada Deposit Insurance Corporation. In other words, Canadians are insured for up to $60,000 by public funds, an insurance fund to which we contribute a percentage of our deposits.

Mr. Speaker, all the editorials I have in front of me obviously repeat the same thing. I am going to read one that appeared in the *Toronto Star* on October 7, which reads as follows:

• (1530)

[*English*]

"How on earth can the Progressive Conservative Government continue to argue that Canadians should not be told the names of depositors in two failed western banks who are being bailed out with public money? A Government Bill asks Parliament to approve an $875 million public expenditure to finance the bail-out but it ignores the taxpayers' right to know where their money will go".

[*Translation*]

Mr. Speaker, that is what the argument is essentially about. Why not release the list of uninsured depositors covered by this legislation?

[*English*]

Are they trying to pass the buck? Is the Government saying what it said in March of this year when it requested money from taxpayers to save the Canadian Commercial Bank which indeed failed? At that time we had to trust the Government and have confidence in it. Should its continued stonewalling on the issue to date require from us an act of faith or an act of good will? Should we tell the Government to go ahead and spend close to $1 billion without telling us where the money is going? On the basis of its lack of disclosure, we ask the Government today to come clean and tell us who is covered or who will benefit. Confidence in the Government is not enhanced by stonewalling on its part.

[*Translation*]

Mr. Speaker, last March, the Government told the House: "Quick, something must be done, it is very urgent and our banking system is in peril. One of our banks is in trouble. Now be nice and adopt the Bill, without too much debate, please, and you are going to be asked to give us your support, because trust us, this measure is going to help make viable one of our banking institutions, the Canadian Commercial Bank."

Mr. Speaker, we all know this was false, that the Government had failed to do its homework, that it misled the Canadian people, that it spoke without sufficient knowledge of the facts, without having the requisite studies on the table, studies that should have been done. It misled us, and the result is that $255 million were spent in March 1985, and that today, they are asking us for another $875 million—

[*English*]

In Bill C-79, the Government is asking for $875 million, as I said. In my riding of Ottawa-Vanier, $875 million is a lot of money. I have been asked by constituents to whom these moneys are going. Will it go to the poor, the unemployed, elderly people, widows or women living below the poverty line? The answer is no. Will the money be used for economically deprived children in our schools to better feed and clothe them? Again the answer is no. This huge sum of money, this king's ransom, will be used to bail out uninsured depositors of two chartered banks which the Government allowed to die. More important, this Bill will bail out not only two banks but two Ministers, two incompetent Ministers—the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall). That is what the Bill does. It bails them out. It gives them an out on the backs of taxpayers.

I remind the House and the people who are listening today that both the Minister of Finance and the Minister of State for Finance assured the House on numerous occasions in debate, in Committee of the Whole and repeatedly in Question Period, that both banks would be or could be kept in business.

I return to the magnitude of the sum involved. I have done some calculations. Since it is not going to the poor or to the elderly, since it is not going to clothe and feed children, I asked myself with what people would identify when considering $875 million. It could mean 28 million family allowance cheques of $31.27. It could mean 3.1 million Old Age Security cheques of $282.94 per month. It could mean 2.6 million Guaranteed Income Security payments or 1.5 million spousal allowance payments. The $875 million is not going to the poor or to the elderly. It is going to bail out people who, by the admission of many specialists, benefited from an investment which was

superior to the going market rate. They took that money, and I hope they took the risk; they should bear the brunt. One cannot argue, as the Government is doing, that this is a precedent. If it happens in a year or so from now, the Government will say that it could not be anticipated and hide behind ignorance of the facts.

I should like to refer to the City of Ottawa and to put the $875 million into perspective once again. The City of Ottawa raises approximately $300 million per year in taxes. In fact, the exact figures for 1985 are as follows: municipal taxes, $66,527,600; regional taxes, $81,834,600; school taxes, separate and public combined, $143,052,000, for a grand total of $291,414,200. The total tax collected by the City of Vanier in the year 1985 was $11,268,000. If we combine the taxes for the City of Ottawa and for the City of Vanier, $875 million would mean no taxes for a period of three years. Of course that is discounting the interest on the money which would be deposited. That is the magnitude of this sum of money. At the going rate of interest of 8 or 9 per cent today, it is a phenomenal amount of money.

Mr. McDermid: What about the municipalities?

Mr. Gauthier: I will get to the municipalities. I see the Hon. Member has moved over to be one of the book-ends; he is much better across the way.

Mr. McDermid: What about the shareholders?

Mr. Gauthier: I will deal with the shareholders, but right now I am trying to explain—and the Hon. Member would not understand that—what $875 million means in my riding. I will talk about the shareholders, because it is an interesting point. On the question of depositors and shareholders I wrote to the Minister in April—and I do not know if the Hon. Member did that—because I was concerned. We had participated in a very serious debate here, so I wrote to the Minister on April 22 asking her specifically what were the commitments of the Canadian Commercial Bank with regard to the proportion of the bank's business in Canadian and United States loans. I also asked the Minister about ownership, for a list of shareholders showing the number of shares held, and so on.

● (1540)

On May 21, 1985 the Minister answered and supplied me with a profile of deposits showing at least $635 million of deposits. I also saw in the answer she gave me a profile of the loan portfolios and something which I thought rather interesting, the major common shareholders and major preferred shareholders. Up until now we have failed to talk much about shareholders and I would like to address that point since I was invited to do so by the Hon. Member.

The common shareholders were pension trust funds, and I can name them all: Air Canada pension trust fund; Alberta Government telephone employees trust fund; the Teacher's Retirement Fund of Alberta; la Caisse de dépôt du Placement du Québec; the CNR pension trust fund; the CBC—I even find in there the City of Ottawa superannuation fund, 106,086 common shares—down the drain—they have lost it, pretty well. What were those shares worth in March as compared to today? There is a whole list of shareholders which I would be glad to submit to anyone who is interested. I only have 20 minutes so I do not want to read this into the record. I have already made this public so people can have access to this document if they so desire. The reason I am talking about the magnitude of $875 million is, as stated in the reasoned amendment before us, that we on this side object to paying out $875 million to unknown depositors. We object to being asked again by this Government to perform blindly an act of faith.

I asked myself when I first saw this, why would the Government have what we would call—

[*Translation*]

—a special bill. Why did the Government introduce such a bill in the House when we are all aware that the Winding-up Act could perfectly apply to the failure of a bank. I believe it is Section 87 of the Winding-up Act which provides that when a creditor wants to submit a claim, he or she must do so openly and publicly. Section 97(7) of the Bankruptcy Act, which does not apply to banks, but does apply in all other cases, provides for something similar. Whoever wants to be reimbursed must publicly submit a claim to a receiver, providing him with his or her name, the amount claimed and all the necessary evidence in support of the claim.

I ask you, Mr. Speaker, why do we have before us a bill which exceptionally changes the rules of the game. For instance, Clause 3 states that the Minister of Finance may, on application in the prescribed form and manner, make payment to the depositor of an amount equal to so much of the deposit—

Mr. Speaker, the Government had to find a way out, because the Winding-up Act, which applies to Banks, and the Bankruptcy Act, which does not, would both have compelled it to provide the names of all the creditors who have so far submitted claims to the curator or the receiver. Mr. Speaker, that is the purpose of our amendment to the legislation we are dealing with today. We want to know who the depositors are, as it is our duty to do so, that we may say to our constituents: The depositors are simply Mr. or Mrs. so and so, this and that corporation, this or that financial institution, this or that foreign bank, for they have submitted claims to the curator or the receiver.

[*English*]

When speaking to the main motion, I will want to review the history and the reasons why we voted for this promise of a bail-out in March and why today we are so mad—that is the word—at a Government that did not play ball as seriously as it should have. We were asked to restore confidence by performing an act of faith in the Government's proposal. I have a chronology of events here. The Government had not even asked the external auditors what was going on in the CCB. It had not even bothered to ask experts in the banking field, although the banks offered voluntarily to do it. The banks said,

"We will examine the portfolio of loans and we will tell you". This was in March, before this fiasco occurred, and the Government said no.

By refusing to do the elementary and serious investigation that it should have done it put Canadians as a whole, taxpayers specifically, and Members of Parliament in a situation where we have a Bill before us that proposes to bailout two banks, Canadian Commercial and Northland.

Northland is an entity by itself that was brought in, dragged in, pushed in, or packaged by this Government. We all remember the famous interview that Mr. Neapole gave on TV when he said that this Government wanted to destroy him. Here is a president of a bank accusing this Government, several weeks before, saying that the Government is out to get him. I would like to speak on that on the main motion, but I think I made my point on the $875 million and why this reasoned amendment has to be approved by this House. Thank you, Mr. Speaker.

[*Translation*]

Mrs. Mailly: Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) knows very well that it was the practice for the banks to have their auditing done by their own internal auditors and the Inspector of Banks, under the existing statute, which we want to change because we feel it does not protect Canadian citizens as we can see now. As I said, the Hon. Member knows very well that it was the practice not to perform any special bank audits, since they were left to the auditor himself.

He knows also he did not have time, over the week-end when we had to make a rapid decision to ensure that the next Monday, when the Commercial Bank of Canada would open its doors, depositors would not feel afraid of losing their investments. It was in order to restore confidence that the Government stepped in, and the chartered banks at that point were in agreement to save that bank. Now, with hindsight, and because a "20-20 retroactive vision is very clear" as the saying goes, trying re-do what had not been possible to do at that point is not fair.

I would like to ask him a question. How would he make the difference, simply looking at a list of depositors, in order to decide who is going to be compensated and who is not to be, with compensation based on the financial status of the person or the institution that made the deposit with the Commercial Bank of Canada?

Mr. Speaker, I am looking, for instance, at a list that was supplied by the Minister of State (Finance) (Mrs. McDougall), where, if banks, whether Schedule A or B banks or Trust Companies are eliminated, there are at least $123 million of investments that would be lost if the Bill were not to pass.

And by coincidence, he mentioned that the City of Vanier, I believe, had some $11 million in tax revenues. Looking at the first two classes of municipalities, those with populations of 25,000 and 50,000, and I think this is about the size of the municipality he is representing, that totals $11 million.

In other words, we would ask a municipality like Vanier to relinquinsh some $11 million, unless we make a choice from that list. How would he go about making that choice?

Moreover, looking at individuals, at the $60,000-$99,999 deposit levels, I am saying that individuals who invested that kind of money may be pensioners who sold their family house and invested the money in that bank, in order to have subsistance income, to enjoy a secure retirement in later years. At that point, are we to decide that those are rich people and that we will not compensate them, simply because the figure here exceeds $60,000? This would be simply dropping pensioners who perhaps had put all their savings in that bank and would be left with nothing to live on. The Bill is intended for them also.

● (1550)

Tell me, Mr. Member for Ottawa-Vanier (Mr. Gauthier), how would you make the difference? Whom would you compensate, and whom would you not compensate?

The Acting Speaker (Mr. Paproski): The Hon. Member for Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, two points were raised by the Hon. Member for Gatineau. First, whether banks are inspected and how that is done.

I can say that regarding the inspection of the Canadian Commercial Bank, and this is the opinion of the Committee of the House that examined the bankruptcy question, and I refer to what was reported in the proceedings of the Committee, namely that the history of the CCB has been marked by a series of imprudent loans, dubious accounting policies, inadequate disclosure of information and deficient supervision. That says it all.

Even if inspection was carried out, if accounting policies are dubious, loans imprudent and disclosure is inadequate, it seems to me that says it all. It was the bank's own poor administrative practice which caused it to collapse.

As for the second question raised by the Hon. Member, I think she made an important point. Of course municipalities are anxious to recover their deposits. I would be the first to agree. I would say to the Hon. Member: Let these municipalities say so publicly. Thus far, and the Hon. Member knows as well as I do, Kanata has said: We have $9 million in the Canadian Commercial Bank. Everybody knows that today. This is one of the municipalities with a population of between 50,000 and 100,000, perhaps a bit more, but in any case, it has $9 million on deposit with the Canadian Commercial Bank.

It is also a fact, and it was said publicly, that St. Catharines in Ontario was in the same position. Toronto as well. Hull had a few million dollars. Some municipalities, and I know munic-

ipal affairs as well as I do education, had made a habit of investing in debentures and other investments with these banks because their rates were a quarter or half a point higher.

I do not know whether the Hon. Member for Gatineau saw the interview with the Mayor of Kanata on the weekend. She told the public clearly what her position was, which one had some trouble accepting as a valid reason. She said: "Our administrators have a mandate to invest the municipality's revenues at the best going rate, for as long as we do not need those monies". I would say to the Hon. Member for Gatineau, that if interest rates had gone down and if the investment in question had been discussed by the Mayor at that time, perhaps her administrators would have been more prudent. Now the Mayor has publicly admitted that Kanata has changed its investment methods as a result of this unfortunate experience, and that it will no longer be left up to the discretion of the select few to decide what should be done with public monies.

I think there is a lesson here for municipalities to be more careful and to be a little less, I do not want to say demanding but they will have to be a little more reasonable. And they should not invest in high risk situations. Of course the rate is higher. The profits are higher. But if the risk is greater, it means you might lose your shirt. I am not saying that the municipalities of Kanata and St. Catharines and Toronto, which are public bodies, should lose their deposits. I am just saying that all these municipalities should have the good grace to tell us publicly tomorrow morning who they are. And why not do so on a voluntary basis? I urge all depositors to do so, to make this information public before the House, by sending a letter to the Clerk of the House saying: I am a depositor, I have x dollars on deposit. What is wrong with that, what is wrong with saying these things in public, with saying: I want to be helped with public funds, and I am in a position, and am agreeable to, releasing that information?

I think that is the solution. I say to the Hon. Member for Gatineau that neither of us can vote blindfold, our ears muffled and our mouths shut. There is a fishy smell, but the fact remains that Members of this House will have to remember that when they spend money, they are to be accountable to their constituents. That is the answer to the question.

The Acting Speaker (Mr. Paproski): The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, I would like to put a question to my friend the Hon. Member for Ottawa-Vanier.

I agree with the thrust of his remarks, and our Party has been saying the same thing all along. However I am wondering why the Hon. Member was in favour of the Bill last March when the Government introduced its legislative measure to rescue the Canadian Commercial Bank. Why did you co-sign the cheques, why did you support the Minister of Finance, why did you support the Prime Minister? I think you showed a lot of faith in the Conservative Government. Why did you do that? You no longer agree now, so why did you co-sign the cheques five or six months ago?

Mr. Gauthier: I think I answered that question in my remarks, Mr. Speaker. I said we had been misled, that perhaps we had been dragged into the operation without realizing its full impact. I admit that last March I voted to try to save a banking institution because the Government, which I believed and thought sincere and serious, had told us many times in the House "If you do as we ask, one bank will be saved, a lot of people will be spared, and the deposits will be guaranteed". Well, I am confident that the Canadian banking system is second to none and I did the act of faith the Government expected from me. Today, people with perfect hindsight tell me: "You made a mistake, Gauthier!" So I did, I was led down the garden path by a Government in which I had faith, but never ever will I again have faith in this Government, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I regret, but questions and comments are over. The Hon. Member for Winnipeg North (Mr. Orlikow).

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are now being asked to call upon the people of Canada to put $875 million into the winding up of the affairs of the Canadian Commercial Bank and the Northland Bank. We ought to remember that this is not the first such request made of this House. We ought to remember that in March, Parliament agreed, over the objections of members of the New Democratic Party, to put $225 million into the failing bank. We were told by the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) that if that $225 million was made available, the Canadian Commercial Bank would become a viable operation.

These two banks are the first in recent history to find themselves in this kind of trouble. However, in recent years, financial institutions and trust companies have got into trouble. Indeed, from 1980 on, 17 trust companies went bankrupt. We learned today that another trust company in Alberta is no longer financially viable.

This morning when I asked the Hon. Member for Windsor West (Mr. Gray) a question about the responsibility of the former Liberal Government which did not set up a system to protect the people against failures of trust companies, he said that all or most of these failed trust companies were operating under provincial charters and therefore the then Liberal federal Government was not responsible. However, we have a federal corporation called the Canada Deposit Corporation which was set up to guarantee people who have deposits in trust companies and banks that they will not lose their money if they have less than $60,000 on deposit. This is a Crown corporation which has already had to pay out well over $1 billion. Since the Crown corporation, in the process of dealing with trust companies which became insolvent, now owns $1.5

billion worth of property, surely the former Government ought to have begun to ask what was wrong with our financial institutions. We cannot blame this Conservative Government for the failure of the former Government to bring in legislation to set up a system which would regulate and protect the people who deposit money in financial institutions.

● (1600)

However, the Minister of Finance and the Minister of State for Finance told the people of Canada in March that if $225 million was provided to help the Canadian Commercial Bank it would become a viable operation. We have to ask ourselves on what basis they said that. Don McGillivray, who writes a regular column in the Southam papers, in an article which appeared in *The Citizen* of Ottawa in September asked: "Who pays for the crash of the Canadian Commercial Bank?" He said that it would be the ordinary Canadians. About the present situation and the amount of money required, he said, "it need not have been so large if the bank regulators had been watching more closely and the Government had not tried to pump life into a bank which was clinically dead in March". Don McGillivray is correct. In fact, in March, that bank was dead. It could not be revived.

How did the Government conclude in March that it should try to keep that bank going? The Government depended upon the Inspector General of Banks and the Governor of the Bank of Canada. If the Government did not know in March that the advice it was receiving was bad, then it certainly should have known in May and June. In May and June the Standing Committee on Finance, Trade and Economic Affairs heard representations regarding the CCB from bank officials, the Inspector General of Banks, auditors of the banks and the Governor of the Bank of Canada. The evidence in that regard was damning. It was clear that the advice given to the Government belief was all wrong. It was clear that the Canadian Commercial Bank could not survive. I say that if the Government did not know in March it was receiving bad advice from the Inspector General of Banks, then it should have known in May and June. It should certainly know now when it is asking the people of Canada to put up substantially more than $1 billion to take care of the mistakes made by those officials and by the Government.

I would like to deal for a moment with the Inspector General of Banks. Several years before the news in 1985 about the CCB's difficulties, he was told by the Superintendent of Insurance that Leonard Rosenberg, who was so instrumental in creating one of the largest disasters in the field of trust companies which this country has ever seen, was involved in wheeling and dealing with the then President of the Canadian Commercial Bank, Mr. Eaton. This was several years before it became apparent that the bank was in grave trouble and that it was involved in very questionable financial dealings. Indeed, at one point, Mr. Rosenberg, or Mr. Rosenberg and his family, controlled probably more than twice as many of the shares of the bank as are permitted to be held under the provisions of the Bank Act. Surely, the Inspector General of Banks should have been aware of what was happening. Surely he should have taken notice. Surely he should have been monitoring the operations of the Canadian Commercial Bank on a careful and day-to-day basis. He did not do that. When he appeared before the Finance committee he said that when he looked at the operations of the bank in trying to find out about the poor loans, loans which were probably never to be repaid, he depended almost exclusively on the information which he received from the officers of the bank and bank employees.

There was another occasion when the Inspector General of Banks should have been put on notice. I would like to quote one short paragraph from page 6 of the June report of the Standing Committee on Finance, Trade and Economic Affairs which reads:

> On October 12, 1983, the Federal Deposit Insurance Corporation (FDIC) issued a "Cease and Desist Order" against the Westlands Bank. The FDIC cited numerous reasons for the order, including hazardous lending, lax collection practices, large volume of poor quality loans, inadequate liquidity, inadequate equity capital and reserves, inadequate loan loss provision, large overhead expenses and poor management.

The Westlands Bank was 100 per cent owned by the Canadian Commercial Bank. It started with a minority share of that bank. However, when it was told by the American regulatory authorities that the Westlands bank was in some difficulty and that the authorities were not satisfied with the way the bank was operating, the Canadian Commercial Bank moved to take 100 per cent control of the bank. Surely, in 1983, when the Federal Deposit Insurance Corporation of the United States issued that cease and desist order, the Inspector General of Banks should have been on notice that he had to keep a very careful eye on the Canadian Commercial Bank. He seemed not to pay any attention to that. He did virtually nothing until he was told in 1985 that the bank needed a major infusion of financial help or it would be forced to close down.

The Governor of the Bank of Canada intervened in the CCB situation. In 1983 he did something which was unprecedented. He called *The Globe and Mail* and said that, in his view, the Canadian Commercial Bank was a viable operation. Indeed, while the Finance committee was holding its hearings in May and June, and after the committee had heard from the officials of the bank, the Inspector General and the auditors about all the things which had gone wrong with the Canadian Commercial Bank and the dishonest way in which it had acted on some occasions, the Governor of the Bank of Canada told the committee that he still had confidence that the then officers of the bank could mount a viable operation.

I ask Hon. Members to compare those statements of the Governor of the Bank of Canada with a speech he made just a few days ago on September 25 in Toronto when he said:

> The Bank of Canada . . . is not involved in monitoring the financial soundness of individual banks and supervising their behaviour. Parliament has not given us that responsibility or the powers that would enable us to fulfil that function. The Bank of Canada has no bank auditors, no bank examiners, no power to require details of individual loans, deposits or any other kind of private transaction.

If the Bank of Canada does not have the type of power about which the Governor of the bank spoke a few days ago, whey then did he intervene in 1983 and again in the spring of

this year to tell the people of Canada that he considered the bank to be a viable operation?

● (1610)

We have heard a great deal from Hon. Members on the Government side about the difficulties the credit unions, municipalities and pension funds would be in if this money were not approved. We are told how much money they will lose if they, as uninsured depositors, do not get their money. However, I am certain, Mr. Speaker, that a large part of the reason those organizations left their money on deposit in the Canadian Commercial Bank and the Northland Bank was that they were assured by the Inspector General of Banks, the Governor of the Bank of Canada, the Minister of Finance and the Minister of State for Finance that these were viable operations. When these organizations receive that kind of advice from senior Ministers and from senior public servants, who can blame them for leaving their money in those banks? In the Standing Committee on Finance, Trade and Economic Affairs back in May and June we heard from the auditors of the bank. The Bank Act requires banks to have two set of external auditors. The Canadian Commercial Bank had two of the most prestigious auditing firms in this country and, indeed, if I am not mistaken, they are international auditors with offices in many countries. The amazing thing and, to me, the most disturbing of what we have heard is that the auditors had one set of opinions about the Canadian Commercial Bank which they gave to the directors of the bank, and another set of opinions which they gave to the bank and which the bank use publicly in its annual report. What was said by the committee about the audit report to the officers and directors of the bank appears on page 17 of the report of the Standing Committee on Finance, Trade and Economic Affairs: The Committee asks, and I quote:

> Did the annual report of CCB for 1984 represent a fair and accurate view of the Bank's financial position at the time?

The report continues, and I quote:

> —the total size of the Bank's marginal loans revealed through the support agreement constitute sufficient evidence for the Committee to question the auditors' decision to issue an unqualified opinion.

That was done. The report continues:

> However, the auditors also knew that the financial statements approved by them would be used not only by CCB's existing shareholders, but also potential shareholders, creditors and potential creditors.

I do not have the time to quote the auditor's report to the bank directors, but many of the business practices of the bank were questioned. There were a great number of questions in committee about the fact that the bank was given an opinion by the auditors that it was a viable operation which the bank could use in its annual report.

We have to ask ourselves, Mr. Speaker, what about the directors of the bank? There were some very prestigious leaders of the business community who were directors of the bank, for instance, the former Premier of Manitoba, Mr. Sterling Lyon. What were the directors doing except taking the fees which were paid to them? Did they not have a responsibility to the depositors, to the shareholders and to the public to see that the bank was operating in a sensible and prudent way? Obviously not, Mr. Speaker, because except for a few who resigned very quietly because they were dissatisfied with the way the bank was operating, the directors simply took their money and kept quiet.

What about the Canada Deposit Insurance Corporation, Mr. Speaker? As I have indicated, over a period of a few years it was made responsible to pay out $1.5 billion because of the losses of the trust companies. Surely, it has a responsibility in this case. I say that the Government acted without sufficient knowledge. It ignored the offer of the chartered banks to send in their experienced personnel who could and would have looked at the real situation of the Canadian Commercial Bank and told the Government what was needed. The Government acted with haste, and without care and in an irresponsible way and we certainly are not going to support this Bill.

Mrs. Sparrow: Mr. Speaker, my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), has reiterated for the past few minutes the inadequacies of the present banking system. I want to assure him that the Minister of State for Finance (Mrs. McDougall) totally agrees with him. When our Party came into Government 13 months ago, we inherited a system which was totally inadequate. The Minister of State for Finance has put her mind to reviewing the whole mandate of the Inspector General and seeing that the system is reviewed.

I also want to suggest to my hon. friend that regional banks are extremely important to western Canada. They tend to facilitate small and medium sized businesses. Between 80 per cent and 85 per cent of jobs are created through small business and our Government is out to support jobs. Our main platform is to increase the economy and to put people back to work. The Hon. Member has to realize that regional banks are extremely important and this Government realizes that western Canada did, perhaps, suffer a great downturn when the National Energy Program was brought in by the Liberal Government in 1980. The small banks have suffered due to the National Energy Program but the new Minister of Energy, Mines and Resources (Miss Carney) has incorporated the Western Accord as of last March and things are on an upturn out West. However, if we had not undergone the severe limitation of the PGRT which caused so many of our rigs to leave western Canada: Alberta, Saskatchewan and British Columbia, perhaps these banks would never have gotten into that position.

I would like to ask my hon. friend a question with respect to releasing the names of the uninsured depositors. Would he be in favour of having his personal financial status made public to Canadian citizens? Also, would he like his income tax return made public?

Mr. Orlikow: Mr. Speaker, there are a number of questions but I will do my best to deal with them. Firt, as a resident of a western city, Winnipeg, I am all in favour of regional financial institutions. However, I only favour them if they are operated efficiently, honestly and with sound business principles. I am opposed to any financial institution which is run as sloppily, as

carelessly and as dishonestly as the Canadian Commercial Bank.

The Hon. Member says that the Minister recognizes the need for a better system of regulation. I say to the Hon. Member that the Minister may say that, but the Minister is proposing a big expansion of financial institutions to let the trust companies and the insurance companies get into the banking business. The Hon. Member should note the comments made by the Hon. Member for Gatineau (Mrs. Mailly) a few moments ago who pointed out that the State of New York has 300 people working in the Government department which monitors the operations of its financial institutions. I will wait with a great deal of interest but not much hope to see whether this Government, which is so determined to downsize virtually every one of its Departments, will be prepared to hire the people required to monitor our financial institutions. It was one thing to have a small monitoring agency when we had only the big five Banks. They are so powerful that even if they make some bad loans they can carry the loss. It is another thing entirely if we are going to have the kind of competition and the large number of institutions which the Hon. Member referred to. The Hon. Member also said that the Canadian Commercial Bank got into trouble because of the National Energy Program. If she reads the evidence she will know that the bank got into trouble not because of the NEP, but because of some very bad investments, including the Westlands Bank.

● (1620)

Today's newspapers talk about the virtual stoppage of exploration for oil and gas off the Atlantic coast. If that continues, I wonder what the spokespersons for this Government will say. They will not be able to blame that situation on the former Liberal Government because it is their Government and their policies which are in place at a time when the oil and gas exploration off the Atlantic coast is being virtually stopped.

Mrs. Sparrow: Mr. Speaker, I just wanted to clarify a couple of points with the Hon. Member. He seems to be mixing the Nova Scotia agreement with the Western Accord. They are two separate entities. One covers exploration and development on Canada Lands and the other concerns provincial lands and the two must not be mixed together. As well, he said he did not hold out much hope for a review of the banking system by the Minister. I want him to know that he should have a lot of hope because the Minister realizes that the Inspector General does not have the authority to go in and review and supervise all operations of banks which appear or might appear to be in some difficulty. He will see some changes in the Bank Act and increased activity in the area of inspection in the banking system so we can move forward and not have any further developments along these lines.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 46 it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Environmental affairs—(*a*) Municipal sewer improvement programs; the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Trade—(*a*) Canadian lumber exports to United States. (*b*) Government policy; the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil)—Historic sites—Grassy Island project, N.S.

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canada Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I welcome this opportunity to take part in this debate. I read very carefully the speech made by the Minister of State (Finance) (Mrs. McDougall) in the House yesterday, and I did not find much of any substance.

Mr. Speaker, I did find what we call in English, and sometimes in French as well, a canard, in fact four canards. And I am not referring to the French word for a particular fowl, but to the word "canard" according to my English dictionary, where a "canard" . . .

[*English*]

I would like to refer to *The Oxford Dictionary* because it is used frequently in English in this context. It says that a canard is an absurd, extravagant rumour or report or hoax. Of course—

[*Translation*]

—in French the same meaning can be applied to this word, but it is also a commonly known bird—

[*English*]

Well, a duck will fly but I can say that the arguments put forward by the Minister of State for Finance (Mrs. McDougall) in support of Bill C-79 will not fly. None of these canards will fly and it is for that reason that I rise to support the amendment to the Bill proposed yesterday by my Leader.

I am a little tired, and I expect you are as well, Mr. Speaker, of hearing speaker after speaker on the Tory benches rise to blame the problems of the Canadian Commercial Bank and the Northland Bank on the previous Government and the National Energy Program. There is truly a canard which will not fly. Canadians are too smart to swallow that kind of nonsense at this stage and I really cannot believe that deep in their heart of hearts, and I include my friend from Calgary South (Mrs. Sparrow), Members opposite really think that this situation has been well managed by this Government. Nor do I think that the Chairman of the Standing Committee on Finance, Trade and Economic Affairs, who is in this House today, thinks that this situation has been well managed by the Government. I know, Party discipline being what it is, that they will be reluctant to speak out for fear of receiving a call from the Prime Minister's Office. However, no one can accept the rationale put forward by my friend, the Minister of State for Finance. What did she tell us yesterday? She said, and I refer to page 7371 of *Hansard*:

> We are compensating these depositors because the situation facing these two banks reflects unique and particular circumstances.

Well, true, bad management existed but is that unique? It is not unique in the case of any financial institution which fails. Bad loans, are they unique? The only unique thing in this whole affair was the way in which the Government mismanaged the situation and made misrepresentations to the Canadian public and this House as to the viability of the banks. I refer once more to the statement made by the Minister of State for Finance in this House on March 25 of this year when she said, after the $255 million bail-out, that this bank is now a viable bank, it will be profitable in the future, and we will be repaid, as will other members of the support group, out of the future profits of the bank. That is the only thing that is unique. It was the failure of the Government to manage this situation properly and the misleading of the Canadian public and depositors who were induced to keep their deposits in the CCB.

I would like to draw attention to a telephone call we received from a gentleman who had purchased a $10,000 annuity five years ago at the Continental Trust Company. The company's accounts were frozen last June and on September 20 a liquidation was announced. Because his funds were not to be repaid within five years or less, they were not insured by the CDIC. The gentleman in question said that he would be happy to accept this, or not happy but he would accept it, probably reluctantly. He understood the terms under which he entered into this contract but he believed all Canadians were being treated the same way. Well, when he hears that uninsured depositors are being bailed out of two banks just two weeks after the Continental folded, how can he regard that as being fair and equitable? Do you suppose that that gentleman regards the circumstances of the Canadian Commercial Bank or the Northland Bank as unique and justifying that kind of treatment? I suggest not.

• (1630)

This speech—if I may refer to the second canard—tells us that depositors who stayed with these banks shared the Government's view that regional financial institutions can play an important role in Canada. That is why the depositors stayed with the bank and that is why we are being told that these depositors are to be bailed out. That statement is so fatuous that it should not be uttered in this House. No Canadian is going to believe that depositors stayed with this bank because they were concerned about regional banks. They were concerned about their money and they were told by the Minister in this House that their money was safe.

Seriously, Mr. Speaker, do you think that the City of Kanata, which I understand has some $7 million in one of these banks, left its money in the bank because it shared the Government's view that these regional financial institutions can play an important role? Do you think that the City of St. Catharines, Ontario, with $25 million of its taxpayers' money, did that as well? Does anyone suggest that the City of Westmount in my riding, with $2 million in the Northland Bank, left its money in on that belief? Surely this is the most extravagant canard that we have heard uttered in the House. These depositors left their money in that bank because they were told that their money was secure and that the bank was viable. Some of the shareholders may have stayed with these banks for the reasons suggested by the Minister, but the shareholders are not going to be reimbursed. Some of the debenture holders, but not all of them, may have stayed for those reasons as well. I will come to them in as few moments.

A third canard which will not fly is the statement by the Minister that our Government examined all the options at the time of the support package. I cannot say that that statement is untrue, Mr. Speaker. Perhaps the options were examined, but the only sensible options were rejected and the option which was accepted was the worst of all possible worlds. Many of those options were described in some detail in the speech of my Leader yesterday. It is clear that the Minister was aware of the circumstances of the bank when she was first briefed in September 1984. There was a panic in March. You will remember, Mr. Speaker, the three great show biz events presented by the Government. The first was the First Ministers' Conference on St. Valentine's Day, then came the Shamrock Conference on St. Patrick's Day, and then the National Economic Summit on March 22. Right in the middle of that conference this financial *Titanic*, the CCB, struck an iceberg and started to sink.

No one was on the lookout, Mr. Speaker. The damage to the bank at that point was clearly beyond repair and it was inevitable that the CCB would go down. We were all invited to help bail it out and we did, being told that it was sound and would float. Speaking of options, Mr. Speaker, the chartered

banks even offered to examine the loan portfolio of the CCB to see if the bank really could float. That offer was denied. They also suggested that the management of the bank be changed because management was clearly at the root of the difficulties of the CCB. That suggestion was also rejected. When one suggests that the various options were examined, they may have been, but it is equally true that they were rejected. The bank immediately began to sink and the bail-out of $225 million was put right down a black hole on the strength of the Minister's recommendations. Worse than that, Mr. Speaker, they tied the Northland Bank to this financial *Titanic* and sent them both down. That could probably have been avoided by giving the Northland Bank a support package in March and allowing the CCB to go the way it was inevitably destined to go.

We lost $225 million the first time around. We are now being asked for a further $875 million to pay off uninsured depositors. I see that Richardson Greenshields has estimated that the total loss will probably be in the neighbourhood of $2 billion. Do you know what $2 billion means, Mr. Speaker? It means that by the end of this exercise each Canadian taxpayer, of which, according to the 1982 tax returns filed, there are between 10 million and 11 million in Canada, will be required to fork up just under $200 in order to bail out the Minister and this Government from the disastrous course it set last March when it designed that support package for the CCB without knowing the facts. I am sure you will agree, Mr. Speaker, that each taxpayer can find better things to do with close to $200 of capital than to use it to pay off depositors and to bail out the Government from circumstances of its own making. To add insult to injury, we are all being asked to reach into our pockets and, blindfolded, hand that money over to depositors who present themselves for payment.

This brings me to the last canard. In his speech the Minister defends this on the ground of confidentiality. She says that to violate the confidentiality of the Bank Act would put all depositors in Canadian institutions at peril should any Government in future wish to get access to and publish that data. I heard the Member for Calgary South compound that canard by asking how you would like to have all of your financial data exposed in public. Nobody is asking for that, Mr. Speaker.

[*Translation*]

All we want to know is who are the people who will receive this generous contribution from the Canadian taxpayers? Is that asking too much? The people do not even have to identify themselves to get this free payment. I, for one, find it absolutely unbelievable that we would be asked and even forced to do that through legislation in the House. If we keep going down the path already staked out by the Minister we will be forced to hand out our savings and our money to those nameless individuals. It is quite unthinkable. It is unacceptable.

[*English*]

That is the reason that no sensible person could support this particular piece of legislation. How could we support this largess? This is not a case of people going to get their deposits from a bank under the provisions of the Bank Act. These people are having an *ex gratia* payment made to them by the taxpayers of this country. The amount of $875 billion which is being asked for here would require between $83 and $84 from every single taxpayer. That is not rational and does not even meet a test of common sense. That canard about confidentiality must be shot down as quickly as possible before it gets into flight.

• (1640)

I hope that Members of the Government side will have the courage to stand on this point and to say in caucus and to the Minister in question that this is not reasonable, fair, or sensible, that they will not accept it, and that they want an amendment to this Bill which will require any depositor who is to receive payment to be identified.

[*Translation*]

As I said a moment ago, Mr. Speaker, we have four canards that cannot fly in these circumstances, and it is simply a matter of being reasonable, having a full explanation in the House, and a Government willing to accept the proposed amendment. Indeed, given the circumstances, we must support the motion because the Government has yet to take a reasonable position.

[*English*]

Therefore, I say that this Bill either has to go back to the drawing board or be radically amended. That is the reason I stand here to speak in support of a motion which was put to the House by our Leader yesterday.

Mr. Lewis: Mr. Speaker, we have had the benefit of the remarks of my hon. friend who was a member of the Cabinet during the infamous period of the National Energy Policy which is really the reason why we have had to take these steps on behalf of these western regional banks.

While I do not want to ask him to apologize for that, I would ask him to enlighten us on any efforts that were made by the former Liberal administration to tighten up the regulatory process. The Hon. Member will know that the former Parliamentary Secretary to the Minister of Finance chaired a committee which recommended in 1982, some three years ago, tightening the regulatory process for banks. He will know that nothing was done, despite the fact that it was well known in financial circles that much had to be done to improve the regulatory process.

As well as having to bear the shame for the National Energy Program, the Hon. Member must bear the shame for the fact that during the time he was a member of Cabinet no action was taken by the Liberal Party to tighten the regulatory process. Although this is a rather large confessional in which to make such a statement, having seen all of the evidence and facing this embarrassment, will he not do the honourable thing and admit that during the last five years when he was a member of Cabinet the very important regulatory process was left to further ruin and ultimately led to the failure of these banks? I invite him to do the honourable thing at this time.

Mr. Johnston: Mr. Speaker, I think the Hon. Member is speaking tongue in cheek, which is fair enough in the course of this debate. I would suggest to him that regulations can always be improved, but no banks failed while I was in Government. I suspect the reason was that whereas the regulatory mechanism might not have been as good as it should have been, the Ministers were on top of their Departments and knew what was taking place. This kind of problem would not have escaped their attention. That is a reasonable assumption to make.

However, that is not to say that the regulatory apparatus should not be improved. In fact, with the group of Ministers in Government today I suggest that the regulatory mechanisms should be tightened substantially in all departments to ensure that when those Ministers are not at the controls and do not know what is going on the bureaucracy can keep the ship of state on course.

With respect to the national energy question, I would have thought that the Hon. Member might have been one of those to stand in his place and admit that there was a monumental gaffe created and that the National Energy Program has become a whipping boy for every problem that emerges in western Canada. For Members of the Government, the National Energy Program has become the motto "Damn the CPR", recalling the old saying out West. However, before this debate became more partisan as the magnitude of this financial *Titanic* revealed itself, the Minister of State for Finance put the position clearly in the House. On March 25 in the House she said, speaking of the CCB, that this particular problem was triggered by something that happened within the bank's loan portfolio in California which then, of course, created problems within the organization as a whole.

That was an honest statement. That was taking the high road. I suspect that she received a call from the Prime Minister's office and subsequently I have noted that she too has leaned to the pressure to blame everything on the National Energy Program.

I believe that the Minister told us exactly as it was and is. I repeat that our Government had no bank failures and indeed the present Government probably requires a better regulatory mechanism if this kind of disaster is not to repeat itself.

[*Translation*]

Mr. Lanthier: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

Mr. Lanthier: A point of order, Mr. Speaker. There is a tripartite agreement whereby the Government side will let the Hon. Member for Regina East (Mr. de Jong) have the floor now so that we will have two speakers in a row tomorrow. We also seek the unanimous consent of the House to let the Hon. Member sit while he delivers his speech because he has been injured.

[*English*]

The Acting Speaker (Mr. Paproski): I understand there has been agreement by all Parties in the House to make an exception to Standing Order 33 and allow the Hon. Member for Regina East (Mr. de Jong) to remain seated. I hope he will soon be able to stand but since he has a fractured foot, we will allow him to speak from his seat.

Mr. Simon de Jong (Regina East): Thank you very much, Mr. Speaker. I wish to thank Members of the House for giving unanimous consent to allow me to make my remarks in my place this afternoon. I understand that from the television angle I look like a midget. I assure the people of Canada that I am not. I wish to especially thank the Government Member who allowed me to make my remarks this afternoon. Tomorrow, hopefully, a cast will be put on my foot but it will lay me up for the next 72 hours.

There are some very important questions I wish to address in the course of this deabte. They go beyond a partisan approach. Bank failures and the possibility of bank failures is a serious question that we have not had to address in this country for many years. We have always assumed that our bank system was safe and sound. Over the years, Canadians have taken pride in the security of our banking system. This supposition on the part of depositors and the public of Canada, as well as Governments of all political persuasions, perhaps lulled us into a false sense of security.

Although the events of the last year have shocked all of us, I believe it should not have been a shock because the warning signs were there. We have seen a significant number of smaller financial institutions, namely trust companies, go under in the last number of years. Therefore, I dispute the statement made by the Member for Saint-Henri-Westmount (Mr. Johnston), a former Minister of Finance. While he is technically correct that no bank went under when he was Minister of Finance, it is true that a number of smaller trust companies failed when his party was in power.

There had been many warning signals that our financial institutions were in trouble and the fact that some have failed warants increased regulation and support for CDIC and the office of the Inspector General of Banks. I believe that it is also true that the Inspector General of Banks requested more manpower in the past and that this was turned down by Treasury Board under the previous administration. It must accept responsibility for the sad state of affairs we are facing today.

I do not envy the position in which the Government finds itself. While the two banks in question are not among the large banks in this country, they are important as far as banks in the world are concerned. A significant number of small businesses, particularly in Calgary and Edmonton, had their funds tied up in this institution. I appreciate the difficulty in which the Government finds itself. No Government wants to see a large number of small companies and small business people going under through no fault of their own. We know as well that there is a fair number of those depositors who are not sophis-

ticated depositors in the true sense of the word. Many of them are charitable organizations and public institutions such as municipalities, hospitals, et cetera. While we oppose the Bill, we are not adverse to helping such individuals, as well as public and quasi-public charitable institutions. My colleague, our finance critic, suggested the establishment of a special fund for hardship cases. Perhaps we should consider assisting small businesses which use banking institutions, not for the interest paid but for the services offered, such as chequing accounts and so on. Perhaps they should be given 100 per cent on their deposits.

● (1650)

Obviously the Canadian Commercial Bank and the Northland Bank situation points out that we desperately need some policies. Is the Government to become the backer or the guarantor of last resort in every instance or in every case? If that is the case, it puts the country or the public purse in an impossible situation.

When does a Government bail out uninsured depositors and when does it not do so? It is an impossible situation. Surely we cannot bail out only the big guys and not the small guys. That is inherently unfair. During Question Period today we learned that no other Government of any country has bailed out uninsured depositors. Uninsured depositors have been bailed out, but it is the financial system or the banking system which has paid. When the Government considers options in developing a consistent policy, it has to keep the principle in mind that the financial system must cover the cost of any bail-out of uninsured depositors, not the public purse. That is one principle upon which we must insist.

After all, if the Government has to bail out uninsured depositors in the end from the public purse, we in the New Democratic Party suggest that it is about time it collected some of the profits to be made. Why should the Government pick up the losses but never have an opportunity to participate in the profits? Perhaps there should be an available fund so that credit unions, municipalities and hospital boards with excess funds for a small period of time can invest in a publicly owned and controlled deposit-like institution and not experience the risks which they obviously experienced with Northland and the Canadian Commercial Bank. To reiterate the point, if the Government is to pick up all losses, surely in heaven's name it should also have an opportunity to participate in the profit-making.

The other point to which I wanted to address myself has been addressed by a fair number of Government Members, particularly those from Alberta. They made the point in the House that the cause of the problem was the National Energy Program. I was not happy with the National Energy Program for a variety of reasons, most of which were quite different from those of the Conservative Party when it was in Opposition. However, I also felt that in many ways the NEP was a grab by the central Government of the resources of western Canada. As a western Canadian, I was not all that happy with the program. However, to blame the collapse of the CCB and the Northland Bank on the National Energy Program alone is a disservice to western Canada. Government Members, particularly those from Alberta, must recognize a few simple facts. The economic atmosphere which existed in Alberta during the oil boom was very unhealthy. The land speculation which was occurring, particularly in the cities of Edmonton and Calgary, was also unhealthy. The Province of Saskatchewan experienced a bit of a boom during that period of time, but it had a NDP Government which believed in economic planning and in Keynesian economics. Essentially it believed that in boom times some of the excess wealth should be put away for rainy days. The Government of Saskatchewan at that time did not allow the land speculation which occurred in Edmonton and in Calgary. Through the Saskatchwan Housing Corporation, that Government became involved in developing new tracts of land so that the prices of homes in Regina did not go sky-high. In that way the cost of housing and urban land in Regina was kept down, so that when the boom started to fade that province did not experience the type of bust which occurred in Edmonton and in Calgary. It was able to maintain a stable and sound economic climate in the Province of Saskatchewan. Unfortunately, in Alberta, with a gung-ho type of free enterprise system, huge profits were made when the time was ripe, but when the bust came, all the costs and social hardships ensued which are very often borne by the public.

It is ironic that these great free enterprisers from Alberta are now standing in the House, justifying a Government bail-out and insisting upon more Government regulations and inspectors. What a contradiction in terms, especially coming from those gung-ho free enterprisers out of Alberta.

The type of political atmosphere which has existed in Alberta has not been a healthy one. It has not been healthy for the country and certainly not for the Province of Alberta. The people of that province are now paying the price. Hopefully they will understand some of the political repercussions and implications of what happened. The period of time during the Alberta boom was a period in which banks and business people became greedy. They tried to increase their profits as much as they could. Their greed led to the downfall of the Canadian Commercial Bank. It is unfortunate when I hear members of the Conservative Party from Alberta indicate in the House that they have not learned that lesson. They do not attribute any of the downfall of the CCB to the bad management, the high risk loans and the type of greed which prevailed in that province at that particular time. It was that greed which led to the downfall of the Canadian Commercial Bank and of the Northland Bank. That greed was abetted by the Government of Alberta and its political philosophy or attitude which allowed a tremendous boom to occur but, when the bust occurred, which led to many shattered lives and businesses. It is a prime example of how a responsible Government involved in economic planning would have taken a different course, as we did in the Province of Saskatchewan. Yes, we had a boom, but we did not have a boom based upon greed. We did not allow the greed to send the prices of real estate sky-high. When the bad times came we had a cushion. Surely the people

of Alberta, as other western Canadians who have experienced the boom and bust cycle, should have known better.

Mr. Clark (Yellowhead): Mr. Speaker, I rise on a point of order. Is the Hon. Member attributing this quality of greed to all people of Alberta?

Mr. de Jong: Absolutely not; no, absolutely not.

The Acting Speaker (Mr. Paproski): On that point, I wish the Hon. Member well with his fractured foot.

[*Translation*]

It being five o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

● (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

CANADIAN ARMED FORCES

ADVISABILITY OF ESTABLISHING DENTAL PLAN

Mr. Jack Shields (Athabasca) moved:

That, in the opinion of this House, the Government should consider the advisability of establishing a dental plan for the Canadian Armed Forces.

He said: Mr. Speaker, the rules of the House do not allow me to propose an amendment to my own motion. The motion as is there has a word missing and I would like you to seek unanimous consent of the House to add that word to my motion.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Shields: Mr. Speaker, I want to thank my colleagues in the House. The motion reads:

That, in the opinion of this House, the Government should consider the advisability of establishing a dental plan for the Canadian Armed Forces.

I want to add the word "dependants".

The Acting Speaker (Mr. Paproski): Is it agreed that the motion should read: "That, in the opinion of this House, the Government should consider the advisability of establishing a dental plan for the Canadian Armed Forces dependants"?

Moved by Mr. Shields, seconded by Mr. Brightwell:

That, in the opinion of this House, the Government should consider the advisability of establishing a dental plan for the Canadian Armed Forces dependants.

Mr. Shields: Mr. Speaker, I want to first thank my colleagues in the House for giving me unanimous consent to add the word "dependants" because the way the original motion ran it was rather redundant. As we know all members of the Canadian Armed Forces have dental and medical plans.

It has become an issue in this past while, Mr. Speaker, particularly among dependants of the Armed Forces personnel, that they do not have access to private plans as do most others in the workforce in Canada. For example, teachers in most jurisdictions have access to a group dental plan and are able to purchase or insure their families and their children for the required dental care by joining the plans. The cost is not prohibitive. It runs approximately $15 to $20 per month.

People who have made representations to me have indicated very clearly that they are not asking the Government to pick up the tab. What they are asking the Government to do is establish a group for them, approach an insurance company on their behalf as a group so that individuals within the Armed Forces may subscribe to that by way of payroll deduction. In other words, they are not asking the Government to add to the budget of any department; they are not asking the Government to do one single thing except establish a group so that dependants of Armed Forces personnel may, by their husbands or wives payroll deductions, enrol in the dental plan. In this day and age I think we all know the difficulty and the cost of medical services and how they have gone up dramatically. In this day and age it is not uncommon to find companies that employ 37, 40 and 50 people enrolled in a dental plan on behalf of their employees. I just cite a couple of examples. There is a small school board in my riding in northeastern Alberta that has 211 families enrolled and 126 singles. They are all teachers and they are enrolled in a dental plan. The cost for the singles is around $14 a month and for the families around $35 a month. The key was that the insurance company that was approached had to have a unit to work with and this they do not have in the Armed Forces at the present time.

Another small company has 37 singles enrolled at a cost of $15 a month and 16 families at $39 a month, or slightly higher depending on the make-up of the family. TransCanada Pipelines is another much larger one. I will not quote the cost but because of its size it is significantly lower than the ones I indicated before. They have 1,480 families and 414 singles enrolled in their plan.

One can easily determine by looking at all of the Armed Forces personnel across Canada whose dependants are not covered by any dental services that it would make a very large group indeed. I think it would be very lucrative for an insurance company and many insurance companies would come forward and be quite willing to cover a plan like this if it was administered at the payroll deduction centre. Queens regulations today indicate that there is an entitlement to dental treatment. Of course all members of the Armed Forces personnel office are men. Dental care for dependants under certain circumstances does exist, for instance, in an isolated or an overseas posting. In some isolated units such as Alsask, Saskatchewan; Goose Bay, Gypsumville, Manitoba; Holberg, B.C.; Inuvik; Masset, B.C.; Mont Apica, Quebec; Senneterre, Quebec; Sioux Lookout, Ontario; and Yellowknife, NWT

dental facilities are covered along with medical, for obvious reasons.

Cold Lake, a major base in my riding, was considered isolated to March 1, 1983. One can imagine the problems that existed when on March 1, 1983 Cold Lake base, which houses approximately 4,000 dependants living on the base, all of a sudden was without dental coverage. There were cases where some of the children were having orthodontic work done and they were not prepared for the bill which came in for the cost of their dental care. They were not able to get the necessary insurance coverage. There are cases documented to be by constituents where individuals, families, mothers had to leave the home where they were working and raising their children and get a job to pay a dental bill. Somehow this just does not ring properly to me. I think there is something wrong when the Department of National Defence or Treasury Board will not take the time to just set up or set in motion and set in place an organization that would allow individuals at their request to come forward and say "deduct from my monthly pay for enrollment into the dental plan". They do not ask for something for nothing. They are willing to pay for it.

I am not going to waste the time of the House on this. I think I have made myself clear. I am not asking the Government to put forward any money. I am only making a reasonable request to the Government to set up a group plan to allow members of the Armed Forces to participate in a payroll deduction plan so that their families can be protected with dental care.

Thank you Mr. Speaker.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am very happy to rise in support of the Hon. Member for Athabasca (Mr. Shields) and his motion which would provide for dental care plan for dependants of Armed Forces personnel. I am glad to support this. I am sure that there is no Member of the House who would want to oppose it. Certainly no one will want to oppose it vocally. I only hope that the Members of his own Party will support it actively by allowing this motion to come to a vote so that the House can declare itself in support of this very important motion.

I think that all Members in the House will agree that the Conservative Government has taken a bit of a beating in the last few weeks. The Hon. Member's motion gives it an opportunity to redeem itself in the eyes of the Canadian public. I commend this not only to the back-benchers but also to members of the Government. Here is the chance for the Government to take a positive, assertive role in helping to do something for the Canadian people.

● (1710)

I think we must recognize that the failure to include dental care in our comprehensive medicare program is something that needs to be addressed. We need dental care for more than just Armed Forces personnel, but that is a good place to begin. Back in 1964 when Chief Justice Emmett Hall drafted the report that led to medicare, he said that we had to go beyond simply paying for visits to the doctor. In his report, he said the following:

> No one would suggest that the payment of medical bills is not an important item, but it is after all but one item in the full range of health services and in any objective approach it could not be permitted to dominate the whole field.
>
> There are many other areas in the health service field that cry out for improvement: mental illness, retarded children, crippled children, the crippling diseases, paraplegics, the aged and infirm, dental services and drug costs.

We have not really begun to move on the basic agenda contained in Mr. Justice Emmett Hall's report. I think it is time that we did so. We should not only look at the need for dental care for Armed Forces personnel but we should move toward a comprehensive dental care program for Canadians all across the country.

It is important to realize the the need for dental care, and I would like to share with the House a few statistics regarding that need. Only 50 per cent of Canadians visit dentists annually. The fact is that children from low-income families are three times as likely to have poor teeth as those from other families. In 1979 in Ontario, 29 per cent of decayed teeth in five-year olds had not been filled. By the age of 13, 32 per cent of decayed teeth in children had not been filled. This indicates that there is a very large segment of society that is not getting even the most basic of dental care. In fact, pregnant women also tend to have poor teeth. A decade-old study done by Nutrition Canada indicated that 90 per cent of pregnant women under the age of 20 had bad teeth.

While most provinces offer some kind of denticare program, it is significant that the Provinces of Ontario and British Columbia, two of the provinces which should be among the richest Provinces of Canada, do not offer those programs. The Province of British Columbia was beginning to establish such a program when it was cut back in the name of false restraint. To restrain public spending at the expense of the dental health of children is, in my opinion, a crime.

The failure to provide adequate dental care along with our medicare program indicates that we still consider dental care to be somewhat of a fringe benefit or cosmetic option that can be taken or left alone. The feeling is that if people can afford dental care, that is fine, but if they are too poor to afford it, it is not that serious. This is a fundamental mistake. Unless there is an active program of dental care, people will pay for it with their health in later years. The emphasis should be on early detection and prevention. Healthy teeth and gums are not simply a matter of looking good but are a matter of basic health.

From my own family experience, and I am sure from the family experiences of Members on all sides of the House, I know that even orthodontic work is not simply a cosmetic matter. The need to have a healthy bite and proper spacing is something that affects basic health. Yet we know how terribly expensive orthodontic work can be. Many Members of this House wish that we were covered by some kind of a dental program to meet those needs. If this is true for Members of Parliament who have a reasonable salary, to put it in terms my fellow Members will appreciate, and if we find it difficult to pay for orthodontic work, how much more is that the case for

other Canadians, many of whom are on very restricted incomes? Certainly that applies to the vast number of people in the Armed Forces.

We know that many unions have negotiated dental plans for their members and members' families. However, a very high percentage of Canadians are still not covered by any dental program, and that includes members of the Armed Forces and public servants. When other Canadians are able to negotiate programs with their employers, why is it that the Canadian Government is such a poor employer?

I am very happy to suggest that this Bill is a good beginning. Let us begin with the Armed Forces. Give the Armed Forces the opportunity to negotiate a dental plan. Let us then extend this opportunity to all federal public employees and let us work toward the day when there is a comprehensive dental program that will service the needs of all Canadians.

On that basis, I am very pleased to support the motion of the Hon. Member and I hope that it will come to a vote. I know that if it does come to a vote, it will receive the unanimous support of all Members of the House.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I would like to compliment the Hon. Member for bringing this motion before the House today. The motion refers to Canadian Armed Forces personnel. I understand that that was an error and that the Hon. Member means to refer to dependants of military personnel. That is a very good point indeed.

We must remember that members of the Canadian Armed Forces are consistently on the move. We know that they do not have the opportunity to settle in and form deep roots in the communities to which they are posted.

Mr. Oberle: We are going to get them root canals.

Mr. Hopkins: The Hon. Member wants to throw in a joke, but this is no joking matter. As I was saying, members of the Armed Forces are posted from place to place and each time they go to a different base, they have to find a dentist in the area who will look after their dependants. Then, two years later, they may be posted to another base and they have to go through the same process all over again.

The Canadian Armed Forces personnel themselves have had a dental plan for some time. The "Dental Treatment and Service for Dependants and other Civilians" document dealing with this matter contains one paragraph of particular interest here and is with regard to dental examination prior to posting to isolated areas. It reads as follows:

> Service members, dependants and other civilians may be located in an area where limited or no dental care is available. Prior to their departure and to ensure that they do not become an administrative burden, they will be provided with a dental examination, advised of their dental condition and of the dental care restrictions at the new location.

I believe that that is a very important provision. I share with my hon. colleagues a great admiration for all members of the Canadian Armed Forces and the important work they carry out for this nation. My Party and I feel that it is important to make every effort to ensure that our military personnel and their dependants receive every service to make their lives more enjoyable and, indeed, more comfortable. Theirs is a task which requires a great sacrifice. This is the least we can do as a nation and as a Government to show our appreciation for their dedicated service. Therefore, I support the general thrust of the motion which seeks to make available to dependants of Armed Forces personnel an adequate dental plan.

● (1720)

I would also like to place on the record that it is not only in cases of medical care and dental care that the dependants of Armed Forces personnel have a challenge as they move from place to place in Canada. I had the privilege of teaching in an Armed Forces high school. We had families coming and going all the time. It is very difficult for families, children and teenagers to adjust in moving from one community to another and in changing friends and schools. I think we need to have an appreciation for the other pressures and challenges which families of military personnel face. Therefore it is incumbent upon the House to look very seriously upon this motion which is before us today.

I can understand that there has been an expression of willingness on the part of the dependants who would benefit from such a plan to underwrite the costs of it to a degree. I can think of no reason to oppose such a plan. I think it is an admirable one, especially if there will be no additional drain on the federal Treasury other than through the matching of funds which are put in by dependants of military personnel. It would be a good plan for the Department of National Defence to sit down with the Department of National Health and Welfare and, indeed, with the Health Ministers from the various provinces to discuss how such plans can indeed be put into place.

While we are discussing dental plans for dependants of Armed Forces personnel, we certainly cannot overlook the fact that we have a great many civilians in Canada who are in dire need of dental care. Last week an individual who needs new dentures came into my office. He is an elderly person and cannot afford the $650 which it will set him back to pay for those dentures. There is no question that while we look upon a dental plan for dependants of the Canadian Armed Forces that we certainly must be looking at this situation across the nation as a whole. My hon. friend across the way who made the comment earlier spoke about root canals. I did not understand what he was saying in the first instance. However, I appreciate his comments in view of the statement I was making at the time.

There is a good feeling in the House with respect to the motion before us. I think there would be a good feeling in the House to look at dental plans across the nation as a whole. We citizens realize that when we have these plans someone has to pay for them. The money has to come from somewhere. I think it behooves each one of us, each and every Canadian, to realize that if we are to have this type of coverage then it would be in a contibutory fashion. The taxpayers would come in with a

share of the cost, as would the provinces at the federal-provincial health level.

Canadians are fortunate to have the types of medical care plans which are in place in Canada already. With the wealth of our resources and with the human generosity which Canadians have shown with respect to looking after their neighbours and in being their brothers' keepers, there is a feeling that there are many people in Canada today who just simply cannot afford the costs of dental care. This is a very serious issue indeed. We should look at it and try to make progress in order to help these people out in the future.

I assure all interested parties that given the nature of this Government I doubt if there will be any real action taken with respect to this plan being implemented in the foreseable future. We have seen that this Government has been cutting back in many areas with respect to taxes and pension allocations relating to individual Canadians. That is no reason for it not to look at improvements and, indeed, even review the cut-backs which have taken place which affect individual Canadians. We cannot continue to cut back on personal benefits to the general public of Canada and still end up 10 years down the road with the good quality of service we have today in medical care.

It takes a great deal of diplomacy to bring about dental plans and medical care plans because they involve federal-provincial relations to thenth degree. The provincial Governments in Canada are always trying to get as much money out of the federal Treasury as they possibly can while the federal Treasury always tries to hold back as much as it can. The federal Government does not want to raise taxes which places it in the bad eye of the public. I suggest to the Hon. Member who puts forward the motion today that he has many friends who support his cause. I hope the Government is prepared to take a serious approach with respect to the implementation of a dental care plan for dependants of members of the Canadian Armed Forces and at the same time look at a national dental care plan for Canada.

As we progress as a nation, broaden our industrial base and manage our national resources better than they have ever been managed at times in the past, we will be in a better position to pay for these services. We will be in a better position to pay the Government portion for the service while at the same time retaining the medical care services which are already in place in Canada. I would suggest, Mr. Speaker, that the Department of National Defence and the Dental Association of Canada should have a very close relationship in order to overcome many of the difficulties faced by the families of our Armed Forces as a result of being moved from community to community. I would hope that all dentists across Canada would be particularly sensitive to the needs of new people moving into Canadian Armed Forces bases in Canada and that they would take those people into their offices and treat them as first-class customers while they are in the community. It is very important that we make these families feel welcome wherever they go in Canada. Of course, one of the ways of making them feel welcome is to make sure the community to which they are moved or posted has the necessary services to provide to them. In the case where these families are moved to an isolated community, I quoted the section from the DND document which explains the kinds of services which are available to them before they leave.

• (1730)

In closing, Mr. Speaker, I would simply say that the Liberal Party of Canada is very much in favour of looking into a dental plan for dependants of the Canadian Armed Forces personnel. Certainly, at the same time, we are in favour of looking at the national picture for other Canadians across this country who need that type of attention.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to join in the debate today. I am not surprised at the position taken by my hon. friend from the New Democratic Party. I am somewhat surprised at the position taken by my friend, the Hon. Member for Renfrew-Pembroke-Nipissing—

Mr. Hopkins: Renfrew-Nipissing-Pembroke.

Mr. McDermid: Well, the people in Pembroke were never last in my book but obviously the Hon. Member thinks they are. I spent three wonderful years—

Mr. Hopkins: Mr. Speaker, I rise on a point of order. The Hon. Member for Brampton-Georgetown (Mr. McDermid) is just trying to get in a cheap shot. It is quite traditional in this House that all Hon. Members are identified by their riding name. If the Hon. Member were really with it, having lived in Pembroke as he has for a number of years, he would have known better. He would have known the name of the riding.

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. McDermid: Mr. Speaker, the reason I put Pembroke where I did is because I have a lot more admiration for Pembroke than the Hon. Member. I am surprised at the Hon. Member for standing up in the House and making the statement he did. I give the Hon. Member full marks. I campaigned against him many, many years ago. He was the winner and we were the losers at that particular time. He is a great supporter of the Armed Forces and I understand that. However, I am surprised that in all the years his Party was in Government I never heard him once stand in this House and suggest in Private Members' Hour—when he had all the opportunity in the world—a dental plan for the Armed Forces or for anyone else, for that matter.

Mr. Hopkins: Oh, no? Are you sure about that?

Mr. McDermid: I think the record will show that. I do not believe he has ever done so. He was first elected in 1962 or 1963—

Mr. Hopkins: No, you are wrong again, John.

Mr. McDermid: It is ancient history, anyway. We all know that. It was quite a while ago. He has been in the House for quite a number of years and has been a strong supporter of the Armed Forces, and I give him full marks for that. He has also been a strong supporter for NATO and NORAD and he gets full marks for that as well. However, for him to stand up today and all of a sudden advocate a dental plan, when he has had that opportunity for so many years in this House of Commons, I think is really pushing his credibility just a little too much.

Having said that, Mr. Speaker, I want to commend my hon. friend who brought this Bill forward.

Mr. Hopkins: He is not here.

Mr. McDermid: He is here, don't worry. I believe the Hon. Member for Athabasca (Mr. Shields) has a very great concern. He, like the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins)—I am glad I said it correctly; it made the Hon. Member feel better—has a genuine interest in this subject and is not afraid to stand up in the House and introduce a motion like this. I do not believe there is anyone in this House who would disagree that the Armed Forces are entitled to expect fair and equitable treatment as part of the terms and conditions under which they render service to this country.

It may be useful, to put this debate into context, Mr. Speaker, to describe to the House the general practice followed in establishing military compensation. It is essentially based on compatibility with the Public Service. This principle was established by a decision of Cabinet—I might say, a Liberal Cabinet—in October of 1971. It was reaffirmed in 1982 by the then President of the Treasury Board and the Minister of National Defence. I might remind my hon. friend that he was in the House at that time on the Government side and supported that decision.

Although military compensation is based on comparability with the Public Service, it cannot be equated precisely because there are many functions performed in the military context which do not exist in the Public Service. I believe we all agree with that. To bridge those differences, a large number of Public Service trades have been taken as standards, for pay purposes, for certain military trades. By using averaging process and projections, it is possible to arrive at a basis upon which the Treasury Board can establish military compensation on the recommendations of the Department of National Defence. This process has its good side and its bad side. I am the first to admit that. However, I believe that it is fact to say that over the years it has resulted in a compensation package which is comprehensive in its scope and is indeed fair and equitable to members of the Armed Forces as well as to their dependants.

I feel, with your permission, Mr. Speaker, that I should take this occasion to review some of the programs which are in place to provide for their welfare. First and foremost is their pension plan which ranks among the best in the country. Members of the Armed Forces have an insurance plan to protect their incomes in the event of long-term disability. The Government contributes to the cost of providing provincial health insurance for their dependants and makes available a program to cover the dependants for health costs which are not provincially insured. Members of the Armed Forces have a sound program to provide benefits for injury or death on duty, a cost-shared life insurance program and an extensive program of income supplementation which ensures the maintenance of a decent standard of living for his dependants in the event of death or disability of a member from any cause.

There are measures for the continuance of pay during a short-term illness and comprehensive programs of medical and dental services at government expense. I am not citing these few examples to suggest that members of the Armed Forces are over-protected. The programs in place are no more than are due those members in comparison with other groups and by the special nature of their duties. The purpose of giving these examples is to simply illustrate that the Armed Forces are in no sense a forgotten group in terms of their service-related benefits, nor will it ever be a forgotten group under this administration.

With that background in mind, I wish to address some of the broader issues which the Treasury Board must consider when group benefit programs of this kind are under discussion.

• (1740)

Treasury Board is directly responsible for the expenditure of public funds on group benefits not only for the Armed Forces but for the Public Service, the Royal Canadian Mounted Police and many other groups as well; consequently, the Board cannot view a proposed change to the compensation package of any one of these groups in total isolation, but must consider the implications for all of the groups. This does not mean that a change in the benefits of one group will automatically apply to the others. Such is quite definitely not the case, because otherwise the individuality so essential to each of the groups would be lost. The ability of the employer to tailor benefits to the needs of unique groups would be seriously undermined. If that were the case, the possibility always exists that benefits which would be appropriate for one group would be applied inappropriately to another.

I said at the outset that members of the Armed Forces must be treated fairly and equitably. By the same token, employees in the Public Service and members of the RCMP must be treated fairly and equitably. Again, this does not mean that benefits must be the same for all three groups. Service in the Armed Forces and employment in the Public Service are different in many obvious ways and those differences are reflected in various ways. For example, Armed Forces members have access to a program of comprehensive dental care which is paid for by the Government.

In view of the fact that there have been discussions with union representatives concerning employees who do not benefit from a Government sponsored dental plan, it may be of interest to all Hon. Members if I were to outline recent developments in the ongoing discussions which have been

taking place with Public Service unions on the dental care issue.

All Hon. Members will be aware that Public Service unions have been seeking a dental plan for a number of years, and their position has been clearly stated. Succeeding Governments have undertaken to try to ensure that public servants enjoy a compensation package which is comparable to the package in other employment sectors. That philosophy is much easier to expound that to apply. The fact is, Mr. Speaker, that a goodly number of working Canadians do not have dental plans to help them with their expenses, and we should not lose sight of that fact. Nevertheless, when one examines those groups of employers which have traditionally been used as the basis for comparision, dental plans are indeed widespread.

It is important to recognize that the introduction of a dental plan will have an impact on the Government's benefit expenditures. All Hon. Members will appreciate this when I point out that, if all three groups—the Public Service and dependants of members of the Armed Forces and the RCMP—were covered by dental care plans, the potential insured population, including the families, could be well over one million persons. The actual number of plan members, if the plan were universal, would exceed 300,000. Simply for illustration, the total cost could exceed $100 million annually for a very basic plan. Now, Mr. Speaker, the Government would not pick up this entire cost, but only a share of it. Nevertheless, the potential expenditure of public funds is considerable.

It is only natural that the unions want to see a dental plan introduced on the most favourable possible terms for their members. For its part, the Government must seek the best achievable balance between its responsibility to provide a competitive benefit package and its responsibility to taxpayers to keep its over-all expenditures on Public Service benefits at at reasonable and defensible level.

This Government approached the issue in good faith. Serious negotiations were undertaken with unions in short order, and real impetus was given to the issue for the first time. These negotiations are still under way and the Government has every intention of pursuing them to a fair and responsible conclusion. Naturally there can be no guarantee of an early conclusion to the negotiations, nor can the spirit of the negotiations be betrayed by discussing the details publicly at this time. However, I am confident that they are being pursued with vigour.

We have remarked at some length on the discussions with Public Service unions. The reason I have done so is to demonstrate this Government's commitment to find a way to extend dental care to those groups which wish to have it, where it can be demonstrated that it is possible to do so, and it is warranted to do so, on the basis of comparability. At the same time, this must be achieved in a fiscally responsible way at a time when so many demands are being made, by competing priorities, on the finite resource available to the Government.

In closing, having gone through some oral surgery recently, I know the expense is large. At the same time, dentists tell me that with the new methods of teeth care and education, the normal drill and fill will almost be non-existent within the next very short period of time. Young people are today taking good care of their teeth, something which we probably neglected when we were that age. I am sure that those are your own teeth that I see smiling out at me, Mr. Speaker, and for an old football player that is amazing.

Mrs. Sparrow: Why amazing?

Mr. McDermid: He played before they used helmets—masks, sorry.

Some Hon. Members: Oh, oh!

Mr. McDermid: Not helmets, masks!

The Acting Speaker (Mr. Paproski): Point of order. I would just like the Hon. Member to know that we did not need orthodontists. When we got elbows in our teeth they straightened out by themselves.

Mr. McDermid: All I am saying is that dental care is taking a new direction and most of the care is preventative. As the years go on, dentists say that the practice of dentistry will be entirely different, although it will continue to be very expensive for those who have to use it. I feel very confident that this Government, in its negotiations, will give the best possible hearing to this request by the Public Service, the RCMP and the military, and I am confident that the conclusion will be for the best for all concerned.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate this opportunity to deliver a few remarks with respect to my colleague's motion. I want to join with the Hon. Member for Brampton-Georgetown (Mr. McDermid) in complimenting my colleague, the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), on the continued interest he has taken in the members of the Armed Services. I know he has been interested in this subject for several years. I guess it is only recently that he felt he could put on the floor of the House of Commons motions which would benefit the Armed Services. I know he found it quite constraining when the Liberal Party over the years allowed the Armed Services to dwindle. I know he was a leader, perhaps the only one in that Party, in wanting the Armed Services to go forward. He is to be complimented because he had very little support from the Liberal Party during those long years. While we were in the wilderness, he was in his own wilderness, shall we say. Mr. Speaker, my colleague, the Hon. Member for Brampton-Georgetown, made reference to ongoing negotiations between the Government and the Public Service. The House will know that we have put these negotiations on a new footing. Instead of using the technique of the former Government of shouting and threatening, we are sitting down at the bargaining table and discussing the issues between employer and employee on a very reasonable and meaningful basis.

One of the things referred to is the question of a dental plan for all public servants. I am pleased to tell the House that

those matters are going forward. There is no question that the cost of dental services concerns every Member of this House, whether on behalf of himself or herself or of dependants. It is a very major cost in today's society. I know that in Ontario fluoridation, although it was resisted quite strongly originally, has improved the teeth of the people who have had the benefit of it. I know for a fact that my children do not seem to go to the dentist nearly as often as I used to.

● (1750)

However, I have had some experience with orthodontists. As a result, I want my five children to be orthodontists because I think there is a great future for young people in that profession. I do not know whether one should refer to personal experiences, but last week my daughter had her braces removed after having worn them for some 18 months. Orthodontists do some wonderful work. Her teeth were straight and she was looking forward to going to a party the next day. I think that everyone's children should have that advantage and that is certainly on the table at the present time although I am not at liberty to say what point those negotiations have reached.

Having set the stage with those general remarks, Mr. Speaker, I would like to talk about the Government's position with respect to a dental plan. I know that Members of the House are anxious to have a hard look taken at a dental plan for all people who work under federal jurisdiction. Members of the Armed Forces and all other public servants are well aware that for many other Canadians in the work force dental bills are not the problem they used to be because these employees have access, through their employers, to dental plans which pay their dental bills. It is bound to be a source of concern for members of the Armed Forces that they not only have access to dental services, but are able to pay for them. In referring to the problems of the Armed Forces my colleague made reference to physical access in that dental facilities are not available in all of the places where Armed Forces personnel are posted. We want to have that matter up-graded. At the same time as we are concerned about the physical access we must be concerned about financial access. There are dental facilities available to armed services employees at cost. We want to have that expanded.

I would like to put the entire question of a dental plan in greater perspective. I think it is fair to say that the dental plan for public servants is seen as what might be called a capping stone of an entire benefits package which the Government is working on at the present time. We know that it has become the norm among large employers and the federal Government, as a very large employer, must conform to what is being done in the non-public servant world. Many of these plans accept a large part of the responsibility for ensuring that employees have access to the programs that spread the risk, attract the employer funds, and promote the financial security of the employees who are retiring, who become ill, or who are injured on the job as well as the security of the employee's family in the event of his or her death.

I think it is fair to say that the Government of Canada has been a fair employee through the years. We would like to have an increase in that fairness in many ways and we would like to do that within the demands and constaints of the horrendous deficit that was left to us by the Liberal Party. We would do many things in terms of social benefits for all Canadians if we had not been left with the crippling deficit amassed by the Liberal Party over the last 16 years. That is a partisan view and I do not want it to interfere with a non-partisan discussion on the issue of a dental plan for dependants of armed services employees.

The Government is criticized if it is not seen to be spending taxpayers' money wisely. There is no question that to many people a dental plan put into place by the Government would be seen to be spending the money wisely. Sometimes we are damned if wo do and damned if we do not. For that reason we are taking a hard look at different types of dental plans and considering the cost. I am in a position to personally assure the House that we have discussed this matter with the interested parties and are studying it carefully to ensure that it is not only a fair plan for employees, but reasonable for the employer.

The Government has been concerned about the issues of pensions, long-term disability insurance, health insurance, and numerous other programs as well as being concerned about the question of a dental plan. The Government is ahead of the market in some ways in that it is doing more for its employees than is being done for those in private enterprise. In other areas, such as this one, we find the Government is lagging behind that which is the norm in private enterprise. It is our job to up-grade and yet not overtake such that we will be criticized by private enterprise which says that it cannot afford to do with the money it has left what the Government is trying to do with the money given it by private enterprise. That is a balancing act which all Governments have to do with public employees.

There is no question that the Government must promote dental hygiene, whether preventative methods or orthodontic work. There is no question that we are continuing the work of the previous Government with regard to promoting dental hygiene. No matter how critical I have been of the previous regime, and no matter how many opportunities it has given me, I have never been critical of its efforts with respect to dental hygiene. I would like to conclude on that point and perhaps continue the next time this matter is brought before the House.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of private Members' business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—MUNICIPAL SEWER IMPROVEMENT PROGRAMS

Mr. Alan Redway (York East): Mr. Speaker, you may be aware of a very serious pollution and health problem in Metropolitan Toronto that has existed for many years. This problem has resulted in the closing of most of the beaches on the waterfront of Toronto along Lake Ontario in the last three or four summers, but it has existed for much longer. In any event, the beaches have been closed as a result of water pollution caused by raw sewage that has been flowing into Lake Ontario from the homes in Metropolitan Toronto. This has been caused by an antiquated sewer system in many parts of Metropolitan Toronto. It is a sewer system which combines both sanitary sewers with storm sewers. Of course, that means that the storm water created during a severe rain storm flows into the same sewer pipe into which sanitary sewage flows. When there is a storm, this overflows the filtration plants, floods into the rivers and streams and then pollutes the waterfront with raw sewage, causing not only a pollution problem but a severe health problem. That is particularly severe in the southern part of my riding which contains a major portion of the Borough of East York.

The problem is that the combined sewer system is antiquated. The problem can only be solved by separating the sanitary sewer system and the storm sewer system. This is being done in newer subdivisions in the newer urban areas but has not been done as yet in the older urban areas of cities because it is an extremely costly process. This problem not only results in lake pollution but in a health hazard in individual homes all over. When there is a rain storm in my riding, the combined water in the sewer pipes—some of it sanitary, some of it storm—backs up quite frequently into basements and floods those basements with raw sewage. It is quite clear that this creates an obvious health hazard.

As I said, the solution is to separate these two storm sewers, which is a costly process. The municipalities in Metropolitan Toronto have committed large sums—in fact millions of dollars—for a great many years toward separating their sewer system. The Province of Ontario has assisted in many instances as well and has provided millions of dollars.

Metropolitan Toronto, particularly a portion of my riding which includes the Borough of East York, has been looking for federal funding for a number of years. Between 1962 and 1982 we received federal funding for sewer separation problems. Unfortunately that has disappeared since 1982. The federal Government did supply funding for sewer separation programs as part of its job creation program, and I must give the former Government a great deal of credit for that, but once this funding expires, it has been made clear that there will be no extension of that program.

We need and are looking for further federal assistance in the sewer separation problem in order to eliminate pollution and the health hazard involved. I was pleased to see that last week, the National Water Policy Report recommended that there be some additional funding from the federal Government for both the municipalities and the provinces to help eliminate this problem.

• (1805)

Yesterday, I put a question on this subject to the Minister of the Environment (Mr. McMillan), asking whether he supported the recommendations contained in the National Water Policy Report or the Pearse report, and whether he would urge the Government to contribute financially to help with local sewer improvement programs. In fact, the Minister indicated that he had met with his provincial counterparts and that they had discussed the problem and the report. There was an indication that the federal Government was prepared to consider it. As of yesterday we had an indication of hope from the Minister that some help and some support would be forthcoming. I trust that the Parliamentary Secretary this evening will be able to turn that hope into help, and give us an indication that the federal Government will agree to giving financial help for sewer improvement projects to the municipalities. I am looking forward to hearing from him in that respect.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, at the very least, I want to let the Hon. Member for York East (Mr. Redway) know that the Government, and in particular the Parliamentary Secretary, appreciate the clarity of his question and his indication of hope for federal support. I think he pointed out a problem on which we all must focus. However, with all respect, it is a problem not confined to just that area mentioned by the Hon. Member. It is a much broader problem.

According to the surveys to which the Pearse inquiry had access, about 84 per cent of the municipal population is served by sewers but only 57 per cent by some form of sewage treatment. Despite the fact that in some areas of Ontario, and in a way which affects beaches and perhaps basements—

Mr. Dingwall: Tell us about Nova Scotia.

Mr. Gurbin: Nova Scotia may well be one of the areas where there may be sewer collection but no form of sewage treatment. As was indicated by the Minister in response to a question, perhaps only 10 per cent of the sewage in eastern Canada is adequately treated. The problem is real. The problem is there. No one can deny it. The Pearse report brought it into focus for everyone to deal with.

Also it was indicated in the Pearse report that the total replacement costs of the Canadian waterworks and of the waste water system were estimated at $62 billion and $47.5

billion respectively, or approximately $3,000 per capita. That gives an indication of the financial magnitude of the problem.

In conclusion, the Minister indicated very clearly that he talked with the provincial Ministers. They are now in a position where they will come back to us at the federal level with their response to the Pearse inquiry on federal water policy. At that point in time the Ministers will be able to discuss further what position and what role the federal Government might take in the resolution of the problem.

TRADE—CANADIAN LUMBER EXPORTS TO UNITED STATES. (B) GOVERNMENT POLICY

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, yesterday I directed a question to the Secretary of State for External Affairs (Mr. Clark) concerning Canadian lumber exports to the United States and the position of the Government of Canada.

By way of introduction, the whole issue of trade and trade-related matters is becoming of increasing importance to Canadians not only on the West Coast but indeed throughout Canada. Basically the thrust of my concern was that the United States Ambassador suggested in his speech in Saskatoon that Canadians in the lumber industry ought to voluntarily reduce the amount of their exports to the United States.

• (1810)

Some individuals in the United States Congress and others are concerned that Canada has increased relatively substantially the amount of lumber exported to the United States and as a conciliatory measure the United States suggests that we should voluntarily limit or restrict those lumber exports.

Many individuals in the industry certainly do not agree with the United States ambassador. I do not agree with what he has said and by his reply to my question the Minister has indicated as well that he does not agree with that statement. I had hoped to obtain from the Minister while questioning him, and perhaps I will now through the Parliamentary Secretary, exactly what has transpired between the Minister of State for External Affairs and the United States ambassador.

It is not sufficient, I suggest to you, that we just hear that the Minister does not agree. I think we have to know what was said by the Secretary of State for External Affairs. We have to know if a diplomatic note was forwarded, the form of those representations, and whether representations were made by the Prime Minister to the President with regard to this particular issue.

It does not suffice to say that this whole matter cannot be revealed because we are now in the process of opening up general prospects for the negotiation of free trade with the United States. There are just too many jobs on the West Coast, particularly in the Province of British Columbia where unemployment is extremely high at this point in time, for the Government to provide us with such a very short answer to this very, very important problem.

I can understand that if perhaps the Secretary of State for External Affairs has rebuked, if you will, the United States ambassador regarding this particular issue that perhaps he does not want to say so publicly. But I think in the Canadian interests, notwithstanding the Minister's own personal affection, if you will, for the United States ambassador, we have to know what Canadian policy is, what was said on behalf of Canadians, when it was said and where it was said. These issues are of paramount importance to Canadians.

I would hope that when the Parliamentary Secretary avails himself of this opportunity to reply in respect of my concerns he will shed light on this important matter. Canadians from coast to coast will be watching and listening to what he is going to be saying on behalf of all the people of Canada. I await with great interest the Parliamentary Secretary's remarks.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I want to thank the Hon. Member for his question. I too am very deeply concerned about jobs.

As the former Mayor of Dollard-Des Ormeaux and a long time active worker in my community I may tell him that in the City of St. Laurent there are 78,000 jobs and every time we see protectionist elements arising in the United States, we expect that those jobs will be affected.

The United States is the single most important market for Canadian lumber producers, taking 60 per cent of all Canadian production. There has been a flurry of congressional Bills aimed at restricting Canadian lumber imports, the most important of which is legislation introduced by Congressman Sam Gibbons. In short, the Gibbons' Bill would modify U.S. countervail law to deem that a subsidy existed where Canadian stumpage prices fell short of an arbitrary U.S. benchmark.

While we continue to focus our representations on the Congress and Administration in Washington we have, since the outset, developed a comprehensive and well co-ordinated campaign of private and public diplomacy to meet this threat to continued access for Canadian softwood lumber to the U.S. market. In parallel to our forceful representations to the Congress and Administration on this issue, our consultates in the U.S. have been alerting and mobilizing U.S. interests that would be adversely affected by the imposition of trade restrictions on Canadian lumber. Many of these U.S. interests, including the National Lumber and Building Materials Dealers Association, the Manufactured Housing Institute and the National Association of Home Builders are now actively lobbying against the proposed legislation. In addition our consultates have contacted the editorial boards of major newspapers across the U.S. to set the record straight and to ensure that they are aware of the facts. This activity has already shown positive results in terms of a number of editorials in U.S. publications, including the *New York Times*, supportive of the Canadian position.

The Government will continue to work closely with the Canadian industry in provinces to safeguard access for

Canadian softwood lumber products to the important U.S. market.

• (1815)

I should like to refer to a statement made by U.S. Ambassador Niles last week suggesting that the Canadian lumber industry might help to take some of the heat out of protectionist pressures in the U.S. to restrict imports of Canadian softwood lumber by voluntarily restraining its export levels to the U.S. market. My understanding is that this was a personal view expressed by the U.S. ambassador. Any such action might well have serious anti-trust implications and these are considerations which would, I am certain, be taken fully into account by the Canadian industry. I want to underline that, for its part, the Canadian Government has not been asked to negotiate a restraint arrangement nor is it prepared at this time to entertain such a possibility.

Canada stands to suffer more than any other foreign country if the U.S. Congress imposes new restrictions on imports. The Prime Minister (Mr. Mulroney) is well aware of that, and that is precisely why he wrote the President of the United States with a view to exploring with the Congress—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Parliamentary Secretary's time has expired.

HISTORIC SITES—GRASSY ISLAND PROJECT, N.S.

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, I rise at this time to follow up on a question I directed to the Hon. Minister of the Environment (Mr. McMillan) concerning a national historical project that has been identified for an area of Guysborough County in my constituency. I prefaced my question to the Minister by indicating the very severe economic circumstances in which we find ourselves in that part of Canada and I also highlighted the commitment of the Government of Canada to getting the economic show on the road in this region. Last week I identified for the Government a series of initiatives and this was one of them.

Grassy Island National Historic Site has been studied by officials of Parks Canada and a very thorough management plan has been prepared which reviews in some detail the benefits of this project. In addition to its historical significance, it has very important economic benefits in that it opens up an area of Guysborough County to the tourism industry.

Canso is a community that is at the end of a highway on a piece of land that juts out into the ocean and, for that obvious reason, it became one of our early fishing fortresses. However, today that represents a difficulty when it comes to developing the tourism industry.

This project is seen as an important catalyst to drawing tourists along the eastern shore of Nova Scotia and into the Canso area so that those in the area can develop restaurants and motel facilities and diversity the local economy, which to this point is almost totally dependent upon the fishing industry, an industry which has served Nova Scotia so well for several centuries.

The historical significance of the area is also well known to the people there. The people have embraced this project as a reflection of their identity, as a project through which they can express the great pride they have in their history and as a showcase for all Canadians. It is the site of the first fishing fortress in North America and in that respect has national significance for all Canadians. My constituents have very aggressively promoted this project for a number of decades.

I was very pleased to hear from the Minister yesterday that he as well embraces this project and has made it a personal priority. The Minister and I had the opportunity on another occasion to discuss in some detail the economic, social and historical benefits that this project will bring to my constituents. My constituents are prepared to build on their strengths, to become self-sufficient, to offer their resources and to build the jobs that we require. We are now looking to the Government to do its part in bringing forward this important initiative which is really not a costly project in the total picture. I look forward to hearing the remarks of the Parliamentary Secretary to the Minister in following up this matter in order that this project can get off the ground at an early date.

• (1820)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I wish to start by thanking the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) for his ongoing excellent representation in the interests of seeing the Grassy Island park come to fruition. He has described very well not only the principal factor which has attracted the federal Government to this area, but also the important local aspects in terms of the economy should we see this area proclaimed, if you will, a national historic site as soon as possible.

There are several matters which we would like to emphasize with respect to the historic aspects. While it has been indicated that this is perhaps the first fishing fortress in North America, since the 17th and 18th centuries it has been the starting point when looking back to see where our fishing industry began. It gives us an opportunity to identify that for Canadians in a number of interesting ways.

I wish to spend the next few moments talking about the items we have planned for the future, as a part of the 1983 management plan development Parks Canada, to give people an indication of what we have in store. Having already spent a major portion of the total $1.7 million allocated, we are looking forward in the near future to the construction of a visitors reception centre, the preservation and stabilization of the heritage resources, including the foundations of various domestic and commercial buildings and the earthen walls of For William Augustus, and the interpretation of Grassy Island's historical resources, both in the visitor reception centre and on the island. Artifacts recovered from the late 1970 achaeological investigations on the island will be used in the visitors centre. A boat access from the mainland to the

island, including dock facilities near the visitors centre and the island, will be provided. Last, but not least, washroom and parking facilities will be provided.

These proposals add up to an exciting development package for this area. With the continued efforts of the Hon. Member who has, in fact, discussed this matter with the Minister and with departmental officials, I know we will see things unfold in this area in the reasonably near future.

The constraints we have are really two. It is clear that we are in a tight spot financially and that there is a budgetary problem with which the Minister of the Environment (Mr. McMillan) has to deal in regard to capital expenditures. There is a significant effort required for the engineering and additional planning for many of these facilities. However, with the indication the Hon. Member has already received from the Minister I think he can count on this being done in the reasonably near future.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 o'clock p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.23 p.m.

HOUSE OF COMMONS

Wednesday, October 9, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

EMPLOYMENT

CLOSING OF HIGH TECHNOLOGY INDUSTRIES—IMPACT ON MONTREAL REGION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, things look pretty bleak in Montreal East. Thousands of jobs are in danger, now that Bombardier, Vickers, Gulf and other companies will have to close because three major industries in Montreal East have closed down.

The Prime Minister was supposed to create thousands of jobs as soon as he came to power. And now, a year later, they are closing down our hi-tech industries in Montreal East and thousands of jobs will be lost.

The Conservative Government has made no attempt to boost the morale of employees in the various industries who are about to lose their jobs. It had no hesitation, however, in handing over one billion dollars to Gulf and Petro-Canada, for a transaction that will take away 1,000 jobs from Montrealers.

Mr. Speaker, it is obvious the Conservative leader has kept the habits he had when he was president of Iron Ore, because now he is Prime Minister of Canada, he wants to close down an industry in Montreal East.

* * *

[*English*]

FAMILY VIOLENCE

FUNDING OF TRANSITION HOUSES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, during Family Week it is important to consider what can be done to reduce the high incidence of family violence in Canada. One in 10 women, or about 750,000 women, will be beaten this year by their partners.

Battering another human being is a criminal offence. Doctors, police, and parliamentarians must not cover up or avoid dealing with domestic violence. Incidents must be dealt with openly, not condoned with silence. Police officers must be trained to deal with family violence and the laying of appropriate charges. Doctors must be able to recognize abuse in order to help women. Governments must provide shelter and financial assistance for battered families. Treatment groups for batterers and support groups for victims also need funding.

The Prime Minister (Mr. Mulroney) promised that the Government would take initiatives to fund more tansition houses. Yesterday the Minister responsible for the Status of Women (Mr. McLean) said that this is a number one priority. However, discussions with the provinces are not enough. Again I ask that 3 per cent of the money used for the bank bail-out be used to fund 300 new transition houses.

* * *

SCIENCE AND TECHNOLOGY

CANADIAN ACHIEVEMENTS—GOVERNMENT FUNDING OF EDUCATION

Mr. Jim Edwards (Edmonton South): Mr. Speaker, a recent article in *The Toronto Star* claims that, in the political world of Ottawa, science simply does not rate. Clearly, Mr. Speaker, this is not the case. Our Government is committed to encouraging scientists, universities and businesses to fulfil their research and development potential.

[*Translation*]

Canada is a rich country. Our population is well educated, our natural resources abundant and our industrial base is sound. If Canadians want to continue to succeed on the international market, they will have to raise the level and improve the effectiveness of their investments in research and development.

[*English*]

Canada's record of accomplishments in research and development is impressive, beginning with Mr. Bell's telephone in 1874 and ranging to the Canadarm of today. These achievements are a source of national pride. Encouraging further achievements poses an important challenge for the Government, for industry, and for the universities. Accordingly, the Minister of State for Science and Technology (Mr. Siddon) has identified three priority areas through which we can strenghten our ability to use our resources.

The first priority is encouraging innovation in the private sector. Second, we need a mechanism for monitoring the relevance and quality of research. The third and perhaps most important priority is education. As the Minister has said, we cannot do anything in science and technology without people. I say that we cannot hire and train the people without the necessary funding.

S.O. 22

[*Translation*]

TERRORISM

HIJACKING OF ITALIAN CRUISE SHIP *ACHILLE LAURO*

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, the Italian community of Canada was both shocked and concerned at the news two days ago that terrorist commandos hijacked the Italian cruise liner *Achille Lauro*, already referred to as the "ship of doom", thus threatening the lives of more than 400 people, innocent victims, the most of whom are of Italian origin.

The Government of Canada strongly condemns this act of terrorism, something that cannot be condoned no matter where it occurs or the cause it is supposed to serve.

Mr. Speaker, considering the very difficult situation now facing the Italian Government, I shall, if I may, as a representative of the Italian community in Canada, express the support of our Government and of the Canadian people for the Italian Government.

We earnestly hope that the hijack victims will be promptly released, through peaceful means and not by resorting to force.

* * *

[*English*]

HARBOURS

PRINCE EDWARD ISLAND—NEED FOR REPAIRS

Mr. George Henderson (Egmont): Mr. Speaker, I rise today to bring to the attention of the House the deplorable condition of Prince Edward Island harbours. Wharves in Prince Edward Island that need immediate repair are being washed into the sea. The Government will not give an inch. It has turned a blind eye and a deaf ear toward fishermen.

To illustrate my point, on September 28 the fishermen at West Point Harbour spent the night at the wharf waiting for Hurricane Gloria to wash out their partially completed breakwater. Luckily Gloria was a spent force by the time it reached Prince Edward Island. If it had not been, the harbour and boats would have been destroyed. Even a sea turtle which swam into the harbour for protection left before morning to seek a safer haven.

In addition, a further section of wharf can no longer be used to tie up boats, another section is washing away, and pavement is sinking into the sea creating great holes in the wharf. Fishermen would have no worries if the planned wharf construction had beeen completed this year. If the Government does not act with celerity and fix the wharfs at Cape Egmont, West Point, Higgin's Wharf and many other places, the cost of repairs will increase as each day passes.

My repeated requests to the former Minister of Fisheries and Oceans have not been acted upon. I fear that the plight of Island fishermen will go unnoticed even longer under the Acting Fisheries Minister (Mr. Nielsen). The Hon. Minister has so many portfolios on his plate that I am sure these concerns will be shoved aside.

The Prime Minister (Mr. Mulroney) so often boasts of acting with celerity on urgent matters. The state of small craft harbours in P.E.I. is an urgent and important matter. Can the Acting Minister of Fisheries (Mr. Nielsen) not see that? I urge him to act with celerity and fix these wharves immediately.

* * *

● (1410)

TERRORISM

USE OF VIOLENCE IN MIDDLE EAST

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last week Canadians were shocked and dismayed by the Israeli bombing of PLO Headquarters in Tunis. This week we have the same reaction to the PLM's hijacking of an Italian cruise ship. To the best of our knowledge no Canadians were on board the *Achille Lauro* when it was hijacked two days ago. However, all Canadians must join in condemning the growing cycle of terrorism and violence poisoning international relations in the Middle East.

Israel maintains that it will not give in to terrorists or bargain with black mail. We can understand that. But claiming to fight terror with terror is only another way of giving in to the terrorists—of letting them decide the rules of the game. Neither the Israelis nor the Palestinians can achieve their goals by the use of terror. Terror tactics result in a vicious circle where the innocent suffer on both sides.

We believe in the right of Israel to exist in security. We also believe in the right of the Palestinians to a homeland. Let Canadian and world opinion say very clearly that neither of these worthy goals can be achieved through the use of terrorism.

In the meantime, we join with those families and friends who hope and pray for a safe and peaceful outcome of the present crisis.

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT ACHIEVEMENTS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the performance of the Canadian economy has been ever more promising since the election of the Conservative Government: close to 340,000 new jobs have been created, unemployment has gone down 1.5 per cent, inflation has been under 4 per cent over the past year, thus creating the most stable climate of confidence since 1971, and the real GNP has been rising at an annual rate of 4.1 per cent.

Indeed our performance since last year has been second to none among the seven major industrialized countries, and the confidence of investors over the past four years has been at an unprecedented level. The Bank of Canada rate has dropped from 12.38 to 8.99 per cent. The chartered banks' prime rate has decreased from 13 to 10 per cent, the lowest level in seven years. During the first eight months of 1985 bankruptcies declined by 13 per cent, retail sales rose by 10 per cent, motor vehicle sales were up by 23 per cent, the value of building permits is 17 per cent higher, and oil drilling activities have expanded by 19 per cent over the same period last year. The performance of the Canadian economy has also outranked that of the United States. The GNP and the net disposable income of individuals has grown twice as fast in Canada as in the United States.

Mr. Speaker: I must inform the Hon. Member that his time has expired. The Hon. Member for Beauce (Mr. Bernier).

* * *

THE ECONOMY

BEAUCE EXAMPLE FOR REST OF CANADA

Mr. Gilles Bernier (Beauce): Mr. Speaker, aside from the negative comments being made by the Opposition and a number of insinuations that do not always reflect the truth, the Member for Beauce (Mr. Bernier) is delighted to see that increasingly, one can rely on Canadians to improve our economy. I am proud to mention, in this respect, the example being set by my riding for the rest of Canada.

One company, *Les systèmes Archimède* in Saint-Frédéric, signed a $6 million contract last Friday with France for the construction of 1670 modular housing units for two French villages. The company, which now employs 20 people, will increase its establishment to 90 permanent employees. Last year the company, which was established in 1981, grossed $1.3 million. This year, it expects that figure to be $8 million, and in four years probably $12 million.

The phenomenal growth of this company in the Beauce area which has already obtained international recognition, is due to the dynamic and constant efforts being made by its leaders, and that applies to many other companies in my riding. It is time for us to exploit our strengths, our potential and our skills to improve the economy of our country. The people in the towns and villages of Beauce have realized this and are acting accordingly.

In Beauce, we are not interested in so-called scandals and negative articles in the media. We are intent on improving the well-being of the people, and our energies are dedicated to economic development.

• (1415)

[*English*]

INDUSTRY

CLOSURE OF OAKVILLE SHOE MANUFACTURING PLANT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, one week ago Susan Shoe Industries of Hamilton announced the closure of its Oakville plant and the permanent lay-off of 100 employees. The decision to close this plant was directly linked to the failure of the Mulroney Government to state its policy on the extension of footwear quotas.

After the closure was announced, Susan Shoe arranged a meeting in Ottawa with its Member of Parliament and the political Minister for the Hamilton area. The owner of Susan Shoe had arranged to travel from Montreal, the president of the Canadian Union was to travel from New York, and the other company officials were to travel from Hamilton.

Yesterday, the office of the Hon. Member for Halton (Mr. Jelinek) informed Susan Shoe officials that this meeting would have to be cancelled due to an urgent family commitment which would entail a trip to Toronto. Imagine the surprise, Mr. Speaker, when the Hon. Member for Halton, the Minister of State for Fitness and Amateur Sport and Minister of State for Multiculturalism, was spotted at last night's Blue Jay game sitting smiling behind the Prime Minister. Amid cries of "tuna, tuna, tuna" at Exhibition Stadium, the Prime Minister (Mr. Mulroney) and his Minister of State for Fitness and Amateur Sport were striking out on the Government's promise of "jobs, jobs, jobs."

When is the Government going to start demonstrating some concern for Canada's footwear industry? While the Blue Jays won last night, the Hon. Member for Halton lost the respect of workers in Canada's footwear industry.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

STATEMENTS ATTRIBUTED TO MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, confidence in the administration of justice in this country has been called into question. It is perfectly acceptable, and I would suggest accurate, for the Minister of Justice to accuse the staff in the Prime Minister's Office of not being up to scratch politically. What is not acceptable to the administration of justice is for that Minister, having made those statements—which are on tape and on the public record—to deny them later.

My question is for the Deputy Prime Minister in the absence of the Prime Minister. Does he agree that these statements, and the subsequent denial of them by the Minister of Justice, call into question the ability of that Minister to

command public respect which is sorely needed for the proper administration of our law?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the only one calling into question the administration of justice in this country that I know of is the Hon. Leader of the Official Opposition who has so far forgotten himself in his desperate quest to acquire some notoriety as Leader of the Liberal Party that he would stoop to anything.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Luckily, Mr. Speaker, I am investigating a plan for compensation for persons wrongfully convicted. And I have been wrongfully convicted by the hon. gentleman opposite.

Mr. Turner (Vancouver Quadra): Mr. Speaker, he has been convicted by his own words on tape.

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): I have a second question for the Deputy Prime Minister. Would he defend the statement made by the Minister of Justice, a statement carried on tape? After the Minister was asked if the Prime Minister was telling the truth, the Minister replied:

> He'd be crazy if he wasn't because these things are not important enough for him not to have told the truth about.

Does the Deputy Prime Minister agree with his Minister of Justice that the Government only tells the truth about unimportant matters?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question is unworthy of the hon. gentleman. He is, in his usual fashion, twisting and writhing in any direction in order to elicit an answer which might accomplish the objective, which is questionable, in the form of his question. The fact is that the explanations which have been offered by the Minister of Justice are not only supportive of the truth of the statements which have been made consistently by the Prime Minister over the several weeks during which Hon. Members in the Opposiiton have been asking these questions, but are also consistent with the conclusion, as pointed out by the Justice Minister, that he has full faith in the high calibre and quality of the individuals on the Prime Minister's staff. I would suggest that—

Mr. Speaker: With respect, the answer is becoming very long.

Some Hon. Members: Sit down.

Mr. Speaker: Order, please.

GOVERNMENT STATEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we would like to get on with the business of the country—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Yes, we would love to get on with the business of the country if the Government would only get its act together and get its agenda back on track.

• (1420)

Mr. Clark (Yellowhead): What is the agenda, John?

Mr. Turner (Vancouver Quadra): The Deputy Prime Minister can twist all he wants, but he is a very thorough man and he has read the transcript. He knows that the Minister of Justice was calling in to question the integrity and honesty of the Prime Minister. Therefore, if he believes in the integrity of the Government, will he ensure that, with his Leader, the Prime Minister, this Government will begin to tell the truth, the whole truth and nothing but the truth, and give us the complete story on these issues?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): From my observation and my personal knowledge of the Prime Minister, he has been doing nothing but that over the past several weeks.

Some Hon. Members: Hear, hear!

Mr. Nielsen: With respect to getting our act together, Sir, we believe that we have, and I suggest that the Right Hon. Leader of the Opposition might wish to speak with his colleague from Shawinigan with respect to his own problems.

Mr. Turner (Vancouver Quadra): We are going to hear from him right now.

Mr. Hnatyshyn: Québec lieutenant.

Mr. Nielsen: So I really do not see any purpose in pursuing this kind of questioning. It really is not the style of the Right Hon. Member to try to lead the now defunct rat pack.

GOVERNMENT POLICY INQUIRY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Deputy Prime Minister. As a former Minister of Justice, I am not very impressed by the performance of the current Minister of Justice and his buffoonery around the country.

Was the Minister of Justice enunciating government policy when he said on Monday: "Anyone, I suppose, can be tempted to shave the truth"? Is it the policy of the Government to shave the truth on important matters and just tell the truth in small matters?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, perhaps the hon. gentleman

would be more impressed with the present Minister of Justice if he ever attended any of the important matters under way, such as the examination of the Divorce Bill and the Enforcement of Maintenance Orders Bill—

Some Hon. Members: Where were you?

Mr. Crosbie: —reforms never attempted by the former Minister of Justice. If, when he is not writing books, he came around to see what was happening, he might be a lot more impressed.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, with respect to the hon. gentleman's question, here is a four-page transcript of an interview I had on an open-line program in St. John's. The hon. gentleman and his Leader are scuttering through this transcript trying to find a word here and there on which they can pass an imputation. It is a prostitution of Question Period. It is not asking a question about public policy or what the Government is doing or not doing. It is a shameful exhibition of desperation.

Some Hon. Members: Hear, hear!

[*Translation*]

REPORTED ALLEGATIONS OF MINISTER OF JUSTICE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Was the Minister of Justice seriously stating Government policy when he said that he could only tell the truth in unimportant matters and tell lies in matters of great importance. Is it also true that there is a "bunch of dolts" in the Prime Minister Office or is the Minister of Justice a dolt?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I could say that questions from the opposite side would improve greatly if they paid greater attention to the truth, but I will not say that because it would be inappropriate parliamentary conduct and language as far as I am concerned. The Government policy, as the Hon. Member well knows, having been a Minister for many years, is that all Ministers are constrained to put everything right up front and tell the truth at all times when responding to questions from wherever they might come in the House of Commons, indeed throughout the carrying out of their responsibilities as Ministers of the Crown. That is exactly what has been done by Ministers in this Government as exemplified by the Prime Minister's conduct over the last three or four weeks.

• (1425)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. While the Government wants to play its secret poker game, the U.S. is busy defining the agenda on free trade talks with cultural industries and agriculture on the table, with countervail systems off the table, and with suggestions that Canadian lumber imports, for instance, should be cut back. Will the Government finally permit the Canadian people to have a clear sense of our hand in this poker game and to help us to set that bargaining agenda, or are we simply going to let the United States keep defining this game?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, through the summer the Hon. Member himself was a member of a special committee of this House and the other place which looked into this question. He will know that there have been consultations on-going with sectoral groups, unions, business, and provinces for the last several months. He will know that further discussions will begin tomorrow with provincial Ministers of Trade in Halifax to ensure that positions which Canada might put forward, in the event that there are negotiations with the United States, are positions which reflect and protect the Canadian interest and stop the serious problem we face now of Canadian jobs being threatened in industry after industry after industry. It might be good enough for the NDP to sit there and see Canadians lose jobs, but it is not good enough for us.

Some Hon. Members: Hear, hear!

Mr. Langdon: I would have thought, Mr. Speaker, that this kind of partisan wrangling—

Some Hon. Members: Oh, oh!

Mr. Langdon: —would not merit consideration in an issue as crucial to the future of this country as these free trade talks.

Mr. Crosbie: That's the pot calling the kettle black.

Mr. Langdon: I would also remind the Minister that the committee which he talked about said that agriculture and cultural industries should not be discussed—

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

OFFICIALS' DISCUSSIONS WITH INDUSTRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in view of the fact that minutes are available from groups like the recording industry indicating their discussions with the Government Opposition—

Mr. Speaker: Order, please! Does the Hon. Member have a question immediately please?

Mr. Langdon: Would the Minister be prepared to release minutes of all the discussions that took place this summer between his Department and groups like this particular group indicating their positions on this free trade discussion?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that would depend on whether or not there was some understanding of confidence about those conversations. Just to emphasize the importance which we in the Government assign particularly to the question of the cultural sovereignty of Canada and the role of the cultural industries, I indicated again, as recently as Friday night, my intention, in harness with my colleague, the Acting Minister of Communications, to meet again in the next couple of weeks with representatives of Canadian cultural industries. We want to ensure precisely that Canadian interests are served in any negotiations that occur. The only way that we see that we can do that is to work closely with the people who will be involved, as we have been doing, as we are doing, and as we intend to continue to do.

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, that requires that Canada not be kept in the dark. Will the Minister make a commitment here in the House of Commons right now that the public position, from which the Government starts in these crucial negotiations about our future will be clearly laid out before the House of Commons within the next week so that we, as a Parliament, can debate them here in the House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not sure what the Hon. Member is seeking. If he is seeking the publication of discussions that were on the public record, of course we will give him that. If he is seeking continued public debate of the issues in the House of Commons in consultations, of course we will do that. If he is seeking continued consultation with the cultural industries, with the provinces, with business, labour and others, of course we will continue to do that.

● (1430)

If he is asking us to spell out here, now, the negotiating position of Canada before we enter into negotiations, so that we would be bound to lose on issues that were communicated by way of his office, by way of this House, to the very tough negotiators with whom we are dealing on the other side, then no, I will not sell out Canada that way.

Some Hon. Members: Hear, hear!

FISHERIES

SALE OF CANNED TUNA—REQUEST FOR COMMITTEE EXAMINATION

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, what is strange about this tuna affair is that the Prime Minister is not here to defend the Minister of Justice.

My question is directed to the Deputy Prime Minister. The Minister of Justice is quoted as saying in the Tory caucus, with respect to the tuna affair, that: "The only issue that might have been brought up was the complaint that fish inspectors, that bureaucrats were out of hand". Would the Deputy Prime Minister not agree that this statement lends substance to the initial claim of the Member for Carleton-Charlotte that he raised the matter of fish inspectors at Star-Kist in the Tory caucus months ago? Is it not time to appoint a parliamentary inquiry?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, it is not. It is time to tell the House that what the Hon. Member has said in his preamble and question is utterly false.

REQUEST FOR APPOINTMENT OF COMMITTEE

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I am alleging that the Hon. Member for Carleton-Charlotte raised the question of inspectors at caucus and that the Minister of Justice has substantiated that claim by his comments yesterday.

Is it not appropriate now to appoint a parliamentary committee to review this entire matter, or is the Deputy Prime Minister going to leave open the charge of a cover-up?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, despite the fact that the question was repeated, against the rules of the House, I will repeat my answer. It is no. Once again I repeat the truth that was stated by the Prime Minister on so many occasions over the last three weeks, that no such thing was said in caucus, and I do not know why the Hon. Member does not accept that. It was not said and it was not raised. The Minister of Justice has said nothing inconsistent with that.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL AND NORTHLAND BANKS—HITCHMAN REPORT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance. The Hitchman Report indicated to the Minister that she should consider assigning the assets of all the loans and securities of the failed banks to the six banks involved in the original bail-out. Why did the Minister of State not follow the advice that was given to her?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the documents that have been made available to the Estey inquiry were made available in order for the inquiry to come to its own conclusions on the action taken. I would prefer not to comment on matters that are before a commission of inquiry and a noble judge.

Mr. Riis: My question had nothing to do with what is before the Estey inquiry.

MINISTER'S ACTIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): When a bank in every other western industrialized nation gets into difficulty those countries ask the financial community to come to that bank's rescue. That has worked in every other country except Canada. She knows that the Hitchman Report, Mr. Hitchman—

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

Mr. Riis: Yes, Mr. Speaker, the Hon. Member has a question. Since Mr. Hitchman advised the Minister to do what every other country does, why did she decide to write a blank cheque from the taxpayers of Canada instead?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there is no blank cheque to the Canadian people. I have reiterated in the House that we have taken into account the economy of western Canada. I am surprised that the Hon. Member has totally ignored the important things we have done for western Canada, which include paying the depositors in these banks so that the money stays in that economy.

* * *

GOVERNMENT EXPENDITURES

NEWFOUNDLAND JOINT VENTURE PROJECT—FEDERAL FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Justice. Last August, in Newfoundland, the Minister announced grants totalling more than a million dollars for a joint venture involving the Prime Minister's friends and political allies, Walter Wolf, Frank Moores, and Senator Bill Doody. The Minister also said that the venture will generate $18 million in sales within five years.

Will the Canadian Government recoup its give-away to Walter Wolf since it is paying 60 per cent of the costs of this joint venture?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question has nothing to do with the ministerial responsibilities of the Minister of Justice.

Mr. Rossi: He made the announcement.

Mr. Nielsen: My colleague, the Minister of State for Science and Technology, sits on the ministerial board of economic development and can provide details. However, I can assure the Hon. Member that nothing was done with this particular contract that is in any way inconsistent with the previous practices followed by the former Government, headed by the former Prime Minister, who, I understand, was a particular friend of Mr. Wolf in this particular joint venture.

INVESTMENT INQUIRY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is directed to the same Minister who made the announcement on August 26 in Newfoundland. In his statement the Minister of Justice said that this investment of over a million dollars of Canadian money will result in 10 jobs. Is it not really just an example of the Mulroney Government—

Some Hon. Members: Order.

Ms. Copps: —paying off political debts from Conservative leadership campaigns at the taxpayers' expense?

Mr. Speaker: Order. The Hon. Member should know that the use of phrases like "the Mulroney Government" is inappropriate. However, the question may be answered.

Ms. Copps: May I rephrase the question?

Mr. Speaker: No.

Some Hon. Members: No.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will deal with the question in a moment but I want to correct an error I made a moment ago when I referred to the former Prime Minister. It was not the Right Hon. Leader of the Opposition but his predecessor who is a particular friend of Mr. Wolf.

With respect to the question, the quick answer is no, and the implications are totally untrue.

CONFLICT OF INTEREST GUIDELINES

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Deputy Prime Minister. On September 9 the Prime Minister tabled in the House new conflict of interest guidelines and he promised "to adopt ethical standards worthy of the respect of the Canadian people". We are now told that hundreds of thousands of dollars in Government contracts have gone to the Prime Minister's friends, supporters, and former Tory Members of Parliament. Does the Deputy Prime Minister believe that the awarding of these contracts reflects the ethical standards worthy of the respect of the Canadian people?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, let me begin by urging the

Hon. Member to study the guidelines that have been tabled. That might do him and others like him a great deal of good. While I am on that subject, the Right Hon. Leader of the Opposition and the Leader of the NDP were communicated with by the Prime Minister with respect of the application of certain aspects of the package that was tabled here a few days ago.

Let us take one example in that so-called package published in *The Globe and Mail* today, to which the Hon. Member refers. An instance is singled out where an individual has been employed by the PCO at a dollar a year. I can tell him that there have been virtually hundreds of people who have assisted me in our work on program review, who have been employed at a dollar a year. Those citizens are to be lauded for the contribution they are making to this country, rather than condemned as suggested by the Hon. Member.

Mr. Nunziata: What is at issue is the honesty, credibility, and the unimpeachable integrity of the Government.

PATRONAGE REFORM

Mr. John Nunziata (York South-Weston): When does the Government intend to keep its pre-election promise to end patronage and reform that instrument of national life?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the implications in the Hon. Member's question are quite unworthy of a response at all. However, I can tell him that this Government, in applying its standards of conduct, is applying standards that represent a substantial improvement over the past practices of the Government formed by the Party of which he is a member, and we will continue improving not only the standards but the quality of individuals who are called upon to perform services for the public in this country.

WOLF SUB-OCEAN LTD.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Deputy Prime Minister. In the awarding of a contract to Wolf Sub-Ocean Ltd. in an amount of $362,761, will he tell the House whether a tendering process was followed and if that was the lowest tender?

● (1440)

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, in fact,, there was no such contract. The matter referred to which involved Cosel-Wolf Sub-Ocean Ltd. systems was a consequence of the Canada-Newfoundland subsidiary agreement on ocean development and, as with many other millions of dollars of projects which are reviewed by the management committee under that sub-agreement, all necessary contracting procedures were followed to the letter of the law.

PROCEDURES INVOLVED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question—

Mr. Crosbie: Why don't you cry wolf again?

Mr. Deans: Don't you talk until after you know what it is you are saying.

Some Hon. Members: Hear, hear!

Mr. Deans: Are you going to sit there and babble all day?

Mr. Crosbie: Why not? You are babbling, why can't I?

An Hon. Member: Go back to sleep, John.

Mr. Speaker: Order, order. The Hon. Member and other Hon. Members might all please just be quiet for a while.

Mr. Deans: Thank you, Mr. Speaker. It just shows what happens when you try to ask a question without a preamble. I wonder if the Minister might be able to tell us, in determining the appropriateness of the procedures that were followed, were there tenders called for and was this the lowest tender?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I repeat again, there is no contract involved here. This project was funded under the Canada-Newfoundland subsidiary agreement on ocean industry development—

An Hon. Member: Answer the question.

Mr. Siddon: —as a joint initiative approved by a management committee representative of both the provincial Government and the federal Government, to produce jobs and economic opportunity in a province which sorely needs that economic development.

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ADMINISTRATION OF JUSTICE

UNITED STATES CRIMINAL ELEMENTS—REQUEST FOR EXPULSION FROM CANADA

Mr. Elliott Hardey (Kent): Mr. Speaker, my question is directed to the Minister of Justice and Attorney General of Canada.

An Hon. Member: Sock it to him.

Mr. Hardey: Canada now has two American murderers enjoying our sanctuary and hospitality, having avoided justice in their own country and ours, by virtue of permissiveness in our extradition laws and treaties, and because capital punishment does not exist in Canada. Can the Minister assure the House and Canadians that our country will not become more of a haven for the worst elements in American society because of his discretion not to return fugitives when the death penalty may be imposed?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can certainly assure the hon. gentleman that Canada is not going to become a haven for criminals who have escaped from the United States or any other jurisdiction; and the law will be carried out. In the case of Mr. Kindler, which I referred to yesterday, I am expecting to receive a brief from his solicitors shortly. They will be given a chance to make oral representations if they wish on that question before I make the decision on the matter as to whether Mr. Kindler should return without qualifications to the United States, or not. He escaped from there, having been convicted of a murder.

There is one other case which the public is much interested in, Mr. Ng, who is now under arrest in Edmonton. The United States has not yet requested extradition for that person. He is charged with offences in Alberta and he has to be tried there.

Mr. Speaker: Order, please. May I suggest that this might be completed under Statements.

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AGRICULTURE

PRAIRIE DROUGHT—TASK FORCE REPORT

Mr. Lorne Nystrom (Yorkton-Melville): My question is directed to the Deputy Prime Minister, Mr. Speaker. I am sure he is aware of the major farm disaster in western Canada, first of all the drought, and now the double disaster of crops under the snow.

On July 12 the Prime Minister appointed the Member for Assiniboia to head a task force on the drought. Can the Deputy Prime Minister tell us whether or not the Prime Minister's officials have informed him that this report is now completed; that it is sitting in the Prime Minister's Office; that there are recommendations? Can he tell the House why the report has not been made public, and make it public today?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I would like to thank the Hon. Member for Yorkton-Melville for the question. As he knows well, the task force on drought has made recommendations, first on phase one which related to livestock, and the Government of country has responded very positively with $48 million to the farmers of western Canada.

Some Hon. Members: Hear, hear!

Mr. Gustafson: In relation to the crops, the oil seeds and grains, the Hon. Member will be pleased to know that recommendations have gone to the Government. He can expect action that will be in the interests of the farmers in western Canada.

I would also like to say, Mr. Speaker—

Mr. Speaker: Order.

Some Hon. Members: Hear, hear!

REQUEST FOR PUBLICATION

Mr. Lorne Nystrom (Yorkton-Melville): I wonder if the Deputy Prime Minister can answer my question. What the farmers want to know is when will that report be made public and does it include acreage payments to the grain farmers who have received nothing whatsoever from this Government?

Mr. Hnatyshyn: And it snowed yesterday.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I think the Parliamentary Secretary has answered the Hon. Member's question fully, completely, and most ably, in the best interests of the Canadian farmer.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The report which he has mentioned and which is before the Government is under active consideration, and the results of any decisions will be communicated as quickly as possible to relieve the hardships that are being caused at present in western Canada.

Mr. Hnatyshyn: Did Senator Argue write that question out for you?

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CANADIAN NATIONAL RAILWAYS

LAY-OFFS IN MONCTON, N.B.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Minister of Transport.

The Minister is aware that last summer over 2,000 persons marched in protest in Moncton protesting over strong rumours that CN might be closing its main railway shops in that city. At the rally the Member of Parliament for Moncton said that the Minister had given him the assurance that he would not support massive lay-offs in Moncton. Was the Minister sincere when he gave that assurance last summer, or was it just another case of a Minister saying one thing and doing another?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I presume that there are varying interpretations of what is meant by massive lay-offs. I think in the context of this statement it was considered that the representations were being made in anticipation of a total shut-down of the CN Moncton station. I assured them that that would not be the case.

I am sure the Hon. Member knows that there has been a major decline in traffic across the country. Grain traffic is down by 30 per cent. Other agricultural products traffic is down by 19 per cent. The total traffic is down by about 7 per cent or 8 per cent. Consequently when the movement of goods is not taking place, there is a reduction of work. It is because of that fact that lay-offs occurred right across the country.

REQUEST FOR EXPLANATION

Mr. Fernand Robichaud (Westmorland-Kent): My supplementary is directed to the same Minister. A total of 225 jobs is considered massive lay-offs for the Moncton area. Can the Minister explain why the Moncton area was hit harder than the other areas in Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think that CN officials who visited Moncton explained this to the people of Moncton very well. The fact is that the reductions are a clear reflection of the down-turn of the traffic that has occurred right across the country, and hopefully with the economic renewal that is occurring, these lay-offs will not continue for a long period of time. We can only hope that there will be an upturn in traffic as crops improve and as economic conditions improve.

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GOVERNMENT EXPENDITURES

NEWFOUNDLAND JOINT VENTURE PROJECT—FEDERAL FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Science and Technology: It follows from what he said just a moment ago about an agreement that was entered into between the Government of Canada and the Government of Newfoundland presumably, and Mr. Wolf, and involves expenditures of $362,000. Is the Minister telling us that the expenditures of large amounts of money like this can take place without any contract being signed?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, as I thought I had explained, and in answer to the Hon. Leader of the New Democratic Party, agreements of this sort come within the framework of the subsidiary agreements under the ERDA process, of which there are many subsidiary agreements in place across Canada. Their purpose is to develop new employment opportunities, particularly in areas of emerging industry and technology.

● (1450)

Some Hon. Members: We know that.

Mr. Siddon: This is an agreement of that sort. Its purpose is to create employment and economic advantage in a province where they are sorely needed.

Ms. Copps: Ten jobs.

METHOD OF PROVIDING FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has just admitted that the Government is expending thousands of dollars without any contract whatsoever. That is public money.

An Hon. Member: That is not what he said.

Mr. Broadbent: If the Minister is not saying that, will he tell us straight out: Was there or was there not a contract, and were bids submitted?

Mr. Clark (Yellowhead): More innuendo.

Mr. Broadbent: That was a question.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I have clearly stated that a contribution has been tendered by the Government of Canada under a subsidiary agreement between Canada and Newfoundland. The purpose of that subsidiary agreement is to build new employment opportunities in the area of ocean technology.

Mr. Broadbent: Now answer the question.

Mr. Siddon: There is nothing inappropriate with this approach. In fact, it is used to support worthy industrial initiatives in all parts of Canada by joint agreement between two levels of Government.

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INDIAN AFFAIRS

SELF GOVERNMENT—GOVERNMENT POLICY

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. A growing number of people in the Saskatchewan native and non-native communities believe that less government in the lives of Indian people will mean more self-reliance for natives and a more efficient use of public funds. What are the Minister's precise plans for the Province of Saskatchewan? Would he detail them, please?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the Hon. Member knows, the entrenchment of selfgovernment for Indian people remains the constitutional goal of the Government. With regard to non-constitutional selfgovernment, as we call it, it is my responsibility to negotiate specific models of selfgovernment. The approach is community based and tailored to the specific needs of Indian communities. That is the approach nationally, and obviously it includes the Province of Saskatchewan.

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[*Translation*]

EMPLOYMENT

CONSEQUENCES OF MONTREAL EAST REFINERY CLOSURE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Not long ago, Montreal East first lost 1,000 jobs at Bombardier, then 650 jobs at Vickers and now Gulf has announced it

is closing down its refinery, which will result in the direct loss of 450 more jobs.

My question to the Minister is as follows: What is she going to do now to keep this refinery open and protect those 450 jobs which are very important, not only to the workers themselves but to the industrial base of Montreal East? What is she going to do?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, has already responded very affirmatively to the request which the Hon. Member just put forward. On the other hand, I should like to remind him that in the past year 100,000 new jobs have been created in the Province of Quebec alone; that is in one province of the country, and the Government has undertaken to stimulate that growth. It has introduced the Canadian Jobs Strategy. It is already receiving applications to introduce new job proposals. These are coming forward, and they are being approved on a daily basis.

[*Translation*]

POSSIBILITY OF 450 JOBS LOST IN MONTREAL—GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, as usual, the Minister has failed to answer my question. She has even turned down 450 workers in Montreal East. Again I want to ask the Minister whether she is prepared to make a commitment today to protect those 450 jobs. Is she prepared to go to the same lengths for these workers as for bankrupt Canadian banks?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in all cases where there have been projected lay-offs, we have undertaken to work through the industrial adjustment service to assist people, and we have spoken on numerous occasions to different companies to assure them that the benefits package which they produce will be to the best advantage of the workers. However, I would say that the important thing is that the economy, over all, continues to be stimulated, that, with the growth of the numbers of people who are finding new jobs, is the way in which the Government stimulates and furthers the economy, indeed right across the country, but particularly in the Province of Quebec.

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GOVERNMENT EXPENDITURES

NEWFOUNDLAND JOINT VENTURE PROJECT

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. It is a very specific one. Why did the contract go to Mr. Wolf? What process was used to select Mr. Wolf for that job for the Government of Canada?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the project in question was recommended by a committee of officials called the Management Committee. Those officials represent the Government of the Province of Newfoundland and the Government of Canada. Those officials recommend a project to their respective Ministers.

Mr. Turner (Vancouver Quadra): I bet.

Mr. Siddon: As a consequence those agreements—and it is the practice under the administration of all subagreements, including those with the NDP Government of the Province of Manitoba—are properly negotiated. Offers are made in accordance with all appropriate and necessary conditions, to ensure that the public interest is protected.

SELECTION OF COMPANY

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have a supplementary question for the same Minister. What the people and I want to know is this. After it was decided that the project would occur, how did they select Mr. Wolf to be the recipient of Government money? What process was used?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I think the nature of these questions from members of the New Democratic Party reflect the naivete of their understanding of the situation.

Some Hon. Members: Oh, oh!

Mr. Deans: I dont think so, somehow.

Mr. Speaker: Order, please.

Mr. Broadbent: Naive, eh?

Mr. Speaker: Surely the Minister is entitled to give his answer with some respect and calm.

Mr. Siddon: What this project represents—

Mr. Deans: Pork.

Mr. Siddon: —as with many projects which are funded either under the Industrial and Regional Development Program or subsidiary agreements—

An Hon. Member: Oink, oink.

Mr. Siddon: —is an opportunity to develop new areas of industry and technology—

Some Hon. Members: Pay-off.

Mr. Speaker: I am sorry to interrupt the Hon. Minister, but clearly Hon. Members do not want to hear the answer.

Oral Questions

CAPITAL PUNISHMENT

REQUEST FOR REINSTATEMENT

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Hon. Minister of Justice and it pertains to capital punishment. As we are now in the second year of our mandate, and in that a majority of Canadians have indicated a clear wish for capital punishment to be reinstated, will the Minister give the House some indication when we might expect to see relevant legislation brought before the House?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the longer this House continues, the more I become in favour of capital punishment.

Some Hon. Members: Hear, hear!

Mr. Broadbent: For whom?

Mr. Crosbie: For certain people who will remain nameless.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Resign.

Mr. Crosbie: Mr. Speaker, when the donkeys are finished—

An Hon. Member: Go back to the zoo.

Ms. Copps: This is the Minister of Justice!

Mr. Crosbie: During the term of this Government arrangements will be made for a free vote in the House by Parties that are allowed to be free—and some are not—on the question of capital punishment. It will be put clearly and squarely before the House for Hon. Members to decide before the next election is called.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

GULF WORKERS' JOBS IN MONTREAL—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. How can she possibly have the nerve to give out statistics to Gulf workers in the gallery? They are certainly not going to meet their monthly payments with the statistics dished out by the Minister of Employment and Immigration. How can she explain that her Government is doing everything it can to prevent a new buyer from acquiring the Gulf plant and saving 450 jobs? That is what they want to know!

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, unlike the former Government, we do not just stand idly by and see people go down the chute on these things. The fact is that we have been in touch with Gulf Canada. We have introduced the industrial assistance service to assist both workers in unions and those who are not in unions to make that kind of transition. We have introduced programs which will allow retraining. We have introduced programs which will allow mobility. These are the things which indeed the Government has seen fit to introduce because it is concerned about the needs of those who would be thrown out of jobs, usually by policies undertaken by the former Government.

[*Translation*]

OFFER OF TRANSFERS TO WEST OF UNILINGUAL FRANCOPHONES

Hon. Jean Lapierre (Shefford): I have a supplementary question, Mr. Speaker.

The Minister is making statements which in fact are not true, and the workers are here to attest to that.

• (1500)

[*English*]

Mr. Speaker: Order, please. I must remind the Hon. Member that references to the presence of someone in the gallery are entirely out of order.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I would suggest that those people are here to listen to the Government's answers.

How can the Minister talk about transition when those people want to keep their jobs? And how can she explain that instead of maintaining those jobs she is urging unilingual Francophones to accept transfers to western Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): It is not true, Mr. Speaker!

The Hon. Member now knows that the workers have already been assured by the Minister of Energy, Mines and Resources that the companies will keep operating for a few months.

[*English*]

The Minister has already announced that she would take steps to ensure that the company remains open in the hope that there will be discussions that will allow that company to continue operating. That is something that the former Government and the Hon. Member in that Party would not have done.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, October 8, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

REFORM OF THE HOUSE OF COMMONS

TABLING OF GOVERNMENT RESPONSE TO THE SECOND AND THIRD REPORTS OF SPECIAL COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 70(16), I have the honour to lay upon the Table two copies in both official languages of the Government's comprehensive response to the second and third reports of the Special Committee on Reform of the House of Commons.

Mr. Speaker: I am tempted to get one in a hurry.

* * *

REFORM OF THE HOUSE OF COMMONS

SECOND AND THIRD REPORTS OF SPECIAL COMMITTEE— STATEMENT OF PRESIDENT OF THE PRIVY COUNCIL

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the document that I have just tabled is more than a comprehensive response to the second and third reports of the Special Committee on the Reform of the House of Commons. It is a commitment fulfilled and a challenge issued.

During the last election campaign, the Prime Minister (Mr. Mulroney) made the commitment that the reform of Canada's central institutions of Government would be an early priority of his administration. The Prime Minister's objective was to ensure that Government became more open and responsive to the views and requirements of all Canadians.

[*Translation*]

It is not surprising that in the Speech from the Throne at the opening of this Parliament the Government advocated various mechanisms to set in motion the process of a detailed review of the Government's machinery. One of its initiatives was to propose the creation of a Special Committee on Reform of the House of Commons.

[*English*]

Under the invaluable leadership of the Hon. Member for St. John's East (Mr. McGrath), the other members of the committee, the Hon. Member for Papineau (Mr. Ouellet), the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault), the Hon. Member for Prince Edward-Hastings (Mr. Ellis), the Hon. Member for Peace River (Mr. Cooper) and the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) worked together in a spirit of non-partisan co-operation that stands as a model for our deliberations in this House and its committees.

The Special Committee rose to the challenge given to it in its broad mandate and produced three substantive reports containing a wide range of proposals for reform. Those proposals touched on matters as diverse as the role of the private Member and the modernization of the procedure governing the granting of Royal Assent.

Both in the comprehensive response to the first report which I tabled last April and in the response which I have just tabled, the Government's appreciation of the substantial support for the committee's recommendations is evident. However, I would like to take this opportunity on behalf of the Government to express once again our sincere appreciation to the Hon. Member for St. John's East—

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: —and indeed to all the other members of the committee for their hard work and their excellent results. I am sure all Members of the House, as they have indicated by their applause today, join with me in that sincere expression of thanks.

Eleven months have now passed since the Speech from the Throne. In that period, the Government has taken several important steps to further the process of parliamentary reform. From the very first, the Government recognized the importance of parliamentary scrutiny and input into major policy initiatives and substantially increased the number of policy statements delivered by Ministers in the House. In June, I tabled a discussion paper which proposed a major change in the legislation governing the redistribution of electoral boundaries. That paper was referred to the Standing Committee on Privileges and Elections and, pursuant to the recommendations of that committee, legislation is now before the House, legislation which if passed, will limit the future growth of the House and thereby ensure that each Member has greater access to the time of the House and its committees. This is an important step because the special committee has called for smaller standing committees and this proposal can only be met in a House that is at or only slightly larger than its present size.

[*Translation*]

In addition, the Government has taken another step to bring Parliament closer to modern times by introducing legislation which acknowledges the supremacy of Parliament but which, for the first time ever, gives collective bargaining rights to House of Commons and Senate employees.

[*English*]

Furthermore, following the tabling of the Government's response to the first report of the special committee, the House agreed to adopt on a trial basis the vast majority of the reforms proposed in that report. As a result, the House is now experimenting with the following: one, extension of hours for ministerial statements; two, legislative committees; three, committee budgets; and four, a new, more meaningful Board of Internal Economy.

[*Translation*]

Last July the Prime Minister announced the establishment of a sub-committee of the Committee on Priorities and Planning to consider the question of the reform of the House. During the summer my colleagues and I examined the sugges-

tions of the Special Committee on Reform to ensure the orderly implementation of reforms.

[*English*]

Today the Government has provided its response to the Second and Third reports of the special committee. In that response, we have not only indicated our support for the vast majority of the proposals contained in those reports but have, in the spirit of those reports, gone further to recommend additional measures designed to enhance or restore the role and authority of the House of Commons. For example, whereas the special committee proposed that standing committees of the House be given authority to review certain limited classes of Order in Council appointments, the Government's response goes far beyond that proposal. As the Prime Minister announced a few weeks ago, although committees will not be given the power to veto appointments, they will have the authority to review all Order in Council appointments. Furthermore, in the case of appointments to quasi-judicial bodies, committees will have the right to call nominees prior to their appointment.

This tendency to build upon the foundations laid out in the second and third reports can be found throughout our response. Indeed, Sir, it is our hope that reform will be a living and continuing process in this House. To accomplish that goal, however, we need to ensure that adequate consultation takes place between the Parties and that achievable, short-term objectives are set. It is for that reason that I have already met with my colleagues across the aisle to discuss these reforms. In fact, several of the Government responses have been adjusted to accommodate the views and suggestions of Opposition House Leaders.

● (1510)

In the coming weeks, I will be meeting with my counterparts again to ensure that the vigorous start which the House has made is carried forward and sees the development of a new House of Commons in the near future. Without prejudging the outcome of those discussions, it would be my hope that the reforms now before the House could be in place by the time Parliament reassembles next January.

The reforms we have proposed in our response, along with the several related initiatives such as regulation of activity by lobbyists, will shape our agenda for action in the coming months and years. This is an evolutionary change, but an important one.

[*Translation*]

The ultimate assessment of the strength of our democracy rests on the ability of our institutions and of all Canadians to face that challenge: as parliamentarians we will not be judged by what we do today but, in the long run, by our ability to make the institution efficient and relevant to society and its future needs.

[*English*]

In closing, let me call upon all of my colleagues in the House to take up the courageous road which will lead to a better House, a more effective and democratic institution and the best possible forum to ensure that our great diversity can be given legitimate expression in unity of purpose. That is our commitment and our challenge.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in the absence of my parliamentary House Leader, I rise to speak on behalf of my party in reply to the Minister's statement, and considering the fact that I was advised on very short notice, not more than an hour ago, I trust the House will bear with me if I do not cover all the questions or points raised by the Minister.

That being said, we are delighted with this opportunity to join the Minister in congratulating once again the Hon. Member for St. John's East (Mr. McGrath) who provided the leadership on the Committee, with, of course, the Hon. Member for Papineau (Mr. Ouellet) and occasionally, the Hon. Member for Cochrane-Superior (Mr. Penner).

[*English*]

The work done by the committee will be helpful to us all. I only wish the Government had taken most, if not all, its recommendations into serious consideration.

[*Translation*]

Mr. Speaker, the statement by the President of the Privy Council (Mr. Hnatyshyn) on the Government's comprehensive response to the Second and Third Reports of the Special Committee on Reform of the House of Commons seems incomplete, since it fails to mention that the practice of responding to committee reports was started during the last Parliament, on the initiative of the Liberal Government of the day, to enable committees to have more impact and to receive more comprehensive responses to their reports from the Government.

Mr. Speaker, parliamentary reform is only acceptable if it is the result of a consensus reached by all parties. It is never acceptable if it is treated as a partisan issue. To have a consensus, any parliamentary reform must first be shown to have as its objective the strengthening of the democratic process, not just increasing the authority of a Government that is already too powerful, as we see it.

[*English*]

As an example of how Government can try to smuggle in measures of advantage to it cloaked in the guise of non-partisan reform, we see in the Minister's statement a glowing reference to his redistribution Bill. The Minister should know that the jury is still out on that measure and that there are very serious doubts in the country about how that Bill may dilute even further the principle of one man, one vote. He should know that that measure is being looked at very skeptically and that he has yet to persuade the country that it is a reform of a positive nature.

Similarly, he should know that the proposals for procedural reform will be looked at with a skeptical eye. For example, the proposal for review of appointees looks very much like a paper tiger, an expression I like to use. However, in this case I think it would be more appropriate to say that it looks like a paper tiger without teeth. The Government has yet to provide details on how it sees the system working. More important, it does not propose that committees reviewing appointments can do anything substantial about the bad choices which this Government makes. It borrows from the American system and says that all Order in Council appointments will be reviewed by the committee. The Government knows that the committee cannot do that. It is somewhat like saying that no right of veto will be accorded to committees. It is a paper tiger without teeth.

[*Translation*]

Now that the Government is proposing to adopt a broader set of reforms, Mr. Speaker, I can promise you that the Opposition will monitor very closely and critically the specific proposals that are being made.

For instance, in the comprehensive response tabled by the Government, we see a promise to agree to extend consideration of the Estimates by committees, accompanied by a condition that can or could make this reform totally meaningless.

I am thinking especially about the critical question of whether Members of Parliament should be independent from the Government when they sit in a committee or whether we should at least try to make them more indepedent. Recommendation 4.5 of the Committee states that if we want to reduce the size of standing committees and make them more independent, parliamentary secretaries should no longer sit on them.

The Government has rejected this proposal, even though we are trying to give more independence and powers to the committees. The Government insists that the parliamentary secretary, who is the assistant of the Minister, must be a member of the committee. Contrary to the committee recommendation to the effect that there be only seven members per committee, the Government says that there must be eight and adds the parliamentary secretary. I do not find this very serious, Mr. Speaker.

[*English*]

The entire tone of the response of the Government is, in my opinion, "If it helps us, we will do it. If it does not help us, we will see. If it slows us down, forget it". In its discussions with the opposition Parties, a greater disposition toward compromise and toward truly meaningful reform will be required of this Government.

In the brief period since the recommendations of the first report of the committee have been adopted on an experimental basis, we have already seen some areas where further adjustment will be needed.

[*Translation*]

Mr. Speaker, it is interesting to note that the Government accepted the recommendations of the first report, but on an experimental basis, without getting away from the main issue. However, as far as the recommendations contained in the second and third reports are concerned, the Government has asked for more advantages before even putting these recommendations to the test.

Mr. Speaker, we plan on meeting soon with the Government Members and the Members of the New Democratic Party to discuss the important issue of reform. We congratulate once more the committee and its chairman for having discussed the matter objectively and for making special efforts to achieve a parliamentary consensus on the whole issue of reform.

We give notice to the Government that the only road to progress in parliamentary reform is to look for a consensus amongst all interested parties.

Mr. Speaker, I shall close by congratulating once more the committee and by asking this House to guarantee the independence of the committees and to examine closely and seriously the recommendations of the committee on reform, which I consider very serious and worthy of being implemented.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will not be very long in dealing with this matter because it will be dealt with in much more detail some time later on. I wish to take a moment or two to make some points on matters which I think are quite important.

At the outset, I wish to congratulate the committee for its work, as did the Government House Leader and others. I know from my own experience how hard the Chairman of the committee and members of the committee have worked. I also know that it was able to do what many committees of the House of Commons are not able to do and, in fact, it was able to do what the House itself is unable to do, that is to say, work by consensus. As time passes, I hope that experience will rub off and that other Members of the House will recognize that it is better in the long run with respect to most issues to attempt to find a consensus than it is to push everyone to the wall on everything which is placed before us. Thus, I congratulate the Hon. Member for St. John's East (Mr. McGrath).

I also wish to say to him that the reports over which he has presided are, in my judgment, a great move forward in the modernization of the parliamentary system. Wherever we do have disagreements—and there are two or three areas which are up for further discussion, I can say on my own behalf, and, I hope, on behalf of the others, that we will attempt on every occasion to come down four square alongside the committee. We believe that the committee did its work and did it well. I say that to all members of the committee.

● (1520)

There are two or three matters which puzzled me a little. These are matters which could be, perhaps, reviewed again. I

note with interest that the Government House Leader has indicated that that in fact will be the process.

As you know, Mr. Speaker, and I am sure the Hon. Member who chaired the committee knows, the House Leaders have in fact met on a number of occasions and have gone through the recommendations. They have looked at methods of implementation, taking into account certain of the problems which arise which have to be resolved in advance of implementation. And I am confident that over the course of the next two or three weeks, certainly in advance of the opening of the next session of this Parliament, we will have these rules in place, as we have all of the other recommendations in place which the committee recommended to the House.

I do, however, want to suggest one matter which is of major concern to me, that is, the recommendation which dealt with the question of petitions. There was a recommendation which I cannot quote verbatim but which I can paraphrase. The recommendation was that it would require a minimum of 25 persons in order to constitute a legally acceptable petition. I suggest that that is a dangerous precedent. I do think that it is the right of every individual citizen to petition his or her Parliament, and that has been the basis upon which the system has grown. If there is but one citizen someplace who feels aggrieved by the actions of his Parliament or by the results of the actions of his Parliament, he has the inalienable right to bring forward a petition and seek redress. I would be reluctant to go from that which I consider to be a very good principle to a principle which requires that a person have the support of 25 other persons in order to petition. I do not see that that is absolutely essential.

It does not seem to be too terribly onerous in a country which has a population of 25 million to find 25 persons to agree on one matter. However, a matter which is being brought to the attention of Parliament could well be a matter which affects one person directly or it may be matter about which one person feels particularly strongly. So I think I would, perhaps, beg of the House that at some point we not accept that change, well intentioned though it may be, and that we leave it as a right of every citizen to petition his or her Parliament in his or her own name asking for redress. I feel that that would make sense.

Another matter I would like to raise is one with which I know we are going to deal. We have had conversation about it and although it does not appear in the response of the Government, I am confident it is going to be dealt with when we sit down to discuss methods of implementation. It is the whole question of the numbers and definitions of committees. The Government House Leader will recall when he, the House Leader for the Official Opposition and myself gathered together one week ago tonight in the Commonwealth room to welcome a significant number of representatives of the ethnic communities of Canada as they celebrated the establishment of the ethnocultural committee. That is the committee which looks at questions directly related to ethnicity and the development of Canada in the future. We all said the same thing, that this was a much needed, long postponed initiative on the part of Government and on the part of Parliament.

It would seem passing strange that we should, one week later, indicate to that group that we do not think it is necessary, but I do not believe that that was the intent of the Government House Leader—in fact, I know it was not. It was only after consultation with him that I decided to raise this question. I believe that he and I both agree, as does the Hon. Member for Windsor West (Mr. Gray), the House Leader for the Official Opposition, that there will be the necessity to add committees, albeit a few, to the list of committees recommended by the Committee on Reform of the House of Commons for the very reason that there are certain things which we all deem to be necessary and certainly advisable, and we should bear in mind that those committees may well have to be included, along with the others.

So I say to those who are in the ethnic community in Canada today, and who travelled all the way to Ottawa to join with us in celebrating the establishing of the committee: Fear not, it is not going to be done away with. We have already agreed to it.

As far as the balance of the recommendations are concerned, I say as delicately as I can to the Speaker that regarding recommendation No. 73, which indicates the Speaker's power to select, as well as to combine amendments at the report stage—I recognize that this is a power the Speaker has, and I say this not necessarily for the incumbent but for the future reference of others who might not be as attuned to the system as it now exists—in that selection process, great care should be exercised, if it were in fact to be utilized, to ensure that in that selection process the subject matter of the amendments are also taken into account. Not only would they have to be admissible in a technical sense but the subject matter, those areas to which the amendments address themselves, must in fact be appropriately addressed in some other way in determining whether or not there could be the removal of one or more amendments offered at the report stage to be selected by the Speaker.

In addition to that, we must recognize the political nature of the House of Commons. It may well be that for crass political reasons—and I know that rarely do we ever do anything for those reasons—it is necessary to pay recognition to the fact of whether an amendment came from the Government side of the House or from the opposition side of the House and, even more important, I believe, whether it came from the two opposition Parties jointly. In all fairness, it may be necessary to recognize that both opposition Parties have submitted similar amendments in order that both can claim credit for having pushed the Government right to the wall—which is always what we are trying to do, in any event.

I realize you might find that hard to believe, Mr. Speaker, but I am prepared to admit it because there is not another soul in the world watching this. They are all watching the Blue Jays. I feel quite confident that I can say almost anything today. There is not a single person watching us on television, I am sure. Everyone is sitting watching the Blue Jays, and at the

end of the first half of the first inning, they are tied nothing each.

I am confident that we will get these changes into being by the first part of January and that we will see them working. It will not be easy. Change is difficult and we have just made some changes and I hear nothing but complaints about the way these changes are affecting people's lives. That does not mean the changes are wrong. It just means that politicians, by their very nature, resist change. That seems to be the case even with the changes to the House of Commons. However, may I say that I am looking forward to helping to implement these changes and to making sure we get the best possible results from what I consider to be an absolutely excellent series of recommendations made by a committee which worked diligently on behalf of all of us.

* * *

PETITIONS

USE OF EVIDENCE FROM SOVIET UNION BY DESCHÊNES COMMISSION

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I have the honour to present a petition signed by residents of Edmonton, Alberta, protesting the use of evidence from the Soviet Union by the Deschênes Commission of Inquiry on War Criminals. The petitioners call upon the Canadian Parliament to oppose the use of any such evidence.

* * *

Mr. Speaker: Is the Hon. Member for Scarborough West (Mr. Stackhouse) rising on a point of order?

Mr. Stackhouse: No, Mr. Speaker, I was hoping that on an occasion when a report about the role of the private Member was introduced, there might be an opportunity for a private Member to make a comment.

• (1530)

Mr. Speaker: I appreciate the Hon. Member's sentiments, but under the rules adopted to help the private Member that is no longer possible.

FULL INDEXATION OF FAMILY ALLOWANCES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have two petitions to present today. The first is from a group of residents of my riding, particularly the Hastings-Sunrise area. They call for reindexation of the family allowance. Its deindexation, combined with tax increases and budget handouts, has placed an extraordinary burden on families, especially on women, single parents and poor families. They call on the House of Commons to reinstate the full indexation of family allowances and rescind unfair tax increases.

The second petition is very interesting because many of the signatures are in Chinese characters. It is from residents of the Strathcona area and downtown east side of Vancouver, and they call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, in the middle of National Family Week it is my honour to present a petition from constituents in the City of Thunder Bay who protest deindexation of family allowances and other changes in our family support system. They protest the hand-outs which the Government has proposed and which represent a burden on families. They call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a petition signed by Canadians right across this land who would like to add their voice to those calling upon the Government to reinstate full indexation of universal family allowances and rescind the unfair tax increases in the Budget.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 412.

[*Text*]

TOURIST PUBLICATIONS

Question No. 412—**Mr. Robichaud:**

1. In 1984, how many United States tourist publications were sold in Canada and what income accrued to the government from the 10 per cent tax?

2. (*a*) In 1984, how many Canadian tourist publications were sold or given away (i) in Canada (ii) abroad (*b*) what income accrued to the government from the 10 per cent tax?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Revenue and Regional Industrial Expansion as follows:

1 and 2. There is no mechanism to record the number of United States tourist publications sold in Canada or of Canadian tourist publications sold or distributed in Canada or abroad.

Revenue Canada advises that its own records do not differentiate between tourism literature and other forms of printed matter. Therefore, the information pertaining to the income from the 10 per cent tax on tourist publications is not available.

[*Translation*]

Mr. Hnatyshyn: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question mentioned by the Hon. President of the Privy Council has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

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

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: May I advise the House that because of the ministerial statement, consideration of Government Orders will be extended by 27 minutes this day.

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canada Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect to uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Nic Leblanc (Longueuil): Mr. Speaker, today I would like to speak in support of Bill C-79, which concerns the provision of compensation to depositors of the two financial institutions, for the portion not insured by the Canada Deposit Insurance Corporation. The Bill was tabled by the Minister of State (Finance) (Mrs. McDougall) in the House on October 7 of this year.

● (1540)

Through this Bill, the Government intends to compensate all depositors who had invested their savings with the Canadian Commercial Bank and the Northland Bank, and who would not otherwise have been compensated by the Canada Deposit Insurance Corporation. Last March, when the Government took emergency action to improve the financial situation of these institutions located in Western Canada, it made certain commitments to the depositors of these institutions, and today, it intends to meet those commitments. Last March we had created a climate of trust in these institutions, but repeated attacks by the Opposition created a climate of panic and uncertainty in the financial world, especially among small depositors and business people. Mr. Speaker, how can the Government be expected to build something solid when the Opposition, in an unprecedented way and without consideration, is constantly undermining the commitment we made to preserve those financial institutions, together with many private depositors and small businessmen, over six major chartered banks and the provincial Governments that were directly concerned. Today, we must meet the commitments we made to these people. They trusted us, and thanks to the criticism by Opposition Members, today they might have lost everything. We are going to meet our obligations to the bitter end, and the Opposition should do likewise and support the Bill, since it would not have been necessary without the Opposition's attacks on the bail-out program we proposed last March, and the consequences of those attacks. In fact, why did these financial institutions have to close their doors? I will try to define several significant developments these institutions have had to deal with in recent years.

First, the energy policy of our predecessors, who today are the Official Opposition, has had a disastrous impact on Western Canada, and it is in fact Western Canada, Mr. Speaker, which has been most severely affected by the failure of these financial institutions. The Liberal Government took a series of energy measures which resulted in a dramatic drop in oil consumption, and these measures included energy transfer policies such as programs to help people convert from oil heating to electricity and also increased taxes in this sector.

Second, rising interest rates which our predecessors merely encouraged, plus inflation which they were unable to control, both led Canadians to review their consumption habits, such as gas for motor vehicles, and so forth. This dangerous legacy we were left by the previous Government is now forcing us to take the measures before the House today. The Opposition, the Liberals, did not foresee the consequences of their actions at the time they took these economic initiatives, as a result of which today, so many people in Western Canada are facing serious economic problems.

And now, Mr. Speaker, what about the regulation of our financial institutions? As soon as it came to power last September, our Government asked for a major review of our financial institutions, since we were aware of the disastrous consequences of the regulations left to us by the previous Government. Mr. Speaker, as you know, only a few months ago we referred a green paper to the Committee on Finance, Trade and Economic Affairs, for the purpose of assessing the consequences of poor regulation of these financial institutions.

Last summer we heard evidence from spokesmen for most banks, trust and insurance companies to launch a basic reform to avoid the reoccurrence of such incidents in the future.

Our only regret—and there is nothing we could do about it—is that we did not come into office a year sooner, for we certainly would have been able to avoid the shutdown of the two Canadian banks which are now the subject matter of this Bill. As a result of those policies, both banks—the Canadian Commercial Bank and the Northland Bank—had to cope with all kinds of problems. Unemployment increased, the market value of real estate declined, and the special nature of mortgage legislation resulted in those two institutions finding themselves stuck with boxes full of keys to houses on which they held mortgages. Homeowners were no longer able to meet their obligations. In turn the banks were unable to meet theirs.

That sums up the reasons which explain how Western Canada found itself in the midst of an economic crisis. Since we are a national Government we have to lend a hand to a region of our country, Western Canada, which finds itself in dire straits. Our duty is to help that region solve the problems it is facing. More than that, we have to assess the consequences of our action if we were to refuse to help the depositors of those two financial institutions which are now in the process of being liquidated.

Private individuals had deposits of about $27 million in the two banks, and I would suggest we cannot let them fend for themselves because there are too many of them. Nor can we forget the unions and their deposits of about $7 million. As we all know union funds come mostly from low wage workers. Are we going to ignore all those small depositors?

The problem is the same when it comes to municipalities: if we do nothing about their deposits we will be asking small depositors, people who must pay taxes on their homes, to bear the brunt of this whole affair, and we are talking about roughly $82 million.

Credit unions are in the same predicament. Religious organizations stand to lose close to $22 million. If one remembers that the money was collected cent by cent, one can imagine just how many people are involved. We cannot ignore those organizations for the sake of $22 million and it is imperative that we continue to protect them. Pension funds and small businessmen account for an additional $6 million, so all told we are looking at about $230 million which directly affect individuals in a relatively small region.

What, then, would be the cost of the measures the government would have to take in this area if we did not compensate them now? It would have to help them directly or indirectly through various social schemes, including unemployment insurance and welfare programs, which would probably cost a lot more than what we are giving now.

We can imagine what loss in income tax the government would incur if we abandoned these people to their own resources, for small businesses would probably have to close and the Government would lose major fiscal revenues; $230 million for those who have adhered to our bailout package, that is very little.

In other words, what would be the price we would have to pay to rebuild this region which is the most severely affected by these bank failures and to ensure the economic future of its people?

The $875 million provided for under this Bill is certainly a large amount of money, but it is not much in term of helping these people to operate in a recovering economy. The economic policies implemented by our Government over the past few months have already made possible the creation of some 284,000 jobs; what is more, a large number of foreign corporations which have confidence in our economy are currently negociating possible investments in Canada, which should create hundreds of thousands new jobs in this country. Also we should not forget that our policies for the past year only have reduced unemployment by 1.5 per cent to restore the steadiest climate since 1971: bank rates have been greatly reduced, automobile plants have increased their production by 23 per cent, construction has increased by 17 per cent. And if we specifically refer to the West, oil drilling companies have increased their operations by 19 per cent.

It was for all those reasons that I mentioned a while ago that if we had had the opportunity to come to power a year earlier, we would not have experienced all those consequences. We do not want to bail out the bank or the financial institution as suggested by the Opposition. They alter the facts. It is far more dramatic not to compensate the small businessmen and the ordinary Canadians who have so painfully saved.

We may not be happy today to have to pay out such a sum. However, we have to do so to protect and maintain the parliamentary spirit. It is due to the irresponsibility of the previous government that we have to pay and Canadians know it, they are not easily deceived. They know that we are paying for the administrative mistakes of the team now sitting opposite.

For those reasons, Mr. Speaker, I support this Bill as a responsible parliamentarian and all parliamentarians either on the Government side or in the Opposition should do likewise.

Mr. Deputy Speaker: Order. Are there comments or questions on the Hon. Member's speech? If not, we will resume debate with the Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I heard the comments made by the Hon. Member who spoke before me. He referred to the reasons why the Government stepped in and introduced this legislation. And like all Conservative Members, he was anxious to put the blame on the previous Government.

However, Mr. Speaker, if the Hon. Member for Longueuil (Mr. Leblanc) had taken the time to read the statmenet made by the Minister of State (Finance) (Mrs. McDougall) in this House on March 25th, certainly he would have changed his speech, because according to a Member of this Conservative Government the Canadian Commercial Bank's difficulties were due: "to the Canadian Commercial Bank's operations in the United States and the losses incurred in the United States by that bank".

Moreover, for the benefit of the Hon. Member for Longueuil, I am going to quote what the Minister, a Conservative Minister in his Government, had to say in this House, and since I have the English text, he will allow me to read it in English. Mrs. McDougall had this to say:

● (1550)

[*English*]

The bank recently experienced a sharp deterioration in its U.S. loan portfolio, particularly as a result of lower oil prices. This situation significantly depressed the value of the Canadian Commercial Bank loan portfolio.

[*Translation*]

If I understand correctly the comments made by the Minister on March 25, 1985, when she announced that the Canadian Commercial Bank was having difficulties, I believe these were in the nature of the difficulties known to exist in the United States rather than difficulties facing the Canadian economy in western Canada. For sure, if the Minister who is now on the spot wants to change the speech she made on March 25, she will give us the reasons. But one thing is certain. If the Hon. Member for Longueuil (Mr. Leblanc) had read that statement made by his colleague, a Minister of his Government, he would not have made such comments.

Mr. Speaker, when dealing with Bill C-79 I have the feeling I am taking part in a demolition project, the demolition of two financial institutions, and the demolition of something which was certainly part of the pride shared by Canadians living in the Prairies and Western Canada. Because this Bill is the death sentence passed on two financial institutions, two regional banks which operated in Western Canada, even though they had operations elsewhere in this country.

What the Government is proposing is using the taxpayers' money to actually cover that part of the assets of those two banks which was in trouble. It is clear to me, according to the statements we heard from Government Members, that the cost—it is not yet known and I will come back to this—will be based on the amount of bad loans and the ability of liquidators to get the best price possible for the assets. I will also come back to this later, and refer to the Hitchman Report which seems to indicate that the Government, faced with the options outlined by the expert, chose the one that was least recommended by Mr. Hitchman himself.

What this demolition project undertaken by Bill C-79 boils down to, is that the overall cost to the Government and its agencies totals $3.3 billion. In the case of the Northland Bank, it is first a sum of $1.232 billion, which breaks down into $414 million for uninsured deposits, $318 million for insured deposits and a $500 million advance from the Bank of Canada, for a total cost of $1.232 billion with respect to just one bank.

In the case of the Canadian Commercial Bank, there will be an expenditure of $2 billion, of which $532 million will be for uninsured deposits, $275 million for insured deposits and $1.3 billion for the money advanced by the Bank of Canada, for a total of $3.332 billion.

This is a substantial amount, and it will come either from the Government directly through this bill or from the Bank of Canada, which will try to recover its losses. Whatever amount the Bank of Canada succeeds in recovering will lower the amount that the Government can recover under Bill C-79, and whether we want it or not, there will also be the amounts paid by the CDIC, which will be passed on to consumers. Instead of being a tax to be paid at income tax time, this will be passed on as additional costs for banking operations throughout the system.

What will be the real cost of this operation? That is the question, Mr. Speaker. Until now, a figure of $1 billion has been quoted. In other words, after the Government has recovered whatever it can, the net cost would be about $1 billion. For those who have examined the Hitchman Report which was tabled this morning—and I am pleased that it has finally been made public after we had been asking for it such a long time—I can point out that this report states on page 6 that the necessary reserves for bad loans in the case of the Canadian Commercial Bank would be of $1 billion. This is only for one bank. If the report is true, the cost will be $1 billion for a single bank.

How much will it cost for the Northland Bank? We do not know yet, but apparently, it will certainly be around $225 million, which means that the real cost to the Crown will not be $1 billion as we had thought until now, but more like $1.2 billion.

Mr. Speaker, we have asked the Minister of State for Finance and the Minister of Finance, who has the ultimate responsibility for the financial administration of this country, to provide clarification about the real cost of this operation. However, in her comments last Monday, the Minister of State for Finance candidly admitted that she had no real idea of the true cost to the taxpayers, but she certainly did not deny that this cost would exceed $1 billion.

I do not want to go over the entire speech that I made in this House during the special debate on the Northland Bank which the Chair granted to us some days ago, more specifically last week, I believe. At that time, we thought that the Minister would rise to inform us about what was happening to the second bank facing financial problems. However, nothing happened; the Minister spoke for about 20 minutes, and during all that time, she succeeded in evading the issue completely and

not saying a word about the Northland Bank. Because of that, we now have no information about this financial institution. We simply know what the newspapers have reported and what we have learned in our conversations with certain officials, which is very little. Yet, the Members of Parliament are being asked to approve a Bill which requests hundreds of millions of dollars, to be paid by the Canadian taxpayers.

Hon. Members will recall that during the emergency debate, the Government was asked some very specific questions, and in particular why the Department of Finance had decided to tie together the fates of the Canadian Commercial Bank and the Northland Bank, which amounted to giving the latter the kiss of death, and in fact simply forced it to close its doors.

Why are we now discussing Bill C-79? Why is the Government now being forced to introduce a Bill dealing with nearly $1 billion? I suggest that the basic reason goes back to last March, when the Government made a commitment, and assured the House and the people of Canada that the bail-out which was being attempted by putting up $255 million for the Canadian Commercial Bank was going to be a success, that the Bank was going to become solvent again and that depositors were not to have any fears of leaving their deposits in that financial institution of Western Canada.

Some of my constituents, Mr. Speaker, had deposits in the Canadian Commercial Bank which came due in April, one month after the bail-out operation, and hesitated to renew those deposits. They phoned the Bank of Canada, and I have the number they dialed, I even have the name of the person they talked to, and that person told them: "If you do not trust the Canadian Commercial Bank, you might as well not go to any bank at all, for they are all alike". This is the information that was given to one of my constituents who phoned the Bank of Canada to find out if the Canadian Commercial Bank was safe. The officer involved was of course not providing an answer on the basis of his own knowledge, he was passing on the Government's message, he was to all intents and purposes repeating the statements made by the Minister of Finance, the Minister of State for Finance, the Prime Minister, the Inspector of Banks and the Governor of the Bank of Canada.

Consciously or unconsciously, whether it wanted it or not, the Government misled depositors in this country who were dealing with this financial institution. They were giving information on the basis of data that were inadequate and incomplete. And now the Minister of Finance, the Minister of State (Finance) and the Prime Minister are obliged to make amends for their oversight and incompetence and to ask this House for authority to spend nearly one billion dollars to compensate depositors. It is because the Conservative Government gave false indications that taxpayers are now obliged to pay the bill. Is it normal that all Canadian taxpayers should be asked to pay for the incompetence and nonchalance of a Conservative Government that last March was more concerned with publicity, with the coverage of the Economic Summit when the Prime Minister sat on his television commentator's throne in front of Canada's business and labour world? Of course he did not want to give Canadians the bad news that a bank was going to go bankrupt. However, this desire on the part of the Prime Minister to play to the media led him to make a decision in a few hours, and the papers amply documented the process and the sequence of events to make them plausible for the public.

So a decision was made in a few minutes to avoid casting a pall on the Economic Summit, and today, the Government has to make amends and ask the House to consider a Bill that will total expenditures of nearly $1 billion. This is entirely inconceivable and irresponsible!

Mr. Speaker, today we are being asked to consider a very important Bill. In fact I do not think that within our lifetime as parliamentarians, in this Parliament, at least not until the next election, we will again be asked to vote on a Bill whose sole purpose is to spend $1 billion. It is not a social program, it is not an economic development program but just a Bill involving nearly one billion dollars.

In my view, to ask us to do that without having Mr. Justice Estey's report, to ask us to pass a piece of legislation without any indication of the causes which brought about Northland Bank's financial difficulties, as to whether that bank actually is in difficulty or concerning other aspects of its financial statements—We are now asked, yes, the Minister has the gall to ask us to rush through this Bill involving $1 billion without any information, without any data concerning Mr. Justice Estey's report, without information on the Northland Bank, without any reasonably precise information as to the value of the assets of those banks. This, Mr. Speaker, I feel is unacceptable. Coming from a Government I find it amateurish, I find it shameful to ask representatives of the people to rush this through without the basic information needed to make a judgment.

Besides, they will not give us the names of the persons or institutions to whom the money would be paid. I totally support the views expressed by the Leader of the Opposition (Mr. Turner) when he introduced the amendment namely that the Bill should not . . . the principle itself should not be recognized and accepted by this House if we do not have full information, total information, about whom that kind of money is going to be paid to. I think this is the minimum that could be asked from a democratic institution such as this Parliament.

Mr. Speaker, I would also like to recall that another reason why we are asked to pass this Bill today is the statement made by the Minister of State (Finance) on March 29, 1985. Because on March 29, we only knew about the case and situation of the Northland Bank and Members in this House then asked the Minister of State (Finance) whether other institutions were in trouble.

The Minister had answered:

● (1600)

[*English*]

I would like to make it clear that other institutions are not being looked at under the circumstances that we are talking about now. I want that absolutely clear for the House, the people of Canada and the depositors in our financial institutions.

[*Translation*]

We had been told that no other financial institutions were in trouble. So depositors, businessmen, individuals, institutions and municipalities heard supposedly responsible people—at the very least accountable for managing public funds in this country—telling them that no other financial institutions were in a bind. Well, no wonder those institutions and those individuals continued to have faith in the Northland Bank! But now, on September 1, we find out that the Minister had not told us the truth. So today we are again forced to make up for a factual error or mismanagement, but whether we like it or not the ultimate result is the same for the taxpayers—they have to pick up the tab. They have to pick up the tab, Mr. Speaker, and there is something unfair in all this.

A few days we heard that another financial institution, Continental Trust—about which the Minister did not say a word either last March 29—has collapsed, or at least is being liquidated. The depositors? They can be found in every region of Canada even though this financial institution did most of its business in Ontario. Some of them live in Quebec City and they called me. Others are from the Montreal region and they too called me. Among others, I have received a call from Mr. Henri Jones of St-Sauveur who wants me to ask the Government to explain why the foreign banks will be reimbursed in the case of the Northland Bank and the CCB while the depositors are not being compensated in the case of the Continental Trust. How can this be logically explained?

Mr. Speaker, you are indicating that I have two minutes remaining. I shall have to condense my comments substantially. I would have liked to speak about the Hitchman Report, but as far as the Northland Bank is concerned and based on the recommendations contained in this report, I am asking the Government to postpone consideration of this Bill to see whether there would not be another solution to the problems of this bank.

I would like to suggest to the Government a four-part program the purpose of which would be to save the Northland Bank from liquidation and closure.

First, we know that the costs will be at least equal to the losses or bad loans. In one way and another, the costs will be approximately the same. Especially if we look at the Hitchman report, liquidation seems to be the least desirable solution when a bank is having this kind of problem.

First, therefore, if it is true that the potential losses exceed the assets of the shareholders in the case of the Northland Bank, which means that the assets of the shareholders are zero, I would suggest that the Government purchase for $1 and other considerations the assets of ordinary shareholders.

Second, the Government should introduce a special bill, different from this one—the money we are spending now will be lost entirely—to invest in the equity of the Northland Bank about as much as we will have to spend to cover the bad loans of the bank. How much would that cost? Between $150 million and $200 million. We are spending that much anyway.

Third, it should change, if need be, the composition of the board of directors and appoint, if necessary, a new and more competent team.

Fourth, it should guarantee the deposits in the Northland Bank for the next five years, so that depositors could regain confidence in this financial institution.

The purpose of this four-point strategy would be to bail out the Northland Bank at a cost to the Canadian taxpayers, based again on the recommendations of the Hitchman report, which would be a lot lower than the current liquidation of the assets.

This way, we would undoubtedly save money, we would at least keep some people at work and probably save for Western Canada a financial institution which did not deserve to fail.

Mr. Deputy Speaker: Questions or comments on the Hon. Members remarks? Debate. The Hon. Member for Don Valley East (Mr. Attewell) has the floor.

[*English*]

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise to speak on Bill C-79 which is an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits.

I believe that when all the facts are known, when cool rational judgment prevails, the decision to assist the uninsured depositors in these financial institutions will be seen as being fair, based on all the facts that were available at that time, based upon the unique situation at that time—and I will deal with that point in a little more detail—based on the competence of the individuals who were giving information, and based on the honesty of the individuals who were giving information at that time.

I would just like to quote from the *Financial Times* of October 7 of this week. It says:

The Mulroney Government's decision to create a commission of inquiry to look into the failures of the Canadian Commercial Bank and the Northland Bank makes good sense. In fact, it will be downright healthy to remove the banking fiasco from the House of Commons, where the matter is getting blurred instead of clarified with each passing day.

● (1610)

In appointing Supreme Court Judge Willard Estey to head the commission, Prime Minister Brian Mulroney said "the factors affecting the situation of the two banks are complex and require thorough and dispassionate analysis."

It has become increasingly—sometimes alarmingly—clear in the weeks since the banks' critical conditions became known that neither Parliament nor a parliamentary committee would be likely to deliver the kind of "dispassionate analysis" the whole matter is begging for.

The objectives of the decision included the very strong and supportive ideal to nurture and foster the development of regional banks. Also they included the need to maintain confidence in the banking system. We have a record which is well worth defending, going back some 62 years or 63 years. As Hon. Members know, one has to be very careful in pulling the plug, so to speak, on a financial institution. It can cause a domino effect which not only ripples through the financial factor but comes down very hard on small businesses. The bottom line in terms of the total impact upon Canada could be a tremendous loss of jobs. We have a record worth protecting. I believe the record will show that we tried to act in fairness to thousands of average Canadians. These Canadians, either directly or indirectly, had a stake in the confidence of the CCB and Northland. However, as I indicated already, Mr. Justice Willard Estey has been asked to look into all aspects of the collapse of these two banks. We are hopeful—in fact, we know it because of his competence—that he will explore in depth many roles—those of the external auditors, the Inspector General of Banks, the board of directors, the audit committees of the board of directors, the senior management of the company and the government officials, both at the federal level and at two provincial levels. He will also explore the loan practices, accounting practices, insider information and conflict of interest.

I was a member of the Finance Committee. We looked in some detail at the circumstances in May and June of this year, prior to the summer recess. Based upon the information which we were given—and we were refused certain documents—we had some very clear indication at that time that the renewing of bad loans and the advancing of more funds just to pay for past due interest was not a normal, sound practice. The practice of accruing interest when the principal was not even being paid and taking it into income was not sound. The practice of changing names on accounts just to renew the account and bring it into current standing was not correct. Adding substantial fees to the balance in renewing the account was not correct. Loans made to 100 per cent of the cost, in other words no equity whatsoever in the transaction, was not correct. Spreading the cost of the goodwill in connection with the purchase of the Westland Bank, which I recall was some $18.4 million, was intended to be spread over a 40-year period.

Possibly the record will show that all participants were misled in this situation. I am speaking about information being misleading, being faulty and being incomplete. If the true level of the assistance required was $255 million at that time, that bank would be thriving today. If criminal charges are warranted, I am sure they will be instituted. If other disciplinary action is necessary against organizations or individuals, that will be taken.

I should like to talk a little about the role and the importance of regional financial institutions. The Government believes in regional banks. They are of great benefit to local men and women as well as business people, particularly small business persons. Canada is dominated by five very large banks of world class size. In contrast, the United States of America has about 13,000 banks, partly as a result of the interstate banking regulations, but the situation in that country is far different from the one here. Our five large banks have something like 7,000 to 8,000 branches in Canada. Indeed, to start up a small regional bank is not an easy task. One of the principles of making loans is to spread risk. However, when one has started in a given region, obviously there will be some concentration in that local area. If the local area happens to have a concentration of energy industries, that also goes slightly against the risk factor. Those things have to be taken into consideration. There will be some ups and downs.

We feel it is very important, regardless of whether it is western Canada, Atlantic Canada or northern Ontario, to have regional banks. In 20 years or 30 years from now there should not be a total concentration in the financial industry by five or six very large conglomerates. Timing is also important, whether one is starting up a bank or any other type of business. Also there is a little luck involved. Of course luck can be good or it can be bad. In this particular case these institutions were just getting going when a very severe recession hit the country. That was compounded by developments in western Canada, particularly in Alberta. If only very large institutions survived, what would happen to competition and to pricing? I think some bad things could happen. We have seen some early indications. For example, a Minister of the Government of Alberta spoke on television this morning and indicated that some small and medium-sized borrowers were having difficulty borrowing funds.

I should like to talk about legislation for a moment. The Liberals discussed new legislation in 1982, but no concrete action was taken. The laws of the country governing the role of insurance companies and trust companies are some 50 years outdated. My Party, after forming the Government last fall, took action very quickly. A study was commissioned of the Canada Deposit Insurance Corporation; it is known as the Wyman Report. It was completed in April, 1985, and it is under review. A Green Paper was also commissioned by the Minister of State for Finance (Mrs. McDougall). It included nine principles in total. It is very interesting that the first was: improve consumer protection; the second was: strictly control self dealing; the third was: guard against conflicts of interests; and the fourth was: promote competition and efficiency. There were several other key ones as well.

The revisions to The Bank Act in 1980 created a flood of new banks. The figure rose from something like 11 to 70. However, the former Government did absolutely nothing to improve supervisory control.

I should like to deal with the background of the Canadian Commercial Bank at this point. It received its charter in July, 1975. It started business in 1976, with the opening of two offices, one in Edmonton and one in Vancouver. It decided as a strategy to specialize in loans to small and medium-sized

businesses in the energy service and real estate sectors. Its rate of growth is already on record.

I have already touched upon some of the risks facing new institutions in the growing stage. However, let me get right to the very serious decision in March, 1985. The federal Government agreed to a restructuring, but there were several other very competent, very able people at the table when that package was discussed. I refer, of course, to representatives from the Alberta Government who obviously wanted to see small banks survive, representatives of the Government of British Columbia, representatives of the CDIC, very senior officers from every one of the top six banks in this country, and representatives of the federal Government including the Governor of the Bank of Canada and the Inspector General of the Banks. They, in their wisdom, obtained all possible facts. As I recall, they began on a Friday evening. The deadline to make a decision was not three or six months away, it was that Monday morning.

● (1620)

I can still recall that the Chief Executive Officer of one of the large banks indicated at our hearings that, given the adequate, correct information available at that time, it was not unusual to make a decision of that type based on solid, hard, sound facts. Of course, part of that information is the valuation of loans, which is normally done in a competent way and over-viewed by external auditors from other areas.

There have been some hints, and I believe they are quite incorrect, that valuation is a relatively easy exercise. After all, the bank had something like 3,000 loan files. There are those who wonder why it could not have brought in 200 people to do these valuations on the weekend. It is not that simple, Mr. Speaker. Most lending officers with any experience would agree with me. One must be able to rely on the key people who supply information.

Let me give you a couple of examples of the difficulties involved in valuation, Mr. Speaker. Let us say that a file showed a piece of raw land as an asset. One cannot decide in one weekend exactly what that land is worth. It may be that it is abutting on a very profitable industrial development, but it may turn out that, according to the city plans, the trunk line sewers end there. If so, it is not going to be very valuable. In cases like that, one needs to know the city's development plans, the zoning of the property and how that property might be changed. The valuation of an industrial building, for example, cannot be determined by its number of square feet, number of bricks or tonnes of mortar. The value of a building like that is based upon the value of rentals and the cash flow. One has to have a very solid idea of the nature of the tenants and the expiry dates of leases to know what value could be placed on that building. The same criterion goes for equipment, whether it is oil rigs or construction equipment. To know the value, one must know things like the current contracts for the equipment and the income raised from those contracts. In summary, on the issue of valuation, any five experts in this country must rely upon the information they are given.

I submit that this decision had to be made in quick order. We are not discussing the possible closing of a Gulf refinery, something which one might take six months to discuss. Confidence is key to a financial institution. We could not expect to maintain confidence with people running around all over the place.

All the options were explored. I have already touched upon the people who were involved. They were very senior people and they came to a unanimous decision, based upon the information they had, to go ahead with this support package. Realizing the very unique circumstances that existed at that time and the difficult economic situation, they realized that they were dealing with the future and survival of regional banks. They also decided to try to find a marriage partner for the Northland Bank.

Once the decision was made, those involved had to speak with confidence from that point on. Some people have been critical of the statements of confidence made by the Governor of the Bank of Canada, the Minister of Finance (Mr. Wilson), the Minister of State for Finance and the Inspector General of Banks. Someone who would argue with that is someone who just does not know what he is talking about. Having made that decision, one does not begin to say, "I think that bank might survive", or "Maybe it will succeed". Once that decision has been made, those who have made the decision have to get behind it and do everything possible to support it.

I would like to touch briefly on the profile of the uninsured depositors. With the CCB, there were credit unions with deposits totalling $6.8 million. In other words, thousands of average Canadians had their savings in that institution. Municipalities had $41.1 million on deposit. Again at risk is the money of many Canadians. After all, a municipality receives its money through special surtaxes on property taxes or other measures. Shool boards had $3.1 million on deposit; religious organizations, $2.3 million; labour unions, $6.5 million; and hospitals, $5.2 million. The Northland Bank's depositor profile is very similar, except that charitable organizations had a total of $13.2 million on deposit.

Yes, many foreign banks were trying to help the institution survive. As well, some other large depositors were helping it to survive. We have asked members of the Opposition, without receiving any clear answer, what the criteria for choosing would be, if it would be valid to start to pick and choose which depositors should be saved, and I do not think it is valid.

Looking ahead, I think we need to get on with the new legislation, with dealing with the CDIC and with the reform of financial institutions. Clearly we must strengthen the supervisory role over banks. Clearly we must give the Minister more power to act when the alarm rings. That supervisory role has not been in place in a strong enough way.

Regarding the CDIC, we should decide what the limit of insurance should be. We need to decide if the limit should be greater than $60,000 and if there should be co-insurance. Dealing with the reform of financial institutions, there are many, many items with which we must come to grips. These include ownership limits, concentration of power, self-dealing,

conflicts of interest and leverage. Should all institutions be able to leverage 20 to one or higher? The role of the financial holding company, the role of Schedule C banks and the rest are all matters with which we must come to grips in order to put in place the mechanism that will establish on an ongoing basis a proper control of financial institutions so that we can return to making the record of which we in this country have been so proud for so many years.

In summary, I have made three points. First, I believe Bill C-79 should pass so that we may assist the many unions, school boards and municipalities that stood by this bank. Second, I think we should have confidence that Mr. Justice Estey's examination will determine all the facts and whether or not there was any wrongdoing. I think it was a great move to place the matter under his stewardship.

I would like to touch briefly on the important matter of privacy. I believe Mr. Justice Estey is the one who should decide on the matter of privacy. There is a law in this country that provides for privacy for both borrowers and depositors. I think it is critical that we maintain that. Mr. Justice Estey can look at the matter of privacy to help him determine if there was any wrongdoing, but I do not think we should see a knee-jerk reaction to a law that has been in place in Canada for over 100 years.

Finally, let us get on with revising the legislation regarding the CDIC. Let us get on with the reform of the regulations governing financial institutions to prevent the recurrence of situations like the one faced by the CCB and the Northland Bank.

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I would like to congratulate the Hon. Member for Don Valley East (Mr. Attewell) on his excellent contribution to this debate and also for his outstanding work on the Finance Committee. At the end of his remarks, he touched briefly on the matter of the privacy provisions and the revealing of the identities of depositors. My personal view is that to reveal those identities would cause irreparable damage to financial institutions because most people expect that their own names and the amounts of their deposits ought indeed to remain confidential. That is basic to our deposit-taking system. Would the Hon. Member care to comment with respect to the rationale behind the comments of those who would seek to apparently destroy those privacy provisions?

● (1630)

Mr. Attewell: Mr. Speaker, I wish, through you, to thank the Hon. Member for his question. Privacy is critically important to all individual Canadians for a number of reasons. We need to have confidence in any dealings we have that they will remain private. We have laws under our Income Tax Act which state that no person, including Members of Parliament, is permitted to have access to the income tax files of an individual unless the individual says, in writing, that access is permissible. That is important.

In the committee deliberations we spoke about the possible risks in this country of more and larger data banks being built. These data banks contain a great deal of personal information with respect to loans, income and other facts. We have some genuine concerns in this regard which will be dealt with in our recommendations with respect to tide selling, whether it is information passed on from magazine subscriptions or what have you. If these data bases contain critical information, and they will, which should be for the private and sole use of whatever individual institution the person has dealt with, be it a mortgage company or a bank, it should not be passed on the someone else. When individual Canadians take a loan from an institution, or when they make a deposit to an institution, they are doing so in keeping with the 100-year old tradition which says that if something is private it is private. Because of the regrettable problem, and it is regrettable, we should not break the principles of this long held tradition which is so important to so many Canadians.

Mr. Penner: On a comment, Mr. Speaker. I listened to the reply of the Hon. Member. I can only say that his argument with respect to privacy and confidentiality is fatuous in the extreme. We all recognize the right of confidentiality. However, when one comes to the Government of Canada and its taxpayers and asks for an *ex gratia* payment, is the Hon. Member saying that should be kept private? Surely, if one wants privacy and confidentiality then ones does not come with both hands out asking for an *ex gratia* payment. They can have their confidentiality but they will not receive their payment. They cannot have it both ways.

Mr. Deputy Speaker: Does the Hon. Member for Don Valley East (Mr. Attewell) wish to reply?

Mr. Attewell: Mr. Speaker, I think the Hon. Member has missed the point. Confidentiality and privacy must be maintained. I wish to ask the Hon. Member this rhetorical question. What does he want the particular information for? I am strongly in support of Mr. Justice Estey having the complete information available to him so that, in his wisdom and with his legal advisers, he can decide if any wrongdoing has occurred. If there has been any wrongdoing, then let him proceed with alacrity and haste. However, I do not think that such private information should be within the purview of a 20-member committee of the House or any other group. We can look at the objectives with respect to why the Hon. Member may want to have some facts, but let us face them so that we can maintain the tradition while getting on with the purpose of why they may be interesting and available to use.

Mr. Penner: Mr. Speaker, the Hon. Member has not helped the situation at all. He is talking about the Parliament of Canada which is being asked to award unspecified amounts to unspecified persons or corporations and he dares to ask: Why does the Hon. Member want this information? It is as if the Hon. Member is someone who just wandered in from the street to see what was going on and was nosy about this particular issue. That is the Parliament of Canada. Parliament is being asked to award to people whom we do not know a total of more

than $1 billion. We do not even know the exact amounts. Yet, the Hon. Member dares to say that we should not ask any questions about who these people are or how much they will receive. That is nothing more or less than a downgrading of the Parliament of Canada. It is an insult to this institution. Surely, the Hon. Member ought to recognize that.

Mr. Attewell: Through you, Mr. Speaker, I would like to tell the Hon. Member what is insulting. It was insulting to work on the Finance Committee which for five or six months held hearings across the country—and I was in attendance at practically every one of those meetings—while some Hon. Members opposite seemed to spend more time with the television cameras in Vancouver and Calgary than they did at the meeting table. Having heard all the deliberations, we now come to decide what we do about the situation. Let us deal with the report-writing stage which started last week and which met for three full days. Members of the Hon. Member's Party were in attendance at the hearings over the number of months which they took place and yet his Party did not send one of its members to help in the preparation of the report. They did not even send a message to the Chairman to explain why they would not be able to attend that critical stage of the whole process. I admire the Hon. Member who can get to his feet with his histrionics and rhetorics waving his flag. However, I wish the members of his Party would have had a little more respect. The meeting with respect to the report writing was behind the scenes. It was an *in camera* meeting and television cameras were not in attendance. If members of his Party had attended, then they would have had to roll up their sleeves to do some work. If they would contribute in that way, then the Hon. Member might make a little more sense as well.

In closing, I stick to my comments. I think they are valid and right for Canadians. I think if we were to take a poll of Canadians we would find them telling us to stick with it because that is what they want.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Thunder Bay-Nipigon (Mr. Epp).

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am pleased to join in this debate on the amendment that the House decline the giving of second reading to Bill C-79 to compensate the uninsured depositors in the Canadian Commercial Bank and the Northland Bank.

The brief exchange during the last period of questions and comments has usefully disposed of the key points which the preceding speaker has made. What I would like to do in considering the question is return to some of the larger matters before us which the Government should have considered and which the Parliament of Canada has a real obligation to consider. Clearly, we have an important problem before us. We have a matter of bank failure. No one can doubt that. We have the fact of a ministerial failure, a failure by Government, which it would seem to me is equally apparent and which the Prime Minister (Mr. Mulroney) should long since have recognized in providing some type of an answer.

Late last winter we saw the difficulties with respect to the Canadian Commercial Bank and a rescue package was put forward. Gradually we had a revelation of what was wrong with the situation. Then, suddenly, just before this session of Parliament resumed, it was announced that not only had the Canadian Commercial Bank fallen but the Northland Bank had fallen as well. At an earlier stage we were told that the situation could be saved. The Government put together a rescue package. Then, we had the failure. Now, we have the suggestion being made that the cause of the failure was not necessarily the mismanagement of the bank. In fact, we have heard a good deal of partisan slanging in the House with respect to the preceding Government's policies being responsible for the difficulties which have arisen.

Whatever the source of the problem may have been, the reality is that the Government's supervision of the financial system of Canada has been inadequate, which has led to the taxpayers of Canada being faced with the need to pay hundreds of millions of dollars. In fact, when this Bill becomes an act, if it does, it will mean a cost of $875 million. It is possible that the cost of this liquidation will be a lot more than that. The Deposit Insurance Corporation, which is responsible for the insured depositors up to $60,000 under the existing law, is $1.2 billion in the red. If there is to be rapid repayment to the insured depositors of their $420 million, it is quite possible that the taxpayers will have to advance that money, if they don't end up to be actually responsible for it. They policy this Government is following will put us over the $1 billion mark in its attempt to clean up the mess which has developed in these two banks.

• (1640)

I would like to say something about how that situation developed. I am talking in terms of the economic difficulties of the early 1980s. The high interest rates forced on us by the Americans were just as hard on us as any policies followed by the Canadian Government. Those high interest rates slowed down economic activity in this country.

The failure of these banks is because of a long history of arbitrary power held by Canadian banks. They have refused to be subject to inspection by any public authority. In fact, there is a very long history of the banks of Canada saying "We will take care of ourselves. You stay out of it". One can go back to the time of the last bank failure in the early 1920s, and find, quite interestingly, that the bankers held to the position they had always held back to the beginning of the century and earlier, that they would take care of themselves, their investors, shareholders and depositors. The public authorities had to stay out of it. Back in those days, one banker, H. C. McLeod of the Bank of Nova Scotia, argued that there should in fact be inspection of the banks but he did not really get very far. The system of inspection which gradually evolved with the Inspector General of Banks is, I believe, recognized by all of us to be inadequate. Given such a situation, which I think the last Government knew about, and which is certainly no secret to the present Government, there should have been the most anxious care taken when it became clear that there were

difficulties in some of the banks. The Minister of Finance (Mr. Wilson) should have immediately looked at this situation when the present Government assumed power.

The arbitrary power of the banks, incidentally, Mr. Speaker, is very well exemplified in their opposition to organization by their workers. This is the situation in Toronto at the Canadian Imperial Bank of Commerce where its workers are attempting to achieve recognition and negotiate a first agreement. The attempts of the banks, not just in Toronto but across the country, to prevent the workers from exercising their right of association, which the Charter of Rights and Freedoms has attempted to establish for Canadians in all their varied circumstances, is a good illustration of how the banks today will still have it their own way and the devil take the hindmost. It does not seem to matter whether the issue involves overworked and underpaid workers, or the taxpayers of the country who must face the consequences of abusive power and irresponsible lending and the bank failures which result from that.

The matter of the irresponsibility of the Ministers involved is quite vital to the confidence of Canadians generally, and of the people in our financial institutions, in our Government. It seems to me that there is no choice but to say that the Department of Finance, whether under the Minister of Finance or under the Minister of State for Finance (Mrs. McDougall) acted irresponsibly in this situation. Whatever the causes of the difficulties may have been, the fact that a bail-out package was put together so quickly, and others were sucked into it, that guarantees were given and then the institutions were allowed to go on about their business for several months before it became clear what the situation was, allows one to conclude that the responsibility which the Minister of Finance should have exercised was entirely lacking.

It is laudable, after 62 years of no bank failure in this country, to be determined not to let the first one occur at this early point in a new Government's life. However, it is not laudable to think that the statements of the bank were accepted. If the Minister of Finance had known anything of Canadian banking history, he would have realized that these institutions got into difficulties sometimes because their officers and executive were irresponsible and loaned money on assets which were not sufficient and they were prepared to play fast and loose with the books. One would have thought that anyone with any measure of prudence when faced with this situation would have decided that a very close look should be taken. I am not particularly impressed when the Hon. Member for Don Valley East (Mr. Attewell) argues that it takes a great deal of expertise to assess the quality of land, buildings or what have you, because it is not really the buildings or land which are the banks' assets, it is the loans which have been incurred by others which are owed to the bank. It should not take a very long time to consider the payment record on those loans and determine whether in fact they are solid assets.

It seems to me that a relatively small group of people, given the free run of the bank, as they should have had that weekend, would have discovered pretty quickly that there were all kinds of supposed assets on which payment was not forthcoming, assets which would have to be drastically written down if not tossed out completely. It is precisely out the failure of the Department of Finance, and its officials, to ensure that that kind of review was taken that a profound difficulty arose. Instead, the Government put together a package and tried to assure Canadians that this institution was safe, and it is that action which Ministers and private Members support as responsible action. Once the Government had involved itself in that way, it would feel politically and, at the very least, morally responsible for the institution. The taxpayers of Canada face the abominable result. They face a situation in which the existence of a Canada Deposit Insurance Corporation is inadequate to solve the problem. They face a situation in which the Government thinks it has no choice but to turn to them to provide the funds to cover these enormous deposits which the insurance would not cover.

Therefore, it is in fact the failure of the Minister of Finance and of the Minister of State for Finance and their officials. They the Ministers, of course, are the persons responsible to this Parliament. It is their failure to ensure that what they were doing was properly done. It is their failure, once they had involved themselves, to ensure that what they were presuming to guarantee would in fact continue to stand which has created a situation in which $1 billion, give or take, and who knows how much more by the time the banks have been liquidated, is going to come out of the pockets of the taxpayers of Canada.

The Minister of Finance is preoccupied with deficit reduction. He is very concerned about reducing the call on the lenders of Canada. Yet he faces a situation in which his deficit is increased by $1 billion. What does that do to create confidence in this Government which presumed to be so business-like? There have been appalling failures in regulation, in supervision and in the responsibilities of the Department of Finance. If we did not have such a shabby Government, Mr. Speaker, as it appears to be these days, with the departure of some Ministers while others—admittedly higher in the Cabinet pecking order—continue on, we would surely have had happen what, in the long traditions of Parliament, is the only honourable course. The Minister of Finance would have given up his position, would have said, "If I am compelled by the mistakes I made last winter to demand $1 billion from the Canadian taxpayers, I have to go". The Prime Minister would then have to find someone who could renew the confidence of the Canadian people in the Government, the House of Commons, these persons in the Canadian financial system and throughout our society. The Prime Minister should have long since asked for the Minister's resignation. He should have found himself a Minister of Finance who was not such a babe in the woods, who recognized the importance of his job and that it was just not a matter of trying to reduce the deficit he is responsible for, but that the institutions of the Government, and the financial and economic institutions of the country have to be maintained in their proper way.

• (1650)

When, because of the irresponsibility of this Government, the taxpayers face a Bill to totalling $1 billion, what are they

to do? It will be three years before the next election but I do not imagine they are going to forget these things. If the ladies and gentlemen to the number of 211 who came here thought they would reign on for some indefinite period, I suspect that the further back one goes the more doubt there must be about this piling up of mistakes and irresponsibility on the part of Ministers. One can only hope that because of the wisdom gained through contemplating the next election we will see some measure of responsibility.

This Bill does not deserve to be passed. The taxpayers of this country do not deserve to pay the Bill. If they have to pay it, they demand that responsibility be exercised by the Prime Minister. They demand that the Minister of Finance go and that we get someone we can really trust.

Mr. Deputy Speaker: Questions or comments? Resuming debate.

Mr. Jim Edwards (Edmonton South): Mr. Speaker—

Mr. Deputy Speaker: I am sorry to interrupt. I would like to advise all Members that from now on speeches will be limited to 10 minutes without questions or comments.

Mr. Edwards: Mr. Speaker, I appreciate this opportunity to speak in the debate on Bill C-79. I was disappointed in the paucity of verisimilitude displayed by the previous speaker. I am also disappointed in a newspaper which used to portray itself as one of Canada's great newspapers, my own city's Edmonton *Journal,* which said in an editorial on October 2:

> By trying to blame the Liberals for the collapse of the Canadian Commercial Bank and the Northland Bank, the government shows it is bankrupt of any sense of responsibility for its actions.

We have an example here of responsibility to small depositors, credit unions, and charitable organizations across Canada. We have a demonstration of responsibility not only to western Canada but to all parts of this country. Come election time I think that responsibility and its exercise will be recognized in the most positive fashion.

We have as well a responsibility in some way to redress the wrongs whereby, due to the National Energy Program, $17 billion were sucked, sumped and siphoned out of the economy of western Canada. To compound that indignity by siphoning another $1 billion out of the western economy would be the most grievous fault, immoral, unethical and wrong politically. We could have slimed out of it, I suppose, but we face our responsibilities. We do not slime as others might have done.

Western banks will some day grow and thrive and we hope that time of healing will arrive soon. There are some nascent western banks now which we hope will weather this storm. We hope that a new atmosphere of trust can be built on the solid plan which is before us in Bill C-79. The consequences, had these banks gone under in March, would have been absolutely devastating to western Canada.

Why should we compensate the uninsured depositors? That is the first question that has to be answered. As the Minister of State for Finance (Mrs. McDougall) has said many times in this House and outside, we are compensating these ordinary Canadians because the situation facing the Canadian Commercial Bank and the Northland Bank reflects unique and particular circumstances. These two banks accounted for less than 1 per cent of the total assets of the Canadian banking system. However, they provided important support to economic activity in western Canada at a critical time.

A word now, Mr. Speaker, about the context in which these banks grew. The western economy grew rapidly because of the energy boom in the late 1970s. During that boom capital was short in Alberta, and the new banks recognized their opportunity to supply the demand. Because of the boom conditions the banks depended mainly on the energy, real estate and construction sectors which were growing most rapidly. That is the context in which the banks fell. No one in Alberta or in western Canada, or indeed anywhere in Canada except perhaps the cabal which perpetrated the NEP upon us, predicted the critical recession which hit in the early 1980s and came to its nadir in 1982. No one could predict the depth of that depression, for that is what it was in Alberta, from which the western economies have still not recovered. To a large extent that depression was imposed on the western economies by the national Government in the form of the NEP. This policy gravely destabilized the economic situation in western Canada and it came at the same time as major fluctuations in world energy market conditions and the U.S. deregulation of gas prices. Alberta and the other energy producing provinces experienced much uncertainty and loss of confidence in the oil and gas industry, and consequently in the real estate industry, especially regarding investment. These were, of course, the very sectors upon which the CCB and the Northland Bank depended.

I would like to make reference, if I may, to the remarks of the distinguished Right Hon. Leader of the Opposition (Mr. Turner) made in this House on October 7. That gentleman said, and he was referring to September 1 and September 9 when Parliament reconvened:

> We on this side of the House were conned that time. We were conned. The chartered banks were sucked in.

Earlier in the same speech he also said:

> That bank was badly managed from its inception.

The question that remains is: If the bank was badly managed, where was the right hon. gentleman's Party for the first seven or eight years of its life? Where were they?

Mr. Taylor: He was where he is right now, out of the House.

Mr. Edwards: The Right Hon. Leader of the Opposition said that the Official Opposition supported the emergency procedures, the bail-out if you like, because it was told the bank was experiencing a few temporary problems due to some questionable management decisions. The bail-out, Mr. Speaker, was designed to be successful and render the bank solvent and viable once again. That was the basis for our Government's decision at that time. The western Canadian economy was far less stable than was thought at that time. That is not the whole explanation for the collapse of these banks, but that

is for Mr. Justice Estey to decide. However, it must not be underestimated in any discussion of the banks' failure. The economy of Alberta in particular is still suffering the effects of the NEP. According to figures from the Conference Board and Statistics Canada, the unemployment rate in Alberta, which rose from 3.9 per cent in 1979 to 10.8 per cent in 1983, is down slightly this year but it still stood at 9.7 per cent last August. Housing starts numbered 39,947 in 1979 and fell to 17,000 in 1983, and the Conference Board forecast for 1985 is a mere 5,900. Clearly this sector has not recovered from the devastation of the NEP. Some further statistics. In the construction industry the value of work purchased in millions of dollars went from a peak of 14,491 in 1981 to 9,674 in 1984. The Conference Board forecast for this year is 10,835. The real estate industry is still in a serious slump. There are sales going on in the residential field but the prices are bottoming out. While the average value for a Multiple Listing System transaction reached $106,788 in 1981, in the second quarter of 1985 it was down to $79,053, the lowest in a decade.

What is the responsibility of the Government in this whole situation? It has to be to recognize that the blame for the collapse of these banks cannot be placed squarely on any one Party. Our bank regulatory system certainly needs improvement. I think the Hon. Member for Don Valley East (Mr. Attewell) detailed that for us. The CCB's loan portfolio was in a more serious condition than was made apparent in March. The support package did not entirely succeed in restoring market confidence in the CCB and deposits eroded steadily. As the Minister of State for Finance said, those who kept their deposits in these western banks during the depression helped to cushion the serious impact of the recession on western Canadians. As the Minister of State has also said, unless those depositors are compensated quickly, their losses will result in job lay-offs.

● (1700)

The uninsured depositors of these banks include provincial Governments, municipalities, Government agencies, colleges, hospitals, individuals, small businesses, small financial institutions, Canadian and, yes indeed, foreign banks, investment dealers, and credit union centrals. The Government depended on the support of the depositors who continued to participate in the effort to preserve the viability of an important financial institution.

At stake is a larger element of credibility. The long-term larger issue has to do with our credibility world-wide. Much can be made of the inter-relationship of the banking system of Canada with that of the world. We have to recognize that the Government of Canada must send a strong signal to the rest of the world that banking in Canada is safe. This legislation does a great deal to drive that point home. I notice that the Federal Reserve Board of the United States has said that it will increase the frequency of bank examinations and make other changes to strengthen bank supervision. That is another country where these difficulties are being recognized and met head on.

I would like to say a few words about the responsibility factor of the Government. The Member from Thunder Bay appears not to have confidence in the Cabinet Ministers responsible for this decision and this legislation. I would like to go on record saying that I have nothing but the highest admiration for the steadfastness, serenity, consistency and candour of the Minister of State for Finance and the Minister of Finance (Mr. Wilson) of this country. For that reason, I am speaking in support of this Bill as an Edmontonian, an Albertan, and a Canadian. It is time to stand in defence of our banking system, of regional banks, and of Bill C-79 which will restore confidence and bring justice and equity to the ordinary people of Canada.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, as has been mentioned on several occasions in the House, it was only last March that the Minister of State for Finance (Mrs. McDougall) stood in her place and gave the House unequivocal assurances. She said in effect that if Parliament would approve an aid package, a bail-out for the Canadian Commercial Bank of $225 million, all Members of the House could be assured of several things. First, she said that they could be assured that the bank would then become viable. Second, she said that in short order the bank would become profitable and, third, that in due course the money that the Government had advanced would be returned to the Government so that the taxpayers would not be out of pocket in the long run. Finally, she said that by doing this we would ensure that other banks would be protected from failure.

These assurances were given and my Party accepted them in good faith. Among the reasons that we did so is that my Party believes in the decentralization of the banking system. We believe that well-managed, well-run, competently administered regional banks are good for Canada. There is no question that they are needed. However, the corollary is that badly run banks, trust companies, credit unions, or any other financial institutions deserve no support whatsoever and certainly deserve no special consideration from the Parliament of Canada.

Let us talk about good management. We now all have copies of the report by George C. Hitchman. On page 3 he said that he advised Mr. McLaughlan, President of the Canadian Commercial Bank, that moving a bad loan to a new name and showing it as a good loan was unacceptable. Well, Mr. Speaker, so much for well run or badly managed regional banks. The Minister of State for Finance gave the House assurances which were backed up by her senior colleague, the Minister of Finance (Mr. Wilson), himself. Those Ministers have been proven wrong. Now that we are faced with Bill C-79, my Party says, "Fool me once, shame on you; fool me twice, shame on me". That is why we will not support Bill C-79.

The incompetence that has been demonstrated in this bank fiasco goes well beyond the two Ministers in question. It involves the entire Government and that is frightening. When the Minister of State for Finance was asked whether the Prime Minister (Mr. Mulroney) had interfered and caused her and the Minister of Finance to act against their better judgment

she replied that it was a collective decision. That is an admission that in dealing with this matter and making a $1 billion blunder the entire Government of Canada revealed its lack of competence and that it does not possess good judgment. That is the issue with respect to Bill C-79. The Canadian people and Parliamentarians are not being fooled at all by hiding the truth behind some far-fetched and phoney reference to the National Energy Program or the lack of concern for regional financial institutions or the lack of caring about western Canada. We can all see through that guise.

This bank failure fiasco is the most distressing and most disturbing public issue perhaps in this century, certainly within the time of my generation. This fiasco is costing Canadian taxpayers $1 billion. It is a $1 billion error at a time when there is little money available for genuine needs in this country. There is no money for expanding regional development programs or for all the direct job creation that we ought to have. There is not enough money to help the farmers. Laid-off workers who have lost their jobs as a result of plant closures have to spend their precious severance pay before they can draw unemployment insurance benefits. There is not enough money for foreign aid. There is no money to help native communities by giving them such basic things as a good supply of drinking water or the means to deal with sewage treatment. There is not enough money for any of those genuine needs, yet Parliament is being asked to provide $1 billion for uninsured depositors. Most of that money will go to foreign banks, Canadian banks, corporations, and other wealthy individuals.

There is one simple principle that I subscribe to which is shared by members of my Party and that is that we should help first those who need it most. Bill C-79 is the reverse of that, it says to help first those who need it least. I know that some of my friends on the Government benches have already asked and would want to ask again what is to become of those charitable organizations, those poor municipalities, those small credit unions, and those pension funds. Let us clear up that issue. First of all, most of the payout will not go to those organizations at all. It will go to the foreign banks, Canadian banks, well-to-do corporations and wealthy depositors.

● (1710)

Second, we know that in cases of genuine need as a result of this or any other bank failure, the Government could be generous with the full support of Parliament and the bill would be much less than a billion dollars. Where hardship can be shown, help can be extend. There would be no problem because Canadians would expect no less of the Government and no less of Parliament.

However, I expect that in this list of depositors there would be very few who would fall into that category. Take, for example, the concern some Members have expressed for pension funds. Let us remember that nothing at all is being done for pension fund shareholders. They are at the end of the line and will, in all likelihood, get nothing.

Bill C-79 cannot be justified or rationalized on the basis of helping the poor, the needy or destitute. Bill C-79 is not a "little guy's" Bill. This bank fiasco issue can be understood in these terms: very big Government, the Government of Canada, new and inexperienced, became mixed up in the complexities of the financial world and got its fingers burned along with some of its well-to-do friends. Bill C-79 is not really a Bill to help anyone, it is a Bill to bail out the Government at taxpayers' expense. It is a Bill to save the Government from acute embarrassment caused by its inexperience and incompetence.

What we have seen in this bank fiasco issue is serious and grave mismanagement on the part of the Government of Canada. My constituents would be outraged with me if I were to vote in favour of Bill C-79.

While talking to my constituents in the last while, I have been saying that we must reduce our demands. We are living in a time of rising Government deficits and we must focus our attention on needs and may have to postpone our wants. Bill C-79 is not a needs Bill. It is a Government face-saving Bill.

Canadians are rapidly beginning to see that what is in charge and control here in Ottawa is incompetence. This bank failure fiasco will continue to haunt the Government until the dying days, just a few years hence. Parliament has been fooled. Its traditions have been trampled. There has been bad judgment and mismanagement. There has been a monumental bungling.

Now, the taxpayers of Canada are asked to dig down and fork out at least a billion dollars and perhaps more. Bill C-79 must be stopped dead in its tracks. That is my position and the position of my Party. When Canadians once again go into the polling booth, most of them will say that that was their position too.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, as a western member of the Finance Committee, I am glad to enter debate on Bill C-79 because I believe it is of particular importance to western Canada.

In March of this year, in good faith and based on available regulatory information, an attempt was made to preserve the viability of the Canadian Commercial Bank. That western regional-based financial institution, like all others in the western region, suffered considerable hardship as a result of global inflation and the disastrous effects of the National Energy Program. That program chased billions of dollars in investment out of Canada. It was a program of confiscation without compensation. It robbed Alberta of its vitality and caused serious ripple effects in the neighbouring provinces of British Columbia and my own Saskatchewan.

It should, therefore, be no great surprise that real estate values collapsed, along with other energy related assets in western Canada. The western based institutions, with a heavy loan concentration in energy and real estate, suffered a considerable erosion of their own security portfolios. In 1980, that security may have been fairly valued at 100 cents but today it is valued at perhaps 30 cents. The fate of those institutions that lent 50 cents or 60 cents on the dollar, on the face of that security, is quite evident.

The prime cause of failure of all of these western regional institutions, be they Canadian Commercial, Northland, Pioneer Trust, Western Capital Trust, Northwest or some of the credit unions, is quite clear. It was the tremendous loss of asset value owing to that infamous National Energy Program.

The Liberal Opposition whose policies caused these difficulties now seek, incredible as it may seem, to castigate the Government for an earnest attempt to preserve the integrity of the financial system and its western Canadian institutions. Had the Government allowed CCB to fail back in March, imagine the fuss, the hue and cry, the weeping and wailing and recrimination from the Opposition. The Government would have been categorized, quite properly, as being insensitive to western Canada. We would have displayed that same uncaring attitude to western Canada that characterized the previous administration.

The Opposition Parties, correctly I believe, agreed to the efforts to save CCB. Admittedly, with 20/20 hindsight, it now appears that attempt was doomed for two reasons about which neither the Government nor the Opposition was aware. The first was the run on deposits and the other was the eroded state of the loan portfolio. The key to this is the loan asset values—a faulty foundation which collapsed the financial house.

Why was more information not readily available? It now appears that the regulatory system was at fault. The rules for reporting, inspection, enforcement and supervision of the financial institutions are grossly deficient for today's marketplace. Some of these rules date back 60 or 70 years. They permit double counting of capital and the reporting of loan interest arrears in a way which make the loans appear current. They permit the taking of income on phoney restructuring deals, self-dealing and the milking of CDIC.

Most financial institutions are well run and well managed by competent and capable people. However, there are exceptions and today's rules require updating to deal with the unscrupulous. The financial community has shifted from the days of the clerk with the quill pen and green visor to the modern age of computers and electronic processing of information. It is an age in which even national boundaries mean little. We are now living in a global economy and the rules pertaining to the changing circumstances must be rewritten and codified.

It may be asked why this was not done earlier. I suggest that such a question be directed to the previous Government whose survivors now pretend to be in some state of anxiety over this Bill, one which enables payment to the depositors of these institutions who listened in good faith and lent their support to the rescue attempt. The Official Opposition, when in power for the previous 20 years, not only laid the seeds for destruction of these western institutions, not only destroyed Canadian unity, but also had the opportunity to write new rules and regulations for the conduct, management and governance of the institution. Did they do so? No. They failed in the area of financial regulation just as they failed in the energy sector and in every other way. They left our Government with a mess of monumental proportions and now stand in the House, apparently without shame, seeking to shift the blame for their mismanagement and inadequacies, their lack of concern and squalid performance.

They seek to load all this baggage on a new Government which noted the need to reform the regulations of the institutions from the day it took office. Our Government announced its intention to do so last November. During the winter, the Government developed a discussion paper—the Green Paper on the Regulation of Institutions which was issued in the spring. This Green Paper has been studied almost daily by the Finance Committee. Extensive hearings have been held and its report is now being formulated. That report will lead to new legislation that will update and modernize regulations and provide means for inspection, supervision and enforcement. It will provide for sanctions and penalties for self-dealing and conflicts. That report will deal with deposit insurance and hopefully signal a new era in federal financial regulations so that all Canadians will know the rules and limits and adhere to them.

Clearly, the Government has paid more attention to the financial institutions in the past 12 months than the previous Government did in 20 years. The Government is committed to national reconciliation and economic renewal. The rescue attempt was part of that process. So too is this Bill which should now be read a second time and sent to committee.

Some of the questions being raised by Members do not appear to be related to the principle of the Bill. I believe that the committee is the appropriate place to deal with some of those questions. We must remember that it is the principle of Bill C-79 that ought to concern us today.

• (1720)

The Bill is intended to do something that is not without precedent in our system. Just last spring we were dealing with another Bill which did very much the same thing for depositors in Pioneer Trust. At that time I do not recall any prolonged call for the names of the individual depositors who were to receive reimbursement for the uninsured portions of their deposits. When we look at the contents of this Bill we must be struck by the element of simple justice that it contains. It offers an unusual but appropriate solution for the problems faced by many people in western Canada.

I know that some members of the Official Opposition may find it difficult to relate to the problems of western Canada but this Government considers it a priority and a duty to respond to legitimate calls made on it from all parts of the country.

What is the solution? Clearly the solution is to move to reimburse the uninsured depositors.

Mr. Deans: No, it is not.

Mr. Wilson (Swift Current-Maple Creek): The Minister of State made the very point on Monday, when she spoke to this Bill, that its provisions were not to be taken as precedents. The provisions are unusual but they are also appropriate to a

particular situation, and they meet reasonable expectations of those most intimately involved with the present problem, the depositors.

Although this point of view has been dismissed by the Opposition I think it is important as we look at this matter to remember why many of the individuals and small businesses are involved at all in the affairs of CCB. After the events of last March it would be unreasonable to have expected individual depositors to conclude that the bank was unsound and to have removed their deposits. Indeed, fairly clearly the federal Government, the chartered banks and the two provinces which participated in the rescue package did not want depositors to withdraw.

It may well be that if there were a way to differentiate between depositors as to those who were sophisticated enough to take a chance, knowing their options, that they could be excluded from the Bill. However, there would still remain those who trusted the words and actions of two levels of Government and the chartered banks. Such depositors, by and large, are those who do not have the facilities to make complicated judgments about banks. They are people who have savings, perhaps after a lifetime of hard work, which they left in the CCB on the apparent recommendation of the Government.

Yet, Mr. Speaker, it appears that some Hon. Members are suggesting that there is no urgency about helping these people out of a problem which they did not create themselves.

As for the option of reimbursing some depositors, but not all, I find it hard to believe that this could be seriously entertained by anyone. It could not be done by class of depositor without singling out one or two groups of institutions for discriminatory treatment. Would we send the message that foreign banks could not expect equal treatment? Would we tell labour unions or pension plans that they are not to expect the same treament that we propose for individuals and small businesses?

I see no advantage to anyone in keeping this Bill from committee. There is urgency in the matter, and I ask all Hon. Members to agree to give this Bill second reading, and let the committee start its work. Thank you.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to begin by saying that I am sick up to here listening to the Conservatives try to tell the public that somehow or other the legitimate objections that have been raised to this Bill have something to do with an anti-western feeling.

Mr. Mazankowski: Right on.

Mr. Deans: I am fed up with it. It is wrong, and to continue to say it is an abomination on Parliament.

Mr. Mazankowski: You are certainly not going to get any western sympathy.

Mr. Deans: Let me put it quite bluntly—

Mr. Mazankowski: You do it every day.

Mr. Deans: This attempt by this ragtag group sitting over here to try to convince Canadians that somehow or other because we are concerned about the Government of Canada spending, inappropriately I might say, something in the order of $3 billion is somehow to be considered as anti-western Canada is a shame on the Conservative Party and not on the rest of the Parliament.

Mr. Siddon: What about the depositors?

Mr. Deans: Let me deal with the problem as I see it. This is not an east versus west problem. This is a large bank versus small bank problem. There is not a small bank in this country that is not now suffering because of the economic policies pursued by the right wing Liberal and now Conservative Governments that have ruled this country since its inception.

Mr. Gurbin: You ought to know, you put them in.

Mr. Deans: Let me tell you about this. Do you know why this bank is in trouble? Large banks, the big ones, the Royal, the Bank of Montreal, the Imperial Bank of Commerce and the others can afford to loan money at lower interest rates. Why? They can afford to do it because they are able to cream off the best possible customers. They get the first crack at the best customers. Small banks on the other hand, in order to lure depositors, offer higher interest rates on deposit. Nobody disagrees with that, I hope. However, in giving higher interest rates for deposits they must charge higher rates for loans. The best customers are not prepared to pay the higher interest rate for loans so the small banks therefore have to settle for less than the most affluent, less than the best, risks.

What they end up doing, and these banks are good examples, and there are others, is loaning money to people who are a higher risk. The end result of that is that they have a much higher risk portfolio, and the chance therefore of failure when you carry the highest of the high risk portfolios is clearly more evident. That is the problem in the banking system, that the big banks get the best and the smaller institutions have to take what is inevitably a much higher risk portfolio. It has nothing to do with east and west. It happens all across the country. So for God's sake start dealing with the reality. I am offended when this kind of ridiculous argument is proffered by certain people that somehow or other because you do not happen to live in Calgary that you do not understand the problems of a Calgary businessman, or you do not understand the problems of a Calgary home owner, or you do not know what it is like to be unemployed in Calgary.

Mr. Mazankowski: You don't understand it.

Mr. Deans: Damn it all, it is no different being unemployed in Calgary, my friend—

Mr. Mazankowski: You are full of nonsense.

Mr. Deans: —than it is to be unemployed in St. John's, than it is to be unemployed in Halifax, than it is to be unemployed in Hamilton. If you cannot find a job it makes no difference where you live.

Mr. Mazankowski: You don't know anything about Alberta.

Mr. Deans: And that is the trouble with these people.

Mr. Mazankowski: You know nothing about Alberta and spare us the pomposity.

Mr. Deans: Let me go back a bit to the early part of the 1980s, for the benefit of the Minister of Transport (Mr. Mazankowski) who likes to shout but does not like to listen.

Mr. Mazankowski: I don't have to listen to your nonsense.

Mr. Deans: Back in the 1980s when interest rates were up in the high teens and reaching into the low twenties, back in the 1980s when we were saying to the then Government—

Mr. Mazankowski: Sanctimonious pomposity.

Mr. Deans: —that a serious economic problem was being brought about in a variety of different sectors of the economy and that unless the Government moved in to protect those sectors by bringing interest rates down there were going to be bankruptcies in almost every single area, the Conservatives together with the Liberals said nothing could be done about it.

We argued that there had to be measures taken to bring the interest rates down in order that home owners who were on the verge of losing their homes because they could not afford to pay the 20 per cent and 21 percent being asked by the banks. When we said that the Government should move to protect those individuals from losing everything they had worked for, the Tories joined with the Liberals and said nothing could be done about it.

When we said that small business people in every community, including in western Canada, were facing difficulty as a result of very high interest rates, that they could not afford to carry the merchandise and when they could afford to carry the merchandise they could not find markets because there was unemployment in much larger numbers than they could anticipate, and we said to them that the banks were taking unfair advantage of those people by charging them in the high teens and low twenties for the necessary moneys to carry on their businesses, and forcing them into bankruptcy, we said to the Conservatives, join with us in a battle to bring down interest rates. They said nothing could be done.

When the farmers were outside here complaining about the fact that they could not keep their family farms because the interest rates were so high that they could not meet their commitments, they could not even pay their feed costs; they could not pay their seed costs; could not pay the costs of running the farms, and when we said to the Government of the day back in 1982 and 1983 that we needed to bring down interest rates in order to save those individuals, the Conservatives joined with the Liberals and said nothing could be done about it.

● (1730)

If nothing could be done for the people losing their homes, their businesses and their farms, if nothing could be done for the 1.5 million unemployed people who were losing everything for which they had ever worked, why is it that, because of a few friends who happen to be in the banking industry, the Conservative Party, now that it is the Government of Canada, can find $3 billion to bail them out?

Mr. Siddon: Why is the steam coming out?

Mr. Deans: I will tell the Hon. Minister why the steam is coming out. I am sick and tired of listening to the garbage which is being spewed across the floor of the House by certain Hon. Members who do not know what happened in the period leading up to this Parliament. The problem with which we are now dealing stems from the time when the Conservative Party, in Opposition, refused to join with us in a battle against high interest rates. I remember the Minister of Finance (Mr. Wilson), as the then opposition finance critic, standing at a podium in Montreal when high interest rates were the issue of the day and saying that if they were the Government, they would not do anything much different, that what the Liberals were doing was really all that could be done. After driving people out of their homes, off their farms and out of business, after failing to recognize what it was like when unemployment insurance ran out and there was not a penny available, there is no way to convince me that I should acquiesce and rush this Bill through to committee or that I should hurry it through so that this money can be paid. Small depositors are covered to $60,000 immediately. I say to the Conservatives that those depositors who need it will get their $60,000.

Mr. Siddon: How about the municipalities?

Mr. Deans: The municipalities are well covered by the provinces, at least those in the Province of Ontario.

Mr. Siddon: What about British Columbia?

Mr. Deans: I cannot answer for the Social Credit Government of British Columbia. I mean, it is anachronism.

Mr. Siddon: What about Manitoba?

Mr. Deans: Let us deal with reality. The fact of the matter is that we are being asked to say to those people for whom nothing could be done when the banks were ripping them off right, left and centre, that they should dig into their pockets after having lost everything they own and pay higher taxes to give the banks their money. I want to say, with only one minute remaining, no way. Those same banks sat and looked into the eyes of people who were crying because they were losing everything. Those same banks said to them: "We cannot help you because the banking practice demands that we have adequate collateral for a loan. Since you do not have it, you will have to lose your farm; we will sell off everything you own". When those same banks are crying at my doorstep and asking me to help them, I say to hell with them.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I am now being provided with an opportunity to speak on Bill C-79 and the amendment thereto. The Government is

asking us to appropriate $875 million, to be paid out of the Consolidated Revenue Fund. In more simple terms, it is asking us to pay $875 million out of the pockets of taxpayers. I am speaking in support of the amendment of the Right Hon. Leader of the Opposition (Mr. Turner), which makes clear that we on this side of the House in the Official Opposition wish to decline to give second reading to a Bill that in effect does not give us any idea as to whom these funds are being given. We have been denied the right to know the identity of the recipients of this money.

Traditionally, at least in the British tradition, in the Mother of Parliaments, for century upon century, the House of Commons has been responsible for the raising and spending of funds. It is our right and our privilege to say that and to do that as the Parliament. In the Parliament of Canada it is the duty of every one of us, whether on the Government benches or on this side of the House, to demand to know where the taxpayers' money is going. Every Member of the House should not allow a Bill to be passed which in effect writes out a blank cheque. This is a general observation but if for no other reason than principle alone, we have reason to say that we will not pass this Bill. We also have further reasons to be doubtful about the wisdom of passing it.

We remember with great anguish and disappointment last March that when the Canadian Commercial Bank was experiencing difficulties, the Government came to Parliament and proposed that Parliament participate in a $255 millon bail-out. We were urged to participate in it. We were assured by the Government that it had to be done quickly, that time was a factor, and that we had to pass it so that others would not suffer. Having listened to the promises made, we were also assured by this Government which claims competence that the $255 million bail-out would in fact set the situation straight or set the bank up in a sound or solid condition, and that from then on we could look to a good future. That was back in March when we were told that all would be well. However, what we did not know and what the Government did not tell us was that many people in the Department of Finance had grave doubts about the package and about whether they had enough information to make an assessment or to recommend to the Parliament of Canada that it should participate in a $255 million bail-out package. The more we read, the more we learn and as more layers of the onion are peeled, we discover that the Government knew very little about the situation at that time. As time went on it began to discover that perhaps 30 cents on the dollar was the worth of the bank and that things were not well. Many of the players involved were wondering about whether they had enough information. The Government of Canada did not tell us the truth. It did not tell us what these other people were saying. It did not breathe a word of doubt, but it assured us that all would be well. It was bad judgment, which means that billions of dollars will be ultimately spent by the Government to buy its way out of its mistakes. Of course it is now saying to us that we should look after the depositors in these banks, that we should put up this $875 million to pay 100 cents on the dollar back to the depositors.

We are not talking in every case about depositors who have their life savings in these banks. Those with their life savings are at least protected up to $60,000. For example, if such a person has $60,000 in some kind of deposit account and another $60,000 in an RRSP, he or she might be protected up to the $120,000. No, it is not the little person who is being hurt. In fact, it is those who gambled their money in order to obtain high interest rates. We are being asked to protect depositors but, interestingly enough, the Government has not asked us to think about the shareholders. Why, I have to ask myself, in the name of morality, common sense and decency, is the Government making two categories of people? One category is the depositors who are protected up to $60,000 and the other is the shareholders who are not protected. It could be that some people became shareholders in these banks and put up their life savings thinking that such banks were good investments. The Government has once again failed to show intelligence and common sense. There is a double standard here. The depositors are treated one way and the sharehoolders another.

• (1740)

We are being asked to put up this money. The Government is not giving any money to the shareholders but it wants to give money to all the depositors. We want to see a list of these depositors. The Government wants us to take the taxpayers' money and pay it out to a list of faceless people and faceless international banks, corporations and speculators. It wants us to pay them with the taxpayers' money and it will not even tell us their names.

Those who simply want to collect their $60,000 need not tell us their names. However, why should we be paying in some cases over $1 million to an individual without knowing who that individual is? Why should we be paying millions of dollars to faceless organizations about which we know nothing? Members of Parliament are to write out a blank cheque made out to "To Whom It May Concern". I suggest that we have a bigger responsibility than that and we have a right, as the Leader of the Opposition has said, to demand of the Government a list of the names of these depositors.

Indeed, after looking back over what has happened and seeing the circumstances under which we were initially sucked into this bail-out scheme, I have to say that once bitten, twice shy. The Government assured us that everything was all right but we saw that things did not go as well as it promised. We saw that the Government did not take the time to allow bank executives, experts and auditors to look over the situation facing the Canadian Commercial Bank but told us that everything was fine. We certainly do not believe any longer that the Government has the trust and confidence that is required in order for us to vote for an $885 million blank cheque payable to unknown depositors.

When asking why the Government did this, I am afraid that we would have to come to some negative conclusions. We would have to come to the conclusion that the Government asked us to become involved in this scheme for political

reasons or perhaps to help out its friends but not because it knew the facts.

There has been much said about the deficit. Through the last Budget, we were told that the Government had to make certain cuts including billions of dollars worth of cuts in the education of young people. In fact, cuts to the old age pensions were proposed as were cuts to the family allowances, yet the Government can apparently afford to spend billions of dollars to bail out faceless depositors in a bank. The rich get richer. Their money is protected. The poor get poorer. They can lose their money and they can be reduced to further poverty. That is acceptable to the Government.

I do not see the deficit being refuced. I see the deficit rising because of the incompetence of the Government and its inability to deal properly with the problem of the Canadian Commercial Bank. I appeal to members of the Conservative Party to give to every Member of the House a list of the depositors so that we will not be asked to write out a blank cheque, something which is contrary to all traditions.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, it is for a tragic instance of the irresponsibility of this Government that we have to debate this Bill today. When I was elected, I little thought that we would see so quickly and completely a retreat from Tory principles as enunciated during the election campaign, but this is exemplified by the Bill before us today.

It does not surprise me that there are few members of the Government present in the House. Who would want to hear of the terrible record of the Government? It does not surprise me that they are sitting far apart and not speaking to one another. If they were speaking to one another, it could only be in terms of the abnegation of everything for which they campaigned as represented by this Bill.

I believe that the $875 million for which we are being asked to bail out the two failed banks is simply a down payment. We have it on the Minister's authority that this does not represent the final bill. Not only that but we have heard one of the most incredible statements I have ever heard a Minister make in this or any other democratically elected assembly. The Minister of State for Finance (Mrs. McDougall) has said:

—I want to make it perfectly clear that it is not the Government's intention to set a precedent in compensating uninsured depositors in our financial institutions.

With all due respect, Mr. Speaker, that is horse feathers and absolute nonsense. Every bankruptcy is a tragedy for the people involved. Every bankruptcy involves unique circumstances and unique situations. For the Minister to suggest that she is not setting a precedent is, with all due respect, unbelievable and I cannot believe that she does not recognize that that statement cannot be true.

The fact is that through this bail-out we are being called upon to authorize today, the Government is setting a precedent and avery dangerous one. Forgotten is the election rhetoric about freeing the free enterprise system and about opening Canada up for job creation. We are now looking at a bail-out of such gigantic proportions and such cataclysmic effects on the budgetary accounts of the country that it is almost worthy of a Liberal Government rather than a Progressive Conservative Government.

The sort of bail-out at which we are looking is unprecedented both in its amount and in its purpose. As well, it is unpredecented in the circumstances that led to the Government considering its necessity. It would appear from the legislation that has been tabled in the House that the Government has been hijacked. It would appear that the Prime Minister (Mr. Mulroney) and his ever-diminishing ruling circle are merely Liberals who got into the Conservative Party just like the worm got into the apple and ate it out from the inside. They are saying to themselves, "Look what the other guys did for their corporate cronies. We had better show them that we can do just as well by our friends as the previous Government did by its friends". That would appear to me to be the entire motivation behind this Bill.

Much has been said from the Government benches. I am glad to see that Government members have enough self-respect to have now fallen silent. Much has been said about this Bill being for the protection of ordinary Canadians. I have not heard one argument that could sustain such an impertinent, nonsensical statement as that. Let us face the facts. We are not looking at mass unemployment as we might be if we were dealing with a manufacturing concern going bankrupt. We are looking at losses distributed right through the economy affecting people who ought to have known enough to verify the integrity, stability and strength of a financial institution before they put a penny into it, let alone the sort of sums that have been mentioned.

We are indeed being asked to sign a blank cheque because we are being asked to bail out a whole range of depositors who should have known better. These depositors include sophisticated investors, foreign banks, municipalities, provincial Governments, credit unions and smaller investors, the largest number of which should have and I believe did have access to the sort of information that would have warned them. For example, the City of Hull, whose manager spoke on the radio yesterday, sounded the warning which should have gone off in a lot of brains in Canada's financial community.

● (1750)

Notwithstanding the fact that the $60,000 will be paid to all depositors, with respect to insured portions, we are prepared to look at funding for those depositors who will undergo real hardship if this bail-out does not take place. However, a blank cheque in addition to the deficit of Canada or an increase in taxes for the people of Canada to pay for this bail-out—no, never, that is something that the Progressive Conservative Government should blush at introducing in the House, given the election rhetoric with which we were inundated during the last election campaign. I think it is worth repeating that the $60,000 sum is the statutory limit. If the Government goes ahead with its plan to pay depositors for investments above the $60,000-limit, where will the insurance industry in Canada be? What is the point in insuring against any form of risk?

Where is the morality in doing so? If one is big enough, powerful enough and well connected through the executive dating service which has flourished in Ottawa under this Government, then one can go and cry on one's big brother's shoulder and receive the sort of bail-out which Hon. Members know is frankly not to be available.

I recall having listened to Conservative candidates, those who are now Ministers and he who is now Prime Minister over television during the last campaign. They said in all tones of voice, but always with an evident facade of sincerity, that this type of action, this bail-out, was not to be contemplated by the Government of Canada if they were ever to form it. I for one very much regret the day they did form it. This country will, in time, almost unanimously regret the day when they did form it. Let us face facts. We are not talking about widows' savings in this instance, nor are we talking about persons being reduced to ruin. We are not talking about the type of misery which a great financial loss can impose upon a single individual because, with good sense, we have the Canadian Deposit Insurance Corporation insuring deposits of individuals up to $60,000. Frankly, if it were not for the obvious lack of attention which the Government paid to this dossier over the summer, we would not now be facing the consequences of the improperly structured bail-out package which was put together last March.

Much has been made by the Government of the fact that these are both western financial institutions which were, indeed, adversely affected by the collapse of the western economy brought on by certain aspects of the National Energy Program introduced by the previous administration. I think that is something which is worthy of consideration and examination. We should say that apart from the unfortunates who are employees of the said banks, the losses, will be spread across Canada—rather, not the losses but the costs the Government will impose upon the country by this breath-takingly irresponsible piece of legislation. We have not heard one single spokesperson from the Government side speak about whether the $1 billion, or whatever it adds up to, is to be raised by taxation or whether it is to be raised by further borrowing. That is a clear dereliction of the Government's duty, along with its concealing of the list of depositors. They are also concealing from the people on which side of the ledger the bill will come down. Is it to be by a further augmentation of the deficit? One of the main planks in the Conservative campaign platform was that it would not raise the deficit. Will the Government increases taxes on the people of Canada when every inclination it has shown thus far is that it will try to hold the line with respect to taxation by cutting benefits to the elderly and the poor while paying off some of its supporters through numerous and sundry tax breaks and incentives such as the $500,000 capital gains exemption?

Mr. Speaker, my time is up, which is just as well because my breath is almost exhausted from the indignation and outrage which I feel at this most irresponsible action by the Government.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I was going to say that I am pleased to rise in my place today. However, if I said that I would be misleading the House right off the bat. I am not pleased. I am irate. I am upset. I am disappointed. I wish to get a few things off my chest.

I wish to remind the House that we speak today on the amendment proposed by the Leader of the Opposition (Mr. Turner) to Bill C-79 which the Government has put forward to bail out its corporate buddies. The amendment indicates that the House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys—not the Government's money, not my money, not the money of the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) or the money of the Cabinet but the taxpayers' money. We decline to pay out in a blind, deaf and dumb fashion without any knowledge of where the dollars are going and to whom they are going. The process of doing that in a blind, deaf and dumb manner reduces not only the right of Parliament—I don't give a damn about Parliament's right—but the responsibility of Parliament to be accountable for taxpayers' dollars. That is the first responsibility of any Opposition in a parliamentary system. It is an adversary system. They separate us by two sword lengths to keep us apart because it gets heated at times. However, we are not here because we want to spend our days nit-picking over departmental expenditures. It is our responsibility to be the public watchdog of the taxpayers' purse. We are being asked to spend handsome sums from that purse with no accountability whatsoever as to where and how that money is to be spent.

I have been in my riding in recent days. I have had an opportunity during those days to spend some time talking to people who understand the notion of taking a risk. These people understand the concept of having the right to succeed. They also understand the concept of having the right to fail and expecting no one to pick them up. I met a small contractor in the Bay of Islands in the great riding of Humber-Port-au-Port-St. Barbe who spent 15 years putting together a family business. He performed various work around the west coast of Newfoundland. In the middle of a contract he had a bank step in and call a demand loan. When the bank called the loan he saw 15 years of sweat, hard work, hope and aspiration crumble before his very eyes.

I had a chance to talk to a fisherman on the great northern peninsula. This man has been fishing for 30 years. This year the fish just did not come to the great northern peninsula. We do not know why but it was a miserable season. That fisherman got four or five weeks of fishing in this year. He knows that in two weeks he will have to make his annual boat payment. He cannot make it because he has had a miserable year. They are going to call his loan, grab his boat, and he will not be a fisherman anymore. He is sad and disappointed and his aspirations have been crushed.

• (1800)

I talked to a small businessman in the town of Deer Lake who, together with his wife, mortgaged his house and went into the furniture business. They did a subcontract job for a large contractor. They spent several hundreds of thousands of dollars installing kitchen cabinets in an apartment building. But they did not get paid for the subcontract because the major contractor, who had the job, was in financial trouble. It ends up that the fellow who made no mistakes, who had done nothing wrong, is going to go under because the bank is calling his loan. And he is sad, disappointed and his dreams have been crushed.

Not one of these people, be it the fisherman, the small contractor or the furniture maker, who have had their lifesavings taken away from them have asked the Government of Canada to bail them out; nor has the Government of Canada offered to bail out these three people. We live in a system where we all have the right to take risks. We all have the right, or at least the opportunity, to succeed beyond our wildest dreams, but if we fall on our face and go broke, if we make a mistake, we must face the consequences.

It is more than I can swallow to know that honest, hard-working Canadians who have invested their time and capital and a good part of their lives in ventures and who, for whatever reason, have failed, have failed in silence, and no one has offered to bail them out, yet when a bank which is involved in bad lending practices, which is riddled with poor management, fails, we find that deposits of over $60,000 are going to be bailed out by the Government of Canada. The Government is going to step in and give them all this money, 60 per cent of which will not even stay in western Canada. I am tired of hearing this line that the bail-out is an attempt to help western Canada. Sixty per cent of the funds will not even stay in western Canada. It is a bail-out of large corporations. These people want the right to make $1 million but do not want the right to fail. They want the Governement to provide a cushion for them.

Every Prime Minister has to wear two hats. The first hat is a political hat. He puts that hat on when he is involved in an election campaign and goes out to stir up the troops, to inspire the team, to address the people, to sell his message, to garner support. That is his political hat. The other hat the Prime Minister must wear is that of chief executive officer. He is the man who is in charge, who is minding the store and looking after the taxpayers' purse. He is the man who makes the intelligent, rational, responsible and defensible decisions. This Government has a Prime Minister who has only one hat. It is his political hat. He has lost the hat of chief executive officer. He does not know where it is and neither do his Ministers.

A political decision was made by the Prime Minister last spring in the middle of an economic summit. He would not allow a bank to fail and ruin his television image. We could not have the veneer which was being developed scratched. We could not have a blip on an otherwise well managed media campaign. As a result, the people of Canada are being asked to pay nearly $1 billion blindly to people whom the Government refuses to identify to Hon. Members of this House.

I serve notice on the Government that this Bill will not be supported by the Liberal Party. We will have no part of bailing out incompetence in the bail-out of the banks. We will stand as often as we can to make the case and drive home the point, to convince the people of Canada to rise up and be heard. The people of Canada must speak their minds and tell the Government that they do not accept this kind of irresponsible action.

We do not seem to have a quorum in this House, Mr. Speaker. Would you call a quorum?

[*Translation*]

Mr. Deputy Speaker: We do not have a quorum. Ring the bells—

[*English*]

Mr. Gauthier: Ring the bells.

Mr. Tobin: Ring the bells.

Mr. Deputy Speaker: I find there is now a quorum. We will continue with debate.

Mr. Tobin: Mr. Speaker, may I humbly suggest to the Chair that if the Government can afford $875 million to bail out unknown people, it ought to be able to find a couple of dollars to give a key to the gentleman down at the end of the room so he can ring the bell when the Speaker directs him to.

Mr. Deputy Speaker: Resuming debate.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to join in this debate which deals with fairness, with how we treat banking institutions in this country and how clearly under this Government there are two classes; there are those which Government will help and there are those which it will not.

Ever since this Government was elected, Mr. Speaker, we have heard that we do not have the money to do the kinds of things we should be doing as a society. We are told that we do not have the money to continue to ensure that family allowances are fully indexed to the cost of inflation. We do not, it seems, have the money to ensure that, for example—while the Minister of Transport (Mr. Mazankowski) is here—the St. Lawrence Seaway Authority can retain its assets and make improvements in order to keep tolls and fees down. As a result, we are now seeing the development of some difficulties. However, we do have enough money to bail out two banks. Whether it is $1 billion, $2 billion or $3 billion, only time will tell. But the reality is that it will cost the taxpayers of this country a large amount of their hard-earned dollars—their tax dollars—to pay for this decision of the Government of Canada.

Ironically, Mr. Speaker, I would suspect that those individuals who are being bailed out—and I suppose there are some 96 individual depositors between the two banks—are those who have the ability to hire accountants and lawyers so that they

can get out of paying income taxes. Those 96 individuals will receive somewhere in the neighbourhood of $13 million. That is a small amount when compared to the over-all amount of money. But these are individuals, some of whom, on their own, have over $1 million on deposit. I question whether we, as a society, should be bailing out people with that kind of money at a time when we are desperately in need of housing facilities and we have soup kitchens in various communities. I think very clearly our priorities are all wrong, Mr. Speaker. They are wrong when we send in excess of $112 million across our borders to bail out foreign banks.

• (1810)

I really do not understand why the Government has taken this approach when other financial institutions have gone under and their depositors were not protected over and above the amount of $60,000. I have had some of those depositors call my office and question the fairness of this Government.

One individual, who had spent years putting money aside for retirement, had a deposit of $66,000 in one of those institutions which went under. He got the $60,000 but not the extra $6,000. For him it is a matter of principle as well as the money, and he is frustrated and angry that the Government is bailing out these two financial institutions but not the one he was involved in. He does not believe it is fair, and neither do I.

As I looked at this situation I asked myself what else this money could be used for. My riding and that of the adjoining riding, Thunder Bay-Nipigon, comprise about 113,000 people. If we spread that $1 billion among those people it would be a very nice little Christmas present, $9,000 per individual. We could say the same for any community in Canada. They would have more money to spend on consumer goods and they would pay more taxes. There are many innovative ways we could use that money. The way this Government has established its priorities in the bailing out of these two banks is inappropriate, and that is why I would be more than happy to join my colleagues in voting against this Bill, and to continue speaking against it through all stages.

The question has been raised concerning municipalities and the provinces and the money they had on deposit in these banks. While I appreciate the situation they may be in, I think it is a warning to municipalities and provinces to be careful about what they do with their taxpayers' money. They should not put it into risky situations. Rather, they should ensure that the money is in an institution which will not only continue to pay interest but continue to be viable. Therefore, I suggest to the Government that it would be wise to reconsider this attempt regardless of whether or not we get the names of the people involved. I do not believe in principle that we should be supporting this bail-out.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, since the end of the summer recess, all we have heard about in the House is scandals and the integrity of the Prime Minister's word.

Mr. Speaker, today again, Bill C-79 refers to one of the biggest scandals we have had since the Progressive Conservative Government came to power. Mr. Speaker, I have before me two Bills, C-79 and C-70. I think it would be useful to explain to each Member of this House what these two Bills entail. First, Bill C-70, whose purpose is to de-index family allowances and which affects 3 million families in Canada, and then Bill—

Mr. Deputy Speaker: Order, please. I realize the Hon. Member probably wants to draw a parallel between the two Bills, but I may remind him that he is to speak mainly to Bill C-79.

Mr. Malépart: Mr. Speaker, on the amendment now before the House and Bill C-79—I am getting there—Bills C-70 and C-79 are related to financial questions and in fact, concern sums of money that the Government wants to take from the Canadian taxpayer.

Referring back to my bill on de-indexing family allowances, the Government is taking away $55 million from 3 million families. In Bill C-79, the Government is taking one billion dollars in taxpayers's money and giving it to a hundred friends of the Progressive Conservative Party. Mr. Speaker, just think, one billion dollars in taxpayers' money to compensate people who had $60,000 and more in a bank account. I do not think there is a single constituent in Montreal-Sainte-Marie who will get compensation. I do not think there is a single constituent from Montreal East, for that matter.

Mr. Gauthier: And not from Ottawa-Vanier either!

Mr. Malépart: And not from Ottawa-Vanier either. And I am convinced . . . Even the Hon. Member for Laval says: There is nobody from Laval, and I am convinced that these people with deposits of $60,000 or more are people who know the banking system very well. They are not just someone who hit the jackpot in a lottery. These are people who are supposed to be economic experts, people who advise this brilliant Conservative Government, and they played a risky game. Even administrators of pension funds and people administering municipal funds took a risk to get more money. And just because they lost, the Progressive Conservative Government wants us to compensate the incompetent.

The authorities of the City of Montreal had money in one of those two banks, but as soon as they saw there were problems, as serious administrators they withdrew their money. These people behaved responsibly to their municipality and to the taxpayer.

Ever since this Conservative Government came into office, Mr. Speaker, it has led the attack against senior citizens, sick people and families with children. Now, all of a sudden, we are expected to feel sorry for people who had $60,000 or more in their bank accounts. Looking over the figures, can you imagine, two individuals each had $1 million! A $1 million bank

account, how hard pressed can one be! It is really pitiful to see the 211 Conservative Members rush to the rescue of millionnaires. Worse still, they want a blank cheque but the people involved will remain anonymous. It is unacceptable, and the population will not stand still and watch a Government, regardless of its political persuasion, mismanage so ineptly the money of Canadian taxpayers.

Eastern Montreal residents have to cope with major problems, but the Conservative Government does not even lift a finger. A $100 million loan guarantee would be needed to save jobs in eastern Montreal, at Gulf among others. The Conservative Government says no because of the deficit. But some of its pals are caught. The Government does not want to reveal the names of people who had $1 million or $500,000, there are two; people who had $400,000, one of them, and 1,100 with $99,000. If we had the names and compared them with the list of those who contributed to the election fund, we might have surprises! If the Progressive Conservative Party does not have anything to hide, then it should open its books. Why hide the names? The bank presidents said to the Conservative Government: If anyone is to be repaid with taxpayers' money, he should be honest enough to put his name on the application. Anybody who does not want his name to be made public should simply refuse any financial assistance from the Government, Mr. Speaker.

But no; suddenly, all those Conservative Members must save their friends who have millions of dollars. At the same time they are introducing a motion for closure to prevent Members from expressing the views of mothers raising children. They tell those mothers: "Well, you will lose $22, but that is only $22". They cannot make both ends meet. But the poor fellow who had a million, do not expect me to believe this is all he had. And if he was stupid enough to put all his money in one banking institution, well, he deserved what he got, because he knew very well he was not insured above $60,000. They would like us to believe that there were small pension funds there. But when it comes to shareholders, are they not looking after them?

Mr. Speaker, there is something fishy about this Bill. It is this Conservative Government's irresponsibility and incompetence. I can understand why the Prime Minister (Mr. Mulroney) is not in his place here and prefers to sit in a stadium watching the Blue Jays. He is more than fed up with his Ministers' incompetence and his own, Mr. Speaker.

Never, no never will the Liberal Party, let alone the people of Quebec, accept that the Quebec taxpayers' money be used to save Government friends in a western province. When we in Quebec had problems with the Quebec banking system, not one single Tory Member then in Opposition rose to help Quebec. Not a single one! Not one Tory Member ever thought of it. No, Mr. Speaker.

In open-line programs in the Eastern Townships, in the Sherbrooke area, people are saying: "When we had problems, we accepted our responsibilities". If banking institutions have trouble in another province, let the people there accept their responsibilities! If unwise municipal managers risked their taxpayers' money, Mr. Speaker, they should be fired because of their incompetence. Unfortunately, it cannot be done immediately with this Conservative Government. But the time will come, yes, in 1988.

Mr. Speaker, there is another point I would like to make, the impact of this Conservative Government's positions. In connection with the Child Tax Credit, what would be the difference if some 15 people had $60,000 or $70,000 in a bank, the Government will ask all Canadian taxpayers to bail these poor pitiful people out. At the same time, it will introduce a bill to the effect that a family with a $26,330 income is considered a rich family, according to Tory standards. Then, it turns around and says that a family with 3 children where both the father and mother work, the income ceiling will be reduced from $26,000 to $23,000, so that these families, come next year, will loose $400. A family with one child earning $25,000 will loose $125.

Tory members, including the Boy from Baie Comeau, would like us to adopt this bill to compensate two guys with a million dollars in a bank account on the backs of Canadian mothers.

Mr. Speaker, I can assure you that I am going to vote against this Bill, no matter whether or not the Government provides us with the names of the depositors.

I should like to remind you—and I will end on this—that when the Government first introduced a legislation to bail out or try to bail out the two banks, I abstained from voting, because I knew the Government was misleading us. Now I know for sure, Mr. Speaker, and you can bet your last dollar that I am going to vote against Bill C-79. If Tory members, including the Minister of Transport (Mr. Mazankowski) who is here and considered competent, had the guts, the convictions and the honesty, they would call on the Government to tear up Bill C-79 to protect the $55 million belonging to our Canadian mothers with dependent children.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, Bill C-79 is the Government Bill to allow reimbursement of the uninsured deposits at the Canadian Commercial Bank and the Northland Bank.

However, the Leader of the Opposition moved the following amendment:

> That the motion be amended by deleting all of the words after the word "that" and by substituting the following:
>
> This House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies to unspecified persons or corporations, thereby sustantially denigrating parliamentary accountability for expenditure of public funds.

Mr. Speaker, the Government states that its decision was based on the best information available at the time. Why did the Government reject the offer made by the banks to have a

complete audit of the Canadian Commercial Bank? Why did the support group rely on the information which the Canadian Commercial Bank alone agreed to make available?

Mr. Speaker, the decision to bail out the bank was based on political factors. The Prime Minister (Mr. Mulroney) is personally responsible for this decision. The crisis of the Canadian Commercial Bank occurred at the time of the National Economic Summit, and therefore at a time when the bankruptcy of a bank would have had serious consequences.

Mr. Speaker, when my Hon. colleague for Laval-des-Rapides (Mr. Garneau) responded to the statement made by the Minister of State for Finance (Mrs. McDougall) announcing the bankruptcy of the Northland Bank last week, he asked for the resignation of both the Minister of Finance (Mr. Wilson) and the Minister of State for Finance.

Mr. Speaker, for my part, I shall go even further. I am also asking for the resignation of the Prime Minister because he is the major culprit. He is the one who, to be able to watch himself on TV, urged everyone to make a settlement with a bank which was forced to go bankrupt six months later.

Mr. Speaker, this Bill aims at allowing the reimbursement of ininsured deposits, or in other words, deposits—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but he may continue his speech the next time this Bill is debated in the House of Commons.

It being 6.27 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Thursday, October 10, 1985

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

Mr. Speaker: The Parliamentary Secretary to the President of the Privy Council (Mr. Dick) rises on a point of order.

Mr. Dick: Mr. Speaker, there have been discussions among all Parties and there is agreement to move to tabling of documents as the first item today, by unanimous consent.

Mr. Speaker: Is the Hon. Member for Hamilton Mountain (Mr. Deans) indicating his agreement?

Mr. Deans: Yes, Mr. Speaker. There have been discussions along that line and it is agreed.

Mr. Gauthier: Mr. Speaker, I also understand there have been some negotiations and there is consent to do that right now.

Mr. Speaker: Therefore, by unanimous consent, the House will proceed to tabling of documents.

* * *

[*Translation*]

COMMUNICATIONS AND CULTURE

PRESENTATION OF SECOND REPORT OF SUB-COMMITTEE OF STANDING COMMITTEE ON COMMUNICATIONS AND CULTURE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour to present the second report of the Sub-committee of the Standing Committee on Communications and Culture relating to the Revision of Copyright, in both official languages. Your Sub-Committee has adopted this report, including 137 recommendations, and, in accordance with Standing Order 70(16), requests that the Government make a comprehensive response to this report.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

[*English*]

Mr. Speaker: I take it that what in fact was sought was unanimous consent to go to the presentation of reports.

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Just before the adjournment of the House yesterday, Mr. Speaker, I was saying that the purpose of this Bill is to refund uninsured deposits, meaning those exceeding the $60,000 insurable limit. According to the Government, people who in good faith deposited their money with the Canadian Commercial Bank because they relied on Government guarantees should not be penalized.

Mr. Speaker, did the Government give guarantees? If so, why does it not tell the House about them? Since Canadian taxpayers will have to repay the depositors, our responsibility towards those taxpayers is to find out who will get the money. The Bill provides that depositors must file an application to get their money back, so we can expect to know who they are, sooner or later. Therefore, since we are being asked to adopt the Bill now, it is quite reasonable that we should be given that information right away.

Passage of this Bill will cost the Canadian taxpayers nearly $1 billion. This is a very large amount especially for a Government which pretends to be money concious and which says that it cannot afford to pay family allowances or to maintain social housing, energy, investment of environmental programs, and the list goes on.

Mr. Speaker, last spring, while we were discussing the bail out of this bank, we also amended the Small Businesses Loans Act. In that case also, changes were made because the Government could not afford certain loans. Now, the small businessman must pay 1 per cent on his small business loan and provide an 85 per cent guarantee while the Government used to provide a 100 per cent guarantee.

Now, the Government is asking us to provide full reimbursement, or a 100 per cent guarantee, to these depositors whose names we do not even know.

[*English*]

The fact is that we have seen the failutre of two western banks which were accredited to the international sphere as being sound and viable institutions in the financial forum. To see their lose credibility face is rather upsetting for everyone involved, especially the depositors who are questioning the return of their deposits. Today, we are being asked by the governing Party to agree to a Bill without having all the information before us. I must say that we will not fall into a blind-eye policy. It is evident that the unsecured depositors must apply in order to receive reimbursement; so why tell us who they are? Is the Government trying to hide something? Is there some type of cover-up?

On March 25, 1985, the Minister of State for Finance (Mrs. McDougall) said in the House, and I quote:

> Mr. Speaker, I would like to advise the House that an agreement was reached this morning to provide the Canadian Commercial Bank with an infusion of capital which will ensure the long-term viability of this Edmonton-based bank. The agreement is a co-operative effort which brings together three Governments, six banks, and the Canada Deposit Insurance Corporation to provide a support package which will enable this bank to remain viable, thereby protecting the interests of small and medium-sized business in western Canada.

What happened six months later? This bank was supposed to be viable after the pouring into it of $250 million.

[*Translation*]

On March 28, 1985, the same Minister stated in this House:

> Our concern as the federal Government must also extend beyond western Canada. We want to make sure that a ripple in the financial system does not spread from coast to coast and beyond, to overseas markets. The Government must also be concerned with the effect a failure might have on the stability, security and confidence of the entire financial system.

Mr. Speaker, since the summer of 1984, the Progressive Conservative Party has been repeating that we need confidence! Yet, one year later, what kind of confidence is there? Two banks have gone bankrupt.

Once more, I quote the Minister, who said:

> By addressing the present matter quickly, we are guarding against a potential erosion of confidence in our financial system both at home and abroad. This decisive action is evidence that our financial institutions are safe for depositors.

Now, six months later, it is no longer safe for depositors, and to save face the Government is asking us to reimburse the depositors without giving us the names of those who are owed all this money.

The question all Canadians are asking today is this: Why does the Government not want to provide names? I would like to conclude my comments by saying that the Government might say that it is to protect banking confidentiality, but this matter is no longer confidential as the bank has gone bankrupt. When you go bankrupt, you have to give all the names. I shall therefore vote against this Bill because the Government does not want to provide us with names.

[*English*]

The Acting Speaker (Mr. Charest): The Hon. Member for Beaches.

Mr. Keeper: It is Winnipeg North Centre, Mr. Speaker.

The Acting Speaker (Mr. Charest): Excuse me, the Hon. Member for Winnipeg North Centre.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I would be a bit disturbed with respect to being transferred to a riding in Toronto. At any rate, it is a pleasure to be able to enter into this debate under whatever designation. We only have a short time to contribute to this debate, Mr. Speaker, but there are significant points which need to be made. First, I think the public's attention with regard to this legislation to bail out these banks must be focused on the hearings which are going on right now and the press reports which are beginning to emerge.

● (1110)

For example, there was an analysis in *The Globe and Mail* today with regard to the Hitchman Report. The facts are coming out now with regard to the condition of the bank when the Government moved in to bail it out. The reports are pretty damning. While I cannot go into all the details, I believe we should take note of a couple of points. First, the Hitchman Report found that the files in these banks were in a mess, so even in terms of the basic keeping of information, they were in trouble. Second, senior officiers and directors endorsed questionable loans and the executives really did not understand the seriousness of the difficulty they were in as a financial institution. So the facts are beginning to come out and the picture is pretty dismal and disastrous.

These facts are crucially important right now because when the Government originally moved to try to prop up these banks, it did not have the facts. That is a tragedy. The Government espouses a commitment to the market-place. It claims to be a good economic manager, to know something about the economy and to be rescuing the Canadian economy from its present troubles and bringing about prosperity. But when it comes to dealing with two relatively small institutions in that sector of the economy, it has demonstrated complete and utter incompetence. The Canadian people are becoming aware that the Government is economically incompetent.

The Government rushed in to prop up these banks without having full understanding of their financial situation. That is why several months later it had to pull the plug. When the Government first stepped in, it was as if it stepped into a dark room without turning on the lights. It walked in where wiser men feared to tread. It rushed ahead without knowing what it was doing and it did this in order to try to preserve its public image of good economic managers. It tried to preserve the picture of a Government which was taking this country into prosperity. In fact, the Government shot itself in the foot.

The facts are coming out now about just what a terrible mess these banks were in, which shows that the Government acted in a situation without knowing what it was doing.

• (1115)

There are a few key points I want to make, Mr. Speaker. We are talking here about $875 million of the public's money to bail out uninsured depositors in these two banks. Everyone here could think of many useful ways of using $875 million other than as a worthless gesture in trying to rescue a couple of banks which were bankrupt in the first place. Let us contrast the way this Government is treating banks and the way it treats ordinary workers. When the banks came knocking on the door saying they were in trouble and wanted access to the public Treasury, the doors were thrown wide open. The Government, without adequate information, acted in support of the banks. Contrast that with the lack of concern shown by the Government for the people who work in the banks. I am thinking specifically right now of the workers who have organized a union in the Canadian Imperial Bank of Commerce and who are struggling desperately to get a first and fair contract. Do we see any action by this Government to help that union? Not at all. All we get is utter silence. However, when the executives of these banks ask for assistance, the treasure house is opened and the money is just shovelled out.

The people who work in the CIBC Visa Centre have organized a union and are seeking a fair contract. They would like to have the support of the Government in that endeavour. We pride ourselves in this country on fairness, justice and freedom of association, all of which underpin collective bargaining in this country. Yet these workers are faced with a management which is offering a contract with no wage increases to employees who earn on the average $12 an hour. The bank has put forward the proposition that it should be able to reduce hours of work whenever it suits the bank and at the same time insist that part-time workers receive no overtime or shift premium, partial benefits or pension. Do we hear anything from the Government about that? Does the Government say to the banks that if it is going to support them financially they should treat their workers fairly? No, all we get from the Government side is utter silence.

The bank, in its offer to these workers, wants compulsory overtime and the right to fire an employee who has taken a part-time job elsewhere. The bank wants a contract under which employees would not take cases involving discrimination to the Human Rights Commission. Do we hear any outrage from the Government over the fact that the bank dares to offer that kind of contract to ordinary Canadians? The bank wants contract language which would exempt it from the provisions of the Canada Labour Code governing technological change. It also wants to be exempt from just cause provisions of a collective agreement.

• (1120)

In summary, Mr. Speaker, I want to make the point that when the bank executives came to the Government, it reacted very quickly and gave its full support to the banks. However, when workers are struggling for a fair and just contract, the Government is silent. It is important for the Government to realize that it is demonstrating not only the unfairness of the way in which it treats the elite of this country relative to ordinary Canadians, but it has also demonstrated to ordinary Canadians its incompetence in economic affairs. If it had simply done a little homework it would have known what a terrible financial mess this bank was in. The facts of the bankruptcies of the Canadian Commercial Bank are coming to light now and Canadians can now judge the Government and the folly of its actions.

It is time for the Government to wake up, to withdraw this legislation, and to make good use of the $875 million of public money that it is throwing away in a useless gesture to bail out uninsured depositors. The Government should have been prudent in the first place and acted on the full facts. If it had done so it would not now find itself in the situation of having to pour taxpayers' dollars down the drain at a time when there is great need for public money to be spent on daycare and employment programs.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to speak in the debate on Bill C-79. Unfortunately, the ten minutes I have this morning are less than adequate to describe to the House the incompetence shown by the Conservative Government in this matter. I would like to recall the amendment moved by the Leader of the Opposition, the Hon. Member for Vancouver Quadra (Mr. Turner) in an attempt to inject some common sense in a debate into which we have been drawn by the Conservatives. My leader proposed that the House decline to give second reading to this Bill because its principle is to permit payments of large but unspecified amounts of public monies to unspecified persons or corporations. I think it must be the first time in the history of the Parliament of Canada that a Government is asking parliamentarians to vote on a blank cheque of this size. We are talking about $875 million, to be taken from public funds provided by all Canadian taxpayers to compensate a few wealthy corporations and individuals in our society that normally would not be entitled to compensation.

The Liberal Party is opposed to this Bill, and that is why we presented this amendment. The Bill should not be passed by this House because it substantially denigrates parliamentary accountability for expenditure of public funds. The previous speaker clearly indicated how these $875 million could better spent. However, I will not dwell on this aspect, except to add that this morning, after reading the papers and the testimony of that experienced banker, Mr. George Hitchman, we realized how seriously the Government had misled the Members of this House and the people of Canada throughout this debate.

The initial explanations that were given—

• (1125)

The Acting Speaker (Mr. Charest): I would like to draw the attention of the Hon. Member for Papineau (Mr. Ouellet) and the House to the fact that there is at this moment a commis-

sion of inquiry that is supposed to determine certain questions and that has received a rather broad mandate. I realize this is a difficult matter to rule on for the Chair, and I would ask you to be patient, but there are a certain number of issues which cannot be appropriately raised or dealt with in this debate. I am therefore asking all the Members of this House to be careful or to choose their words wisely in the course of this debate.

Mr. Ouellet: I can understand the Chair's and the Government's unwillingness to deal with the Government's incompetence, which was clearly demonstrated in this morning's newspapers which reported Mr. George Hitchman's testimony. I should like to quote from a newspaper clipping which clearly states that the Government in this matter could have acted quite differently. What we know is that a scheme to save the Commercial Bank of Canada was proposed to the Minister of State (Finance) (Mrs. McDougall) and was turned down by the Government. So we are far from the truth when we are told that the failure of this bank in Western Canada has been caused by the energy crisis. As you certainly remember, Mr. Speaker, that is the excuse the Tory Government used at the beginning of this mess. The Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) have told us. If the Commercial Bank of Canada has failed, it is because of the energy policy of the previous Liberal administration.

But we know now that if that bank has failed, it was only because it was badly administered, because its directors authorized bad loans and because of utter mismanagement. When a scheme was proposed to bail out this bank, this Tory Government chose to turn it down. If the Commercial Bank of Canada failed, therefore, we can reasonably say that it was partly because this Government turned down at the time a scheme to bail it out.

The Northland Bank is a second bank which is also in trouble. During this debate, my colleague the Hon. Member for Laval-des-Rapides (Mr. Garneau) has put forward a plan to save this bank. I hope all Members on the Government side will consider this proposal, because this second bank in Western Canada could be saved if the bail-out plan put forward by the Hon. Member for Laval-des-Rapides were to be accepted. When we are told that banks are now going bankrupt, Mr. Speaker, my response is this: if those banks go bankrupt it is because this Conservative Government has been intent on applying a political solution rather than an economic solution to that financial crisis which we are now going through. This is perfectly plain.

I will quote from an editorial written by Mr. Frédéric Wagnière and published in *La Presse* on September 11, 1985. This is what he wrote:

> By arranging the bail-out of the Commercial Bank in March, the Government did wrong, it made a disastrous goof.
>
> Ottawa misjudged the situation: the Government underestimated the amount of capital needed to save the Commercial Bank, and it overestimated the banks' willingness to save a competitor. That error in judgment is serious, and it is important that in the future, the Government, the Bank of Canada and the Inspector General of Banks should show a better understanding of our banking system.

And he concludes with the following remarks:

> The Mulroney Government wanted to save a fledgling financial institution in a part of the country which finds it very hard to get over the impact of the depression.

So he said.

> They overreacted by referring to a crisis of confidence in the banking system that only existed in their own imagination.
>
> They will now have to live with the uncertainty which they themselves created.

This, Mr. Speaker, is the situation. It is clear. That journalist described it in a few words. We could have saved those banks had the Government acted more sensibly and more efficiently.

The Minister of State (Finance) (Mrs. McDougall) who introduced the Bill is not even here now, so I will refrain from making the charge I intended against her. I simply submit I have found her incompetent, irresponsible, and throughout the days that followed that bank fiasco, she has shown indescribable arrogance and self-complacency.

Today as we are told that a third bank is having problems, I think it is essential that the Government should assume its responsibilities and tell all Canadians that our banking system is strong, that it can overcome trials, that in spite of a few mistakes, the Government will learn from the painful lesson it was taught this summer, and will see that the situation is corrected to prevent any other bankruptcy in our banking system.

What I find totally incredible is that the Government is asking us to reimburse $875 million or so to persons unknown, to unidentified individuals and corporations. You know, Mr. Speaker, that under the current legislation, a small depositor who invests in a bank can be protected up to $60,000. Before concluding my comments, I would like to say this. The small depositors do not need the Bill now being considered. But who needs it then? The people who invested a few million dollars in that bank venture and are now sheltered under the cloak of anonymity by the Progressive Conservative Government. In my opinion, this is unacceptable, unfair, unspeakable and I shall vote against the Bill.

• (1130)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to participate in the debate on this amendment to the bank bail-out Bill of Barbara's. The amendment proposed is correct, just, and fair. It says we ought not to proceed with second reading of this Bill, and I agree with that. Can we not have faith anymore in Conservatives being truly Conservative? Have they distroyed the confidence of the Canadian electorate that Conservatives would really act like Conservatives? Why can't Conservatives be true to their ideology? I know that

Members over there have said they are red Tories and blue Tories, and some have even said they are "suppositories". But can they not maintain a basic Conservative principle, a principle which I heard all about during the last election and over the eight years I was here? They criticized the Liberals for it. They said the Government should stay out of business; it is free enterprise which is going to build Canada and we have to get the Government off the backs of business. The Government should not be involved in business. The business of business is business. So what do we have in Bill C-79? What are they proposing? What they are proposing is to insert themselves into the bankruptcy process.

We have a process whereby there is deposit insurance and depositors are insured up to $60,000. The Conservatives are proposing to go beyond that. They are saying to the business people, the large corporations of this country, you took a risk when you went after the high interest rates that the Canadian Commercial Bank and the Northland Bank offered, but it does not matter. We will insure that risk as well. It is all right to chase after the higher return. We will take the risk out of business.

In my riding two years ago when the major employer closed down for nine months, workers lost their homes. They lost their homes because they could not make the mortgage payments and no bank and no Government came to bail them out. Not one.

In this particular instance we have the spectacle of a Conservative Government wedded to the free market free enterprise concept and then running in to bail out its buddies from Bay Street and Wall Street.

An Hon. Member: And maybe Saint-Jacques.

Mr. Rodriguez: And maybe Saint-Jacques, the Hon. Member says. I accept the argument that some Conservative Members over there use that some of these depositors are municipalities like Kanata, some are hospitals and some are western credit unions. But why don't we apply the old Conservative truism that we pay on the basis of need? Why don't we apply a bail-out on a means test basis? Let the Citibank, the Chase Manhattan, Barclay's Bank, The Bank of Tokyo or The Bank of Singapore demonstrate a need. If they can prove that they need the 121 odd million dollars which have now been guaranteed by the Government, we would consider paying them. Why not apply the same principle which they were advocating for old age pensioners and for family allowances? Why not apply that to the Government's corporate friends? I suggest that Members opposite do that and not come in here and ask holus-bolus for a bail-out.

As well, this Bill is premature, because we now have a judicial inquiry into the whole collapse and bail-out of the Canadian Commercial Bank and the Northland Bank. Mr. Justice Estey is now conducting a judicial inquiry, and there are some very serious questions which need to be cleared up. One is the role of the Inspector General of Banks. What is his role, what is his function? What regulatory powers does he have and how does he use them? What is the role of the Bank of Canada in this mess? After all, it was the Governor of the Bank of Canada, Bouey the fourteenth, who was phoning *The Globe and Mail* at the time of the original bail-out last March and saying, oh, well, the CCB is a viable bank. What is his role in all this? What is the role of the Government in this whole mess? After all, it is the same Government which has put forward a Green Paper to deregulate the banking industry and allow the creation of all sorts of Schedule C banks. She wants to open it up now, to deregulate it, as if we did not have enough problems. Back in May, I believe it was, the Minister who approached Mr. Hitchman and asked him to go on the Board of directors of the Canadian Commercial Bank. He said: "No, I do not know enough about this bank and its loan practices; I would not think of doing that". In fact, that should have been a signal for the Government to take a good, hard look at the operations of that particular bank.

• (1140)

As we go through this judicial inquiry, all sorts of very serious questions are being raised. We require answers to those questions. What was the role of the Inspector General of Banks? What was the role of the Governor of the Bank of Canada? What was the role of the Government? What was the role of the auditors who were supposed to audit the banks? As a matter of fact, the auditors are quoted in Mr. Hitchman's Report as saying that the Canadian Commercial Bank was not as conservative in its loan practices as they would have liked. What was the role of the Minister of Finance (Mr. Wilson)? What was the role of the Minister of State for Finance (Mrs. McDougall)? These questions must be answered before Parliament can open up the Treasury doors and shovel out some 800-odd million dollars. That is just a down payment; the prospect is that this amount could run to $2 billion before it is all over. Parliament has a responsibility. When it spends taxpayers' money, it has to account for it. We, as Members of Parliament, are no wiser today about the smelly business in the Canadian Commercial Bank fiasco than we were about the tuna affair. The Government should not proceed with the Bill at this particular point. As I said, we need the answers to those questions. It would be wise to hoist the Bill until we have received the report of the judicial inquiry.

The matter becomes more curious as we go. For example, in this morning's edition of *The Globe and Mail*, we see the Minister of State for Finance or the Government running off to persuade banks to support the Mercantile Bank. It is like a house of cards. We now have the Government doing exactly what it did last spring. It is encouraging the banks and provincial Governments to support a shaky situation. The same situation is developing with the Mercantile Bank. According to *The Globe and Mail* this morning, "Ottawa persuaded banks to support Mercantile". Taxpayers need some answers. Parliament needs some answers. This Bill should not be proceeded with until we have received answers to the questions which we have raised in the House.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I am rising in opposition to Bill C-79

which, as Hon. Members know, is a Bill to reimburse depositors with over $60,000 in the Canadian Commercial Bank and the Northland Bank. I am doing so because, as other Hon. Members have said, we are being asked to reimburse people who have not been identified. We do not know who they are.

It is very strange. We are being asked to vote for a Bill which is requesting between $800 million and $1 billion. On the one hand, the Government says that it believes in parliamentary reform, that Members of Parliament should be more involved in the process, that there should be a stronger committee system and so on. On the other hand, it asks us, as representatives of the Canadian people, to vote on this large sum of money without telling us who will receive it. We do not know whether they are foreign entrepreneurs, American, European or Japanese. We do not know even if they are large Canadian entrepreneurs. Entrepreneurs enter the market-place knowing that they have to take risks and knowing that the CDIC only insures deposits up to $60,000. These people put their money in the Canadian Commercial Bank because they would receive a benefit; a higher rate of interest, in certain cases. They took those risks as entrepreneurs. They knew about the CDIC limit of $60,000. We presume that there are large corporations involved, but we do not really know for sure. We are being asked to bail out these people by a Government which says that we must rely more and more upon the free market system.

As my hon. colleague who spoke earlier said, there is a certain ambivalence in the Conservative Party. That Party came to power and said that we must return to the free market system, that we should let the free market system be the ruling principle in business and economic matters. However, when we are faced with the bankruptcy of the Canadian Commercial Bank—and very likely, although it is not clear, a large number of corporate entrepreneurs are involved—the rules of the game change and we are asked to bail it out. This sets a very serious precedent for other situations of a similar nature which might arise.

Perhaps there would be some justification for helping small credit unions that are depositors, small municipalities or small pension funds, but we do not know how many credit unions or small municipalities are involved. In fact, we do not know how many large corporations are involved. We are being asked to sign a blank cheque of nearly $1 billion without the necessary information being given to us. We are supposed to represent Canadians in the spending of taxpayers' money, and we are being asked to write a blank cheque for the Government.

Last March, when the Government came to us and asked us to vote for a Bill, it was a crisis situation. I was led to believe that it was putting before us something which had been solidly researched, that the Government had done its homework, and that its proposals in March to bail out the Canadian Commercial Bank would put that bank back on its feet and make it profitable for shareholders and depositors. We took the word of the Ministers involved and of the Government that they had done their homework and that we had to vote quickly in order to put that bank back on its feet. We voted for it, but we were misled by the Ministers involved. They did not do the audit which was necessary. They did not accept the advice of people who knew quite a bit about the situation. The Ministers did not participate in many of the negotiations which led to the bail-out package. We have the impression that the Prime Minister (Mr. Mulroney) and certain Members of the Government and of the Cabinet were willing to put forward the bail-out proposal at any cost, just to save face, in the hope—

The Acting Speaker (Mr. Charest): Order, please. I am very sorry to interrupt the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), who is a well experienced Member of the House. I remind the Hon. Member, as I did the Hon. Member for Papineau (Mr. Ouellet), that the Chair is in a very difficult position today in this debate. A royal commission of inquiry is proceeding on this very issue. The general principle remains the same, that there is liberty of debate in the House, but in this specific case there is also a royal commission which has as its mandate to investigate the whole matter. We are in a difficult position today. I remind all Hon. Members of the House not to refer to what the commission has, as its mandate, to investigate and not to prejudice the ultimate decision of this royal commission of inquiry.

• (1150)

Mr. Manly: Mr. Speaker, I rise on a point of order. I can only respectfully submit, Mr. Speaker, that your limiting debate in this way means that what the Government is doing is a farce and the freedom of speech of the House of Commons is being impaired.

The Acting Speaker (Mr. Charest): To make it clear, there are precedents on this very issue. To simplify what I am trying to say today, there is a royal commission of inquiry that has the mandate to look into this matter, to hear evidence and to submit a report. In view of this, it would not be appropriate for Members of the House, in the context of this mandate, to prejudge or, if I could use the expression, to jump the gun on the conclusions of the report. Since the commission has received this mandate, let us let it go on with its work. Therefore, I am asking Hon. Members to be careful. I do take into account the fact that in general it is a principle of this House that we do have liberty of speech.

[*Translation*]

Mr. Prud'homme: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis, on the same point of order, I presume?

Mr. Prud'homme: Yes, Mr. Speaker. I would like to submit, with respect, before the Chair draws any conclusions, that if this Bill is adopted, and it will be, despite the speeches of the Opposition and no matter how my Opposition colleagues vote, it will eventually have to be referred to a parliamentary committee. Does the Chair mean that a parliamentary committee responsible for considering a Bill referred to it by Parliament for consideration after second reading and that will

have to go to work right away, would have to be limited in scope because there is a royal commission of inquiry as well? I find that absolutely incredible . . . and you are getting close to a *sub judice*, since you called my colleague to order twice. Therefore, with all due respect, I find it rather hard to believe that just because there is a royal commission of inquiry, practically everything becomes *sub judice*, and that while in *Quorum*, which we get daily, the first page tells us exactly what happened yesterday, Parliament should be deprived of its duty to consider a Bill that is before the House. The Government introduced the Bill, not the Opposition. The Government asked for a commission of inquiry, not a royal commission of inquiry, but it was the Government that asked for and set up this commission. So I submit, with respect, since I know you have a legal mind and I think we should discuss this, that it was the Government's decision to introduce a Bill. It also decided to submit the entire matter to a Justice of the Supreme Court, and now we are being told here in the House, although it was in all the papers this morning, that the Members of the House of Commons, who have a mandate to consider a Bill introduced by the Government, may not allude to what is happening somewhere else—

I do not know how the Chair intends to decide or rule on this matter, but with respect, Mr. Speaker, I think that my colleagues should be allowed to continue their present approach to this debate, without considering what is happening elsewhere.

The Acting Speaker (Mr. Charest): I shall, if I may, attempt a reply after listening with great interest to the Hon. Member for Saint-Denis (Mr. Prud'homme), who, as usual, has submitted arguments that reflect his experience in this House. Perhaps I may remind the House that I am somewhat reluctant to rise today and call Members to order on this question. I repeat that this is a very difficult situation for the Chair.

You are asking me a question indirectly, and since you mentioned my legal mind, I would like to inform the House that the Chair is not in the habit of making *obiter dicta* on questions that arise in the House, not on this matter or any other matter. Furthermore, we have the following situation: a commission of inquiry is considering a matter and will eventually have to submit recommendations. What we are asking the Members of this House today, and I suppose we cannot impose the same conditions on the media to which you referred, is that Hon. Members who have certain responsibilities and must observe certain traditions and rules refrain from prejudging the conclusions or recommendations yet to be made by the commission of inquiry, in other words, refrain from conducting a parallel inquiry. That is the main thing, and that is why I intervened in the debate. The general principle remains the same: you have the right to discuss the matter.

Certainly, there is a Bill before the House. That is clear. You have the right to discuss the matter, but you are being asked to be careful in your references to the commission of inquiry which has started its proceedings. I hope this has clarified the matter once and for all.

The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), to be fair, also on a point of order.

Mr. Lanthier: On a point of order, Mr. Speaker. I did not object until now, for the debate was proceeding normally. However, in addition to your remarks which we fully endorse, perhaps the Hon. Member ought to be reminded that we are now on the amendment. I do not think he has been speaking directly to the amendment, he appears to be more interested in the main motion. I was called to order the day before yesterday, supposedly because the debate was on the amendment, nothing else. Perhaps he too should be called to order.

[*English*]

Mr. Frith: Mr. Speaker, I rise on the same point of order. First, I think it should be clarified that the Estey Commission is a judicial inquiry and not a royal commission. Second, there has been a tradition in the House that despite the fact that the Government may wish to refer a very controversial item to a committee, the Opposition is still allowed during Question Period to put questions on the same matter.

Furthermore, and I do not say this with any malice, I think it is very important that those who are in the chair have some discussion prior to the beginning of the debate so that they have a common point of view. I would refer you to *Hansard* of the previous two days, Mr. Speaker. Believe me, Hon. Members of the House on both sides have not been inhibited from discussing the matter in the way that you are suggesting this Hon. Member must be inhibited at this time. I think it is very important that those who are going to be sitting in the chair understand exactly what the terms of reference will be and how we in opposition will be allowed to debate the matter. This is very confusing to all of us.

Mr. Waddell: Mr. Speaker, I rise on the same point of order. I rise because I was once counsel to a royal commission which was looking into a controversial point and of course there were questions put in the House at the same time. I am personally very symptathetic to the Chair. I think in principle the Chair is right. However, the Chair is in an almost impossible position because this is a controversial matter on which a commission, judicial or royal, is sitting. We are debating the same matter. Of course, we have to approve the expenses regarding the matter. I think we all appreciate that.

I think that the Chair is going in the right direction in terms of setting out the parameters of the debate. With respect, Mr. Speaker, the debate is fairly wide open, but as you pointed out, references to the Estey Commission which would lead to the possibility of prejudicing its conclusions would be out of order. I think Members have to take a broad approach regarding the general issue but restrict themselves from actually referring to the Estey Commission and making specific recommendations to it. If they want to do that, they should appear before the

Estey Commission. I believe that those broad parameters are acceptable to the House.

Mr. Allmand: Mr. Speaker, I am resuming the debate that was interrupted by the points of order and your own attempt to call me to order. I might say that I appreciate the fact that there is a judicial commission looking into this matter. However, this Bill is also before the House and we have to vote on it. There is a certain overlap in the subject matter covered by the Bill and the subject matter of the judicial inquiry. The points I am trying to make are important for the debate because the Government is asking us to support a Bill which is a second attempt to deal with the Canadian Commercial Bank situation. I have to put on the record the fact that I am opposing this Bill at this time because we were misled the last time. I do not intend to be taken in twice. I have to put the facts on the record with respect to that point.

● (1200)

Finally, I would like to make it clear that under our constitutional system the Parliament of Canada is the supreme court of this land. There is nothing else which is more sovereign or more supreme under our Constitution than Parliament. We are not subject or limited in any way to any judicial inquiry or any royal commission. I do not want to suggest in any way that the commission be pre-empted from doing any work that it should do. However, I intend to put on the record as fully as possible in the short time that I have all arguments which relate to this Bill.

I have said that I felt we were misled the last time and I gave some examples with respect to that point. I also wish to say that the reason we were willing to believe the Government the last time was that we were told it supports regional banks. It was under Liberal Governments that several of these regional banks were set up. We think all the arguments for regional banks are good ones. It is not right to have westerners running to Toronto and Montreal for approval of loans and so on. I think that is wrong. In this country there is certainly a place for regional banks and we are in support of that. We went for the first bail-out on the information given to us, but we found out it was wrong. Again, I ask: Why did the bail-out group not consult the Canadian Commercial Bank's external auditors? Why did the bail-out group not look at the minutes of the Canadian Commercial Bank audit committee? Why did the Government and the Minister turn down the banks' offer of a full audit of the bank's books? I could go on asking questions.

What is interesting about this whole question is that if there was one thing that the Canadian people expected from a Conservative Government it was good economic management. We did not expect this Government to be strong on social policy. We did not expect it to be strong on foreign affairs or other matters; but we thought it would be a good economic manager. However, before us we have a situation in which the Government was sloppy. The Ministers were sloppy. They were negligent. They did not perform the audits required, nor did they do their homework. They were cynical and smug about the whole issue. They did everything quickly and they asked us to vote for something. They asked the Canadian people to support something without doing the work which is required of responsible Ministers when a great deal of taxpayers' money is involved. What is damning about this whole issue is that the Ministers did it quickly without the work that should have been done in the first place. They did it sloppily, negligently and carelessly and now they are being asked to bail them out again.

The other question to consider is: Where will all this end? We are talking about between $800 million and $1 billion. If we accept the precedent that we must bail out depositors who are depositing over $60,000, where will it end? Is this just more ad hockery? Is this another situation in which there is no consistent policy on the part of the Government?

I do not intend to give a blank cheque to the Government. I will not ask the Canadian people to support any Bill which would give a blank cheque to the Government. I want to reach outside Parliament because it seems that with the large majority which this Government has, and with only 70 Members in opposition, the only way we can change the Government's mind is to appeal over its head to the people of Canada as we did with respect to the Bill to deindex old age pensions. I beg Canadians to look closely at this matter. I ask: What does this do to our priorities? The Government is asking us to spend $800 million on this matter. How does that line up with other matters such as family benefits, certain environmental questions, assistance to our native people and a great many other important matters which have to be undertaken in the country? Is this really where we should put $800 million or $1 billion? I say no; but I ask Canadians and our journalists to focus attention on these issues so that we can bring pressure to bear on the large group of Government Members who seem not to be saying very much in opposition to this very important question, even in contradiction to their own principles of free enterprise and the free market system. They are willing to violate that principle in this case because it is politically expedient to do so.

We will vote in favour of the amendment put forward by the Right Hon. Leader of the Opposition (Mr. Turner). We will not vote in favour of the Bill because we are not receiving the information we want. We do not know who will be the beneficiaries of this Bill. We feel it is contrary to all the principles of parliamentary responsibility to support a Bill such as the one before us.

The Acting Speaker (Mr. Charest): Resuming debate, the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, thank you for recognizing me as the next Member to speak in this debate. The amendment presented states that this House declines to give second reading, that is, approval in principle, to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds. I think

it is a good amendment. I will vote in favour of it and I wish to tell Hon. Members why.

Before I do that, I would like to address some remarks covered by the press this week. I am referring to remarks made in Vancouver by Mr. Edward Kaiser who is the Chairman of the Bank of British Columbia. Mr. Kaiser registered his concern with respect to the whole issue before us, he being the chairman of a small western Canadian bank. He criticized parliamentarians for attacking the Government on this issue. As a Member of Parliament from Vancouver where that bank is based, I would like to spend a few moments addressing Mr. Kaiser's remarks. I wish to say to him and to the House through you, Mr. Speaker, that I agree with him and I disagree with him. I wish to tell the House why.

I agree with him in the sense that it is pretty clear that we need to have some stability and confidence re-established in the Canadian banking system, especially the regional banking system which, as the previous participant in the debate expressed in his speech, is very important for the economic viability of the country, especially for the western Canadian region. Like Mr. Kaiser I, too, am unhappy with the rumours about the liquidity of the Bank of British Columbia, the Mercantile Bank of Canada and the Continental Bank. I wish to say to Mr. Kaiser that we have not been saying that there are problems with those banks. As far as I know there are no problems being experienced by those banks, especially the Bank of British Columbia which, I understand, is in an excellent position. I used to have an account in Mr. Kaiser's bank. When I return next week to Vancouver I tell Mr. Kaiser that I will place a little bit of the little money I have—being a Scotsman I don't have that much and I am careful with where I put it—in his bank to show my good faith in the Bank of British Columbia. I think it is a strong and important bank. I want Mr. Kaiser to understand that we are saying that.

I also want Mr. Kaiser to understand that our job here in the House is to ensure that the Canadian banking system is working. When one looks at the fact that we are being asked to spend $1 billion to bail out another bank—and we bailed one out a few months ago—and when we look at some of the evidence upon which I will comment later, about the banking system and banking practices in Canada, then it seems to me it is worth doing this job. It is a job which the Opposition is undertaking, not with relish. We do not want people removing money from their bank accounts. We want a strong Canadian banking system. We want a strong economy in western Canada.

I wish to buttress what I have been saying with an article from *The Globe and Mail*. I will just read the first paragraph. It says:

> The long-awaited Hitchman report on the Canadian Commercial Bank paints a damning portrait of a financial organization in which the files were a mess, senior officers and directors alike endorsed questionable loans and executives did not know how serious their problems were.

I will not go into the details of that. I only raise it to show that it is our job in the Opposition to ensure that these inadequacies with respect to the banking system will not happen again. It is our job to put the Government on the hot seat in order that it will respond. The Government has a problem in a general way. It was giving very soothing assurances through Government regulators that these two western banks were in good shape. Contrast that, Mr. Speaker, with what is coming out in the Hitchman Report. The Government gave the word of the Governor of the Bank of Canada earlier on this year when it first bailed out the Canadian Commercial Bank. The argument the Government makes, I suppose, is that it agreed that these banks would be okay and, therefore, when the banks finally collapsed, it should morally and ethically bail out the depositors, not just for the $60,000 for which they were insured, but for the full amount of their deposits. That, of course, is unusual in the free market system where when people invest they take risks and if they lose, they lose, and if they gain, they gain. But the Government feels morally and ethically bound to bail out these banks, and that is one of the central parts of this debate today.

• (1210)

The second argument the Government would make, I suppose, is that it has to bail out these banks to the full extent of the deposits in order to ensure the stability of the banking system, which is the greater goal. I would think that these are the two main arguments of the Government and I would say they are false and dangerous arguments.

What do the people say in my riding? A 58 year old labourer who is unemployed asks, "Are you going to bail me out of my mortgage situation?" Someone else who is unemployed asks, "Are you going to bail me out? I don't have any money and I can't get another job". I know of a bank employee who was fired after 30 years of working for the bank because she had a nervous breakdown. Did the bank bail her out? Did it provide an early retirement and look after her? No, it just got rid of her. Ordinary Canadians look at these situations and ask, "Who is getting bailed out?" By and large, as far as we can figure out, after a lot of effort on the part of the Opposition and stonewalling on the part of the Government, we are bailing out foreign banks. We are giving a lot of money to foreign banks and to rich people. There may be a few poor people who could use their life savings and so on and perhaps we should establish a hardship fund for those people. But by and large these foreign banks do not need a hardship fund. The large Canadian banks are making lots of money presently and have in the last decade. We do not have to bail them out in this situation.

There is a feeling amongst the ordinary Canadians in my riding that there is a tremendous inequality here. Why should we bail out these people when we do not even know who they are? And we have evidence that we are basically bailing out foreign banks. The ordinary Canadians say that that is not fair. So I say to the Government, with respect to its argument, that it has to do this to keep the stability of the banking system that we must reform the banking system. We have to create a better regulated banking system. Some of the practices which were revealed by the Hitchman Report will be reported on in greater detail, such as speculative real estate loans, loans to

companies in California and loans which were bad in the beginning and so on. We have to change the system which allows those things to happen.

The Minister of State for Finance (Mrs. McDougall) said in the House that she inherited this terrible system. I am distressed when the Associate Minister of National Defence (Mr. Andre) stands up and blames it all on the National Energy Program and on us for supporting that program. We in the New Democratic Party did not support the National Energy Program. I have the votes here to prove it. That is a myth. I ask Hon. Members to take a look at the record and the votes. The National Energy Program hurt western Canada, that is true, but at the same time Alberta's problem is that it had a boom and bust situation. There was a boom and bust situation going on in the American oil industry at the same time. These banks were investing in real estate. They were going down to California to invest, and that did not have anything to do with the National Energy Program. It is simple to blame the National Energy Program and to say that we are somehow anti-West because we feel we must look into the bail-out of these banks, but that is a red herring.

I would like to say in summation, Mr. Speaker, that we in the Opposition will not be fooled a second time. We are not going to agree to this bail-out. We were fooled with the first bail-out but we will not be fooled with this bail-out. If the Government asks the ordinary Canadians it will find out that they do not like bailing out foreign banks and real estate speculators. We are prepared to keep this debate going and to resist this legislation as much as we can. I tell Mr. Kaiser in summation that he should look at the Opposition's role in that respect. I will send him a copy of my speech and if I get a chance to speak again in this debate, I will read his reply into the record.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, the Hon. Member for Vancouver Quadra (Mr. Turner) presented a motion which I will read slowly so that we can all understand exactly what it states, and I quote:

This House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds.

I have not heard any Hon. Member speaking about what unites all of us here in this Chamber, and that is, the great tradition of the British parliamentary system. What we see at this time is a slow erosion of one of the best political systems, the Canadian parliamentary system which is based upon the British parliamentary system. The basic principle of the British parliamentary system is accountability. But the Government is asking us to vote blindly certain sums of money to unspecified persons or corporations. That is totally against the principles of this parliamentary system.

It is the duty of the Canadian Government to justify every expenditure of money. It is the duty of Her Majesty's Loyal Opposition and the other Opposition Party to oppose this Bill if we do not know what the money will be used for or who will receive it.

• (1220)

I will not, Mr. Speaker, talk about the event which took place yesterday in court. Mr. Hitchman was the first witness and others will come along and say something else so I do not want to prejudge anything, but he clearly said yesterday that the real subject matter was not what we were told in recent weeks. My colleague and friend—the name of his riding is so long I would rather say the Hon. Warren Allmand, but the rules say that I must say my colleague, the Hon. Member for Notre-Dame-de-Grâce-Lachine East—said many of the things I wanted to say so I will not repeat them except to say that we were, in our evaluation, fooled once. There is a proverb, and my colleague from the NDP just said it, that we will not be fooled again. We all know the proverb that says, you can fool me once and shame on you, but if you fool me twice, shame on me. I can tell you that the Opposition will not, without fighting to the very last minute, be fooled twice.

You have heard recently, and my very good friend the Right Hon. Prime Minister (Mr. Mulroney) himself said, that the Opposition is against the interest of the West. I think my friend from Notre-Dame-de-Grâce-Lachine East very clearly said that we created these western banks and we were very pleased and proud, and no one is going to say that we are happy to see them in difficulty. We created them because we believe that everyone should have an equal share, not in the wealth of this country but in the decision-making power centre, and that is why it was so important to have these two banks and other financial institutions created in the West. It was in the interests, first, of the West, but of course also in those of the majority of Canadians.

[*Translation*]

Mr. Speaker, we do not think we should vote blindly, and for the benefit of my French-speaking colleagues and our viewers I want to repeat the motion of the Right Hon. Member for Vancouver Quadra (Mr. Turner), the Leader of the Liberal Party, the Leader of the Official Opposition. As he said to the House, we maintain that:

—this House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies—

—and I emphasize this—

—to unspecified persons or corporations, thereby substantially denigrating Parliamentary accountability—

Mr. Speaker, how can I explain, how can the Ministers and Government Members, how can we Members of the Official Opposition and of the New Democratic Party explain to our constituents that we are about to vote blindly on a piece of legislation whose economic impact will be far-reaching? We are talking about at least $875 million to be paid to people whom we do not even know, foreign banks, American banks which are not even prepared to cooperate with Canada and tell us how such deposits could have been made with those branches and those banks. They want to keep us in the dark, but the Government is getting ready to pay them huge amounts of money.

Have we thought for a moment what we could do with that money? What can we tell other Canadians who call us to ask: Listen, I made a bad investment recently, the deal went sour. Now that precedents are about to be created, will the Government come to my rescue? How do we answer those people?

What can we tell them? I might say that the present legislation is sound, it was introduced by the previous Government. All those who have savings of less than $60,000 can sleep tight, they are fully insured. But the others who were prepared to take a chance and invest millions of dollars because the yield was better are having second thoughts now that things are going badly. They expect the Minister of State (Finance) (Mrs. McDougall) and the Prime Minister to come to their rescue, because everything goes these days, a real free for all. I see my colleague is smiling, but the fact is that we do not know what to expect next, anything can happen when the truth is hidden. Who are those people who pleaded with the Minister of Finance to have this Bill adopted? Who are those big wheels, those rich people? We can believe anything. Who pleaded with the Prime Minister who said to him: "Save us, we wanted to run a risk but things turned out badly, now please save us!" I remember that when the Opposition parties requested an emergency debate on the disasters befalling both those banks, the Government flatly refused. More than five Members opposite having risen and asked for a vote, the bells rang for a few moments and suddenly the Government changed its mind and asked us not to proceed with a vote because they would allow that emergency debate. We refused, we asked for a vote and the Minister of Finance as well as the Minister of State (Finance) after having said there was no emergency that afternoon, cringed and voted with the Opposition saying that there was cause indeed for an emergency debate.

We then saw the Minister of Finance leaving this House not to return; we saw the Minister of State (Finance) engaging in debate while she should have quieted the fears, because a Minister of Finance in Canada should not be as partisan as some of us may sometimes be. She was there to comfort us but that evening she delivered one of the worst partisan speeches that I have ever heard from a Minister of Finance during my 22 years as a member of Parliament.

I would then say to you, Mr. Speaker, that the Opposition is not in the mood to vote blindly for that Bill. We will continue to demand, Mr. Speaker, by all possible means at our disposal under our Standing Orders, we will continue to demand—

[*English*]

—demand, not request, but demand from this Government that we want to know to whom we are giving this money. People wish to know. The electors, the Canadian voters, are requesting us to fight in this House and not blindly vote sums of money to unknown people, unspecified corporations or persons. You can be assured, Mr. Speaker, that we are not going to rest and let this Bill go without fighting with every means at our disposal.

Depositors Compensation

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to make a few comments on Bill C-79 which provides for a bail-out of incompetence in these banks and in the Conservative Government. To be specific, we are dealing right now with an amendment which says that we do not give consent to second reading of this Bill. However, it is important to remember just what we are discussing here. We are discussing a bail-out which will cost some $875 million of taxpayers' money to pay depositors who had more than $60,000 on deposit at either the Canadian Commercial Bank or the Northland Bank. We must remember that depositors of up to $60,000 are fully covered by the Canadian Deposit Insurance Corporation and those who have more on deposit are covered for the first $60,000. Very few of the people in my riding will ever have more than $60,000 on deposit in any bank.

• (1230)

Upon looking at the very incomplete figures that have been provided through the profile of depositors in these two banks, we find that this Bill is far from helping the little people of Canada. Seventy per cent of the funds will go to Canadian banks, foreign banks, investment dealers, large corporations, and provincial Governments. We must remember that this Bill does not deal with the needs of ordinary Canadians who, if they are lucky enough to have any money in the bank at all, very seldom have more than $60,000 on deposit. The $875 million which is called for in Bill C-79 amounts to asking every man, woman, and child in Canada to pay over $30. I apply that figure to my riding and ask what could be done with an additional $3 million in that area in terms of job creation and economic stimulus and in terms of helping community groups which are trying to develop alternate economic strategies in the face of the massive collapse of the economy which took place in British Columbia over the last two or three years.

Thirty dollars for every person on Vancouver Island would amount to $15 million. For the last year we have been thinking of the proposal of the Vancouver Island mayors that the federal Government should contribute to the $22.5 million forestry program that they have suggested. They feel that that program would provide jobs today and tomorrow, would ensure our forestry resource base, and would work toward a solid economy for that region. That program has been endorsed by the provincial Government, although that Government has not contributed any money to it. The Minister of State for Forestry (Mr. Merrithew) in the Conservative Government says that it is a good program, although he has only given the magnificent sum of $1 toward it. This money would really help the economy but, instead, the people of Vancouver Island are being asked to pay their share of this national bill for two incompetent banks. Instead of money coming on to Vancouver Island to help revive the economy, an extra $15 million is going off the island to bail out the incompetence of the banks and of the Government.

I respect your request, Mr. Speaker, that we be cautious and prudent in reference to the Estey Commission which is dealing with this subject. However, I want to emphasize that the

Government has put both yourself as Speaker, and us, as Members of Parliament, in a very difficult position by proceeding with a Bill with which we so strongly disagree at the same time as the subject matter is referred to the Estey Commission. Your request, Mr. Speaker, that we be very cautious and prudent in referring to some of these matters gives a point to the amendment that we are discussing, namely, that we not give agreement to second reading at the present time.

I have no desire to prejudice the results of the Estey commission, but I think that some of the initial evidence that has been heard by that commission is most relevant to our debate on Bill C-79. We on this side would be most remiss if we did not bring that to the attention of the Canadian public. Hon. Members opposite should pay particular attention to some of that evidence, and I would like to see some of them on their feet, either defending it or asking questions of the Government. I am sure that in the ridings of all Hon. Members opposite the preponderance of people are facing very difficult times. How do they square their consciences with going into their ridings and saying that they will be taking $30 from every man, woman, and child to bail out a couple of incompetent banks because the Government made a mistake last month? I would like to hear some Conservatives saying what they think about this Bill.

Yesterday there was evidence presented to the Estey inquiry by Mr. Hitchman, whose report was made available to the Minister of State for Finance (Mrs. McDougall) on August 12. That report gave a very clear picture of a bank that did not know what it was doing, and when it did know what it was doing it was doing things wrongly. I would like to read very briefly from a summary of things contained in this report on the bank. It says that:

—almost half of the Edmonton-based CCB's loans may have been worthless at the end of May, even after a March rescue organized by the federal Government had taken $255 million of bad loans off the CCB's books.

Of the $2.4 billion in loans on the CCB's books, the retired bankers said, either $910 million or $1.06 billion—depending on which calculation is used—should be written off.

But they quoted CCB President Gerald McLaughlan as telling them in July that the bank was planning to make provisions for loan losses of only $45 million this year. In its last annual report, a year ago, the CCB allowed for only $14.8 million in loan losses.

The Hitchman Report says that these problems did not arise in the last little while but, rather, some of these loans were problem loans the day they were made. The summary continues:

During the same seven-month period from October to May, non-earning loans—those on which the CCB was not collecting interest—rose from $147.8 million, 6.26 per cent of its loans outstanding, to a staggering $458.2 million, 19.31 per cent of the total. Of the 84 loan accounts reviewed by Mr. Hitchman and his colleagues, 28 had no financial statements attached, 11 had financial statements more than a year old and the other 45 included financial statements, but lacked enough detail to make a proper assessment of the loans. Only Canadian loans were studied, since there were no files in Canada for any of the CCB's loans in the United States.

The report pointed to some of the unacceptable practices. It said:

It was also unacceptable to collect past due interest and provide for future interest payments simply by increasing the amount of the loan and to collect a fee on such loans, subsequently including such fees in the bank's profits and raising the amount of the loan.

In other words, Mr. Speaker, this is a picture of both incompetence and some rather cute practices on the part of the bank. This report was in the hands of the Minister in August, but she took no action until the Labour Day weekend. Now we are being asked to approve this Bill, which will require $30 from every man, woman, and child in Canada. An $875 million bail-out for that kind of incompetence is not something that we can agree to.

I have received letters referring to this kind of bail-out as a betrayal of Conservative principles. It certainly is that. I contrast that with the treatment of people on Vancouver Island who invested in Victoria Mortgage Corporation which was incorporated under British Columbia law. When that failed, they had no deposit insurance because it was not registered with the Deposit Insurance Corporation. Yet, because the people who invested in Victoria Mortgage are relatively unsophisticated investors, they lose everything. The people we are talking about, who invested in CCB, had over $60,000 invested. They should have known better. However, we are rushing to provide a bail-out of $875 million for them. Nothing is being done for other people, like those with the Victoria Mortgage Corporation. The contrast is unacceptable. We find the Bill unacceptable.

• (1240)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I also want to speak for a few minutes on Bill C-79. First, I wish to say that ten-minutes speeches on such an important subject seem too short in my view.

My leader, the Leader of the Official Opposition (Mr. Turner), has moved the following amendment in the House:

This House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds.

First, Mr. Speaker, this amendment describes very clearly the position of the Liberal Party of Canada, which is to oppose this legislation, since a reasoned amendment such as this one objects to the very principle of a bill. We oppose this bill because what the Government is essentially asking us to do is to agree to a blank cheque of $875 million which would then be shared among a large number of depositors, even though we do not know their names or the amounts each one would receive.

Government Members are still hiding behind the confidentiality provisions of the Bank Act.

I must point out, Mr. Speaker, that the Official Opposition has at no time before, neither in the House of Commons nor elsewhere asked for publication of the names of the depositors

or the amounts of the deposits in any bank in Canada. We are making this request now because this is a quite abnormal situation. As the representatives of the people, we simply want to do our duty which is to know where this money is going, how it will be sent and why.

Mr. Speaker, we are faced with a liquidation situation. The Government has therefore decided to do with a bank what creditors do with a business which is having problems and can no longer repay its debts. A bank in liquidation is like a business which is going bankrupt, and in such a case, the creditor who wishes to recover part of the money he is owed must make an application and expect this name to be published. This is always the case. We therefore suggest that, in abnormal conditions such as a bank liquidation, the Government has no choice but to provide Parliament with the names of all depositors who wish to be reimbursed and the amounts they will claim.

Why are we faced with liquidation? Because the Government made a wrong decision and decided to overlook the recommendations of the Hitchman report the Government itself had asked a great expert in the Canadian banking situation to prepare. Mr. Hitchman had examined the various options open to the Government. Of course, there was liquidation, but there was another solution he found much more logical and which he recommended, but it was unfortunately not the one chosen by the Government. As concerns liquidation, Mr. Hitchman did not recommend it and pointed out two dangers of such an action. First, the cost would be very high, and these are his exact words:

[*English*]

"The cost is unknown now but will be a very large sum of money". The phrase "very large sum" is printed in block letters in his report. He also went on to say that if the Government chose the liquidation route, "We would be dependent on the ability and the resources of people in the liquidators' organizations who have no experience in liquidating assets of a bank in Canada".

[*Translation*]

This means that this Government, in spite of the warnings given by the expert who had been asked to report, has chosen to override his recommendations and done the opposite of what Mr. Hitchman had recommended. Because actually Mr. Hitchman recommended a two-point plan. First, the assets, other securities and loan portfolio should be assigned to the six chartered banks, and divided among them in order that they may manage them. The Government has chosen not to follow that recommendation.

Also, Mr. Hitchman suggested the setting up of a task force with genuine powers, the responsibility of which would be, first, to take over complete control of the operations of the Canadian Commercial Bank, to dispose of the remaining assets and to report every month to the Minister of State (Finance) (Mrs. McDougall). Also, he recommended that an investigation conducted concerning the operations of the Canadian Commercial Bank, with a report to the Minister of State (Finance). How is it, Mr. Speaker, that the Government, after hiring such a recognized expert as Mr. Hitchman, decided to override his recommendations, to come before Parliament and ask for a $875 million blank cheque, with the idea that we, Opposition Members, were going to forfeit all our responsibilities, which are to monitor public expenditures?

In fact, I am asking these questions, Mr. Speaker: What are this Government's priorities? Are they concerned with helping those who are most in need? This is not clear to me, from the measures the Government has put forward until now. Are its priorities, for instance, concerned with helping families in need? This does not seem to be the case, because they intend to deindex family allowances. They even intended to deindex old age security pensions. And they only backed down when there was a public out cry. Do they intend to prevent job losses that are occurring throughout Canada, and most tragically now in the East End of Montreal, where the industrial base is being eroded? No, Mr. Speaker, those do not seem to be the priorities of this Government which stated only two days ago, through the Minister of Energy, Mines and Resources (Mrs. Carney), that it was not ready to help Motoco buy the Gulf refinery, an operation which would save 450 jobs.

In fact, the Government's priorities seem to be to compensate large depositors, the ones with deposits exceeding $60,000, because all the smaller depositors are already reimbursed under the Deposit Insurance Act.

In fact, what I think the Government is trying to do is to conceal its previous errors. The Government, which arranged a poor bail-out program that has actually flopped, is now cornered. They were scared to do what they had to do, which was to follow Mr. Hitchman's advice. It would have required a lot more courage, a lot more competence from the Government, to ensure for months on end the day-to-day monitoring of a faltering bank, and thereby to protect all its depositors and by the same token the average taxpayer of Canada who would not have had to contribute such large amounts as this Government is now getting ready to pay out. The reason is the Government goofed beyond measure when it arranged that rescue package, and is afraid of following the appropriate recommendation, which is to keep the Canadian Commercial Bank in operation, to ask chartered banks to continue their support and extend their technical help to the Canadian Commercial Bank. It was this same Government that turned down an offer by the chartered banks to inspect the loan portfolio of the Canadian Commercial Bank. It was an ill-considered rescue package, and with the legislation now before us, history is repeating itself.

It is no surprise, Mr. Speaker, that on this side of the House, we are unwilling to accept the legislation put forward by this Government. It is an ill-conceived Bill. We are going to fight against it, and we are committed on behalf of the Canadian

people to ask here and now a number of questions from the Government. Why did they not follow the recommendations presented to them? Why did the Government choose the winding-up route, which was considered as most dangerous by the expert, Mr. Hitchman? The Government will have to answer all those questions before they can expect the Official Opposition to give their support and allow them to sign a $875 million blank cheque. We will not accept that, Mr. Speaker.

● (1250)

Hon. Jean Lapierre (Shefford): Mr. Speaker, it is somewhat unwillingly that I take part in this debate which, as my colleague the Hon. Member for Saint-Denis (Mr. Prud'homme) pointed out, is breaking with all Parliamentary traditions. How is it that we are called upon today to deal with Bill C-79, Mr. Speaker? I feel it is important to remind the House of the events which have culminated in this colossal fiasco.

Last March, Mr. Speaker, the Minister of State (Finance) (Mrs. McDougall), the Minister of Finance (Mr. Wilson), and the Prime Minister (Mr. Mulroney) gave the House every assurance that the Commercial Bank of Canada could and would be saved. Based on these assurances, Hon. Members on this side of the House decided to go along with the Government, because they felt it was necessary to save this institution and because they thought these three individuals had done their homework.

You can imagine just how surprised we were when we realized a few months later that, not satisfied with lying deliberately to the House, the Government had failed to do its homework and created a mess which will cost Canadian taxpayers an arm and a leg.

Mr. Speaker, we have learned, to our dismay, that the Minister of State (Finance) has put together a package to bail out the bank without even checking the bank's books. We have learned also that at the height of the crisis, the Minister of State (Finance) has failed to keep abreast of the new developments, preferring to go to Europe at a time when $1 billion in our taxpayers' money was in jeopardy. In my opinion, this was the epitomy of irresponsibility!

An Hon. Member: Absolutely!

Mr. Lapierre: Today, the House is being called upon to make up for the blunder of the Minister of State (Finance) by asking the Canadian people to spend $875 million.

An Hon. Member: That is outright incompetence!

Mr. Lapierre: Mr. Speaker, that is certainly the biggest bill Canadians have ever had or will ever have to foot to save the skin of an incompetent minister. If you listened to what they are saying throughout the land, you would realize that they are not at all happy with the part they have to play in this cover-up operation and the contribution they will have to make at the end of the line.

Mr. Speaker, we know that these decisions were made hastily—

Mr. Prud'homme: The Government panicked.

Mr. Lapierre: We know the Prime Minister was too busy taking care of his image at the Economic Summit to spend time on this particular question which has now come before the House. Mr. Speaker, what is the Prime Minister asking us to do today? What is the Minister of State (Finance) asking us to do? They are asking us to save their skins, and to spend $875 million, not for the little guy but for depositors who had more than $60,000 in the bank, for depositors who knew that deposit insurance would cover the first $60,000 and who decided to take a risk in order to get a better rate of interest.

Mr. Speaker, today, this Government has the nerve to ask Canadian taxpayers to please save these money bags! Mr. Speaker, it is a little like telling the Minister of State (Finance) to go to Las Vegas and if she played for money and lost, not to worry—the Government would pay the bill. Mr. Speaker, that is exactly what the Minister of State (Finance) is asking us to do today. In fact, what she is asking is even more incredible, namely that we give her a blank cheque. Last March she told us: "Just trust me, I'll save the bank", and today she is telling us: "Trust me, I am going to make payments as I see fit". We all find this rather alarming, Mr. Speaker. Why should taxpayers trust a Minister who deceived them once before, and tell her: Sure, we will give you a blank cheque for $875 million and you can give the money to whomever you want.

Mr. Speaker, this is . . . My hon. friend says that is the price you pay for incompetence. I must say it is a very high price. In fact, it is hard to imagine what $875 million represents. Well, you could build 15,000 homes and buy 100,000 cars with $875 million. Mr. Speaker, that amount of money would pay for all kinds of projects in ridings throughout Quebec.

I see the Hon. Member for Drummond (Mr. Guilbault) is in the House, and I am sure that he would prefer the money to be used to support projects in his riding. I am sure the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault), whose riding needs funds for highway construction and that sort of thing cannot vote in favour of given away $875 million to anonymous recipients. Mr. Speaker, I know that you yourself have projects you are concerned about and that you will not approve this particular priority of this Government.

Mr. Speaker, I think we have here an example of glaring incompetence, and we must ask ourselves: What duties does me have as the administrator of public property and public funds? Does this Government have the right to use taxpayers' money to compensate a minority that is better off than the average taxpayer in this country? Is it morally correct to take money out of the pocket of the small taxpayer and give it to somebody else who already has more than $60,000 in a bank account? In my judgment, Mr. Speaker, that can only be done by someone whose conscience is asleep or who has something to hide. Never in this Parliament have we heard of a Government asking the House for a blank cheque. I doubt whether a

responsible Member would agree to give the Government a blank cheque. For instance, I know that the Hon. Member for Drummond would never sign such a blank cheque in his own business dealings. Knowing his business acumen and his sense of equity, I would expect him to oppose this measure.

We are creating an unbelievable precedent, for I am sure you too have read this morning's newspaper reports about other institutions being in trouble. We have all heard the interview given this morning by the Parliament Secretary to the Minister of State (Finance). He told the people of Quebec and the people of Canada that they should not depend on the banks. People used to say that the banks were as sturdy as a rock—

An Hon. Member: Who said that?

Mr. Lapierre: The Hon. Member for LaSalle (Mr. Lanthier). One has to wonder. He said that this morning. Can you imagine! Mr. Speaker, the Parliamentary Secretary himself has reservations about the credibility of our banking institutions. In his capacity he attends all Department briefings and has access to data unavailable to the House. Mr. Speaker, I am worried after hearing such a categorical statement from him. I hope, Mr. Speaker, that you have conveyed to your constituents the wise advice of the Parliamentary Secretary to the Minister of State (Finance), to the Minister of Finance, because when an authorized spokesman for the Government questions the soundness of our banks, I am concerned. I have dutifully conveyed the message to my constituents following that interview.

I think Bill C-79 cannot be allowed to go through subsequent stages. I do not think we can support that Bill and all Members of Parliament, even Government Members, should listen to their conscience and assume their responsibilities.

Mr. Speaker, accountability exists in public affairs. We are asked to give up that principle and I hope that during the discussions which will go on and on for months, because Canadians will never accept . . . and we hope that they will convince the Government that they are not ready to sacrifice themselves.

The Acting Speaker (Mr. Charest): Order. It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 22

STATEMENTS PURSUANT TO S.O. 22

[*English*]

NUCLEAR ARMAMENTS

FRENCH TESTING IN PACIFIC CONDEMNED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, on the subject of nuclear tests it is interesting to note that, of the 1,507 nuclear tests so far, India has held one; China, 29; the United Kingdom, 38; the Soviet Union, 556; and the United States of America, 756. The proposed nuclear test in the Pacific to be conducted by France any day will be the 128th nuclear test by France.

It would be difficult to find one Member of the House who supports nuclear tests or, indeed, one Canadian who would have any positive feeling for the impending test by France. Therefore, I call upon the Secretary of State for External Affairs (Mr. Clark) to speak up for all Canadians and register publicly Canada's strong disapproval with the French Government, and indeed rejection of the proposed nuclear test in the Pacific. It is sheer lunacy to proceed with a 128th nuclear blast, which ultimately contaminates the environment, driven by a senseless race for more destructive power, mindless of the long-term consequences and danger to mankind and the ecology.

These are the reasons we have to speak up as a nation every time a nuclear test is planned. The record of 1,507 nuclear tests so far—

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

* * *

CONSUMER AFFAIRS

INCOME TAX REBATE DISCOUNTING—PROTEST CAMPAIGN

Mr. David Orlikow (Winnipeg North): Mr. Speaker, today the National Anti-Poverty Organization is blitzing Parliament Hill to advise Members of Parliament and the media of its concern about income tax discounting. Its campaign is not a new one. The organization brought the attention of the former Liberal Government to this pernicious practice, and it has been calling upon the Conservative Government since the day it was elected to take steps to stop this rip-off of some of the poorest people in Canada of their income tax refunds.

It is the poor people who feel they cannot wait for a month or two to obtain their income tax refunds. They go to tax discounters who take a very substantial fee off the top for giving them their refunds. Among those who are hurt the most are those people who obtain almost their entire refund from the child tax credit.

It has been estimated that tax refunders obtain $20 million of the $41 million which they earn per year from people who cash in their child tax credit. The Government of Quebec and the Government of the United States have forbidden that

practice; they passed legislation prohibiting discounting. I call upon the Government to stop this practice—

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

* * *

[*Translation*]

NATIONAL FAMILY WEEK

IMPORTANCE OF THE FAMILY

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I would like to take this opportunity to underline an event we are celebrating for the first time in Canada, National Family Week.

It must be recognized that the family is an important concept for Canadian men and women. The family is the basis of our society, our starting point in life and the focus of our growing environment. It is within the family that we learn about sharing, love and compassion.

Mr. Speaker, during National Family Week, we must also realize that the family faces all sorts of challenges in our society. Yet, it is a delicate entity in need of protection. The family is the most precious institution of our society. The family is a cell, and its members take care of their children and are proud of them. They are proud of their growth and their success. Mr. Speaker, we rarely recognize the value of the most important cell in our society, one which is at the very root of our personal and collective development.

This week is an appropriate occasion for all Canadian men and women to do some personal reflection on the important contribution of the family to our society.

* * *

[*English*]

REFORM OF THE HOUSE OF COMMONS

PRIME MINISTER'S COMMITMENT

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, yesterday the House focused its attention on the Government's comprehensive response to the second and third reports of the Special Committee on Reform of the House of Commons. Well deserved recognition was given to the work of the chairman and members of that committee. I should like to take a moment to add recognition of the Prime Minister (Mr. Mulroney) for the active interest which he took in the work of that committee from the time it was convened until it reported. Without his commitment, it might well have not been formed as a committee. Without his commitment, its reports might well have not been implemented.

It is part of our tradition and our Constitution that our Prime Minister is a Member of Parliament. Some Prime Ministers throughout history have taken more interest in Parliament than others. I pay this brief tribute to acknowledge the work of the Prime Minister who involved himself actively in the work of his fellow Members of Parliament.

* * *

[*Translation*]

WOMEN

DIGNITY AND ECONOMIC EQUALITY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to reply to the Prime Minister (Mr. Mulroney), who stated last weekend that he had done more in one year for the pride and the economic equality of women than all previous Governments—

Some Hon. Members: Hear, hear!

Mrs. Pépin: Not at all!—and who challenged anyone to contradict him. This is what I am about to do.

I shall be practical and honest. Very few things have been done by the Progressive Conservative Government for women, beginning with the percentage of women appointed to important positions, which is about 20 percent.

In my opinion, the meeting of Conservative women last weekend was very significant in this regard. There was no mention of the Divorce Bill, the Prostitution Bill, the deindexing of family allowances and the reduction in the grants for Planned Parenthood, and so on.

The Prime Minister seems to forget that he is no longer in the Opposition and that promises are no longer enough. What women really do not need are promises of studies!

In this regard, the Conservative women have nothing to complain about. They have been promised a task force on daycare centres, on the victims of criminal acts, family violence and sexual aggression, and on child pornography.

I would like to point out to my colleagues opposite, and more especially to the Prime Minister, that there are already tons of reports on these matters, including the Badgley and Fraser reports—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but here time has expired. The Hon. Member for Hamilton Mountain (Mr. Deans).

* * *

[*English*]

BANKS AND BANKING

COLLAPSE OF WESTERN BANKS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, day after day we hear Conservative Members make speeches or statements about what caused the problems with the banking

system, or at least with the two banks in western Canada, statements which I contend are false.

The problem in the western Canada banking system has nothing to do with an east-west division. The problem in the banking system in the West has to do with the size of the banks and the management of the banks which have gone under. It is about time Conservative Members recognized that and started speaking out on the more serious problems which in fact confront the people of western Canada. What about the forestry workers who were ignored by the Liberals and abandoned by the Conservatives? What about the grain farmers who have faced tremendous problems as a result of drought and are being ignored by the Conservatives? What about the hog producers who have been crippled by U.S. barriers to trade and abandoned by the Conservatives?

It is not just crimes of omission. For six months the Government has blamed the collapse of the CCB and the Northland Bank on past Governments. Canadians listened to the Minister of State for Finance (Mrs. McDougall), the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) as they berated the western economy. That was not the finding of Mr. Hitchman. The Canadian Commercial Bank suffered, not because of the western economy but because of bad management which was allowed to continue even after this particular situation was brought to the attention of various Ministers—

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

* * *

[*Translation*]

EXTERNAL AFFAIRS

MINISTER'S EXCELLENT WORK

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, I believe it is in order today in this House to underline in a special way the outstanding job done by the Minister for External Affairs on the occasion of the Canadian Government participation in a feasibility study on the hydro-electric project to develop three gorges in China.

When this Government speaks about creating jobs, about giving back Canadian men and women their pride of belonging, about implementing a policy of opening up this country to the world, here we have an initiative all of us have reason to be proud of. Such an exchange of expertise and know-all held specially by Quebecers could not better reflect a climate of mutual trust, a spirit of co-operation between the various partners to the building of gigantic works that certainly will justify our pride.

Mr. Speaker, let us stop this small-time politicking and let us look up to the future. Let us join in implementing a blueprint of society for which we all have been given a mandate by the Canadian people.

• (1410)

AUTOMOTIVE INDUSTRY

REQUEST FOR PREFERENCE FOR MONTREAL REGION

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, the entire population of Quebec is currently following the negotiations going on with respect to the establishment in that Province of the Toyota and Hyundai corporations assembly plants.

Quebec buys close to a third of all the cars imported in Canada and deserves the utmost consideration in the decisions that will be made.

My constituents of Verdun-Saint-Paul, and Quebecers in general who are well-informed consumers, are anxious to play a much more important role in the automotive industry. Over the coming years they will remember the companies that will have invested in the vitality of Quebec. Our province no longer has to show its mettle in the area of high technology, and the worldwide success of Bombardier equipment is an eloquent proof.

Both Toyota and Hyundai are expected in Quebec. Those two corporations could restore a desirable balance with Ontario, where traditionally the big automotive corporations have located.

At a time when the East End of Montreal is going through a difficult period as far as its refineries are concerned, when many skilled workers are wondering about the future, it would be advisable to immediately revive Montreal's industry with such projects, thereby creating jobs that are vital to the area.

[*English*]

People of Quebec, it is time to talk business now.

* * *

TERRORISM

MURDER OF HANDICAPPED AMERICAN BY CRUISE SHIP HIJACKERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, in sadness we learned today of the murder of a handicapped American Jew, Mr. Leon Klinghoffer, an innocent traveller. It is these ongoing personal tragedies and the taking of human life that revolt people of good will. We learned today that the Palestinian hijackers of the Italian ship who murdered this man in cold blood and surrendered to Egyptian authorities have been released. We learned that these hijackers and murderers have been turned over to PLO leader Yasser Arafat.

There has been an escalation of violence in the world since the murder at Munich of the 10 Israeli athletes in 1972. Terrorism has become a strategic weapon. Violent acts by the PLO cause grief, continued hatred, and disrupt the peace process in the Middle East. The PLO cannot be trusted. It has

no responsible, universally accepted leader, notwithstanding Mr. Arafact's claim to the contrary. The United Nations continues to clothe his murderous activities in the aura of respectability.

Now is the time for the civilized world to deny sanctuary to murderers and hijackers and to unite against terrorists. Now is the time to deny safe haven and denounce those countries which give succour to terrorists. The world must isolate these states like the pariahs they harbour.

* * *

FISHERIES

CONSTRUCTION OF FISHERIES RESEARCH COMPLEX IN WEST VANCOUVER

Mrs. Mary Collins (Capilano): Mr. Speaker, as we all look forward to the Thanksgiving weekend, I am delighted that the residents of West Vancouver and the fishing community of British Columbia will have something special for which to be thankful. Today, on behalf of the Acting Minister of Fisheries and Oceans, I was delighted to announce that tenders will be called for the construction of a new fisheries research complex in West Vancouver. The Government's decision to proceed with this $8 million project shows its commitment to scientific research, to fisheries enhancement, and to economic development in the West.

Since the late 1960s dedicated research scientists have carried out a wide variety of fisheries research activities at the West Vancouver site, contributing significantly to salmon enhancement, aquaculture, habitat protection, and lake enrichment. They have worked in overcrowded, temporary facilities on the site of one of the first buildings on the North Shore, a fish cannery, which was built about 1891. Needless to say, the construction of these new facilities will provide much needed employment in the Lower Mainland area, reinforcing the Government's support of economic activity in British Columbia.

The work of the fisheries research scientists in West Vancouver has won international acclaim. Now, with new adequate facilities, they will be able to enhance further their contribution to maintaining healthy, vibrant commercial and sports fishing activities on the West Coast.

* * *

THE MINISTRY

MINISTER OF JUSTICE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, from time to time the House deals with issues that transcend partisan politics. I am pleased to deal with one of those issues this afternoon, and I am sure all Conservative Members of Parliament will join with me.

I rise in defence of our poor, bedevilled, beleaguered, befuddled Minister of Justice (Mr. Crosbie). He is being assailed by the media, by cartoonists, and now by the Prime Minister (Mr. Mulroney), all for telling the truth. He is no hangashore. All he said was that the Prime Minister's staff cannot smell political danger.

Can a Minister speak with more candour? What was his reward? It was a tongue-lashing from the Prime Minister who was acting in his Orwellian capacity as Minister of Doublespeak. Senior officials who are always correct said that the Prime Minister read him the riot act and chewed him out, all of this in front of his colleagues.

The poor Minister desperately needs our help. He emerged befuddled, confused and redfaced, and put his tongue in reverse. All of a sudden, black became white, Thursday became Monday, tuna became trout, and the Blue Jays became the Maple Leafs. Is it not time the Prime Minister left this poor man in peace? Is it not time he accepted his resignation as Minister of Truth?

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED STATES SECRETARY OF DEFENSE

Mr. Speaker: May I draw to the attention of Hon. Members the presence in our galleries today of the Hon. Caspar Weinberger, Secretary of Defense for the United States.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

MERCANTILE AND CONTINENTAL BANKS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of State for Finance. I must say that we have come to a time when Canada requires firm direction. Until now, the members of Her Majesty's Loyal Opposition did not believe that it was in the country's national interest to require a statement by the Minister regarding the Mercantile and Continental Banks. However, today's media reports compel us to question the Minister. I have given the Minister advance notice of my question. Can the Minister inform the House of the true state of affairs at this time of the Mercantile Bank and the Continental Bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there are and have been many rumours floating around, many of them unsubstantiated. I do not comment on individual institutions like the Mercantile Bank. The Mercantile Bank itself made a statement this morning.

I would like to point out to Hon. Members and to the people of the country that Canada has one of the best banking systems in the world. It is recognized as such internationally and it is recognized as such domestically. It has served us well for a hundred years, and it is continuing to do so. I think this is reflected in the fact that today the prime interest rate moved down to 8.85 per cent, its lowest level since—

Some Hon. Members: Hear, hear!

Mrs. McDougall: Confidence is being maintained within the banking system.

[*Translation*]

PARLIAMENTARY SECRETARY'S ALLEGED RADIO COMMENTS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I am tempted to repeat my question, for the Minister has failed to answer it. But in view of the circumstances, I shall not compound her distress.

However, my question to the Minister is this: Because she certainly feels as I do that hon. members should do their utmost to maintain confidence in the Canadian banking system, could she possibly ask the Parliamentary Secretary to Minister of Finance to abstain from comments such as those he made this morning on the radio to the effect that Canadians have now lost confidence in our banking system?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I will take the question as a representation. I repeat for the House and for the people of Canada that our system remains stable and deserves the confidence of the people of this House and of Canada.

● (1420)

MINISTER'S ATTENDANCE AT INTERNATIONAL MONETARY FUND MEETINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. Speaking of the current banking situation in Canada the Minister of Finance said in this House on September 30, as reported in *Hansard*, and I quote:

—the Minister of Finance is in charge. The Minister of Finance is watching very closely over the things which are happening today . . . the Minister will continue to take those responsibilities very seriously.

The Minister has been away, albeit at an important meeting of the International Monetary Fund in Seoul where he had to make a set speech. While the situation in the banking world has continued to deteriorate in his absence, and considering the fact that he has general responsibility for banking and financial institutions in this country, why is he not here dealing with this situation directly?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Right Hon. Leader of the Opposition answered his own question when he pointed out to Hon. Members that the Minister of Finance is attending very important meetings of the IMF in Seoul. I spoke with the Minister of Finance last night. I am sure he is in constant touch—

Mr. Turner (Vancouver Quadra): I bet you told him to come home.

Mr. Nielsen: —in this world of the telephone which, as the right hon. gentleman once pointed out to me, does, in fact, exist. So, we are in close touch. I know that he is also in close touch with the Minister of State for Finance.

I would simply like to draw the attention of the right hon. gentleman to the words of the Minister of State for Finance who said just now that Canada has one of the finest banking systems in the world.

[*Translation*]

DIFFICULTIES OF CERTAIN INSTITUTIONS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): In view of the current situation, Mr. Speaker, the Minister of Finance himself should be here in Canada. My question is for the Minister of State (Finance).

Apparently, she is supposed to have taken charge of the Commercial Bank of Canada on March 25 of this year. How is it that the bank continued to make questionable loans, as George Hitchman clearly indicated in his testimony yesterday? Why did the Minister not put an end to these unsound practices of the bank? Why did she wait three months before appointing Mr. Hitchman? Finally, why did she not even reply in July to Mr. Hitchman's interim report?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated in the House previously that the Inspector General was in the Canadian Commercial Bank in the spring—

Mr. Deans: Doing what?

Mrs. McDougall: —performing his statutory functions.

Mr. Orlikow: That is not what Hitchman said.

Mrs. McDougall: I have indicated previously that during that period of time I was approaching people to become directors of the bank and Mr. Hitchman arrived to augment the team which was led by the Inspector General in assessing the valuation of the CCB's portfolio.

ADMINISTRATION OF CANADIAN COMMERCIAL BANK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Mr. Hitchman's report and his testimony yesterday before the Estey Commission make it quite clear that, in his view, the failure of the bank was not the fault of the economy

or of the National Energy Program. It was the fault of bad management and lack of supervision. Why did the Minister not supervise the administration of that bank once she took control in the month of March?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to remind the House that this matter is before an inquiry.

Some Hon. Members: Oh, oh!

Mrs. McDougall: That is why the inquiry was established. It was established to find all the facts.

Mr. Rodriguez: To hide behind it.

Mrs. McDougall: I have indicated to the House previously on many occasions the events surrounding the hiring of Mr. Hitchman.

STATE OF MERCANTILE BANK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it has already been noted that the Minister of Finance is not in the House. I would like to point out that the Prime Minister, who has not been here now six days out of nine, is not in the House.

Some Hon. Members: Order, order.

Mr. Speaker: Order, please.

Mr. Broadbent: My question is for the Deputy Prime Minister. We have just heard from the Minister her expression of confidence is another bank. Given the importance of ministerial and prime ministerial responsibility to our whole banking system, will the Deputy Prime Minister inform the House whether or not the circumstances surrounding the state of the Mercantile Bank have been brought to the attention of the Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, naturally, I would fully expect that that has happened. However, the hon. gentleman should not lead Members of the House and the public to believe that he has not been fully apprised of these matters, since it is my understanding that the Minister of State for Finance went out of her way today to brief him, as well as the Right Hon. Leader of the Opposition, in the hope that irresponsible questioning from opposition Members—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: You are irresponsible.

Mr. Nielsen: —would not undermine confidence in the banking system in this country in which we have full confidence.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, if Members on the other side of the House were doing their jobs the country would not be in such a mess.

Some Hon. Members: Hear, hear!

CANADIAN COMMERCIAL BANK—MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of State for Finance with respect to the question of ministerial responsibility. Will she explain why she was fiddling while the banks and the Canadian taxpayers were burning for three months after the Government took action on the Canadian Commercial Bank? Why did she wait a full three months to appoint someone to deal with this serious question involving hundreds of millions of dollars of taxpayers' money?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have explained in committee and in the House the sequence of events in the spring which led up to the hiring of Mr. Hitchman. The matter is before a judicial inquiry. It will not be helpful to the outcome of that inquiry if we have a blow-by-blow comment on every remark which is made at the hearing.

Some Hon. Members: Hear, hear!

BANK'S LOAN PRACTICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is in this House and not before an inquiry that the Minister has to answer to the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Since the Minister refused to do it about the earlier period leading up to the appointment of Mr. Hitchman, I ask her why, after she received the report, was nothing done? She received an interim report and nothing was done for two weeks. Nothing was done for many weeks, during which period of time the bank continued to make millions of dollars of irresponsible loans. Why did the Minister not act?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the action taken on September 1 was thoroughly responsible based on all the information, of which Mr. Hitchman's report was one part, which came to me during that period of time. The inquiry is the place where all the acts will be determined.

I am accountable to this House. I have been in the past and I will continue to be in the future.

Some Hon. Members: Hear, hear!

MINISTER'S LETTER TO SHAREHOLDER

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. The Minister has told us that although she was out of the country for all of July she was in touch with her officials by telephone. The Minister's office received an interim report from Mr. Hitchman at the end of July. Will the Minister tell the House, since she knew the state of affairs at the Canadian Commercial Bank, how she can justify writing to a shareholder on August 9—three days before the final Hitchman Report—stating that she believed the Government's action on March 25 had ensured the long-term viability of the bank?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have told the Hosue previously that during the month of August we were examining all possibilities for the Canadian Commercial Bank. I stand by what I said.

POSITION OF SHAREHOLDERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, since the Government's Bill providing for *ex gratia* payments to the CCB's uninsured depositors indicates that the Government feels some responsibility for the statements and promises it made, does the Minister consider that her letter creates a comparable obligation to the shareholders?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I stand by my earlier statement that we took all appropriate action leading up to the closing of the bank. The bank remained open in August as we considered all the possibilities.

MINISTER'S STATEMENTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is also for the Minister of State for Finance. The Minister's own envoy, Mr. Hitchman, advised her that it was the state of the management and mangement practices which caused the collapse of the CCB. Would the Minister, then, immediately stop damaging the reputation of all western based institutions with the politically expedient excuses which she gives us day after day?

• (1430)

Mr. Hnatyshyn: We're trying to stop you from doing the damage.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the reason there is a judicial inquiry is to deal with the facts of this situation throughout the whole series of events leading to the unfortunate closing of these two banks. Our banking system remains strong and there is nothing irresponsible about what I have said. We are continuing to stand by our banking system, as we have in the past, and the confidence in that system continues.

STATE OF WESTERN ECONOMY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of State for Finance whose own envoy indicated that the problem was management, not the state of the western economy. Will the Minister and her colleagues stop bad-mouthing the state of the western economy—

Mr. Hnatyshyn: The evidence will bear it out.

Mr. Riis: —and start talking positively about what is going on in western Canada? Give those financial institutions a chance.

Mr. Jelinek: What was the question?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would be very happy to talk confidently about the western economy. Thanks to this Government and thanks to the Western Accord—

Some Hon. Members: Hear, hear!

Mrs. McDougall: —there have been more jobs created in the western economy in the last six months and it is recovering. As I have said in this House before, that is a priority of this Government.

* * *

[*Translation*]

SHIPBUILDING

CONSTRUCTION OF FRIGATES IN MONTREAL

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is for the Minister of Supply and Services. I learned this morning from the President of the Vickers employees' union that, unfortunately, the company had advised him that the decision was final and that the contract for the frigates which had been awarded first to the Montreal area would go to Lévis. Moreover, the company has advised workers of the possible closing of the plant. Could the Minister confirm that he missed the boat this time around?

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I indicated to the House two days ago that this whole matter was under review. I have met with the union. Appropriate representations have been made. Its concern is very legitimate.

Mr. Gauthier: Jobs.

Mr. McInnes: On the other hand, I have also met with the vice-president of Vickers and we are still awaiting a legal opinion. We may not have any latitude to intervene at all. However, I assure the Hon. Member that we are aware of the concerns of the union and we will do what is appropriate in the circumstances having regard to our contractual obligations.

[*Translation*]

SITUATION IN EAST-END MONTREAL—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary question. The Minister is daydreaming.

The company has just advised its employees that the decision is final, and the Minister would like us to believe that he is still working at it. Would the Minister recognize that his meeting with the company was a failure, and what is he planning to do to save these jobs in east-end Montreal?

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): I repeat, Mr. Speaker, that no firm decision has been made on behalf of the Government.

Mr. Guilbault (Saint-Jacques): That we know.

Mr. McInnes: The real question is: Has the Government the opportunity to intervene? It may be a matter of contract between the parties in question. That is why I am still awaiting legal advice.

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK—HITCHMAN REPORT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. How long does the Deputy Prime Minister think it should have taken the Department of Finance to discover the massive mismangement of the Canadian Commercial Bank on which Mr. George Hitchman has reported?

Mr. Hnatyshyn: Order.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we are embarked on a highly questionable procedure here with this kind of question—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —coming from the Opposition, which deals with a matter that is under the scrutiny of Mr. Justice Estey who is heading up a commission to inquire into all of the facts.

Mr. Broadbent: It's a ministerial responsibility.

Mr. Nielsen: I would suggest that it would be hardly productive to examine the evidence flowing from the commission on a day-by-day basis, to subject it to scrutiny here, at the same time as it is receiving an impartial—

Mr. Rodriguez: Where is your responsibility?

Mr. Nielsen: —objective, professional scrutiny by a highly respected jurist.

Mr. Penner: That's a lot of nonsense, and you know it.

PUBLIC CONFIDENCE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, how can the Canadian people ever have confidence again—

An Hon. Member: Question.

Mr. Epp (Thunder Bay-Nipigon): —in Ministers of Finance whose mistakes have saddled them with a $1 billion bill?

Mr. Hnatyshyn: Order.

An Hon. Member: Question.

Mr. Keeper: Boy, you're arrogant.

Mr. Murta: Stand up and say that.

Mr. Taylor: Show a few manners.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this kind of question is exactly the kind of question which should not be dealt with in this House at this time. We are attempting to come up with all the facts—

Mr. Gray (Windsor West): Cover up.

Mrs. McDougall: —on the unique situations involving those two banks. In the meantime, we have taken a number of steps around the inspection and regulatory climate in other banks, and I can assure this House that the Ministers of the Crown are totally responsible and acting in a responsible way with regard to the banking system.

Mr. Broadbent: That's what you said in March.

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[*Translation*]

INDUSTRY

IMPORTANCE OF KEEPING GULF IN MONTREAL—REQUEST FOR GOVERNMENT ACTION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, but in the absence of the Minister, perhaps I may direct my question to the Minister of State (Small Businesses).

The Minister is probably aware of the fact that some 450 jobs may be lost in east-end Montreal because of the Gulf refinery shutdown.

Is the Minister prepared to guarantee, on behalf of the Government, that any companies interested in buying the refinery will be given the same opportunities by the Government as the Reichmann brothers were given when they purchased Gulf?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, first of all, the Minister of Energy, Mines and Resources answered this question last week. The

Government said that the refinery belongs to the Reichmann brothers, who can sell it to whom they see fit, and the Government will not interfere. The decision is up to the Reichmanns.

REQUEST THAT MINISTER FULFIL RESPONSIBILITIES

Hon. André Ouellet (Papineau): Mr. Speaker, this is a totally unsatisfactory answer from a Minister who has a responsibility to small-and medium-sized businesses in Canada. I had expected him to inform the House that he would try and obtain the same conditions for small companies that his Government is prepared to provide for big corporations. Does he intend to act responsibly?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, the Government has acted responsibly. It has asked for time to find a buyer, and a postponement was granted by the Reichmanns. We know exactly what is happening, and we are helping the process along so that the company can be sold.

CLOSING OF PLANTS IN SAINT-JEAN AND VALLEYFIELD, QUE.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State (Small Businesses) and has to do with the Domtex plants in Saint-Jean and Valleyfield.

Earlier this week the Minister said he would make sure that jobs are maintained and the plants kept open, but the company stated through its public relations officials that its decision is irrevocable. Is it really irrevocable, and is the Government committed to keeping the 850 workers affected by the shutdown of those two plants?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, that is the same question I was asked two days ago when I said I had met with the president of Dominion Textile Limited in my office Monday night. The decision is not final and discussions are going on. Mr. Speaker, I also said that it is a private company, so the management can do as they please. The Canadian Government is working with the company to find a solution.

POSSIBILITY OF LAY-OFFS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, yesterday my leader and I met with representatives of the company and of the Sherbrook Domtex Union, and it is obvious that the company, the unions, the workers and the Textile and Clothing Board support . . .

Mr. Speaker: Order, please.

Mr. Cassidy: Is the Government prepared to unveil future quotas to protect textile production in this country?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, that policy is now under consideration. A lot of work is being done concerning the textile policy and answer will be given when we are ready to announce the policy.

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AGRICULTURE

REQUEST THAT GOVERNMENT REFUSE USE OF SUBSTITUTES FOR MILK POWDER

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is for the Minister of Agriculture. As he will know, an excellent milk bread is now made in Quebec thanks to the action taken by the *Fédération des producteurs de lait du Québec* to increase the nutritional quality of bread and use the surplus of powdered milk. My question is therefore as follows.

Can the Minister now assure the Members of this House that he will never authorize the use of natural substitutes for milk powder, such as legumes, chick peas, beans and so on, in the baking of enriched bread?

• (1440)

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the question and I share the Hon. Member's concern, particularly as expressed by the dairy farmers of Canada. If a substitute product of this kind were used it could lead to losses to the industry of $1.5 billion. The Hon. Member can rest assured that I will be making some recommendations to the Department of Health and Welfare because the final decision will be made by Food and Drug—

Mr. Speaker: I think the Minister has answered the question.

* * *

EMPLOYMENT

LOSS OF JOBS IN MONTREAL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Contrary to what she told us yesterday, neither the Minister of Energy, the Minister of Supply and Services nor the Minister of State for Small Businesses will make any commitment to save those jobs in the East End of Montreal at Vickers, Bombardier and Gulf, and now Domtex.

When the Minister spoke yesterday of a new job strategy program—

Some Hon. Members: Order!

Mr. Allmand: Is she telling this House that she and her colleagues have accepted the closing of these plants, and their only solution is to retrain already skilled workers and relocate them to some other place? Is that her only solution?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in fact I did make a mistake yesterday when I said that 100,000 new jobs had been created in the Province of Quebec since this time one year ago. It is 185,000 new jobs.

Some Hon. Members: Hear, hear!

Miss MacDonald: I would like to advise the Hon. Member that the Canadian Jobs Strategy, and employment opportunities and training connected thereto, will continue to offer opportunities for employment for people right across the country, and certainly in the Province of Quebec.

Mr. Allmand: What the Minister has just said is no comfort to the 2,000 workers in the East End of Montreal and the 1.3 million Canadians still unemployed. No comfort at all.

JOB-CREATION PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have examined the Minister's program. Can she show me any part of that program which will keep those plants open and save those jobs? Just show me one part that will do that.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, a representative of a Party which took great delight in closing down one plant after another, including oil refineries over a period of years, has very little to speak about. The Canadian Jobs Strategy, I can tell him, with its emphasis on job development, job entry and skills investment for those whose jobs are threatened, will indeed help people who are either unemployed presently or whose jobs are threatened.

Mr. Ouellet: Full of words but no jobs.

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AGRICULTURE

PRAIRIE DROUGHT—REQUEST FOR ASSISTANCE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture, whom we welcome back from his trip to the Soviet Union because the House has been awaiting for some time the Government's decision on what it is going to do about the report prepared by the Hon. Member for Assiniboia. That Member made a recommendation to Cabinet some weeks ago. Will the Minister now take the opportunity to announce what the acreage payment will be for western farmers who were hurt by the drought? Will it be in accordance with the recommendation by those farmers to the Hon. Member for Assiniboia?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to take this opportunity to congratulate my colleague, the Hon. Member for Assiniboia, for doing an excellent job.

Some Hon. Members: Hear, hear!

Mr. Wise: He has worked very industriously.

Mr. Ouellet: Watch it, he will get your job.

Mr. Wise: He has stayed on schedule and brought forth—

Mr. Nystrom: Back to Russia.

Mr. Wise: —two recommendations, and I can assure the Hon. Member that there has not been one day lost throughout this whole process. The report has been received and is being prepared in the form of a memorandum to be presented to Cabinet a week from Tuesday.

TIMING OF ANNOUNCEMENT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, will the Minister explain to the House why we have to wait months and months for an answer to the problems of western farmers when one weekend is enough to answer the problem of a bank collapsing? Why do farmers have to stand in line while banks get immediate attention?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member knows some of the problems associated with bringing together a report and making recommendations.

Mr. Broadbent: Forty-eight hours for the banks.

Mr. Wise: If we had brought forth a recommendation four weeks ago, it would have been inappropriate and inaccurate because the Hon. Member knows we have had a great deal of rainfall since that time. Even if we had brought forth the report perhaps today, we do not know how long the snow is going to last out there either.

PRIME MINISTER'S OFFICE

STATEMENT ATTRIBUTED TO MEMBER FOR FUNDY-ROYAL

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Deputy Prime Minister. Last Monday the Minister of Justice criticized the staff in the Prime Minister's Office. He said they were not politically astute. We all know, of course, that was later denied. It has now been reported today that in a telephone conversation with radio *CJCW* in Sussex, the Hon. Member for Fundy Royal supported the Minister of Justice's original statements, saying that they were interesting and legitimate.

Does the Deputy Prime Minister agree with the statement by the Hon. Member for Fundy-Royal and his Minister of Justice that the staff in the Prime Minister's Office are not politically astute, or should we expect yet another retraction from a Member?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Mr. Nunziata: We love you, John. Keep it up.

Mr. Nielsen: Mr. Speaker, I have not seen the radio program to which the Hon. Member refers—

Mr. Turner (Vancouver Quadra): Have you heard it?

Mr. Nielsen: —but—

Mr. Speaker: Order, please.

Mr. Frith: Erik, it is d-o-l-t.

Mr. Speaker: Order, please.

Mr. Nielsen: But from his own account I can see nothing inconsistent with either—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —that which has been said by the Minister of Justice, myself, or himself.

Mr. Crosbie: Hear, hear!

Some Hon. Members: Oh, oh!

MEMBERS' STATEMENTS

Mr. George Henderson (Egmont): Mr. Speaker, can he tell this House why so many of his Members of Parliament continue to issue statements regarding this matter only to trip over their words and retract them? How can the Deputy Prime Minister justify the Hon. Member for Fundy Royal supporting the statements of the Minister of Justice after the Prime Minister told that Minister to retract and change his story? What is going on?

Mr. Speaker: Order, please. The Hon. Member may wish to make a statement tomorrow, but that is clearly not a question of ministerial responsibility.

* * *

ST. LAWRENCE SEAWAY

AMOUNT OF FEDERAL FUNDING

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. What luck has the Minister had over the summer months in convincing his Cabinet colleagues that the skimming off of $30 million from the St. Lawrence Seaway Authority will have a very negative effect on the movement of bulk commodities from western Canada to an export position in Ontario, Quebec and the Maritimes? What luck has he had in convincing his colleagues to leave that money where it is in the next fiscal year?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Hon. Member knows, there has been a tremendous downturn in traffic on the Seaway, something in the order of 27 per cent to 29 per cent. That has had a very devastating impact on its financial performance. As well, I think the Hon. Member knows that we have had to engage in a very expensive maintenance program with respect to bridge repairs and things of that nature. Taking all these things into consideration, this matter is currently under review.

REQUEST FOR REVIEW OF TOLLS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I appreciate the Minister's response. That is the first positive indication we have had something will be done for the Seaway.

Given the growing support in the industry, and now from the head of the St. Lawrence Seaway Authority himself, for a full public review of Seaway tolls and charges, would the Minister be prepared to indicate whether his Government supports that review at this time?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think that is an issue with which clearly the Standing Committee on Transport could be seized. I do not think I would have any objection to reviewing the operations of the Seaway, including the matter of tolls. I think the Hon. Member is aware that tolls are established in consultation with the United States. I would certainly welcome any suggestions or mechanisms that Hon. Members may put forth to improve the viability and performance of the Seaway.

● (1450)

CHILDREN

PROPOSAL TO ESTABLISH NATIONAL CENTRE FOR MISSING CHILDREN

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Justice. The Minister is aware that last week this House talked out a Private Member's Bill dealing with the matter of locating missing children. He is also aware that last year the United States established an information centre called the National Centre for Missing Children, to co-ordinate information concerning missing children in the United States. Will the Minister advise the House whether he would be prepared to consider establishing a similar centre for missing children in Canada?

Mr. Guilbault (Saint-Jacques): What about missing Ministers?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I know that the Hon. Member appreciates the fact that this has already been the most productive year in the Department of Justice in the last 20 years. I will not, of course, outline the many pieces of legislation that we have produced or had this House enact.

In connection with the specifics of his question, which is the first one today on a public policy issue, I will advise the Hon. Member that the RCMP have a centralized computer system and that they are already doing much work in this area. My hon. colleague, the Solicitor General, would be better able to enlighten the Hon. Member, but they are exploring the feasibility of establishing such a national registry. I thank the Hon. Member for his interest and his promotion of the concept.

* * *

INDIAN AFFAIRS

PLIGHT OF LUBICAN INDIAN BAND IN ALBERTA

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The all-Party report on Indian self-government tabled in 1983 made particular reference to the distressing situation of the Lubicon Indian Band in Alberta. The way of life and the economy of that band have been virtually destroyed by development activity which has taken place there. Last winter the Minister appointed E. Davie Fulton to make an inquiry into this situation. Is the Minister prepared today to table any and all reports that the Hon. E. Davie Fulton has made concerning the situation of the Lubicon Lake Indian Band?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to thank the Hon. Member for his question and ask him for some patience on the matter. I spoke with Mr. Fulton yesterday, and also with Mr. Pahl. Mr. Fulton, of course, is mediating the matter between the two levels of Government and the Indian people involved. He wants to make a further report to me. I expect that that report will be helpful and I ask for the Hon. Member's patience in the matter.

GOVERNMENT POSITION

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I am quite prepared to be patient, but the Lubicon Indian Band is today facing the real possibility of extinction. Can the Minister give this House the assurance that before the end of next week there will be some positive announcements based on the recommendations of the Hon. E. Davie Fulton?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member is quite right, the Lubicon Lake matter has been a running sore in this country for 45 years. I have had it under my own advisement and have been attempting to do something about it for the last three months. I expect that we will have a positive statement; I certainly hope so.

SASKATCHEWAN INDIAN NATIONS LEGISLATIVE ASSEMBLY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is also directed to the Minister of Indian Affairs and Northern Development. I have a copy of a telegram sent to the Government House Leader and another telegram sent to the Minister of Indian Affairs from Sol Sanderson, the President of the Saskatchewan Federation of Indians. It requests an answer by tomorrow to the request that they discuss with the Minister the request for a grant for $250,000 to help operate the Saskatchewan Indian Nations Legislative Assembly. Apparently most of the bands in Saskatchewan have telexed the Minister. Can the Minister provide us with an answer today since their internal deadline is tomorrow and it is important they know whether or not this funding will be forthcoming?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the Hon. Member for the question. The matter of funding for this conference is under review under my own advisement and that of the Department. Up until this time in the fiscal year 1984-85 almost $1.5 million has been expended for the FSIN for matters of this sort. I have the request, the Department is reviewing it, and an answer will be forthcoming.

NATIONAL DEFENCE

SINKING OF TRAWLER, THE *LADY MARJORIE*

Mr. Howard Crosby (Halifax West): Mr. Speaker, my question is directed to the Associate Minister of National Defence. *The Chronicle-Herald* of Halifax issued today reports:

A leaked Canadian Coast Guard report has vindicated the Canadian Navy of its April 28 shelling and sinking of the trawler Lady Marjorie—

I think all Members of the House are aware of the case of Walter Theriault and the difficulties he has suffered as a result of the event. Will the Associate Minister of National Defence confirm whether there is such a Coast Guard report and, if it does vindicate the Navy, will he please temper justice with mercy and honour the claim of Walter Theriault?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe my colleague, the Associate Minister of National Defence, answered similar questions not long ago. The matter is the subject of an inquiry which is complete and hopefully a detailed response will be forthcoming in the very near future.

* * *

GOVERNMENT EXPENDITURES

WOLF SUB-OCEAN LTD.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Science and Technology. Yesterday the Minister stated that the Walter Wolf give-away of $363,000 was standard procedure, that the final decision was made by a joint federal-provincial committee and, to quote the Minister, "there are no other companies in Atlantic Canada capable of undertaking such a project". Does the Minister stand by those statements?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, in fact, the proposal that came to the Economic Development Board operated by my colleague, the Hon. Minister of Regional Industrial Expansion, contained only one recommendation, and that was that this particular project be supported. To my knowledge there were no other proposals and no other firms whch had been submitting such proposals.

Some Hon. Members: Oh, oh!

STATEMENTS ATTRIBUTED TO PROVINCIAL OFFICIALS

Ms. Sheila Copps (Hamilton East): How does the Minister explain statements reported today in Canadian Press from officials in Premier Brian Peckford's office who have stated that five other companies applied for the same moneys and that the final decision was made by the federal Government with all federal Government money and no involvement from Newfoundlanders?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the spokespersons for the Government of Newfoundland are entitled to say what they wish. The facts are, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Riis: Retract.

Mr. Siddon: Are the opposition Members prepared to hear the answer, Mr. Speaker?

Some Hon. Members: Yes.

Mr. Ouellet: We love it.

Mr. Siddon: The fact is, Mr. Speaker, that the decision which was forwarded to the federal Minister was taken by a committee of public servants drawn from the Governments of Newfoundland and Canada under the terms of the subsidiary agreement on ocean industry development, and there was only one recommendation forthcoming from that committee of civil servants to this Government.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—HITCHMAN REPORT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of State for Finance. Why did she not accept the recommendations for action proposed by George Hitchman with regard to the Canadian Commercial Bank given to her Ministry at the end of July?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have told the House time and time again that we considered every option, including Mr. Hitchman's recommendation, before the final decision was reached on the Canadian Commercial Bank. I am sure that Mr. Justice Estey will ask the same question and will get the same answer when we get this into that forum.

Mr. Deans: I am sure that Justice Estey will do an excellent job. The question I have, however, is for the Minister, not for Justice Estey.

MINISTER'S ACTION

Mr. Ian Deans (Hamilton Mountain): Is there any good and valid reason why the Minister did not accept the recommendations for action offered by George Hitchman after he had

analysed the conditions of the bank and presented his interim report at the end of July?

Mr. Rodriguez: Only you can answer that question.

Hon. Barbara McDougall (Minister of State (Finance)): Yes.

Mr. Deans: Well, supplementary!

Mr. Hnatyshyn: You have to think about your question.

Mr. Deans: Barbara, sometimes you can be too cute by half.

* * *

● (1500)

[*Translation*]

FOOTWEAR INDUSTRY

RETENTION OF IMPORT QUOTAS—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is for the Minister of State for Small Businesses. According to a survey by Decima Research, 82 percent of Canadians are in favour of a five-year quota system to guarantee Canadian shoe manufacturers access to 50 percent of the domestic market. Will the Government believe its favourite survey firm Decima, which has stated that two out of three Canadians think it is more important to protect jobs in Canada than to bring about any price reductions? Will the Government announce that the quotas will be maintained?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, first of all, I am happy to see the Hon. Member for Saint-Léonard-Anjou in the House today. We had not seen him for a month and a half.

Mr. Speaker: Order, please. Such comments are not allowed.

Mr. Bissonnette: Mr. Speaker, I would like to tell the Hon. Member for Saint-Léonard-Anjou that the policy of the Government for the shoe industry is still under review. It should be made public soon.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, October 9, 1985, meet the requirements of the Standing Orders as to form.

BUSINESS OF THE HOUSE

Mr. Gray (Windsor West): Mr. Speaker, I recognize that consultations are still under way with respect to the business for the coming week. However, I thought I should formally pose the question in that regard to get a confirmation of the situation from the Government House Leader.

Mr. Hnatyshyn: Mr. Speaker, the Hon. House Leader of the Official Opposition is quite right. We are now in the process of consultations with respect to the order of business for the course of next week. I hope to be in a position, therefore, to complete these consultations with both Parties and come back to the House possibly before the conclusion of Government business for the purpose of announcing the business.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

ORDER OF REFERENCE OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there is an order that would receive the unanimous approval of the House for adoption. There have been consultations between the Parties with respect to the following order:

That, notwithstanding the order of reference on Tuesday, March 5, 1985, the Standing Committee on Justice and Legal Affairs be empowered to report its findings on the subject matter of that order no later than Friday, October 25, 1985.

The effect of this is an extension of the reporting date for that committee from October 15. That has the support of all Parties.

Mr. Speaker: Is there agreement to the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

STANDING COMMITTEES

PRESENTATION OF SEVENTH REPORT OF STRIKING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour to table the seventh report of the Striking Committee in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

PETITIONS

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I rise on behalf of the people of the riding of Central Nova who submit a petition indicating their opposition to the Government's intention to remove full indexation of family allowances and to make changes to the child tax credit system. They ask that the Prime Minister of Canada (Mr. Mulroney) reverse his plans as outlined in the May 23 Budget.

I also rise to present a petition on behalf of people from Edmonton, Nickel Belt and Sudbury who are also opposed to these proposals to deindex the family allowance.

In addition, I rise to present a petition on behalf of the people of Regina, represented by the Government House Leader (Mr. Hnatyshyn), who indicate as well that they are opposed to the removal of the full indexation provisions of the family allowance and the changes to the child tax credit system.

I also rise to present a petition on behalf of people who live in the riding of Western Arctic who are also opposed to the Government's intention to remove full indexation provisions of the family allowance.

I also have petitions from the people of Winnipeg and Saskatoon who also express their displeasure.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, since this is Family Week, I am privileged to present to this House a petition signed by fathers and mothers from my constituency of Montreal-Papineau.

In these petitions, the Government is asked to restore full indexation of family allowances and the child tax credit. This is just plain social unjustice, and they regret the unfortunate effects this measure would have if it were not amended. The Government should back—

Mr. Speaker: Order, please! Surely the Hon. Member is well aware that all that is allowed is a short summary.

Mr. Ouellet: I was concluding my remarks, Mr. Speaker.

Mr. Speaker: I believe they are concluded.

[*English*]

REINSTATEMENT OF ISABEL GOLIGHER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise on behalf of a number of members of the United Automobile, Aerospace, Agricultural Implement Workers of America who demand that Isabel Goligher be either reinstated to her former job or given an alternate position of equal status and pay with all benefits and that Isabel Goligher's reputation be cleared of the false allegations of lesbianism and that she receive written appologies from all parties concerned.

I have a second petition from the Public Service Alliance of Canada concerning the same matter. This union demands that Isabel Goligher be reinstated by the Government of Canada with all pay and benefits, retroactive to the date she was forced to resign.

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition from the citizenss of the Guelph and Waterloo region who state that in the opinion of your petitioners, the recent federal Budget policy to deindex family allowances is clearly an attack on the working poor and poor alike, and as a result strongly urge the Government of Canada to restore full indexation of family allowances.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I too have a petition from a number of residents of the City of Vancouver who also ask that the proposal to deindex family allowances be withdrawn. They point out also that the changes recommended in the child tax credit will make even the poorest families worse off by the year 1990.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to present to this House a petition signed by a dozen constituents of Ottawa West asking the House to reconsider the Government's measure aimed at deindexing family allowances and the child tax credit and to restore full indexation of both programs.

[*English*]

I also have a petition from two dozen residents of Etobicoke, North York and Weston who state in their petitition that it is both immoral and inconceivable that the Government is asking families to make sacrifices during National Family Week, but at the same time can find $1 billion to save Canadian Commercial Bank depositors having $60,000 and more. They ask that the full indexing of family allowances and the child tax credit be re-established.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a large number of British Columbians who are of the opinion that the deindexation of family allowance and the massixe cut-backs in public commitment to child benefits are an unfair attack on women and families with children, especially single-parent mothers, and therefore call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on behalf of a number of constituents in Burnaby who are concerned about the plan to cut back on the full indexation of family allowances and to cut back on the public commitment to child benefits. They call upon the Government to reinstate full indexation of family allowances and rescind the most unfair tax increases.

Petitions

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise to present a petition from a number of women from the ridings of Vancouver East and Vancouver Kingsway, who point out that the deindexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single-parent mothers. They point out that the Government has prepared a billion dollar bail-out for the banks but has cut back on these family benefits.

REINSTATEMENT OF ISABEL GOLIGHER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition signed by some 350 residents of the Maritime Provinces as well as the area around London. They demand that Isabel Goligher be reinstated to her former job or given an alternate position of equal status and pay and that she be given pay and benefits retroactive to the date that she was forced to resign.

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present to the House a petition signed by a number of citizens, mostly from the City of Montreal, who ask the House of Commons to reinstate full indexation of universal family allowance and rescind the unfair tax increases.

● (1510)

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have here a petition stating that in the opinion of the petitioners deindexing family allowances is an unfair attack against women, especially women who are single-parent mothers with children.

Your petitioners ask that full indexation of family allowances be restored.

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition on behalf of a number of residents of Toronto and to point out to the House that a proposed deindexation of the family allowance hurts the poorest people the most and is inconsistent with the generosity of the Government in its great donations to the rich through capital gains, all exemptions and through the billions of dollars given to the banks and the oil companies. Therefore, they ask that the House should reverse the action and restore full indexation of family allowance.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I bring to your attention on behalf of the people of Ottawa, Ontario their concern that the Government of Canada in its recent Budget intends to remove the full indexation provisions of the family allowance and make changes in the child tax credit which will cut in 1987, $55 million in benefits for 3.5 million Canadian families.

[*Translation*]

And Mr. Speaker I draw to your attention that those individuals from Sudbury, Ontario, are requesting the reinstatement of the full indexation of family allowances and child tax credit because they feel that those cuts are unacceptable.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I too am pleased to place before the House a number of petitions, two are from York West, one submitted by Carlos Adam and one by Mario Pin; and one is from Etobicoke from Mr. Gino Lenorduzzi. These petitions ask the Prime Minister (Mr. Mulroney) and the Government to restore full indexation of the family allowance and child tax credit and to eliminate a regressive budget measure which would take away from families a total of $55 million by 1987.

Mr. John Nunziata (York South-Weston): Mr. Speaker, it is my pleasure to present a petition that was circulated by Mr. Ottavio Marchi of Muir Avenue in the City of North York. This petition, signed by a number of petitioners, asks the Government of Canada to restore full indexation to the family allowance and the child tax credit.

REINSTATEMENT OF ISABEL GOLIGHER

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a large number of petitions from the people in the London, Tillsonburg and St. Thomas area in support of Isabel Goligher recommending that she be reinstated to her position or that alternative employment in the federal Government be found for her. Some of the petitions come from United Automobile Aerospace Workers and others are from other citizens. I might add that a large number of people in support of Isabel Goligher demonstrated on Saturday to show their support and to urge an independent—

Mr. Speaker: Order, please. The Hon. Member is dealing with petitions, I presume, not announcing the demonstration. Does she have further petitions?

Ms. McDonald: I have a very large number of petitions and I am giving you a very succinct rendition of a large amount of support for Isabel Goligher.

DEINDEXATION OF SOCIAL SECURITY PROGRAMS

Ms. Lynn McDonald (Broadview-Greenwood): I have one further petition on behalf of a number of Vancouver residents who are protesting the deindexation in the Budget and wish to have full indexing of all of these social programs. Thank you, Mr. Speaker.

REINSTATEMENT OF ISABEL GOLIGHER

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my privilege to present a petition on behalf of over 100 residents of the London area who demand justice now for

Isabel Goligher and ask that she be reinstated to her former job, or be given an alternative position of equal status and pay in London with the Government of Canada.

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am honoured to present a petition on behalf of constituents protesting the decision to deindex the universal family allowance and to make other changes in taxes and in family benefits which will by 1990 reduce the benefits for all Canadian families, even the poorest. These petitioners call on the Parliament of Canada to reconsider and again to index fully the family allowance.

REINSTATEMENT OF ISABEL GOLIGHER

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am honoured to present before the House a petition signed by nearly 200 citizens of Canada supporting the reinstatement of Isabel Goligher.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Thank you, Mr. Speaker, I wish to advise the House that Question No. 417 will be answered today, and I ask that the remaining questions be allowed to stand.

[*Text*]

FERRY SERVICES AND RATES

Question No. 417—**Mr. Robichaud:**

1. Were ferry rates increased following the budget cuts and, if so, by what percentage?

2. In 1985, will ferry services be (*a*) abolished (*b*) increased (*c*) decreased in the Maritimes?

3. How many passengers used ferries in (*a*) 1983 (*b*) 1984?

Hon. Don Mazankowski (Minister of Transport): 1. Yes, by about 15 per cent. Some decreases were implemented as well, affecting senior citizen and certain tourist traffic.

2. In 1985, ferry service levels in the maritime provinces will be essentially the same as in 1984 with the exception of the CN Marine Yarmouth, N.S./Bar Harbor, Maine service which will see a somewhat lower level of frequency during the winter months when demand is down considerably.

3. The number of passengers using the East Coast ferry service subsidized by the federal Government was 2,879,000 passengers in 1983 and 2,881,000 passengers in 1984.

[*English*]

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

Some Hon. Members: Stand.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canada Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect to uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am honoured to have the opportunity to speak on the battered bank bail-out Bill. This whole operation of bailing out the bank is almost incomprehensible to a layman. Many people across Canada take risks in their daily work. Every time a farmer plants a crop he takes a risk. He knows that there is a possibility that he will lose his investment. Every banker who makes a loan takes a risk. He knows that there is a possibility that that loan will not be repaid. The banks justify their interest charges by saying that they are taking a risk, may lose that money, and therefore must charge interest at a rate which will compensate them over the years. The banks recognize, just as well as the farmer does, that they may not be able to reclaim their investment on a particular loan. As the farmer does, they should prepare for the eventuality of not having that loan repaid.

The Canadian Commercial Bank obviously was not prepared to lose the money that was loaned and, over the years, was not prepared to back up those wrong decisions. This is not a matter of a farmer planting a crop and then being affected by the weather or by the conditions of that particular year. This is a bank which took a risk and by its bad judgment is now faced with the loss of those moneys loaned.

Why did they make those loans, Mr. Speaker? Obviously the purpose was to make more money. If we are to believe the reports which have been made, they made those loans knowing that they were providing that money at great risk. They made those loans without the kind of production we usually expect of an investment. For example, when a farmer spends money on his crop, he expects to produce something of value. When one purchases something at a store, one expects something of value in return. These banks made these loans and they expected

money in return without producing anything. I think that statement sums up the whole situation.

● (1520)

The western world has now reached the stage in the control and development of its economy where financing has become the most important part of any project. It does not make any sense. It is not a logical approach to the economy. The Government and its cohorts made much of trusting the market system. They suggested that by trusting the market system they could guarantee growth and prosperity. Obviously their confidence is often misplaced. In this particular case it was grossly misplaced. A dependence upon financing also involves a dependence upon the greed of people and organizations to work. The financial market system depends upon the greed of people. The greed of the Canadian Commercial Bank pushed it to make unsecured loans. In order to obtain money for those loans, the bank appealed to the greed of depositors by offering a point or two higher interest rate than was available on the general market. The actions of the bank and of the depositors were based upon greed, that is, they wanted to obtain more than they should have expected to obtain. This had a destabilizing effect and contributed to the downfall of the bank.

At one time a person went out to make a fortune or to earn a living by producing something. Apparently those days have gone. Now one makes a fortune by lending money and depending upon the greed of other people. We have reached a stage in our economy today when money is more important than production. We have been manipulated by the financial institutions to the point where production has become more dependent upon money than upon work. In any enterprise today, be it farming, small business or construction, it is seldom that the entrepreneur will make more profit than the bank or financial institution which lent the money in the first place. This seems to be backward. When the money-lender is the only person who is guaranteed profit in an enterprise, we are depending far too much upon money.

Even now as we in the House look into the downfall of the Northland Bank and the Canadian Commercial Bank, we should be looking at the basic financial structure of Canada. The values of the country have been changed to the point where production has less value than money and where it is possible to make money without any production. That was wrong when I was growing up, and it is wrong today.

Thus far almost $1 billion is being touted as the total amount necessary to bail out the depositors in the two banks. The Government has suggested that it will give only $48 million or one-twentieth of the bail-out amount to western farmers who find themselves in a disastrous situation because of drought. Who are the winners and who are the losers in this bail-out Bill? The borrowers and depositors are the winners; the losers are the taxpayers and to some extent the shareholders. Obviously someone will get this money. I hope that in the judicial investigation or elsewhere we will find out where the bail-out money is to go. Perhaps we require a list of borrowers as well as a list of depositors, so that Canadians will know not only who is being repaid but who obtained money in the first place.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I am pleased to participate in the debate on Bill C-79. In this morning's edition of *The Globe and Mail* there was a report about the Canadian Commercial Bank which was headlined "CCB report describes bank in chaos". A more appropriate definition of what has occurred would be: "CCB report describes a Government in chaos".

The Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) have mismanaged the affairs of these two banks. As a direct result of that political mismanagement, we are here today debating this Bill. The Minister stated that the purpose of this particular piece of legislation was to assist or bail out individuals who are uninsured depositors in the Canadian Commercial Bank and the Northland Bank. This Bill is an attempt to bail out two incompetent Ministers. The record speaks for itself in respect of what transpired in terms of these two banks.

We have been told today that we have a responsibility as parliamentarians to bail out uninsured depositors. Canadians are asking, as we in the Opposition are asking: Who are these people to whom Canadian taxpayers will have to pay $875 million? It is incumbent upon the Government, the Minister of Finance and the Minister of State for Finance to tell us and the people of Canada specifically who these people are.

Hon. Members know that depositors with less than $60,000 are insured; they are protected. Those with deposits of up to $60,000 are protected by law. Through this particular piece of legislation, the Government is asking that we bail out others who have on deposit in excess of $60,000. Why should we do that? Why should Canadians have to bail out individuals who have in excess of $60,000 on deposit in those two banks? The Minister has said it is because we have a moral obligation to do so.

● (1530)

Indeed, the Government might have a moral obligation. The Minister told the people of Canada, including those depositors, that the banks were on a solid footing and that, as a result of the bail-out made earlier this year, the banks were solvent and would survive. She was wrong. The Government was wrong. The Minister of Finance, the Minister of State for Finance and indeed the Prime Minister (Mr. Mulroney) and others misled the House. I am not suggesting that they misled the House deliberately but indeed they misled the House by saying that the banks would be sound if we supported the bail-out package. They were wrong.

Government Members told us that based on the best information available at the time, the bail-out would help the banks and the banks would survive. What information was available to the Government? We asked the two Ministers involved and the Prime Minister what information they had to give the undertaking to the Opposition and to the depositors of these two banks that the banks would survive. The fact is that they

did not have full information. Were they negligent in not obtaining all the information that was necessary to make such a crucial decision affecting so many Canadians?

Where was the Minister of State for Finance? A few short days ago, the Minister of State for Finance admitted to the House that she was not in Canada during the month of July, a crucial month in the unfortunate history of these two banks and the Government's involvement in them. What could possibly be more important than being in Canada to monitor the situation? We have been told that she was vacationing somewhere in Europe and indeed she told us that she was in telephone contact with officials. That is not good enough. We expect a Minister of the Crown who is responsible and accountable for the banks of Canada to be here in Canada when an issue of such importance and magnitude arises. No, the Minister had other priorities. Her vacation was more important than the issue of the Canadian Commercial Bank and the Northland Bank.

Where is the Minister of Finance? I can appreciate that the rules of the House dictate that Hon. Members cannot comment on the absence of a particular Member from the House. I am not going to comment on the fact that the Minister has been absent from the House but I would like to comment on the fact that the Minister is not in Canada. He has gone to some meeting in Europe. Some would argue that it is an important meeting of the IMF, but I would suggest to Hon. Members opposite and to the Minister that this issue is far more important than a meeting of the IMF in Europe. The Minister should be here in the House of Commons to answer questions put by opposition Members. He should be here to be held accountable for what is happening.

We heard today that the Government is getting a little fidgety about questions asked in this House. The Government has suggested that because the Estey Commission has been mandated to investigate the affairs surrounding the collapse of these two banks, opposition Members should not be asking questions. I submit that it is our right as members of the Opposition to ask questions and to hold Ministers accountable for their actions.

We were told today by the Hon. Member for Trinity (Miss Nicholson) that the Minister of State for Finance sent a letter to a shareholder indicating that the banks in question would be on a solid footing. That was an undertaking made by a Minister. If the Government feels that it has a moral obligation based on statements it made with respect to the uninsured depositors of the Canadian Commercial Bank and the Northland Bank, does it not believe it has an obligation to the shareholders of the Canadian Commercial Bank and the Northland Bank? After all, the shareholders were given the same irresponsible undertaking and assurance by the Minister that the banks would be solvent. As a result of that undertaking, I suspect, certain shareholders of the Canadian Commercial Bank and the Northland Bank continued to hold shares in those banks. Does the Government not feel that it has a moral obligation to the shareholders as well?

I began my discussion today by suggesting that we are seeing a Government in chaos. Indeed it is a Government in chaos. Canadians are asking who controls the finances of our country. The banking industry has been shaken by the collapse of these two banks and we are now told that a third bank may be in trouble. I would suggest that it is as a result of the incompetence of the Minister of Finance and the Minister of State for Finance that the banking industry is in trouble. Had they taken appropriate action in the early stages, the collapse of these two banks might have been avoided and Canadians would not be asked to pay out $875 million to uninsured depositors. We in Her Majesty's Loyal and Official Opposition are not prepared to give the Government a blank cheque.

The Leader of the Opposition (Mr. Turner) has moved an amendment which reads as follows:

> This House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds.

In closing, Mr. Speaker, I wish to indicate on behalf of my constituents of York South-Weston that Canadians condemn the Government for its mismanagement of this particular matter. We hold the Government accountable for the failure of these two banks.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I rise to address Bill C-79, an appalling measure that is before us today. The Canadian taxpayers are being asked to spend $875 million to bail out the uninsured depositors of the Canadian Commercial Bank and the Northland Bank. Canadians are quite scandalized that they should be asked to pay out this kind of money when the names of the individuals and corporations affected are not to be revealed. This runs entirely contrary to principles of accountability and it is entirely unacceptable.

We are very concerned about the financial priorities the Government is displaying in this bail-out Bill. We are concerned that the Government can find nearly $1 billion to make this pay-out, and indeed, by the time the pay-outs are finished, the sum may well be above $1 billion. We are concerned that the Government can suddenly find this amount of money when in its May Budget it proposed that old age pensions should be deindexed. We had to fight the Government on that measure, as we are currently fighting it with respect to the deindexation of the family allowance, a measure that would save approximately $200 million this year. The Government does not have that amount of money for child support programs because they are of low priority. Yet, it has nearly $1 billion, and possibly more, to pay out individuals, corporations, foreign banks, rich municipalities, large organizations and sophisticated investors who knew what they were doing. It can find money for these types of purposes which are surely less important than support of our social programs.

● (1540)

This is a matter which shows the Government at its most incompetent and its most negligent. The Minister of State for

Finance (Mrs. McDougall) has tried to blame previous Liberal Governments—and perhaps the blame should be shared—for the lack of improvement and the lack of attention to inspection procedures which would have made it possible to determine the failures of these two banks before a bail-out of this size would be needed. While I admit that perhaps some of the blame should be shared, I do not think that the explanation which the Minister of State for Finance has offered is remotely adequate enough. Certainly, all the blame cannot be placed where the Government wishes to place it. It is clear that the Government acted with insufficient information and that it did not obtain the information which it should have obtained.

Last March, it took the matter much too lightly when it announced its bail-out of the Canadian Commercial Bank. At that time depositors were told that the situation was solved and that with a certain modest sum of money the bank would survive. Indeed, right into the month of August the Minister of State for Finance was writing letters to inquirers stating that the long-term viability of the bank had been ensured and that it was in fine financial condition and that there was no need for concern. Simultaneouly, the major chartered banks were withdrawing their money, as were other investors, making it necessary for the Bank of Canada to infuse more money just to keep the bank going. It was one of the arrangements of the bail-out that the Bank of Canada would come to its rescue as there was a run on its deposits. Indeed, there was a run on its deposits and an enormous amount of taxpayers' money has gone into the continuing operations of these two banks under bad management and with large numbers of loans which were not viable. The whole mess was allowed to continue so that the bail-out with which we are now faced is considerably greater than it would have been if the Government had taken some responsibility and found the information it needed last March to come up with a more prudent decision at that time.

Let us consider the situation in which the Canadian Commercial Bank finds itself. It is a fairly young financial institution, having been incorporated in 1975 in Edmonton. Its loan portfolio was primarily western and very much in the risk sector. It was in the field of construction, real estate and energy. Of course, one does not have to be very experienced in business, or in the economy, to know that these are sectors which are vulnerable to economic turn-around. Therefore, when there was a set-back in the energy field, that had an impact on the related fields of real estate and construction. When companies began to fold in the energy sector it meant the decline of the whole business sector. If construction is hit, people lose their jobs and move out of the province. As real estate markets are hit, people who once wanted to buy or build sell and leave for greener pastures. Here is a bank which very imprudently concentrated in a highly vulnerable area and did not learn its lessons in that area. It now wants the Canadian taxpayer to pay for its imprudent decisions.

Before us we have a further complication which, indeed, is a very sad one. The Canadian Commercial Bank bought into an American bank in California which was in a similar field with similar weaknesses. Initially, it bought a 40 per cent interest of the Westland Bank. When that bank ran into financial difficulty the CCB bought the bank outright, supposedly to protect its investment. However, the Westland Bank had precisely the same type of over-concentration in vulnerable areas. Thus, we see the irony in western Canada when a set-back is experienced in the economy. They send their money out to purchase in an area which has precisely the same problems and is vulnerable to precisely the same economic downturns as the Alberta economy has been faced with. The failure of the California bank has certainly had an impact on the parent company in Alberta.

All of these difficulties did not just happen in July or August. They did not happen after the bank was bailed out in the first instance. This is information which was available. However, what we find is that the Government in setting the course which it did in March to bail out the Canadian Commercial Bank did so without obtaining full information. An estimate of bad loans or high risk loans was grossly under-estimated. It need not have been. It was simply that it did not require the information to be provided at the time. A hasty decision was made and, unfortunately, it was the wrong one.

I would like to read a statement made by the auditors of the Canadian Commercial Bank which they made in their appearance before the Finance Committee. It states:

> A review of the annual reports and financial statements of the bank for the past three years clearly indicates a trend of declining net income, a rapidly escalating loss experience on loans coupled with very substantial increases in the total of non-earning loans and the percentage of non-earning loans to total loans.

In other words, information for a period of three years preceding the failure of the bank was like writing on the wall. What are non-earning loans? They are mistaken loans, loans that should not have been made. This information was in place but the Government did not insist that it be obtained and reviewed. It did not insist that an accurate estimate be made of the extent of the bad loans, the number of them or the bad decision making involved in them.

While we oppose the over-all bail-out, let me say that there is reason for the establishment of a hardship fund. There is reason to bail-out individuals and some groups which deposited their money, unsophisticated investors who certainly did not have any inside information and who would be particularly hurt. We think on a case-by-case basis these hardship interests should be considered. We are very much opposed to a blanket bail-out with no names attached. We oppose hard-earned taxpayer's money going to bail out foreign banks, large corporations and municipalities. This is an improper way for Parliament to be using taxpayers' money. We are profoundly opposed to this Bill.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in participating in the debate on Bill C-79 one cannot refrain from commenting with respect to the conclusion which is emerging throughout the country in the minds of many Canadians who follow the activities and accidents of this Government. The Bill before us should actually be called the "Incompetence Bill" of the Government of Canada in 1985. As such, it would receive

five stars in any competition to determine the inability of a Bill to deal with the public's interest. We are debating today an amendment put forward by our Leader in which we urge this House to decline to give second reading to this Bill because the principle of the Bill is to permit payments of large but unspecified amounts of public monies to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds. I submit to you, Mr. Speaker, that this amendment is a perfectly legitimate amendment. It is consistent and falls squarely within the prerogative and traditions of Parliament. To be asked to permit payments of substantial sums blindly, so to speak, without the knowledge of who are the recipients, is a measure which would offend any parliamentarian worth his or her salt and would be deeply resented no matter what Party is in opposition. I am certain that the Conservative Party, if it was in opposition, would oppose this Bill tooth and nail, just as we are doing today. I wonder, therefore, how on earth this situation developed, considering the assurances which were given to us only six months ago in this House by the Minister of State for Finance (Mrs. McDougall). On March 25 she is reported in *Hansard* as stating:

● (1550)

We are satisfied that this Bank is now a viable Bank, that it will be profitable in the future, that we will be repaid as will other members of the support group out of the future profits of the Bank.

This was an undertaking. It was a clear statement. It was not conditional and there was no hedging about it. On the same occasion, on March 25, the Minister of State for Finance went on to say, and I quote:

This particular problem was triggered by something that happened within the bank's loan portfolio in California which then of course created problems with the organization as a whole.

The Minister did not, on that occasion, thank God, bring in the red herring of the National Energy Program as did some of her colleagues. She just identified the source of the problem. That was the position of the Minister at that time. The problem was not the bad economy in western Canada, nor was it the National Energy Program, it was the bank itself. The bank had invested very heavily, not in Canada but in Texas and California, into loans directed at the oil and gas industry. I am happy the Minister of Energy, Mines and Resources (Miss Carney) is in the House today to hear this because I believe this Bill has relevance to her efforts in Canada as well.

Mr. Della Noce: She is here just for you.

Mr. Caccia: I am very touched by that fact. The bank's investments were also directed to real estate in Texas and California. Six months ago we were given one set of assurances and six months later we must face a Bill which demands a phenomenal sum of money from the taxpayers of Canada without knowing who will be the recipients of the funds. The fact is that in March the Government made a political decision without searching and digging for the necessary facts. It made a decision based on partial information and it decided to do so because it felt that that was the political thing to do at the time. The Government cannot deny the fact that if it had made the effort to dig for the information, it would have been able to use it. However, the information was not used and by deciding not to use that information, it could not look at the facts. It disregarded a valuable tool which would probably have prompted this Government to make quite a different decision.

I was very impressed, Mr. Speaker, with the alternative course of action put forward in the course of this debate by my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau). He put forward a four-pronged approach by way of an alternative Bill. He recommended, among other things, that an investment be made in the equity of the Northland Bank and that, in his opinion, this should amount to $150 million to $200 million, and that the composition of the Board of Directors be changed to a more competent team. He also recommended that the Government of Canada guarantee the deposits in the Northland Bank for the next five years so that the depositors could regain confidence in this financial institution. I thought this was a rather constructive effort on the part of the Hon. Member for Laval-des-Rapides as he attempted to come to grips with this situation. He also put on record the fact that it is extremely difficult for us in this House of Commons to debate Bill C-79—the Progressive Conservative incompetence Bill—while at the same time the Estey Commission is trying to get to the facts which this Parliament does not as yet have. This exercise becomes even more difficult because it is, first, clouded by political incompetence and, second, it is carried out without full knowledge of all the facts. The Estey Commission exercise is taking place at the same time outside of this building in another place in an attempt to provide information to the public, and to the politicians, in order for them to do a proper job. For all of these reasons, Mr. Speaker, we have moved this amendment. It is highly reasonable that in order to approve the expenditure of $875 million, every Member of Parliament should know how these funds are to be expended. That is the basic thrust of our amendment and I commend it to you, Mr. Speaker, for your consideration, and that of the Government.

● (1600)

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad for the chance to speak against Bill C-79. It is called the Financial Institution Depositors Compensation Act but everyone knows it simply as the tax bail-out Bill. This Bill is both unfair and destructive. People can accept something which is unfair if it is really needed and good for the country. People can accept something which perhaps costs the country a little bit but which creates a situation which is more fair. However, this is both unfair and destructive to the country.

We are being asked to approve an expenditure of $875 million now, and there is every reason to think that this is only the start. The Government will tell us how much more later on. What is notably unfair about it is that this money goes mostly to the very big depositors. These depositors looked around for a high interest rate and found it in this bank which was making questionable loans in order to get a high return. It

turns out that for many months before last March there were suspicions in the banking community that the Canadian Commercial Bank was not operating in a prudent way. Yet the big banks, which should have and probably did know better because that is their business, took the risk and put their money in figuring: heads I win, tails you lose. If the CCB does all right, they get the profit. If not, they ask the Government and the taxpayers to pay their loss. That is where we are now.

Let us look at some of the CCB depositors. There was more than $108 million on deposit from foreign banks. There was $65 million on deposit from Canadian Schedule A and Schedule B banks. There was $1 million on deposit from trust companies. There was $56 million from investment dealers and brokers, and $51 million from other corporations. These outfits can stand to lose money better than the average worker or small business person. They can stand to lose it, not easily but better than most Canadians can, and they are also the ones who knew best what a risk they were running. By their own standards, they ought to pay for that risk because they demanded the profit that comes with the risk. When we ask these institutions why they take 6 per cent more interest on the money they lend out than they have to pay on the money they borrow, they say that is because of the risk. Now they have the profit for the risk but they want the taxpayers to bear the risk. That is what is unfair.

It is also very unfortunate, Mr. Speaker, that some other groups have put a good deal of money into this bank. I do not think they should have. The credit unions deposited $67 million. Municipal Governments deposited $30 million. Provincial Governments deposited $69 million. That is either taxpayers' money or the deposits of small business people and workers. That money should not have been put at risk. We used to have a principle that when money like that was in effect placed in someone's care, such as a municipal or provincial Government, credit union or union pension fund, it should be invested carefully. They should not take risk with what is essentially other people's money, particularly that of ordinary working people who cannot afford to lose it and who do not have any means of participating in the decision-making involved. However, that was a small part of the portfolio. In fact, between 40 per cent and 50 per cent of the total deposits were from Canadian and foreign banks. This situation is principally a rip-off by the banks who are happy to devour the carcass of one of their brothers and get the taxpayers to pay as much as possible of the risk that they take.

It is unfortunate in another way as well. There is a very interesting situation which illustrates the unfairness. The Canadian Imperial Bank of Commerce has forced hundreds of its employees at its Visa Centre to go out on strike. It refuses to bargain in good faith and follow the 20th century concept of honest labour relations with its employees when they organize a union. This is one of the banks which is going to get money from the taxpayers, including those employees it has forced out on strike. They are being forced to subsidize an employer who refuses to let them have normal union rights. It may be only two or three hundred people but it symbolizes the policy of not only the CIBC but of banks in general. They are very hostile to working people and small business people in this country. In fact, it is the working people and small business people who are being asked to shell out a total of $1 billion and it will soon be more than that, primarily to help the rich. That is what is unfair.

What is it that is destructive? There are many ways this money could be better spent. What does giving $108 million to foreign banks do for the Canadian working people who will have to pay it in the form of taxes? The banks do not pay much in taxes. Some years they do not pay any taxes at all, they get a rebate. If they make less than $200 million or $300 million they cry poor and get a tax rebate. Why should the taxpayer be foreced to pay $108 million to foreign banks? Indeed, why should working people be forced be forced to pay more than $100 million to Canadian banks over and above the donations already made over the years through a tax system rigged in favour of the banks? What if, for example, this money was spent on building homes? We need them. The Government says it has to cut back, and it did cut $29 million in the Budget for this purpose. Here is $1 billion which would easily build 20,000 homes and that would be a great deal better. It would employ unemployed construction workers and house people who the Government knows lack decent housing. We also know that the drinking water of Lake Ontario is dangerously polluted. The Government of the United States and, to some extent, the Government of Canada have allowed industry to dump their poisonous wastes into the Niagara River or on the land beside the river where it soon runs into the river. That is what we are getting in Lake Ontario. That is what they are drinking tonight throughout Metropolitan Toronto and many, many other communities around the lake. There are ways of reducing those poisons. There is new technology for purifying water but it costs money. The Government could do this but it says we do not have the money, and that is false. The Government does have the money. It has the money to go a long way toward purifying the water in Lake Ontario for millions and millions of people. Yet it refuses to spend the money in that way because it would rather give it to its friends in the banking system.

This is an unfair Bill, Mr. Speaker. It is destructive, it promotes unemployment in Canada, and prevents us from doing the things we need to do. It can provide housing and clean up the drinking water through which we can be poisoned by cancer-causing chemicals which industry has put in the water. I fully support the amendment of our Liberal colleagues and I hope this Bill will never see third reading.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Pursuant to Standing Order 46, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Halifax West (Mr. Crosby)—National Defence—(*a*) Compensation for sinking of the *Lady Marjorie*; the Hon. Member for Winnipeg North (Mr. Orlikow)—Consumer Affairs—(*a*) Discounting of income tax refunds. (*b*) Request that practice be banned.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, am very pleased on behalf of my Party to rise and address Bill C-79. As Members have stated before, it is basically a Bill to bail out the two banks which we have been debating for a number of months in this Chamber, namely, the Canadian Commercial Bank and the Northland Bank. Specifically stated, this Government is asking this Parliament, and this Party specifically, of course, to grant it a blank cheque to the tune of $875 million to pay for uninsured depositors of over $60,000. It would seem to me and, as I have learned from discussing this issue with constituents on the weekend, it would seem to constituents in York West, that the logical thing to do with respect to this Bill would be, at the very least, to tell this Parliament, and through this Parliament Canadians from one coast to another, who is going to be receiving this money. Yet, the Government comes to this Chamber and will not tell us where the money is going, just that we should co-sign the cheque and that we will be told later. Of course, Mr. Speaker, the individuals involved will have to make an application for reimbursement and their names will then become public. The Government is asking Parliament to put the cart before the horse.

• (1610)

The Government goes on to say that if the Opposition Parties do not co-sign this $875 million cheque we will be against individuals, perhaps farmers, or some municipalities which must legitimately be reimbursed by Parliament. This Party is not prepared to say that we should not help the harder hit individuals on a case-by-case basis. However, if we were prepared to support that type of philosophy it would seem logical and appropriate that Parliament would be able to take a look at those individuals to determine whether we should be studying them on a case-by-case basis. However, the Government is not prepared to give us the names and the sources.

The Minister of State for Finance (Mrs. McDougall) rises in her place and says that we have a moral obligation to sign this cheque. What a perverse sense of definition, Mr. Speaker! The Minister of State bases her claim on morality. We on this side of the House ask where the morality was on March 25 when that Minister got up in her place and assured Parliament and the Canadian population at large that the Government knew what it was doing, that it had the appropriate information to lend the bail-out package which the House agreed to on March 25. I ask you today, based on the information that we have and on the inquiry information that is leaking out day after day, where the morality was on March 25 when that Minister assured the House that those banks would be viable if we approved the package. Now, Mr. Speaker, if we do not co-sign this blank cheque we are somehow going to be immoral about the entire affair.

Where was the morality of the Government when it knew about the mismanagement of the banks and continued to ask for support through Parliament? What about the bad administration and the 25 per cent of loans which were determined to be very risky and very poor in judgment and the poor documentation of the banks? Where was the morality of the Government, the Minister of Finance (Mr. Wilson), and the Minister of State for Finance when they did not tell this House and Canadians about the mismanagement? Where was the morality in not allowing this House to set up its own parliamentary committee to investigate those two banks and any other banking matters? Where was the morality of not allowing Parliamentarians to delve into the facts, to take a look at the depositors, to look at how much money individuals or farmers or municipalities had on deposit with those particular banks?

Where was the morality, Mr. Speaker, in hiding the political fortunes of the Minister of State for Finance, the Minister of Finance and the Prime Minister (Mr. Mulroney) himself by running to a Supreme Court Justice to have him take a look at the entire affair? Mr. Speaker, I do not say that to begrudge the integrity of any Supreme Court Justice, but because the individuals across the country have voted for the 282 men and women here Parliament has a moral obligation and a right to look into these questions without having to have a request through an outside body, let alone a judicial body, to look into what is purely and basically a politically motivated decision coming from the top of the Government.

I ask you, Mr. Speaker, where is the morality in denying this Parliament a committee and where is the morality in refusing to get up during Question Period and answer questions genuinely asked, and in simply refusing to answer by saying that there is an inquiry? What are we doing here, Mr. Speaker? Why do these Ministers and the Prime Minister continue to come to Question Period if that is the type of answer that they are going to provide Canadians through this Chamber? Why bother at all, Mr. Speaker?

Where was the morality of the Budget that was introduced? They say that if we do not sign this blank cheque it will be immoral, yet the Government supposedly did not have the money, until Canadians made it change the policy to allow indexation for our senior citizens. In May it was saying that senior citizens had to help bring down the deficit and it was trying to legitimately justify something that could not be justified. It was the seniors of this country who forced the Government to reverse its perverse sense of logic absolutely lacking in morality.

Where is the morality in the deindexation of family allowances? It tried it with seniors and did not succeed so now the Government is hitting the mothers and children of the country. The Government says it has to remove indexation because it does not have the money in the coffer, yet it has the morality to turn around and ask for billions of dollars to bail out these banks. Where was the morality in the Budget which provided that as a result of all taxes, hidden and unhidden, by 1990 a family earning $15,000 to $20,000 is going to face a 36 per cent increase while a person earning $200,000 is going to face a 2 per cent increase? Where is the morality in that, Mr. Speaker? Yet the Minister of State comes to us today and tells us to sign the $875 million cheque. Is she serious? Is the Government serious? Canadians are laughing at the Government. It is unfortunate that Canadians are laughing at a serious and very delicate issue, but they are laughing at the incompetence of the Government.

Where was the morality in eliminating the RHOSP programs that allowed young Canadian families to buy homes? They removed the RHOSP because Canada could not afford it, but now Canada can afford billions of dollars for these banks. There are small businessmen which cannot get the assistance of the federal Government to compete internationally with Germany, Great Britain and Japan because we do not have the money to subsidize contract negotiations. Two specific companies lost contracts because they did not have the financial backing of the Government.

I detest profoundly, as do my constituents, when the Government and the Minister of State for Finance say that if we do not sign the $875 million cheque we are immoral. I submit to you with all due respect, Mr. Speaker, that the actions and decisions leading to the fiasco of these banks is a reflection of the immorality that sits on the other side of the House. It is for that good reason that I am supporting the amendment put forward this morning by my Leader.

• (1620)

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I was quite intrigued by the argument presented by the Hon. Member for York West (Mr. Marchi) who questions the morality of the Government in this bail-out. While I suppose an argument can be made for a lack of morality, I do not know whether one could deem it immorality. Perhaps amorality is a much more likely and appropriate term since it is evident that the Government engages in rather too little thought to deliberately do something immoral. It is a Government of ineptitude. It is a Government that, on the evidence, does not give careful consideration to what it does.

We know that Hallowe'en is approaching and as it approaches we begin to think in terms of masquerades. Certainly from all that we have seen over the last few weeks, we see a group of people who are masquerading as a Government. They are pretending and seem to trip from one error to another, one pratfall to another with their masks hiding their true stupidity.

The other day we engaged in a brief discussion in this Chamber in examining what is transpiring within the context of what purports to be the Conservative philosophy. I believe it is worth repeating a couple of points raised at that time. As a result of its election, this Government has certainly dramatically encouraged the free enterprisers—especially those on the extreme right wing—to visit upon us all the slogans of the Darwinian notion of free market enterprise. These include the notion that we should get Government out of the board rooms of Canada, unleash free enterprise and get the Government off the backs of business people. It is a notion that there should be virtually no intervention on the part of the Government and that we should encourage risk taking because it is a tremendous stimulus to creativity and inventiveness. The very notion that one might lose is the process which encourages innovative approaches to economic development and growth.

Now we see a Government that is prepared to spend the money that belongs to ordinary Canadians, many of whom are suffering immeasurably in the present economic context, to pay for the losses of those who must have assumed by virtue of the return that they sought that there was a risk.

As my colleague, the Member for Spadina (Mr. Heap), has indicated, the differential between the cost of borrowing and the interest paid to depositors reflects that kind of risk. However, that risk has completely disappeared. Suddenly the Government is no longr interested in risk or a free enterprise economy without Government intervention. Now, the Government must rush in where I suggest others might have feared to tread. The Government's action has clearly denied its philosophy or shown us clearly that the philosophy was not as it was described at all. The Government is not opposed to welfare, it is just that the target is different.

It would have been at least tolerable to see this inconsistency in all of this debate, but as we have heard consistently in the debate, the Government says that all of this mess—it can be described as nothing else but an incompetently derived mess—is caused by an awful conspiracy on the part of the East to do

in the West and that the National Energy Program was part of that conspiration action.

The Government would have us believe that one need not examine the issues here. One only has to make sure that enough money is poured into these two banks to demonstrate that the Government is not against the West.

The fact is that the Hitchman Report and any other number of facts would have demonstrated the utter fallaciousness, if not the malevolence of that argument. That argument is the moral equivalent of racism. It is divisive, inappropriate and diverts us from looking at the real issues.

The real issues stem from the fact that a number of factors may have made it difficult to survive in the recessionary period during which the downfall of the banks was initiated. However, to suggest that the Liberals are responsible for the failure of the Northland Bank, as has been implied by the arguments inferred from the Government side, is so bizarre as to suggest that indeed perhaps there are elements of immorality in this situation. Mr. Hitchman has pointed out that any close examination of the practices of the Canadian Commercial Bank would have exposed sloppiness and ineptitude, if not crookedness. None of this was revealed.

When I think about the machinations surrounding this bank bail-out, I am reminded of a peom about the blind man and the elephant. Let me read the first verse of the poem, which is familiar to many people:

> It was six men of Indostan
> To learning much inclined,
> Who went to see the elephant
> (Though all of them were blind),
> That each by observation
> Might satisfy his mind.

Of course, one blind man touched the elephant and thought it might be a tree, another thought it was a a snake and so on. This is analogous to the Inspector General of Banks looking at the CCB, the auditors looking at the CCB and Governor Bouey looking at the CCB, as well as the Minister of Finance (Mr. Wilson) looking at the CCB. The result with which we are all familiar reminds us of the last verse of the poem which states:

> So, oft in theologic wars
> The disputants, I ween,
> Rail on in utter ignorance
> Of what each other mean,
> And prate about an elephant
> Not one of them has seen!

Indeed, no one saw the bank. They poured money into the bank without ever seeing it. Mr. Hitchman has pointed out what should have been seen in the bank.

People in this country are suffering from inhumane tax measures directed at children. Let me cite one more quotation. It is very interesting in the present context. It states, "The Government can find hundreds of millions of dollars for bail-outs but the same Government refuses to allow our badly underfunded education system the money it needs to produce the highly trained manpower this country needs. Those are strange priorities, bizarre in the extreme". A Conservative said that, referring to a bail-out which is ant sized as compared to the elephant in this instance.

What is disturbing about this situation is that the Government talked about eliminating the deficit but now we see the spectacle of $1 billion being taken away from the taxpayers, which could have met the needs of ordinary Canadians, to bail out the Government and those involved in the bank as a result of their stupidity. This amendment must be passed.

• (1630)

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, although not a financial expert, I thought it was my duty to take part in this debate where it concerns the motion by my leader to amend the motion on Bill C-79. I think the Bill should have been split in two, the purpose of the first part being to reimburse according to law, deposits not exceeding $60,000, and the second part would have been called Part II, for gamblers, because as far as amounts over and above $60,000 are concerned, only gamblers or people taking risks deposited their money with the Canadian Commercial Bank.

I simply want to say there is a matter of principle at stake here. We have said that the prestige of our banks has not been affected. However, as far as the public is concerned, a crack has appeared in the solid structure of our banks. We all know that money is a sensitive matter. When people say that a bank is in bad shape, the first thing you know, depositors are withdrawing their savings.

If we consider this for a while, we realize that our Canadian banking institutions have always been strong and sound, with a formidable reputation and one of the best banking systems in the world. I am sure that our bankers, who have always worked quietly and unassumingly, will be able to repair this crack in the prestige of our Canadian banking system.

I may add that the Government has a duty to provide for regular inspection of our banks. In fact, that is why we have a system with inspectors who see to it that banking operations are carried out in a normal way that is beneficial to the public. In this particular case we are talking about new banks, and I want to refer more specifically to the Canadian Commercial Bank which was established in 1975. I think the Government had a duty to provide more and closer supervision than it did in the case of other institutions with an established reputation and the stability that is typical of our Canadian banking system. If we refer to Hansard when the bank was created in 1975, we find the following description of the bank's activities, in the *Senate Debates:*

> They will specialize—
>
> —the branches of this Bank—
>
> —their lending in higher yielding business loans, resource financing, real estate financing, term loans, loans to small businesses, and the like.

And also the following:

The risk that is sometimes associated with these assets will be minimized by close, specialized management and forms of insurance, such as mortgage insurance.

Mr. Speaker, with hindsight, it would appear that management was poor. That is why I am saying that perhaps this particular bank, like the Northland Bank, should have been the object of closer monitoring since it was a new bank. Ten years in the life of a bank is not very long, Mr. Speaker, but now we know what can happen: with assets of $40 million it ended up in a $4 billion-plus bankruptcy. Again I refer to the history of the creation of the bank in 1975. After the sponsors made their statements to convince the Senate that the Bill ought to be adopted, Senator Heath asked a very relevant question, and I quote:

Is there any provision for a restriction on the percentage of shares that can be owned or controlled by individual, corporate or government shareholders?

Here is Senator Hays' answer:

This will be a private bank, and its innovators would like to see, as principal shareholders, Canadian institutions, primarily pension plans. There may be 25 such institutions, each holding 4 per cent of the shares. There are laws to ensure percentage of holdings.

So no provision was made for shares held by individuals. Senator Molson found it rather strange—he still had a sharp mind with respect to financial matters—that the sponsor of the Bill would react like that, so he asked:

When my honourable friend says it will be a "wholesale" bank, does he mean there will be no phase of its activities that deals with the ordinary, small individual; that there will be no banking for the ordinary, small operator or depositor? I am not quite clear about the term "wholesale" in this case.

So there is the crux of the problem, Mr. Speaker, and that is what led to the collapse of the bank. It is unfortunate that at that time some senators managed, so to speak, to dig the grave of the bank even before it was born. For this reason, the various Governments should have paid a special attention to this bank from the start, since the basic principles were, should I say, perverted. According to a basic economic rule, the higher the yield, the higher the risk. All those institutions, organizations or Governments which had invested in this bank more then $60,000 wanted to make more money. It was high-risk capital, therefore, which should be excluded from this Bill, at least until we are advised of the names of those who will benefit from the Government's generosity.

The City of Hull, which is part of my own riding, had invested $12 million in this banking institution. Do you know why? Simply because it wanted to get more interest on its investment. In other words, it took a risk, and the people are going to suffer, but in the end they are likely to punish those they had elected not to risk the capital entrusted to them but to protect it. The duty of any appointed or elected administration of a public organization, municipality or group is to make sure that the invesments he or she makes on behalf of the community are secure investments and not high-risk ones. That is precisely the point I am trying to make and that is why I will support this amendment, together with my colleagues, so that we do not waste the taxpayers' money to compensate those gamblers who invested more than the $60,000 limit of insured deposits.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-79 which is a proposal by the Government to bail-out a major bank in the country.

• (1640)

Before this debate began, before this issue was raised in the House of Commons, I, like most other Canadians, never gave too much thought to the banking industry. This debate has been a particular eye-opener for me and for average Canadians who are not involved in the field of high finances in their daily lives.

For example, I always considered the Inspector General of Banks to be just that. I always had the vision of some person who was high in authority and was in fact a general, in the sense that his main role would be to police the operations of the banking industry. It has come to light during this debate that the Inspector General of Banks has a total staff of some eight people to police the expenditures and investments of billions of dollars of ordinary Canadians' money. If we examine what the Inspector General and his staff of eight people are required to do, we find that they are financed and paid for by the banks. In other words, the banks are paying the Inspector General and his eight inspectors to police themselves. This may be one of the reasons that we find ourselves in the kind of difficulty with which we are faced today.

It must be realized that we are talking about a first instalment only. The House is being asked to provide a first instalment of $875 million of taxpayers' money. This money is not for people who invested or saved $1,000 in a bank account or even $5,000 or $6,000. All those people will be covered under depositors' insurance for investments up to $60,000. We are talking about $875 million of taxpayers' money, and 70 per cent of that amount will be directed to large corporations and foreign banks. We are talking about people who are used to high risk investments in the banking and financial industry. They knew what the risks were before putting money in. Having known that risk, they are now not prepared to absorb it. It looks as if the Government, in this Bill, fully supports what these corporations and foreign banks are demanding of Canadian taxpayers. It is totally unfair. What makes it doubly unfair is that the Government will not even tell us who are these people, making the argument that the information is confidential and that confidentiality would be harmed if Canadian taxpayers were told to whom they were paying this money. The Government argues legalities. Legalities or no legalities, Canadian taxpayers are entitled to that information.

As a Member of Parliament, I represent a constituency that does not have an over-abundance of rich people. My constituents work extremely hard for their money. They are fully entitled to that information so that they can make a judgment on whether or not the payment of $875 million is actually

justified. What they have told me is that they do not see the justification for it and certainly do not accept the argument of the Government that depositors have to be protected both in name and in their investments. In fact, people have written to me on other issues and have made comparisons. When the Government decided to reduce the deficit, it made the argument that senior citizens were prepared to support its effort to do so by accepting the deindexation of their Old Age Security. The Government made the argument that senior citizens would accept that for the sake of the national economy. If I recall correctly, the Minister of Finance (Mr. Wilson) tagged on to that argument that as soon as the economy improved, the Government would try to move to improve pensions. I find it passing strange that the Government could put up that kind of argument in defence of attacking senior citizens, but could not put up the same one when it came to protecting foreign banks and large corporations. It had absolutely no difficulty reaching into the taxpayers' purse overnight to find $875 million as a first instalment, and the Government will come along later with a request for another several hundred million dollars for foreign banks and large corporations. The Government attempted to attack senior citizens until they said that enough was enough and made it back off. In addition, it proposed a reduction in transfer payments to the provinces for the provision of medicare and post-secondary education to the tune of $2 billion over the next five years or six years. What is the Government's argument for doing that? It is because the deficit is too large. It has to reduce the deficit, and it believes that the only way to do it is by going after people who are sick and who need assistance and by going after students who need assistance to attend university. That is how the Government wants to reduce the deficit, but it does not make the same argument when it comes to banks and corporations.

Mr. Riis: What about family allowances?

Mr. Young: We know what the Government is trying to do to the family allowances. It is attacking families, women and children who are a major resource to the future of Canada. It has no compunctions in that regard, but it feels sorry for the corporations and for the foreign banks and goes out of its way to protect them.

There is a housing crisis in Canada. There are people in Metropolitan Toronto and elsewhere who cannot find decent, affordable housing. What is the Government doing about that? It is cutting back in the funding for housing under CMHC programs. If the Government was elected by Canadians to represent their best interest, it sure has a funny way of carrying out that mandate. If there is a shortage of affordable, adequate, good housing, surely the Government should be finding the money to stimulate housing growth in the public sector. It would not only provide a socially useful purpose; it would provide jobs. The more jobs created, the better the economy. It is general knowledge that for every job created in housing construction, another three to four jobs are created in spin-off industries, such as electrical manufacturing, appliance manufacturing, plumbing and housing materials. We could create many jobs in Canada if there was a political will to do it. The money is there. There is $875 million for the corporations and foreign banks, but there ain't any money for ordinary Canadians who need financial support at the present time.

In my remaining minute, let me indicate that I was a member of the Standing Committee on the Disabled and the Handicapped which produced a report containing 130 recommendations. To my knowledge the Government has hardly acted on any of them. The total amount of money required to implement every one of those recommendations would be less than 1 per cent of the total expenditure in the social services budget. If the Government seriously wanted to do something in the best interest of Canadians, and if it had the political will to do so, then that is the direction it would take. It would stop chumming with the banks and corporations and take into account the severe hardship which exists for many Canadians and do something about it.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, it is with pleasure that I lend my support today to an amendment moved by the Right Hon. Leader of the Official Opposition, Mr. John Turner, the Member of Parliament for Vancouver Quadra.

Mr. Speaker, if I may, I would like to read this amendment:

This House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public moneys to unspecified persons or corporations, thereby substantially denigrating parliamentary accountability for expenditure of public funds.

What are the important words in this amendment, Mr. Speaker? These words are, and I quote:

—large, but unspecified amounts—

I repeat, large, but unspecified amounts. Mr. Speaker, we are being asked to give blindly $875 million, and probably even more eventually.

In my humble opinion, it is shocking that, because of the lack of concern, the negligence and the incompetence of the Minister of Finance (Mr. Wilson), Member for Etobicoke Centre, and the Minister of State for Finance (Mrs. McDougall), Member for St. Paul's, the Government wants to bleed ordinary people, workers and small wage-earners.

Mr. Speaker, the amendment also says the following:

—to unspecified persons or corporations—

● (1650)

I would like to know which Conservative Member, which Government Member, in his own private business, would give a blank cheque to a company before seeing what he will be getting in return. Mr. Speaker, I think that this shows total incompetence. It is unacceptable. The Ministers have the audacity to ask us for an enormous blank cheque. As I have said, Mr. Speaker, I would very much like to see a Member on the other side make out a blank cheque to any business

whatsoever without knowing what he will get for it. Canadians have the right to know where these $875 million are going.

How can we explain to the Canadian people what is going on? Who asked the Prime Minister (Mr. Mulroney) for this Bill? What does the Bill introduced by the Minister of State for Finance hide? Mr. Speaker, has the Government examined what this will mean for the economy of our country? What will be the consequences of all this? The Ministers ask us to trust them. But what are we trusting them to do? We are signing what? We are paying out to whom? Who are the people, who are the corporations to whom we will be giving the money? Mr. Speaker, let me tell you that on this side of the House, we no longer have any confidence in this Government. We no longer have any confidence in its bad managers. We no longer have any confidence in this Progressive Conservative Government that is replete with incompetence people on that side of the House. Moreover, they are keeping from us the names of the beneficiaries, of those who will be receiving those $875 million, of those who will be receiving all that money. I submit to you, Mr. Speaker, that since that money belongs to the Canadian people, to every Canadian man and woman, we all are entitled to know, you Tory gentlemen, where you are going to put those $875 million.

Imagine for a moment what we could do . . . Madam Minister, you could pay attention, this will be of much interest to you also. Anyway, you were just elected in this House. Imagine, Mr. Speaker, what we could do with that money. Let us for a moment turn our mind to our senior citizens, let us consider for a moment the family allowances. Let us remember our poor mothers you want to deprive of their money, and think of the de-indexing of family allowances. Think of our senior citizens. They wanted to clip their wings off recently, cutting down part of the indexation. Think of senior citizens, of artists living on very small salaries.

Think also, and I am sorry the Minister of State (Small Businesses) (Mr. Bissonnette) is not in this House, yes, think a little, Mr. Minister, about the small and medium-sized businesses you claim you want to help. Instead of paying out those $875 million to people, to businesses the names of which you refuse to disclose . . . Are you hiding something, you Tories? Are you afraid to tell us whom this money will be going to? To people in the Montreal East End, to Quebecers, to Canadians of both sexes? Everyone has the right to know to whom you want to give those $875 million. Have you thought a little of the people working for Vickers, for Gulf Canada, for Bombardier to whom you may want to make other proposals?

Therefore, as a Member of this House, when I am asked to sign a blank cheque for $875 million, my reaction is I would even forbid those who are close to me, my children, my wife, and everyone else to sign a blank cheque to anyone. You have no right to do that, gentlemen!

The Government House Leader is looking at me and laughing. I will ask him this question: In your own business would you sign a blank cheque for goods to be delivered without knowing who will make the delivery and to whom the cheque should go? I would therefore ask you gentlemen to be more conscientious and responsible. I think you are mature enough. You were called upon as a result of an election to represent your constituents. Have you taken a poll in your constituency to learn how many persons are ready to sign a blank cheque for $875 million?

The Minister of Transport (Mr. Mazankowski) is rising and seems quite surprised. Now, Mr. Minister, I ask you personally: Are you ready to sign a blank cheque? You are pointing at me, but you only have to nod to say that you would sign a blank cheque and I think you will then be told that you lack maturity.

There is not one responsible indidivual in this House who would dare to sign a blank cheque, whatever the amount, payable to anybody . . . I see that you are giving me the signal, Mr. Speaker, and I thank you.

Finally, I would ask all my colleagues to support the amendment introduced by the Leader of the Opposition, the Right Hon. John Turner.

* * *

• (1700)

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I wish to inform the House that there have been consultations among the representatives of the Parties of the House and that it has not been possible to reach an agreement pursuant to Standing Order 82 or 83 with regard to the allocation of time to the second reading stage of Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits. Therefore, at the next sitting of the House it is my intention to propose the following motion pursuant to the provisions of Standing Order 84:

That, in relation to Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

That 15 minutes before the expiry of the time provided for the consideration of Government Business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Deputy Speaker: On a point of order, the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I think that what we have just heard is an absolute disgrace. At a time when such a matter is before

a judicial inquiry, costing the taxpayers of Canada in excess of $1 billion, to think that we are not—

Mr. Deputy Speaker: Order, please. The President of the Privy Council (Mr. Hnatyshyn) on a point of order.

Mr. Hnatyshyn: Mr. Speaker—

Mr. Gauthier: Another phoney point of order.

Mr. Hnatyshyn: Mr. Speaker, I would not have termed the point of order of the Hon. Member for Kamloops-Shuswap (Mr. Riis) a phoney point of order, just an improper point of order.

I rise, as I indicated I would earlier this day, to announce the business of the House for the next week.

Mr. Prud'homme: We should not even listen to you after what you have just said.

Mr. Hnatyshyn: Mr. Speaker, the reality is that we have legislation which we would like to deal with. Tomorrow it is my intention to call as the first item of business a report from the Senate on a Bill with respect to amendments to the Criminal Code concerning pari-mutuels. Your Honour will recall, as will Members of the House, that this Bill received all three readings in the House. There has been an amendment proposed in the Senate which the Government is prepared to accept. I understand from my discussions with representatives of the opposition Parties that they are agreeable to dealing with that amendment. It is proposed as the first item of business for tomorrow in order that it can be passed and that the Bill can be prepared for Royal Assent.

Second, there is a Bill with respect to the Yukon Territory and the Northwest Territories with respect to certain ordinances as has been reported, without amendment, from the committee. I believe there would be a disposition to deal with that Bill as the second item of business and to deal with the report stage and third reading tomorrow so that the matter can be referred to the other place for consideration.

Finally, for tomorrow, the Bill with respect to the salary adjustment for the Governor General, Lieutenants-Governor and judges will be called as the third item of business for debate. Hopefully, the matter can be given second reading so that the committee can consider the provisions of the Bill.

Next week the sequence of Bills to follow would be Bill C-75, a Bill relating to amendments to the Canada Shipping Act, followed by the Bill with respect to employment equity, followed by the Bill with respect to the dissolution of Canagrex.

That is the sequence of legislation which we can look forward to in the course of next week. As I have indicated on previous occasions, we will be monitoring the progress and we will continue our consultations with opposition House Leaders and if there is any change I will make an announcement at the earliest possible date.

Business of the House

Hon. Herb Gray (Windsor West): Mr. Speaker, the Government House Leader has just indicated the business he wants to call for tomorrow and next week. Particularly with respect to tomorrow, I wish to say that while there have been consultations earlier today with respect to what business might be called tomorrow, these consultations took place before we knew that the Government House Leader would rise in his place this afternoon and move a motion of closure to choke off debate on a measure for which the Government wishes to hand out $1 billion of taxpayers' money to a number of unidentified people, likely unworthy millionaire friends of the Government. I say on behalf of the Canadian people that this is a shocking move. The legislation which the Government wants to call tomorrow is worthy legislation; but none of the Bills are as important as the Bill to bail out the uninsured depositors with $1 billion of taxpayers' funds. The Government should be ashamed of itself for trying to choke off debate on that Bill without adequate debate. The Government is moving a motion for a $1 billion cover-up—

Ms. Copps: Muzzle.

Mr. Gray (Windsor West): It is a $1 billion muzzle. Surely, it will be called to account by the Canadian people for this effort to choke off debate when it should be leaving debate before this House so that this matter can be properly explored, understood and defeated.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the representation made by the House Leader of the Official Opposition. Indeed, he will confirm that we have had discussions about the Bill which were unsuccessful, as I indicated in my remarks, with respect to limiting the debate on the second reading stage of the Bill concerning the CCB. The hon. gentleman will be the first to acknowledge and appreciate the fact that this will not spell the end of debate by any means. This is just the beginning. We have had over eight hours of debate on this matter at the second reading stage. There will be an opportunity to refer the matter to committee where it can be examined in detail. There is also the report stage and the third reading stage when the matter will come back before the House after the committee stage. I am sure Hon. Members opposite will realize by that time that there are many small people out there who are depositors in this institution, people in western Canada who will want an indication from the Opposition that they have an interest in the situation. There are credit unions, municipalities and people of all walks of life who are involved and who want to know that the Government of Canada—

Ms. Copps: They want answers from the Government. On a point of order, Mr. Speaker.

Mr. Deputy Speaker: I cannot recognize the Hon. Member—

Ms. Copps: It is a point of order with respect to the business question.

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps) on the business question.

Ms. Copps: Mr. Speaker, I have just heard the Government House Leader state that there is no new information that can be brought forward. There are a number of Members on all sides of the House, including myself—

Some Hon. Members: Order.

Mr. Deputy Speaker: Order, please. The Hon. Member for Kamloops-Shuswap.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I wish to confirm that, indeed, discussions did take place with my Party's House Leader. There was agreement with respect to the nature and flow of business in the order as presented by the Government House Leader. Since the time allocation motion has been introduced, will the Government House Leader indicate that while it is prepared to muzzle the discussion at this particular stage that it will provide full opportunity once this matter reaches the legislative committee to ensure that all the appropriate witnesses can appear and be questioned by Members from all sides of the table?

Mr. Deputy Speaker: The Hon. President of the Privy Council.

Mr. Hnatyshyn: Mr. Speaker, I will answer those matters which fall within my jurisdiction. Obviously, the sequence of business has been discussed with the House Leaders so we do have an indication of the business for tomorrow. With respect to the procedure on second reading, it is hard for me to comment except to say that the Hon. Member will be the first to acknowledge that there will be a reasonable examination of this matter in committee. That has been the practice of our Government with respect to all legislation.

• (1710)

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, once more the House Leader of the Government is making arrangements with the House Leaders. It is his right, of course, to announce the legislation for tomorrow so we are not taken by surprise, so we know what is going to be discussed. That is fair. However, he should give us more than a few hours' notice when he again intends to call Bill C-79. There are people who want to speak on the Bill and they may be out of town on legitimate political business. I submit to you, Sir, with a Bill of such importance there must be long and careful debate. I have spoken with my House Leader. He is not aware when the Government House Leader intends to again call the Bill.

As an Hon. Member of this House who has spoken only 10 minutes this morning and who has a great interest in this Bill like every other Hon. Member, I would like to participate in the debate. I know my colleague, the Hon. Member for Hamilton East (Ms. Copps) would like to participate in the debate but she may now be cut off. There are other Hon. Members who would like to participate. They do not want to be taken by surprise.

Would the Government House Leader tell us when he intends to call that Bill?

Mr. Deputy Speaker: There has been a question.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the representation of the Hon. Member. He will understand that it is not a question of calling the Bill, it is a question of having the motion brought forward with respect to time allocation.

I try to give reasonable and adequate notice of all of the intentions of the Government with respect to moving these Bills forward, as I have in the past. I can only reiterate the fact that there are a lot of opportunities for further discussion of this Bill. This is not the end of the Bill. The Hon. Member's protestation would be effective if we were ending the discussion, but we are not. We are only in the midst of discussion of this Bill. We still have the committee stage, the report stage, third reading stage and I think by that time there will have been adequate opportunity for the proper examination of the legislation.

I am simply appealing to Hon. Members to keep this matter in perspective. I assure them that in bringing forward legislation we like to ensure that there is a reasonable opportunity for participation in debate. We have extended the debate all this week. We are now going into committee where there will be a possibility of having a thorough examination clause by clause. Ultimately the Bill will come back to the floor of the House and there will be an opportunity for the Hon. Member, I suppose, to address himself to this legislation again.

[*Translation*]

Mr. Gauthier: Mr. Speaker, on the same point of order, I would like to point out to the House that the Government seems to be using closure for Bills when it wants to impose its authority.

Yesterday in the House, the Minister tabled the comprehensive response to the Second and Third Reports, and said: "We are in favour of parliamentary reform". I submit to the Minister that parliamentary reform means that parliamentarians are able to participate fully in debate and are not gagged by the Government.

[*English*]

Mr. Deputy Speaker: It being 5.13 o'clock p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

NUCLEAR ARMAMENTS

ADVISABILITY OF DECLARING CANADA A NUCLEAR ARMS FREE ZONE

Mr. Neil Young (Beaches) moved:

That, in the opinion of this House, the Government should consider the advisability of declaring Canada a nuclear arms free zone by prohibiting the deployment, testing, construction and transportation of nuclear weapons and associated equipment through and within Canada, the export of goods and materials for use in the construciton and deployment of nuclear arms and further, the Government should encourage cities, provinces and states throughout the world to undertake similar action.

He said: Mr. Speaker, the terrible potential of nuclear weapons entered into the public consciousness shortly after the first atomic bomb was dropped on the Japanese cities of Hiroshima and Nagasaki. Never before had human beings unleashed such a powerful and concentrated form of destruction. Since that time, when the nuclear arsenal was very small, nuclear fire power has grown so that now it is estimated that there are more than 50,000 weapons in existence globally with a total explosive power equal to 1.5 million times that of the bomb which devastated Hiroshima. Every year the nuclear arsenal grows in destructiveness and sophistication.

Even if we pass this resolution, we will not solve the problem overnight. Canada is not a superpower. Canada does not have the ability to unilaterally end the arms race. However, as a middle power, with a well respected reputation as a peace keeper, Canada does have a role to play in preventing nuclear war.

Nuclear war is what is at stake here. I am not being melodramatic when I say what we have to worry about is the survival of the earth. If nuclear weapons are ever used, it will mean the complete destruction of human society. Some theorists talk about a limited or winable nuclear war. In my view, Mr. Speaker, this is pure folly and I believe it is understood as that by most people. The solution is not to develop better weapons to ensure our side will win in any conflict but to ensure that the stockpile of nuclear armaments is never used.

The destructive capability of nuclear weapons is well known. The missiles all over the world are posed and ready. There is little question that any nuclear engagement would surely escalate so that major population centres across the world would suffer severe damage. It is estimated that in an all-out nuclear war, 1,150,000,000 people would die and 1.1 billion people would be injured. These numbers would be considerably increased as the effects of radiation took their toll.

Those injured would not have access to medical help because the bulk of our medical facilities and personal are in the areas targeted by nuclear missiles. As it was put in an article in the *United Nations Chronicle*, and I quote:

The whole infrastructure required for dealing with serious injuries—operating rooms, nurses, blood, antibiotics, drugs, water supplies, electricity, telephones, heating, transport services—would be in disarray.

It goes on to state that those not killed or injured by the blast would be the victims of radiation.

It was not until 1962 that researchers discovered the existence of the phenomenon called electromagnetic pulse. It is a surge of electromagnetic energy caused by a nuclear explosion which disables telephones, radio, television, computers, radar systems and power grids. According to Princeton University physicist Daniel L. Stein, writing in the *Bulletin of the Atomic Scientists*, and I quote:

Even if permanently damaged, computer memories would be erased, digital systems might process incorrect signals, trajectories of missiles in flight could be altered, and power outages might occur.

The electromagnetic pulse means that there would be even less chance of a partial nuclear war being possible because with the failure of electronic communications across the world, who could be able to order a stop to the attack or counter-attack?

This is an example of the unknowns which we must face in the nuclear age. The power we are dealing with in nuclear weapons is awesome and irreversible but it is also largely unknown.

Another example is the recently discovered and widely discussed concept of nuclear winter. Even a much smaller number of nuclear devices than could be expected, say, in an all-out nuclear conflict, would cause serious environmental damage, making the earth a very inhospitable place. Aside from the short-term effects of nuclear blast and thermal waves, survivors would face extreme cold, water shortages, lack of food and fuel, heavy burden of radiation and pollutants, diseases and severe physilogical stress, all in twilight and darkness.

● (1720)

Another study released in January of this year by the Royal Society of Canada, on the environmental impact of nuclear war, concluded that a nuclear exchange between the superpowers would probably destroy Canadian agriculture even if no Canadian targets were bombed. It is frightening to think that this was nearly 40 years ago, after the development of nuclear weapons technology and before this particular effect became widely known. That makes me wonder what other results so far unimagined are going to be discovered.

There is no doubt that this escalation of the arms race has heightened the fears of not only Canadians but of people around the world that the threat of a nuclear exchange is indeed a real threat. All of this at a time when we should be developing programs to assist people around the world to live a better life is unforgivable. Moneys and other resources we put toward the arms race are money and resources which we cannot dedicate to providing safe drinking water to everyone in the world, eliminating illiteracy, improving health and developing agricultural resources. The United Nations sponsored a three-year study of the linkage between disarmament and development by 27 experts from every area of the world. The group concluded in its 1981 report that the world has a choice. It can continue to pursue the arms race or it can move with

deliberate speed toward a more sustainable economic and political order, but it cannot do both. The arms race and economic development are in a competitive relationship. Even the Brandt Report emphasized that one-half of 1 per cent of one year's military expenditures would pay for all the farm equipment needed to increase food production and approach self-sufficiency in food deficient, low-income countries by 1990.

In the developed world, military expenditures are often defended because of the alleged jobs they create. Everyone should know that in fact military spending is one of the least effective ways of providing people with employment. One of the supposed advantages of Canadian involvement in the Strategic Defence Initiative is its job creation potential. Any serious look at this proposal would show that in this area, as in many others, the SDI proposal is a bad one. Studies have shown that, in comparison to other uses of the same money, military spending is one of the least effective ways to stimulate job creation. U.S. Labour Department figures show that 28,000 jobs are created for every $1 billion spent on military procurement. That same amount would create 32,000 jobs if spent for public transit, 57,000 jobs if spent for personal consumption, or 71,000 jobs if spent on education. For those workers presently working in arms production, the solution is the conversion of those facilities to non-military and socially useful production. Obviously this cannot be done overnight and not without considerable research, but it is something the Government will be forced to consider over time.

As I said earlier, the proposal to make Canada a nuclear arms free zone will not solve all the world's problems with regard to the nuclear threat. It is, however, an appropriate response for Canada as a middle power in the world with a considerable reputation as a peace-keeper. By bringing about the aims of this resolution we would enhance Canada's reputation and prestige on the world stage and set an example for other countries.

After considerable controversy, Mr. Speaker, the previous Government acquiesced to U.S. requests to test the Cruise missile. The Conservatives, while in Opposition and now in Government, supported this decision. We in the NDP have opposed this testing all along. Canada has a considerable arms industry. Some manufacturers are involved in nuclear weapons technology. Litton Industries, which is working on the guidance system for the cruise missile, springs to mind. Several U.S. weapons with the potential to be nuclear armed when deployed were and are being tested at the Canadian Maritime Experimental and Test Range at Nanoose Bay on Vancouver Island. Included among these weapons is an anti-submarine rocket. This rocket is fired from surface ships, weighs half a ton and consists of a rocket motor and either a MK 46 torpedo or a nuclear depth bomb of one kiloton. With a range of six miles, this weapon is the primary anti-submarine warfare weapon of U.S. frigates, destroyers and some cruisers. It has been the U.S. military's policy to neither confirm nor deny whether American vessels visiting Nanoose and other bases in Canada carry nuclear weapons. Our Government is content to leave it at that. Along with many other Canadians, I say that is not good enough. The intent of this resolution would prevent visiting vessels from carrying nuclear arms.

For over a year the Nanoose Conversion Campaign has had a peace camp at Nanoose to arouse public awareness about the possibility of submarines carrying nuclear arms. My colleague, the Hon. Member for Cowichan-Malahat-The-Islands (Mr. Manly), has raised the issue of whether visiting U.S. submarines at Nanoose Bay and Esquimalt are armed with nuclear-tipped Tomahawk cruise missiles. He has presented petitions to the House from people opposed to these vessels which are possibly armed with nuclear weapons. The Tomahawk has a range of 1,350 miles and, according to William M. Arkin, Director of the Arms Race and Nuclear Weapons Research Project of the Institute for Policy Studies in Washington, D.C., it is the nuclear weapon most likely to be in on the start of both World War III and World War IV. To quote Arkin a little further, the Tomahawk can also, the Navy believes, contribute to fighting a controlled and limited nuclear war. This concept is absurd and Canada should let the Americans know we think so. One way would be to forbid nuclear-armed Tomahawks in Canadian waters. The Canada-U.S. agreement for the base at Nanoose expires in April, 1986. Needless to say, this agreement should not be renewed. There are other examples of Canadian nuclear involvement. Our Department of Energy, Mines and Resources gathers gravitational data in the Arctic which is used to improve the accuracy and the counter-force capability of U.S. ballistic missiles. The Government recently came forward with its decision on star wars. Because of widespread and strong opposition to the Canadian participation in SDI, the Government declined the U.S. Government's invitation to participate directly in SDI research. It left the door open, however, for the participation of, and even grants and subsidies to, Canadian companies.

There has been considerable debate on the star wars issue in Canada. The NDP has come out solidly against the proposal. The theory of deterrence in nuclear strategy holds that because the U.S. and the U.S.S.R. have the ability to destroy each other, the threatened use of this ability in a retaliatory strike prevents one superpower from attacking the other. Although it is possible to question and challenge deterrence from a number of perspectives, no one in political or military power has advocated abandoning deterrence. The concern has been of technological advance which could give one side a momentary advantage over the other. Star wars is just that sort of destabilizing technology. Foreign policy, defence and strategic thinking would move from seeing nuclear weapons as an unthinkable retaliatory force, to nuclear war as a useable, potentially successful tool of international and military policy. According to the former U.S. Ambassador to the UN, George Ball, the SDI announcement in March, 1983, was "one of the most irresponsible acts by any head of state in modern times".

There are a number of reasons why star wars would not work. It is dangerous because it is the abandonment of deterrence by the United States. Star Wars will be destabilizing,

dangerous, costly and will never be able to make the United States safe from a nuclear attack.

• (1730)

Discussion of the concept of a nuclear weapons free zone has a long history in some parts of the world. In Canada the legislature of the Province of Manitoba passed a resolution declaring that province a nuclear weapons free zone. Over 80 municipalities in Canada have declared themselves nuclear weapons free zones. Last year nearly half a million Canadians signed a peace petition calling for, among other things, a nuclear weapons free zone in Canada.

The final report of the United Nations Special Session on Disarmament in 1978 declared that "the establishment of nuclear weapons free zones on the basis of arrangements freely arrived at among states in the region concerned constitutes an important disarmament initiative. The process of establishing such zones should be encouraged with the ultimate objective of achieving a world free of nuclear weapons".

This is an area in which Canada can play a responsible role in reducing nuclear tension. There is already an international agreement signed in 1967 prohibiting nuclear weapons in Latin America. In the Nordic countries proposals for a nuclear weapons free zone has become one of the most debated foreign policy initiatives. In 1983 the Finnish President discussed the prospect with then Soviet Prime Minister Andropov who declared that the Soviet Union was willing to discuss the possibility of including the Baltic Sea in such a zone. The discussions are a long way from being settled on this issue, but that this debate is even taking place is a hopeful sign.

The possibility of a nuclear free zone in the Balkans has been discussed by Bulgaria, Greece, Romania, Yugoslavia and Turkey. Progress has been limited in these multilateral talks, but the concept is frequently discussed in bilateral talks among the Balkan countries. According to Nikos Andrikos, a special counselor to Greek Prime Minister Andreas Papandreou, one must be optimistic that the denuclearization of the Balkans will soon become a reality.

The South Pacific is another area that is proposed as a nuclear free zone. In August of 1984, the leaders of the 13 member states of the South Pacific Forum endorsed an Australian proposal to establish a nuclear free zone in the region. There are some substantial differences of opinions between these states, but despite these differences they have been able to give their initial agreement to proceed based on the Australian formula.

It is time for Canada to take the initiative in this area. Canada has viewed its options too narrowly and has not been willing to take an independent enough foreign policy position. I do not agree with those who say that taking a more independent course will lessen the stability of the world. Making Canada a nuclear weapons free zone will set an example for others in the world and will be a concrete step toward making the world a safe place.

I hope that Members on the Government side do not opt to talk this resolution out as is often the case, but will take a realistic and humanistic view of this resolution and agree to have it referred to committee where witnesses can appear to give testimony and where we will be able to listen to the views of ordinary Canadians who are extremely concerned and becoming increasingly so about this particular issue.

Finally, if the Government were to adopt a more mature attitude toward matters such as this, we could provide an awful lot of good to people who are less advantaged than us throughout the world. We could use the moneys we are spending on armament build-ups to serve that purpose. I hope that the Government Members have listened to me. I know that my good friend the Member for Simcoe North (Mr. Lewis) has. I can see it in his eyes and I know that he will be persuading the Members on that side of the House to come around to my point of view.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I consider it an honour and privilege to be able to speak on this subject this afternoon. When we discuss humane and realistic approaches, the position which Canada has taken with regard to human rights in the world today is the position we took when we went to the Soviet Union with the Secretary of State for External Affairs (Mr. Clark), and is a continuation of the position that we have taken in South Africa with regard to apartheid. We have taken this position with dignity and force in Central America and I look forward to being involved with human rights wherever there are people who suffer. For me it is an honour to be able to speak on this particular subject.

Last March 18 the House had a full debate on Bill C-218, an Act to declare Canada a Nuclear Weapons Free Zone. Today we are asked to debate the question of declaring Canada a nuclear arms free zone which would prohibit the deployment, testing, construction and transportation of nuclear weapons and associate equipment through and within Canada and the export of goods and materials for use in the construction and deployment of nuclear arms. From my point of view, there is no difference in substance between a nuclear weapons free zone and a nuclear arms free zone. This being the case, although the Government position on this matter has not changed between March 18 and today, this is a good opportunity to repeat certain aspects of our policy on nuclear weapons free or nuclear arms free zones.

On June 30, 1984 Canada removed the last remaining nuclear-tipped Genie air-to-air missiles which were to be used in wartime in an air defence role by Canadian CF-101 Voodoo interceptors. The air defence role has now been taken over by CF-18 aircraft which can do the same job using conventional weapons systems only. There are no nuclear weapons stationed on Canadian soil which is not the case, however, for at least eight of 16 members of NATO. Overflight of American aircraft with nuclear weapons, or port visits by nuclear-powered war ships, some of which may bear nuclear weapons, were they to occur, would do so only with the express permission of the Canadian Government. The same consultations and permission would be required for the deployment of any other nuclear weapons within Canadian territory.

Thus, while in some respects Canada may be regarded as a *de facto* nuclear weapons free zone following the withdrawal of the last nuclear capable aircraft from service with the Canadian Armed Forces, we continue to participate fully in the defence alliance, NATO, which employs a nuclear deterrent. Accordingly, possible comparisons with the practices of other countries which are not members of NATO are not particularly valid.

Canada is a member of the North Atlantic Alliance and has now been for more than 36 years. We joined the Alliance because we believed in the concept of collective security—a united effort to deter aggression or to counter it should conflict occur. There were many advantages to such an Alliance. However, the most telling advantages were then, and continue to be, the united strength which accrued to the Alliance enabling it to resist undue external political and military pressure to reduce the cost of defence by dispersing the burden of armaments among the member states.

Similarly, NATO has enabled the West to speak with a unified voice on critical issues of international security and to pursue the progressive development of east-west relations in a coherent fashion. It is an invaluable forum for nations such as Canada to express their views and to exert a constructive and moderating influence on the policy directions taken by the western powers in their relations *vis-à-vis* the East Bloc.

However, while Canada enjoys the collective security and influence given by membership in NATO, Canada also recognizes the need to share the burden of this collective security. It should be noted here that no NATO country has declared itself unilaterally a nuclear weapons free zone. As a point of clarification, Iceland has not declared itself a nuclear weapons free zone as has been erroneously reported in some news media. The Icelandic Parliament, in its resolution of last May, simply reiterated its old policy that no nuclear weapons be situated in Iceland without the prior consent of Icelandic authorities. The Icelandic Parliament has also envisaged that its Foreign Affairs Committee explore possible participation and further discussions of a nuclear weapons free zone in northern Europe encompassing an area from Greenland to the Ural Mountains.

● (1740)

The proposal to make Canada a nuclear arms free zone might have the effect of prohibiting the testing of the cruise missile in Canada. The decision by the previous Government to allow the United States to test unarmed air launched cruise missiles in Canada was seen as consistent with that Government's support for NATO's two-track policy which led to the deployment of ground-launched cruise and Pershing II missiles in several NATO European countries. This Government decided to allow the United States to continue with its testing program because it believes that the cruise missile is an essential element in the global balance of deterrence and is part of the western response to the modernization by the Soviet Union of its offensive and defensive nuclear systems during the 1970s. This Soviet modernization continues into the 1980s.

It must also be remembered that NATO has had to rely on nuclear weapons to overcome the potential threat present in the great preponderance of Warsaw Pact conventional forces. It would not be in NATO's interest to give up the option of the possible use of nuclear weapons as a deterrent should the Warsaw Pact forces ever contemplate an attack on the West. At the same time, however, it should be noted that NATO upholds the United Nations Charter which lays down that all members shall settle their international disputes by peaceful means and that there be no use of force—any force—against the territorial integrity or political independence of any state.

The proposal would also prohibit the construction of any components of nuclear weapons in Canada. Regarding Canadian co-operation in the production of U.S. cruise missiles, Litton Systems Canada Limited was awarded the subcontract by the U.S. Department of Defence through its parent company in the United States, Litton Industries, to produce a portion of the inertial guidance system for the cruise missile. Litton's participation in a small part of the cruise missile vehicle program should not be taken as a change in Canadian policies instituted at the end of the 1960s to divest our armed forces of a nuclear weapon capability. It is, however, consistent with joint defence efforts with our NATO allies who rely in part on the maintenance of a credible nuclear deterrent in the face of the growing military threat from hostile forces.

The proposal before us today also calls for the Government to encourage cities, provinces and states throughout the world also to become nuclear weapons free zones. While someone else will speak on the question of regional nuclear weapons free zones, I would like to comment on the question of Canadian cities and provinces declaring themselves nuclear weapon free zones. We recognize that there is an important symbolic value in the declaration of a nuclear weapons free zone as an expression of the desire of mankind to be free from the threat of nuclear war. However, any responsible Government must look at the real implications of what a nuclear weapons free zone means from the point of view of security.

The Hon. Member has reminded us that there are over 50,000 nuclear weapons stockpiled, 90 per cent of them in the United States and Soviet Union with the other 10 per cent dispersed throughout the United Kingdom, France and China. There may be other countries with that same capability.

I remind the hon. gentleman that some 40 years ago, before the advent of the first nuclear weapon, mankind found ways of destroying tens of millions of lives during the Second World War. In another war, some 70 years ago, many others died. There were no nuclear weapons.

There is no doubt that the world today is subjected to strains and tensions that are unique in modern history. Humanity is faced with the awful alternatives of seeking a process to reduce international tensions or creeping to the brink of nuclear devastation. Therefore, we must all be heartened with the upcoming meeting between President Reagan and Secretary-

General Gorbachev in Geneva. That is where the issue should be discussed and where we may see hope and inspiration. We all hope that ways can be found to reduce nuclear and conventional weapons. This can be achieved when speaking together as friends with confidence in each other. Hopefully we can begin to lay down those arms that have destroyed so many lives. What a useless waste of mankind.

It is a difficult subject to address but I can say that it is a subject which is very dear to me. I have had immediate members of my family lose their lives in battle. We do not want to see that repeated with our grandchildren. We are at a point in history where we will not survive nuclear confrontation, nor can we afford a conventional war that might lead to the ultimate countdown.

Nuclear weapons cannot be disinvented. They are a terrifying reality which political leadership must seek to constrain. Yet, a failure to incorporate a credible nuclear component within NATO's over-all strategy would be an invitation to nuclear blackmail with consequences too terrible to contemplate. In this sense, the real question before us is how we can best achieve policies which will reduce the recourse to nuclear weapons in Europe and elsewhere. Our Party has approached this through three fundamental principles. Canada's foreign policy should rest on a bipartisan search for consensus. The cornerstone of our security is NATO solidarity and only through strengthening the non-nuclear deterrent can we reduce the present reliance on nuclear weapons.

In April, 1969, Prime Minister Trudeau unilaterally cut our NATO commitment in half, saying that Canada had no foreign policy of any importance except that which flowed from NATO and this was a false perspective for any country. Under that Prime Minister, defence spending as a percentage of Gross National Product had been cut by 30 per cent. This policy of wilful neglect of our contribution to the collective security of our alliance has led to a situation in which Canada spends less per capita on defence than any other nation in the NATO alliance, with the exception of Luxembourg.

The Hon. Member who presented the resolution today comes from a Party that would also want to remove us from NATO. He would pull us back from an alliance to which we are a party. We very much support that alliance and believe it is a cornerstone for peace. He wants us to bring our people home and shake that foundation.

This pattern of neglect of the conventional deterrent has damaged our reputation for reliability among our allies. Such neglect of a conventional deterrent has also contributed to an over reliance on nuclear weapons. A determined effort must be made to reduce our present dependence on a possible use of nuclear weapons by substantially improving the conventional component of our defence. We believe that the overwhelming majority of Canadians are prepared to accept this approach. That is why they gave us that overwhelming mandate on that famous day in September, 1984. That is how our Government plans to act.

I am glad that my hon. friend raised the issue of aid because that is a subject that is very dear to all of us who work in External Affairs. It is probably one of our proudest accomplishments. We contributed some $1.8 billion in the last Budget to an aid program which is always geared to improving the quality of life for people whom we intend to help. It is never tied to political considerations, but based strictly on technical grounds. Whether it is Central America or elsewhere, we want to do what we can to improve the social and economic conditions of the people whom we are trying to help. We believe that is the basis for removing confrontation. We know that it will encourage people to talk to each other. Currently, there are many countries in the world whose young people are trained to do only one thing—to fight. They know no other end or no other approach. We have attempted to go to those areas to build programs that will give them a usefulness. Through this means I believe they will come to understand that by improving their quality of live they can build a better world for all of their citizens.

I will be an important moment when President Reagan and Secretary-General Gorbachev talk. There are many issues on the table, including nuclear weapons, Strategic Defence Initiatives and many other issues. As long as there is conversation and consultation, we can look forward to another generation of peace and tranquility. The last 40 years has not been bad for most of us.

• (1750)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in view of the fact that this motion is being debated for the second time and that it is triggering a number of intense and committed interventions on every side of the House, I wonder whether it would not be the better approach to allow it to go to committee for full debate which would give it an opportunity to be fully examined by all interested Parties. It has an outlook and breadth of scope that, in consideration of the present international climate, deserves the full intention of all interested parliamentarians. It is with that thought in mind that I would urge the Government not to talk it out and not to put up other speakers but allow it to go through.

Therefore I will refrain from making the intervention I intended to make so as to give a signal to the Government that we would like very much to see this motion go to committee.

[*Translation*]

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I welcome this opportunity to speak on a subject that is very important to me: nuclear deterrence and a Canada without nuclear arms. The formidable power conferred by nuclear energy has probably created the greatest dilemma of this century. One of nature's powers which man is now only starting to learn to control, this power is neither good nor evil. Solar energy, another form of nuclear fusion, is essential to life on this planet. If it is misused in nuclear arms, atomic energy may well put an end to humanity as we know it today. Controlled nuclear energy can help man in his daily life. It can cure diseases or be a source of destruction. How we use it will determine whether this kind of energy is good or evil.

Nuclear arms exist already, and we cannot make them disappear that easily. We know that one of the goals of Canada's foreign policy is, and has been for a long time, the ultimate elimination of all nuclear arms. Books such as *The Fate of the Earth* by Johnathan Schell, films like *If You Love This Planet* and the television special *The Day After* have given millions of people in the Western world a horrifying picture of the effects of a nuclear conflict. No one can seriously doubt the outcome of such a war. The debate on limited nuclear war and whether a nuclear war could be won is purely theoretical. Our conclusion must be that a nuclear war cannot be won and that it would be disastrous to this planet.

Unfortunately, Mr. Speaker, the threat of nuclear war still exists, and will continue to exist as long as man knows how to manufacture nuclear arms. Technology cannot be completely eliminated. We can only attenuate its impact. And what can governments do to diminish this threat?

One of the main things Canada or any other country can do for its people is to protect them against such a threat. And the best way to do so is for the countries concerned to negotiate balanced and verifiable agreements on armament and disarmament control. Progress has been made but much remains to be done. And until this task has been accomplished, the principal guarantee for Canada's security and that of its allies must lie in a deterrence policy.

The fundamental principle of deterrence is quite simple: we must ensure that a potential aggressor knows that if he attacks us, the price he will have to pay will be so high that no conceivable objective could justify doing so. Of course this is not the ideal way to ensure one's security, but it is the only realistic approach available in the present circumstances, and it has served us well for nearly 40 years, despite the problems in East-West relations. Mr. Speaker, we must continue to support this principle while seeking a better solution.

Declaring Canada a nuclear arms free zone would do absolutely nothing to diminish the threat of nuclear war to Canadians. Does anyone really believe that Canadian cities would no longer be a target for nuclear arms if we were to declare this country a nuclear arms free zone? At the same time our withdrawal from NATO might force us to triple or quadruple our defence budget, if only to maintain our present level of security.

Although it has adopted a deterrent policy with respect to NATO, the Canadian Government has not given up its objective to reduce the nuclear arms arsenal to the lowest level possible through verifiable disarmament and arms control agreements. That is one of the major aspects of our policy on security. Canada is an active participant in the activities of the United Nations and of the Geneva disarmament conference, not to mention the Vienna discussions on mutual and balanced force reductions. As a NATO member we are also party to the organization's consultations on the nuclear forces reduction negotiations. As you know, Mr. Speaker, Canada is also represented at the Stockholm conference on confidence and security measures and on European disarmament. As the Secretary of State for External Affairs (Mr. Clark) stated before the United Nations last September, and I quote:

"—I offer Canada's encouragement and support in our quest for the climate of confidence required to conclude disarmament agreements. However frustrated we may feel, we must never fail in our determination to build a world wide security system based on a decrease rather than an increase in weaponry. If stronger political will is necessary, let us indeed show such political will, particularly on the eve of 1986 which has been proclaimed the Year of International Peace... Canada will continue playing an active role in all multilateral representations and contributing even more to restore confidence. In that respect Canada has set up an action program for the second phase of the current disarmament decade. Through this program we will double our efforts to improve the verification processes necessary to ensure compliance with the existing agreements.

Mr. Speaker, thank you for giving me this opportunity to make a statement on this issue.

* * *

[*English*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-77, an Act to amend the Criminal Code in relation to pari-mutuel betting, an amendment to which concurrence of this House is desired.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

ORDER OF REFERENCE OF STANDING COMMITTEE

Mr. Deputy Speaker: The Hon. President of the Privy Council on a point of order.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, thank you very much. Earlier this day I brought forward a motion by unanimous consent with respect to the extension of time for the report of the Committee on Justice and Legal Affairs with respect to equality of rights. There was a technical error in that motion inasmuch as I had referred to the date of the original order of reference incorrectly. I have had a chance to speak to Memberes of the other Parties and I think you will find there will be unanimous consent to correct the motion for extension to show the original order of reference as Friday, June 28, 1985.

Mr. Kaplan: As a Member of the Justice Committee I can report that that is our agreement. We have agreed to an extension and although the Government seemed incapable of drafting one, they have corrected it and we are prepared to support it.

Mr. Deputy Speaker: The House has heard the Hon. President of the Privy Council correcting the original motion. Is there unanimous consent to accept the correction?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

NATIONAL DEFENCE—COMPENSATION FOR SINKING OF THE *LADY MARJORIE*

Mr. Howard Crosby (Halifax West): Mr. Speaker, my purpose in rising this evening is to present to the House once again the claim of Walter Theriault in respect of the sinking of the *Lady Marjorie* on April 28, 1985. I think I should begin by pointing out to the House that one of the most ancient rights of Canadians is to present their case to the House of Commons. I have no hesitation—and I make no apology—in bringing to this national Chamber the case of one person who feels aggrieved under the laws of Canada and indeed by the officers of the Government of Canada.

I should explain that the incident which gave rise to Mr. Theriault's claim arose in the following way. His fishing trawler, the *Lady Marjorie*, was proceeding off the coast of Nova Scotia in the course of fishing and developed some difficulty. As a result of that difficulty over a period of a few days, the crew who were of a relatively young age decided to abandon the fishing trawler and at that point summoned assistance.

The vessel most readily available to provide assistance was the H.M.C.S. *Nipigon*, a destroyer which was part of the naval fleet of the Maritime Command. Therein the difficulty arose. I will not pretend to know the facts which transpired between the abandonment of the fishing vessel, *Lady Marjorie*, by its crew and the sinking which resulted from the gunfire of the H.M.C.S. *Nipigon*, but the end result was that the ship was a total loss; it was sunk.

One would hope and think that in this modern world, a world in which Government respects the rights and duties of individuals and of the collective society, this kind of case could be worked out in fairness to all concerned, considering the might and the power of the Government of Canada, on the one hand, and the difficulties faced by an ordinary Nova Scotia fisherman and owner of a fishing trawler, on the other hand. However, that has not been the case.

I think this is what prompted my colleague, the Hon. Member for South West Nova (Mr. Comeau), to raise the case in the House of Commons on May 2, 1985, when he questioned the Minister of National Defence (Mr. Nielsen) in respect of the advancement of the claim of Walter Theriault resulting from the loss of the *Lady Marjorie*.

At that point in time it was indicated by the Minister—and it has been repeated many times in the public press and by other media—that the sinking resulted from a decision that the *Lady Marjorie* constituted a hazard to navigation and had to be disposed of in the manner in which it was disposed of, that is to say, sunk.

The House of Commons plays no role in the arbitration of that kind of dispute, but it plays a role in the area of justice for all Canadians. That is what I sought by raising a question on September 25, 1985, and I do so again this evening in the House of Commons. What I seek for Mr. Walter Theriault, his family and all those involved in the operation of the fishing vessel, *Lady Marjorie*, is justice from the Government of Canada and from the officers of the Government of Canada.

I say this because of a report today in *The Chronicle Herald* of Halifax indicating that the board of inquiry, apparently commissioned to inquire into the events which led to the sinking of the *Lady Marjorie*, has concluded that there was no fault on the part of the Canadian Navy. Presumably that might result in a decision by the Government of Canada or the relevant Minister to deny any claim or responsibility to Walter Theriault. That would be an unfortunate decision at this point in time because Mr. Theriault faces the following difficulties. The insurers of the vessel, *Lady Marjorie*, say that the vessel was not in danger, could have continued afloat, and could have been salvaged. They deny any claim of the onwer, Mr. Theriault, on that ground. Apparently the advisers to the Government and the Canadian Navy indicated that the ship was about to sink, was a danger to navigation and could not be salvaged and therefore it was right and proper to carrying out its destruction by sinking and on that grounds deny any liability.

• (1805)

Mr. Theriault is between the proverbial rock and a hard place. On the one hand the insurers have refused payment because the ship was salvageable. On the other hand, the Canadian Government refuses assistance because the ship was a total loss.

How is this difficulty going to be worked out? I am afraid I do not know, but I call upon the Government to work toward some resolution, and I am not the only one to do so. On September 16, 1985, an editorial in *The Daily News*, a newspaper that circulates in the Halifax area, quite properly asked the question, "Will somebody please help Mr. Theriault?" I shall quote very briefly from that editorial:

> Hindsight is fine in saying the *Nipigon* should have stood by the vessel until towing arrangements were made, and we are sure that the gunfire decision was not made lightly. But now it is clear it was made wrongly.

I do not necessarily agree with that conclusion but I do agree with this proposition: the *Lady Marjorie* has been lost to Mr. Theriault and his family and they are on the brink of

bankruptcy as a result of the loss. Somebody should assist them, either the insurance company or the Government. I ask the Government to intervene directly and resolve this matter to the satisfaction of the Theriault family.

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I would like to agree with the Hon. Member regarding his ancient right to represent the problems of his constituents in the House of Commons. I hope it is not only an ancient right but a present right and a continuing right for many generations to come. I would like to confirm that not only has the Hon. Member done his duty and represented his people ably in the House of Commons but in addition to that he has made very direct recommendations to all those concerned including the Minister of National Defence (Mr. Nielsen) and the Associate Minister of National Defence (Mr. Andre) in his attempt to find a resolution to this problem on behalf of his constituent.

As the Hon. Member is probably aware, the Department of National Defence, because of its concern, did set up a board of inquiry to investigate the circumstances surrounding this unfortunate incident. The Ministry of Transport has also carried out investigations which are being prepared by the Marine Casualty Investigations Branch of the Coast Guard. In so far as the Department of National Defence Board of Inquiry is concerned, the Hon. Member will be pleased to know that the inquiry has now been completed. I understand that the Ministry of Transport has yet to finalize its report but it should be made available to the public in the very near future.

The legal representative of the *Lady Marjorie's* owners has been in touch with DND's legal agent, the Department of Justice. I understand that intensive discussions on the subject are ongoing. I share the Hon. Member's concern that this matter be dealt with as expeditiously as possible. It is important, however, that this matter be dealt with in the most proper and deliberate way to ensure thoroughness and that justice and equity will be served. This will ensure that the important elements concerning the specific circumstances of the sinking and the legal implications are thoroughly worked out and that the appropriate action therefore follows.

● (1810)

CONSUMER AFFAIRS—DISCOUNTING OF INCOME TAX REFUNDS. (B) REQUEST THAT PRACTICE BE BANNED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, today there was a media and Member of Parliament information briefing by the National Anti-Poverty Organization with regard to income tax discounting, a practice which is growing at an alarming rate. The position of the National Anti-Poverty Organization is one which is supported by organizations as diverse as the Co-operative Association for Family Economy in Quebec, the Consumer's Association of Canada and the National Working Group on the Economy and Poverty of the United Church of Canada.

These anti-poverty, consumer and church groups want the abolition of tax discounting. They want that because they realize that tax discounting is now permitted and encouraged by an Act passed in 1978 by the then Liberal Government. The Tax Rebate Discounting Act of 1978 was brought into effect because it was believed that with no legislation people, particularly poor peole, were paying exhorbitant rates for small amounts of money. The Act of 1978 set the maximum rate of interest which could be charged at 15 per cent. We are talking about a rate of interest which does not last for a year. It lasts for four, five or eight weeks, after which time people would receive their income tax rebate. Therefore, the actual rate of interest calculated on an annual basis is probably closer to 100 per cent than it is to the 15 per cent permitted by the Act.

We know now that almost two-thirds of those people who used the tax discount in 1984 had incomes of $8,000 or less. Yet, the same people, of whom there are now almost 400,000 were entitled to $274 million in refunds, or an average of $714 each. For a fairly simple paper work task, the tax discounters have been picking up an average of $170 for each transaction, according to the administration of the Tax Rebate Discounting Act in the Department of Consumer and Corporate Affairs. The Department, as keeper of statistics on tax discounting, has defined the problem as being far too much of poor people's money being diverted into the hands of what are usurious lenders officially brought into being and permitted to operate by this legislation.

Since the problem is quite clear and since the people most adversely affected are people who very frequently get all or almost of their tax discount as a result of a child tax credit, it seems to us that what the Government should do is simply repeal the Act. After all, this was a Liberal Act and it was in Liberal times that organizations such as those I have mentioned started to call upon the Government to repeal the Act in order to prohibit tax discounting.

The Hon. Member who preceded me as spokesperson for the New Democratic Party on consumer and corporate affairs called on Liberal Governments to repeal the Act. Since the Liberals have been in opposition, members of their Party have called on the Government to repeal the Act. I have frequently called upon the Minister to repeal the Act.

The child tax credit system this year will deliver $367 to each person receiving that credit, a payment which will rise to $524 in 1988. By the Government's own reckoning, almost $20 million of the $41 million taken by discounters in 1984 came from the child tax credit. Why do we permit this to take place? I wonder what the Auditor General would think of this misuse of funds voted by Parliament. Far worse, how can the poorest of Canadians afford to give up this kind of money? They are forced to do it because the Government legislation permits it and the slow processing of income tax returns sees to it that they try to get their money quickly.

I ask the Government to act. We have been raising this question, as have the organizations I have mentioned, almost from the day this Government was formed. The studies which the Minister has promised have gone on almost from the time the Government took office. There were studies carried out by

the Liberal Minister of Consumer and Corporate Affairs. If this Government can bring in legislation to pay out $1 billion to depositors of the Canadian Commercial Bank and the Northland Bank, surely it can deal with this. The Minister has promised studies. He has consulted with the provinces. I understand that the Ministers of Consumers Affairs of all the provinces have agreed that the discounting of the child tax credit, at least, should be probited. That is not all that organizations such as NAPO have been calling for, but at least that would be a beginning. I therefore say to the Minister to stop dithering, get on with the job and bring in legislation to repeal the Act which has permitted this tax discounting.

● (1815)

The Minister says there are problems. I say to the Minister that the Province of Quebec has prohibited tax discounting and the United States, with the most pro-business Government the country has had in 50 years, has prohibited tax discounting. I say to the Minister to stop dithering and bring in a proposal which can be passed by Parliament quickly. I ask him to bring in legislation which would prohibit income tax discounting before the next income tax year. We have had enough of studies. We have had enough of waiting. Let the Minister show some concern for the consumer. After all, he is the Minister of Consumer and Corporate Affairs (Mr. Côté).

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the purpose of the Tax Rebate Discounting Act is to protect the interest of taxpayers who give up their rights to anticipated tax refunds in order to receive immediate cash. The statute was enacted in 1978 at the urging of the provincial Governments. Prior to 1978, the discounting business was unregulated and discounters often charged rates of 40 per cent or 50 per cent of the value of the refund. The legislation now limits the legal discount rate to 15 per cent. Thus, Canadians who wish to receive immediate cash can freely choose to patronize a legitimate discounter without fear of having to pay the "loan shark" rates previously charged.

Nevertheless, some conditions have changed significantly since 1978, and this Government must determine whether the protection given by the Tax Rebate Discounting Act is still appropriate. For that reason, the Minister of Consumer and Corporate Affairs (Mr. Côté) began dealing with the question early this year by initiating extensive consultation and study.

A major step in this process of consultation was the release of a discussion paper on discounting in June of this year. This paper was made available to the general public. In fact, copies were sent to all Members of Parliament. In addition, a number of interested parties were invited to respond to the Minister and to meet with him personally.

A special conference of representatives of major interested social welfare groups, discounters and business groups was held in August. The issue was on the agenda of the federal-provincial Territorial Conference of Ministers of Consumer and Corporate Affairs in September in Manitoba.

Contrary to the assertion of the Hon. Member, outlawing tax rebate discounting is not universally accepted as the solution to the problems associated with discounting. The Hon. Member surely appreciates that the discounting issue involves considerations of social policy, economic policy, federal-provincial relations and interdepartmental co-ordination. The intention of the Minister is to ensure an appropriate balance between the values represented by the market-place economy and freedom of choice, on the one hand, and the need for consumer protection on the other. This House can expect an indication soon of any adjustments which need to be made in order to maintain that balance.

In summary, the answer to the Hon. Member's question is simply that the tax rebate discount in question is being dealt with at this very moment and in the proper fashion.

Mr. Deputy Speaker: The motion to adjourn the House is now to have been adopted. Accordingly the House stands adjourned until tomorrow at 11 o'clock p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Friday, October 11, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

MINES AND MINING

CYPRUS ANVIL MINE IN FARO, YUKON

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, for years the Cyprus Anvil Mine in Faro, Yukon, was a mainstay of the territorial economy. Between 1970 and 1982, when it was in full production, the mine provided close to 700 jobs and represented about 40 per cent of the Yukon economy. In 1982, when metal prices fell, Dome Mines announced a shutdown at Faro. The Liberal Government of the day moved to soften the blow and helped finance a strip-mining project which employed 250 workers. This initiative helped keep the mine viable. With some urgent action by the present Government, it is still possible to prevent Faro, Yukon, from becoming another Schefferville.

The company which has agreed to buy the mine awaits certain Government decisions, lower power rates, and other financial considerations. The Yukon winter is fast approaching. The company's plans to resume mining and milling operations this year become less attainable with each day's delay. Negotiations with the smelters have to begin soon. The opportunity to reopen this mine will be lost unless decisions are made quickly.

The Government has hundreds of millions of dollars for bailing out badly managed banks. Reopening the Cyprus Anvil Mine means 500 jobs for Yukon. Yukon needs those jobs.

* * *

EXTERNAL AFFAIRS

GUATEMALA—VIOLATIONS OF HUMAN RIGHTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, every month in Guatemala 80 to 90 people disappear. The Group for Mutual Assistance for Families of the Disappeared, or GAM, seeks information on disappeared family members. However, in March, President Mejia Victores said: "To take steps toward the reappearance alive of the disappeared is a subversive act".

Subsequently, two of GAM's leaders were tortured and murdered. One had his chest and skull bashed in and his tongue removed. In the other case, the death squads pulled out the fingernails of a two-year-old child before murdering the child with his mother. In spite of such torture and intimidation, GAM persists in its demand that the Government account for the missing family members. Each Friday it holds a vigil for this purpose.

GAM worries that the November 3 election will lead to a situation even worse than that prevailing today. It fears the military might try to clean out the clandestine prisons before it transfers power. Alternatively, it fears the new administration might use the election to close the books on the problem of the disappeared and say: "That is a problem of the previous Government. It has nothing to do with us".

In the name of humanity and justice, GAM asks us to demand that the present Guatemalan Government give a full accounting of the disappeared people before the election.

* * *

CANADA POST CORPORATION

CLOSURE OF LAKELAND, MAN., POST OFFICE

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, the citizens of Lakeland, Manitoba, no longer have a post office as of September 27. Canada Post closed it down because costs exceeded revenues by less than $70 per week. I received notice of the closure on August 16, and I tried in vain to obtain a stay of execution so that I could study the situation fully. Canada Post told me that the people involved had been consulted and understood the closure. The people were told, not consulted, about the September closure, and they were told by three officials travelling in three separate cars, the cost of which could have kept their post office open for several weeks.

As of September 30, Lakeland people must travel as far as 30 miles to pick up their mail. "No problem", says Canada Post. "The people have to travel many miles to buy groceries anyway, so they can travel that far to get their mail". Does Canada Post use this same logic as it continues with free door-to-door delivery for millions of urban Canadians?

Customers in small towns and in the farm community are losing services at an alarming rate, while at the same time Canada Post continues with expensive delivery in our cities. I suggest that a modest user fee for door-to-door service should be instituted, perhaps the same amount that small-town people pay for post office box rentals.

S.O. 22

I quote from a letter to me from Canada Post:

You can appreciate the difficulty of our decision in these situations, where we seek to maintain acceptable levels of service while at the same time reducing our deficit.

Acceptable levels of service are not being maintained, and rural Canadians are subsidizing city mail service as Canada Post takes the path of least resistance in deficit reduction.

* * *

ABORIGINAL RIGHTS

CREATION OF REPRESENTATIVE GOVERNMENT BOUNDARIES

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, the constituents in my riding of Nunatsiaq are extremely concerned that discussions to date aiming for agreement on a political boundary have regrettably been inconclusive due to certain unacceptable preconditions set by the west.

The media have added fuel to the fire as in the case of the editor of the *Edmonton Journal*, through the CBC Northern Network, referring to the Nunavut Constitutional Conference as a "tin pot banana republic" run by "tin pot dictators". Canadians in the south are forced fed with trivia on what has been happening in Coppermine, such as the press being kicked out of strategy sessions. The reason why the press had been kicked out was because it has been doing all the negotiating for the Western Constitutional Forum.

The continued pressures of fast paced economic and social change in the Arctic regions dictate an urgent need for the creation of a new, more responsive and representative Government. A boundary which includes Beaufort and Kitikmeot regions is fundamental to the survival of the distinct Inuit people occupying the coastal Arctic who share a common culture and unique way of life with the eastern Arctic.

* * *

PRIME MINISTER'S OFFICE

STATEMENTS BY MEMBER FOR FUNDY-ROYAL

Mr. Rod Murphy (Churchill): Mr. Speaker, finally the Conservatives have found their man of steel. The Hon. Member for Fundy-Royal (Mr. Corbett) has criticized the Prime Minister's Office and has said he will not retract. Lesser men such as the Conservative national director, the former Minister of Fisheries and Oceans, the Hon. Member for Carleton-Charlotte (Mr. McCain), the Conservatives in Frontenac riding, and even the Minister of Justice (Mr. Crosbie) have bent in the face of powerful winds blowing from the Prime Minister's Office. But not the Hon. Member from Fundy-Royal.

Earlier this week we awarded the winner for the "retraction of the week" award. The Deputy Prime Minister (Mr. Nielsen) deserves an award for "the apology of the week". The Minister of State for Finance (Mrs. McDougall) has the "bail-out of the week" award. The New Brunswick Tory Members of Parliament deserve the "I wasn't at that meeting" award. The campaign buses in Frontenac deserve a "mystery campaign expense of the week" award. Tuna remains the "fish of the week".

Mr. Hitchman deserves the "truth of the week" award for contradicting the Government's statement on the cause of bank failures. It is impossible, Mr. Speaker, to award the "junket of the week" award. The "Taiwan ten", the Minister of National Health and Welfare (Mr. Epp), the Minister of State for Immigration (Mr. McLean), the Minister of State for Transport (Mrs. Blais-Grenier), and the former Minister of Defence are all in contention for that award. The Mercantile and the Continental are trying to avoid yet another award. It is obvious that this Government deserves the "one term Government" award.

* * *

• (1110)

THE ECONOMY

SECTORAL IMPROVEMENT STATISTICS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, Canadians tell me they are not particularly interested in tuna fish or speculation as to who might have said what to whom. Canadians gave the Government a mandate to deal with basic bread and butter economic issues: jobs, interest rates, and inflation. That is what they want to hear about.

In just one year, despite inheriting a mess of unprecedented magnitude, this Government has done more for economic renewal than any Government in history. In my Province of Saskatchewan 13,000 more people are employed. The unemployment rate is down to 6.8 per cent. Nationally, there are 300,000 more Canadians at work and 180,000 fewer unemployed. The jobless rate has fallen from 11.6 per cent to 10.1 per cent, the lowest since May of 1982. Housing starts are up 29 per cent, retail sales up 10 per cent, and new manufacturing orders are up 13 per cent.

The Bank of Canada rate on election day was 12.38 per cent and this week it stands at 8.85 per cent. That is the lowest level in seven years. The prime rate has fallen to 10 per cent. Inflation remains steady at or below 4 per cent, the lowest since 1971.

These are hard economic facts which provide clear evidence that the Government's deficit reduction measures are working. The dark cloud is lifting. Canadians have every right to feel good and confident about the economy and, indeed, the future of this nation.

THE ECONOMY

THANKSGIVING CONVERSATIONS

Mrs. Mary Collins (Capilano): Mr. Speaker, in light of the strong performance of the Canadian economy since last fall, let me suggest to you some conversations which I expect will take place among Canadian families as they enjoy their Thanksgiving dinners this weekend.

In Trois-Rivières, Suzanne runs into the dining room exclaiming:

[*Translation*]

"Mother, I got a job and I am starting on Tuesday." "Very good!"—

[*English*]

—says her mother. "Why, I just read this morning that 175,000 more women are working this year in Canada than last year. I am glad you are one more; it shows the federal Government Canadian Jobs Strategy Program is really paying off."

In a high-rise apartment in Toronto, Elspeth says to her husband as they sip their coffee: "Darling, why don't we go house hunting tomorrow? Interest rates are down three points from a year ago, the lowest in seven years. We can finally afford to carry a mortgage." "You're right," her husband Tom replies, "and with housing starts up 29 per cent I know we will find what we want and finally make our dream come true. It will be great for the kids to have their own home."

In Vancouver, Jane Alexander announces to her family as they sit down in front of a golden turkey: "Well, I am going ahead with that plant expansion. New orders are up 13 per cent. Export markets are really opening up in the Pacific Rim. We will be hiring 100 more employees. A big step, but now is the time."

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

* * *

[*Translation*]

COPYRIGHT

REVIEW COMMITTEE'S REPORT—FUTURE PERSPECTIVES

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Committee on the Revision of Copyright tabled its report yesterday in which it advocates the establishment of a Charter of Rights for Creators.

The Copyright Act has not been the subject of significant changes for over 60 years. The time for change is now.

[*English*]

The question now is: Is the Government prepared to act quickly? Will it bring in a Bill by February as was promised in the press conference yesterday on this report? The arts and culture community badly needs this new legislation and I hope we will not see the same stalling of which the previous Government was guilty.

The next question to answer is: How much is it going to cost and how much of the granting of new rights will benefit the Canadian cultural community? Conservative Members have been quick to dismiss the problem of an outflow of scarce cultural dollars to the United States. Will the Conservative Government ensure the $100 million cut from cultural budgets in Canada will be restored before there is any increased outflow of funds to the U.S.? Or will the Government see to it that President Reagan gets the money he demanded at the Shamrock Summit so it will not go to the Canadian arts community?

These are the questions that the Canadian cultural community needs to have answered. Is the Government going to act now for artists? Will it act fast? Will it advance the interests of the Canadian cultural community?

• (1115)

ORAL QUESTION PERIOD

[*English*]

FISHERIES

SALE OF CANNED TUNA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad to see that the Prime Minister is here. Perhaps he can answer my questions. As Canadians are preparing their Thanksgiving dinners the Government's incompetence has served us up another tuna fish surprise. Although on Friday, September 20; on Monday, September 23, and on Tuesday, September 24, the Prime Minister promised the people that all rancid tuna would immediately be taken off the shelves, is it not true that his incompetence may allow that rancid tuna back on the shelves across Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to thank the Hon. Member for the question. I would have thought it would have come from the Leader of the Opposition but, of course, he is absent again. Every time I come to the House he is gone, Mr. Speaker.

Mr. Gauthier: You're not here very often. Three times out of nine days. That's a cheap shot, Mulroney.

Mr. Mulroney: A cheap shot? An offended virgin from the Liberals, of all things.

Mr. Speaker: Order, order. I think the Right Hon. Prime Minister knows that mention of the absence of another Member is not allowed.

Mr. Mulroney: I accept that, Mr. Speaker.

Mr. Gauthier: Thank you very much.

Mr. Mulroney: I would have thought that my hon. friend would be interested in the fact that it was announced at seven o'clock this morning that 304,000 new jobs have been created by this Government in one year.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As of this morning unemployment is at its lowest level in three and one half years in Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have reduced unemployment by 1.5 percentage points in 12 months, and youth unemployment, which interests the Hon. Member, has been decreased by 2.2 per cent in one year.

Some Hon. Members: Order.

Mr. Gauthier: Is this a press conference?

Mr. Mulroney: This, Mr. Speaker, is great news for Canada.

Ms. Copps: The Prime Minister found out what interested the people at the Toronto Blue Jays game when they cried out "tuna, tuna, tuna" in light of his Government's incompetent handling of this issue.

[*Translation*]

GOVERNMENT'S COMPETENCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. As you know, on September 24, the Prime Minister assured Canadians, in his most mellifluous tones: "We are so competent that when this matter was brought to the attention of the Prime Minister of Canada, he immediately took action on behalf of the consumers and citizens of Canada". And look at what happened!

How can he talk about competence when on TV we still hear about the tuna problem that still exists Canadian markets?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I beg to differ with the Hon. Member. It is true that I went to the Blue Jays baseball game. I was given a tremendous standing ovation by the spectators, unlike—

Some Hon. Members: Hear, hear!

Mr. Mulroney: And that isn't bad for a Montrealer who has been an Expo fan all these years! It says a lot for national unity and harmony.

In any case, the Hon. Member does not seem to be the least bit interested this morning in the real concerns of Canadian men and women, and the fact that today, interest rates have reached their lowest level in seven years, that in the past twelve months 304,000 new jobs were created in Canada, that confidence is increasing and that the economy is growing from day to day. That is the kind of news the people in Quebec want to know about.

[*English*]

REQUEST FOR DESTRUCTION OF CANS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the people of Canada want to know why, almost three weeks after the Prime Minister promised in the House that the tuna would be taken off Canadian shelves, it has not been categorically removed and why there has not been an order to destroy that million cans of rancid tuna. Will the Prime Minister promise in the House today that he will issue an order to destroy the million cans of rancid tuna so that fishery jobs and Canadian consumers can finally rest easy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have accepted our responsibility and I have responded fully in regard to this important matter. Those questions have all been answered. If my hon. friend thinks that that is the preoccupation of Canadians, she has another thing coming, because it is economic renewal, and job creation, and national reconciliation.

Some Hon. Members: Hear, hear!

• (1120)

Mr. Mulroney: I will get into it later on, but I have touched briefly on job creation and economic news that impacts so favourably on our country. Let me just make this point. In terms of national reconciliation—

Mr. Speaker: Order. I cannot allow that.

* * *

EXTERNAL AFFAIRS

TAIWAN—NATIONAL DAY CELEBRATION—MINISTER'S ATTENDANCE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. This morning the Prime Minister stated that his Government's policy toward the People's Republic of China was the same as the Trudeau policy.

It is well known that a number of his Ministers, before they became Ministers, were in favour of establishing direct diplomatic relations directly with Taiwan, and opposed the Trudeau policy on China. Was the Prime Minister unaware of the fact that one of his Ministers, publicly and officially last week, celebrated National Day with the Taiwan Government?

Miss MacDonald: What about Boudria?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on certain occasions I have indicated to the House, to the Premier of China and the President of China the fact that the intention of this Government is to pursue the policy set out by

my predecessor, Mr. Trudeau, with which I agree. We have honoured that in all circumstances.

I believe that what should be pointed out is that the Hon. Member for Glengary-Prescott-Russell, "Mr. Virtue", is over in Taiwan right now, so I am told.

Mr. Gauthier: With seven Tories.

Mr. Mulroney: Perhaps that should be looked into by the former Solicitor General as he begins his inquiries into other people's virtue.

Mr. Kaplan: There is an important difference between the responsibility of a Member and a Minister.

Some Hon. Members: Oh, oh!

MINISTER'S CONDUCT

Hon. Bob Kaplan (York Centre): Does the Prime Minister believe it is compatible with that policy, which he said he supported, for one of his Ministers to behave in that way?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister has given me the assurance that that is not the case. The Minister has conducted himself consistent with the policy that has been set out by myself. It is not inconsistent at all with the policy articulated by Mr. Trudeau in regard to this very important relationship that we have and which I do not think will be mortally damaged although it could happen with the presence of the Member for Glengarry-Prescott-Russell in Taiwan.

* * *

BANKS AND BANKING

MERCANTILE BANK—INVOLVEMENT OF MAJOR CHARTERED BANKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. There is a report in the press today concerning the involvement of the chartered banks in new financial arrangements with the Mercantile Bank. The essence of this report is that the Government of Canada will be underwriting the involvement, or guaranteeing the involvement of the chartered banks in this new arrangement, to the extent of $2 billion. The same point was made by a vice-president of the Bank of Nova Scotia in a French television program last night. Will the Prime Minister tell us if this is the case and if this was a Cabinet decision?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend will understand and hopefully support me when I say that in these circumstances I ought to limit my remarks to the following. The Canadian banking system is widely regarded as one of the finest and most outstanding systems in the world. It is one that has commanded high regard and respect for the manner in which it has been administered.

I indicated earlier today that from time to time any system, including the best, can have blips. There have been some difficulties, as there have been in the United States of America, for example, with a number of bankruptcies of some of their banks this year. I acknowledge that the systems are different, but there is no reason at all to have anything but strong confidence and pride in the integrity of the Canadian banking system.

Mr. Broadbent: I say to the Prime Minister that I have said words to that effect recently myself. However, as Leader of an opposition Party, I also have a responsibility to ensure that when public funds are being expended or used as a guarantee, the people of Canada have a right to know that. I am sure that the Prime Minister would agree.

RESPONSIBILITY FOR FINANCIAL ARRANGEMENTS

Hon. Edward Broadbent (Oshawa): My question has nothing to do with the immediate circumstances of the Mercantile Bank, which I recognize to be quite different from two other banks with which we have had a less pleasant experience.

• (1125)

Has the Government of Canada entered into any kind of financial arrangement with the chartered banks, in writing or otherwise, that would put up public guarantees to the extent of some $2 billion for any financial arrangements in which the Government is involved with the Mercantile Bank?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Bank of Canada has ongoing arrangements with all of the banks, arrangements which vary and change from time to time. The main thrust of the activity of the Bank of Canada in these circumstances is to sustain confidence and the strong feelings of support that people have in regard to our banking system. That is a feeling that is widely held not only in Canada but around the world. I believe that Canadian chartered banks are regarded with envy for the manner in which they have been managed and conducted over very many years.

Any announcement in regard to a particular arrangement could best be discussed, and I hope my friend would agree, at the judicial inquiry headed by Mr. Justice Estey where a degree of serenity and objectivity will allow people to make value judgments.

REPORTED GOVERNMENT GUARANTEE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, with respect, the inquiry to which the Prime Minister refers has absolutely nothing to do with the Mercantile Bank. According to André Bisson, the vice-president of the Bank of Nova Scotia, there has been an additional commitment or, to use his words, "en garantie totale" provided by the Government of Canada in new financial arrangements involving the chartered banks and the Mercantile Bank. Has the Government of Canada offered such a guarantee?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): I saw the comments made by Mr. André Bisson, First Vice-President and Director General of the Bank of Nova Scotia in Quebec, when he was interviewed last night on *Le Point*. I think he mentioned that the Government's actions were entirely appropriate, and I can assure my hon. friend that intervention or action by the Bank of Canada in circumstances of this kind is appropriate and will be disclosed in due time.

* * *

[*English*]

EMPLOYMENT EQUITY

GOVERNMENT INITIATIVES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the Minister of Employment and Immigration. Could the Minister indicate to the House what initiatives she has taken to promote employment equity for women, aboriginal people, the disabled, and visible minorities?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there are two major initiatives which the Government has taken. One is to introduce legislation into the House regarding employment equity and equal opportunity for women and minority groups in the workforce, legislation which will require the private sector and the public sector to make employment equity a reality.

The second major step that we have taken is to make sure that employment equity is central to our Canadian Jobs Strategy and that the programs under the Canadian Jobs Strategy must take into consideration the needs of women and minority groups. The first of those programs, Challenge '85, was experienced this summer and 52 per cent of the people employed were women.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—MINISTER'S LETTER TO SHAREHOLDER

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. The Minister did not answer the question I asked her yesterday, so I put it again. Her letter of August 9 to the Canadian Commercial Bank shareholder, Mr. Reg Kendrick, assured him of the bank's long-term viability. Does the Minister not consider this misleading and an inducement to Mr. Kendrick and the other shareholders to hold on to their shares?

[*Translation*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to inform the House that seven years ago, a Minister in the Liberal Government said, and I quote:

—he will also recall that at the very beginning, before the Commission started its proceedings and I took up my duties, I said I did not intend to comment on the issues as they were examined by the Commission.

● (1130)

[*English*]

MINISTERIAL STATEMENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, that really is outrageous. Mr. Kendrick listened to the Minister in August, and on September 1 he lost his money. How can the Government justify blocking debate on its $875 million Bill to make secret payments to depositors over and above the $60,000 which they will receive from deposit insurance, while taking no responsibility for shareholders who were misled by Ministers' statements?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not think anyone has been misled by any statements which I have made. What is happening at the moment is that we have a debate in the Chamber which will lead into committee where we will discuss this issue in full. We have a judicial inquiry under Mr. Justice Estey, which is discussing this issue in full. In addition, we have a forum in the parliamentary lobby every day, and questions in the House every day.

My answers have been forthright and consistent and will be carried on before the inquiry and in the debate in the House.

* * *

FISHERIES

SALE OF CANNED TUNA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Acting Minister of Fisheries. Last evening there was a story which seems to indicate that the Star-Kist tuna operation has in the past ignored the orders of fisheries inspectors and retailed, in one form or another, fish products which were considered to be unsuitable. What can the Minister say now about the potential for the recalled tuna to be reintroduced to the market? Is it going to be, or is it not?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, in answer to the Hon. Member, as I have already answered on September 19, I believe, there will be a proposal put before Cabinet next week in respect to the entire range of food inspection services, an action which should have been taken, to my way of thinking at any rate, many years ago.

INSPECTION OF RECALLED CANS OF TUNA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, after that is all done, what is to happen to the recalled tuna which we are now led to believe may well be put back on the shelves?

Can the Minister answer in one way or another? Is it his understanding that that tuna is now being reinspected with the possibility of it being reintroduced to the market-place? If so, what guarantee can be given to Canadian consumers that the inspection process will be adequate?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think I should assure the Canadian public, since the fears are being re-aroused in their hearts by questions like the one put by the Hon. Member, that nothing will be hitting the shelves—

Mr. Deans: Forgive me for being concerned.

Mr. Nielsen: —of any market which is not of proper quality and which is not fully consistent with the highest possible standards of health and safety.

Having said that, I saw the same story to which the Hon. Member referred. I have asked for a specific and immediate review of those circumstances to ensure that health and safety standards of the highest possible quality are met. This does not detract for a moment from the specific action which the Government is taking concerning the Cabinet consideration of all food inspection services that is so long overdue.

* * *

EMPLOYMENT

PART-TIME JOBS INQUIRY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. Today the statistics indicate that full-time employment in September dropped by 24,000 jobs, mostly among women and youth, while part-time employment increased by 47,000 jobs. Is this what the Prime Minister meant when he promised jobs, jobs—that he would replace full-time jobs with low-paying, part-time jobs? Is that what his Government is promising 2,000 full-time skilled workers at Bombardier, Vickers and Gulf in Montreal? Is he trying to give them some part-time jobs? Is that his policy?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yesterday or the day before, my hon. friend raised the problem of Montreal East, a serious problem which we intend to look into. But Quebecers also know perfectly well that within a year this Government has been able to reduce unemployment in Quebec by 1.3 per cent, which is a formidable accomplishment.

In Canada, 304,000 new jobs have been created. This morning, the unemployment rate reached its lowest level in three and a half years: a 1.5 per cent drop in unemployment, and a 2.2 per cent drop in youth unemployment. This is good news for Canada. Why are the Liberals always upset when we have good news for this country?

[*English*]

CRITICISM OF GOVERNMENT PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, while plants are closing and there are still 1.3 million unemployed people, the Prime Minister is smuggly patting himself on the back. When will he take seriously the criticism levelled against his Government's programs by 55 groups and individuals who attended his Economic Summit, indicating that the employment programs in the Budget are not working? As is proved by this morning's statistics, we are moving from full-time jobs to part-time jobs.

Mr. Gormley: That is not right.

Mr. Allmand: It is right; read the statistics.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, he is ashamed. I can understand; even a Liberal would be mortified by a statement like that.

Mr. Allmand: Part-time jobs.

Mr. Mulroney: The fact is that 304,000 new jobs were created in a year. Bank of Canada interest rates dropped 3 percentage points.

Mr. Allmand: Part-time.

Mr. Mulroney: Consumer spending is up 10 per cent. Motor vehicle sales are up 23 per cent. The CPI is at its lowest level since 1971. Bankruptcies are down 13 per cent.

Mr. Gauthier: Two banks have gone under.

Mr. Mulroney: Oil and gas activity is up 19 per cent.

Mr. Gauthier: Two Ministers are shot.

Mr. Mulroney: Manufacturing orders have risen by 13 per cent. That is solid economic progress.

An Hon. Member: Two banks have gone down the drain.

Ms. Copps: I can understand why he only shows up on Friday.

Mr. Nystrom: Tuna sales are down, Brian.

* * *

BANKS AND BANKING

MERCANTILE BANK—SUPPORT PACKAGE INQUIRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It concerns his response to my Leader's question regarding the nature of the assurances which the Government has given the banks involved in the support package to the Mercantile. Is the support which is being provided and offered by the Government in the form of guarantees by the Government of Canada or by the Bank of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have fully responded to that in the circumstances. I have indicated the extent to which the Bank of Canada is and has been in the past, over many years, helpful to some of our institutions, as my hon. friend would wish it to be. That continues to be the policy. Of course the banking system remains very strong and an instrument of pride.

* * *

WAR CRIMINALS

DESTRUCTION OF IMMIGRATION FILES

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, after raising the matter outside the House, I am surprised that no opposition Member raised a question about the allegations made that certain Department of Immigration records were destroyed just before an RCMP investigation was to take place in respect of them. My question is directed to the Minister of Employment and Immigration. Has she received an explanation of this matter from her departmental officials?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the question of the destruction of the files was raised by the Hon. Member for York Centre before the Deschênes Commission. I wondered why he had not raised it with his colleague, the Hon. Member for Winnipeg-Fort Garry, during whose term of office those files which he brought into question would have been destroyed. Also, he could have looked through his own Party archives to the time when Mackenzie King was Prime Minister to see what might have taken place during that period of time.

What is important to note in this very critical issue is that the Conservative Government took the steps to appoint the Deschênes Commission to look into all aspects of possibilities of Nazi wartime criminals in this country. That commission is doing a very comprehensive job of coming to the major problems that may exist in this area.

● (1140)

REQUEST FOR EXPLANATION FROM DEPARTMENTAL OFFICIALS

Hon. Allan Lawrence (Durham-Northumberland): My supplementary question is the same as my initial question. I wonder if the Minister has received an explanation from her departmental officials respecting the destruction of those files.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have asked the officials to look into this whole matter and report to me. I know that during the month of July of 1984 when the Hon. Member for York Centre was then the Solicitor General—

Mr. Crosbie: And doing nothing.

Miss MacDonald: —a report was sent to his officials by the Department of Employment and Immigration—

Mr. Speaker: Order, I am sorry, the question was answered.

Miss MacDonald: Dealing with that whole question.

Mr. Crosbie: And he did nothing about it.

Mr. Caccia: That is not true.

* * *

GOVERNMENT EXPENDITURES

COST OF MINISTER'S AFRICAN TRAVELS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister and it concerns the continuous waste of public funds by his high flying Ministers. We have reports this morning that the former Secretary of State for Immigration, his wife, and a political aide spent well over $100,000 in public funds using Government aircraft for a one-month safari in Africa. My question to the Prime Minister is as follows. Given that this cost is five times the regular aircraft commercial cost, did the Prime Minister know about this trip in advance, did he approve of it, and, if he does not, is he prepared in this House today to condone this senseless and irresponsible abuse of taxpayers' dollars?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the trip in question was approved, as is appropriate, by the Secretary of State for External Affairs, the reasons being that the Minister was going to attend a very important conference on women's rights, at the end of the UN Decade for Women, in Nairobi. Because the Minister had vast experience as a missionary in Africa and had developed very close friendships with many people both in and out of Governments it was decided that prior to the Commonwealth meeting it would be appropriate for him to visit a number of states, including a number of heads of state, which he did, for private and formal meetings as well in regard to Canada's position at the Commonwealth, our aid programs and so on.

The Minister of State for Immigration, then the Secretary of State, fulfilled very important responsibilities in a very noble way.

I can point out to my hon. friend, as it bears on the question, that I have asked for a report and analysis of ministerial aircraft utilization from year to year. From the last year of the Liberal administration and our first year in Government it is now down 37.5 per cent.

Some Hon. Members: Hear, hear!

REQUEST THAT EXPENSE VOUCHERS BE TABLED

Mr. Sergio Marchi (York West): The Prime Minister claims that the Minister went to this Nairobi conference. I agree, but that was only a small portion of the one-month safari trip of this Minister. My question for this Prime Minister is if he is prepared to justify the trip for one month for these three individuals, is he prepared to table in this House and make public all documents referring to the expenses of these three individuals, which may amount to some $200,000

when accommodation, entertainment, and food costs are counted up?

Mr. Speaker: Order, please. That is long enough. Order, please.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that anybody who knows the Hon. Minister of State for Immigration would know that he would undertake—as I say, in his earlier career he was a Minister of the church working in Africa where he acquired very important knowledge.

Ms. Copps: Congratulations.

Mr. Mulroney: The Hon. Member for Hamilton East says congratulations. I think Mr. McLean should be congratulated on his outstanding career.

Some Hon. Members: Hear, hear!

Mr. Marchi: What about the taxpayers?

Mr. Mulroney: He asks about the taxpayers. In point of fact, under this Government, in this year, the total hours used were 21.3 per cent less than under the Liberal administration.

Mr. Speaker: Order, order.

USE OF GOVERNMENT AIRCRAFT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister and it does concern the new Ulysses of the Cabinet on his Panafrican odyssey. In view of the fact that the Government jet travel alone cost in excess of $90,000 how can the Prime Minister justify that expenditure when in fact, if the Minister had used commercial travel, the cost would have been a fraction of that?

Mr. Speaker: That is the same question.

Some Hon. Members: Oh, come on.

Mr. Speaker: The Minister may answer if he wishes but the Member is in fact asking the same question that has already been asked. Does the Hon. Member have a supplementary question?

Mr. Rodriguez: Mr. Speaker, with all due respect I did not ask the same question. I would like the Prime Minister to respond specifically to the question of whether he could not have used commercial jets rather than the very expensive and less fuel efficient JetStar Government aircraft.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The answer, Mr. Speaker is in all reasonableness, no.

Mr. Speaker: Supplementary question.

GOVERNMENT EXAMPLE

Mr. John R. Rodriguez (Nickel Belt): My supplementary question is this. Does the Prime Minister not think that a Government which preaches restraint to the Canadian public ought to give an example—

Mr. Speaker: Order, order.

Mr. Rodriguez: —of such restraint?

Mr. Speaker: No. Order. That question is clearly not supplementary.

The Hon. Member for Saint-Jacques.

Take your seat.

Mr. Rodriguez: No, I won't sit down.

Mr. Speaker: I invite the Hon. Member to sit down.

Some Hon. Members: No, no.

Mr. Speaker: I beg your pardon? The Hon. Member was given two questions. I thought he had a supplementary for a third. I had already indicated that the first one was repetitive and I found the final one just as repetitive. Therefore I ruled it out of order. Would the Hon. Member—

Mr. Rodriguez: Mr. Speaker, I'm sorry but I won't sit down. I won't sit down.

Mr. Speaker: I name the Member.

Mr. Rodriguez: You are not the one to decide whether my question is repetitive or not.

Mr. Speaker: I name the Member. I have no choice.

Mr. Rodriguez: He was standing to answer the question—

Mr. Speaker: Order. order. I invite the Hon. Member to resume his seat.

Some Hon. Members: Oh, oh!

Mr. Speaker: Then I name the Member.

Mr. Rodriguez: No, I will not. I have asked a supplementary question and I am asking—

Some Hon. Members: Shame!

Mr. Rodriguez: —to indicate to the Canadian public—

Mr. Mulroney: Mr. Speaker—

Mr. Speaker: No, with regret, no. I am sorry, no. I invited the Member to sit down. I invite him now to remain in his seat.

Mr. Rodriguez: No, I will not.

Mr. Speaker: The Hon. Member shooses to disregard the authority of the Chair. I have no choice under the circumstances but to name the Hon. Member for Nickel Belt.

Some Hon. Members: Out! Out!

Mr. Rodriguez: Mr. Speaker, I am entitled to explain.

Mr. Speaker: Order. No, you are not, with regret.

I indicate to the Hon. Member that he now has one option and that is to resume his seat. That is his option and that is all. I therefore invite the Hon. Member to resume his seat.

Mr. Rodriguez: I have asked a supplementary question which is a very important supplementary question.

Mr. Speaker: Order, order. I invite the Hon. Member to resume his—

Mr. Rodriguez: I am not going to sit down, I am sorry.

Mr. Speaker: The I have no choice but to name the Hon. Member for Nickel Belt, and that is that.

Mr. Rodriguez: I'm not leaving, Mr. Speaker. I am sorry.

Mr. Crosbie: Haul him out.

Mr. Hnatyshyn: Mr. Speaker, I move, seconded by—

Mr. Speaker: Prior to that, there is a technical point I will introduce. I invite the Member on his own to withdraw. I invite the Hon. Member to withdraw from the House on his own.

An Hon. Member: He is not going to withdraw.

Mr. Speaker: Therefore I have no choice. The Hon. President of the Privy Council.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I therefore, according to tradition am obliged to move this motion—

Mr. Althouse: I know you are crying.

Mr. Hnatyshyn:

That the Hon. Member for Nickel Belt be suspended from the servce of the House for the remainder of this day's sitting.

Mr. Speaker: The motion is as follows. Mr. Hnatyshyn, seconded by Mr. Nielsen, moves:

That the Hon. Member for Nickel Belt be suspended from the service of the House for the remainder of this day's sitting.

All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

And the division bells having rung:

Mr. Speaker: The Chair should advise the House that I have been advised that the Hon. Member for Nickel Belt wishes to speak pursuant to Beauchesne's Citation 25(2). It is a very unusual procedure, in terms of its occurrence. Let me cite it to the House:

When a Member is named, he has the right to make a statement to the House and should then withdraw while the House makes its judgment.

The Hon. Member wishes to avail himself of his right.

Mr. Rodriguez: Thank you very much, Mr. Speaker. Let me begin by saying that I regret that this whole situation has come to this point. However, I want to explain that when I saw the employment statistics this morning with respect to my riding showing it to have the second highest unemployment rate in the country and then read of the Minister of State for Immigration spending over $100,000 in a one month odyssey around Africa, I decided to come to the House and ask why the Minister could not have taken a commercial aircraft which would have cost a fraction of the over $90,000 that the Government JetStar cost to take him on the trip. That was my concern.

This was motivated by the fact that whenever I go to federal Government agencies and ask for make-work projects to deal with the unemployment in my riding, I am told that the federal Government is in restraint and that it cannot afford it. Therefore, that was what motivated my questions to the Prime Minister.

I am really regretful of the fact that it has come to this situation.

Mr. Speaker: Does the Hon. Member for Nickel Belt wish the House to take that as withdrawing his earlier refusal of the authority? Is that what the Hon. Member wishes the House to hear?

Mr. Rodriguez: From the moment I came to Canada I have never regretted standing up for what I think to have been the right action. Therefore, I do not want you to take it that I was withdrawing anything.

Mr. Speaker: Therefore, may I remind the Hon. Member of the rest of the citation of Beauchesne with regard to his right to make a statement. It indicates that the Member, having made that statement, should withdraw from the House while the House resolves the question.

And Mr. Rodriguez having withdrawn:

Mr. Speaker: Mr. Hnatyshyn, seconded by Mr. Nielsen, moved:

That the Hon. Member for Nickel Belt be suspended from the service of the House for the remainder of the day's sitting.

The House divided on the motion which was agreed to on the following division:

(*Division No. 117*)

YEAS

Members

Belsher	Gray (Windsor West)	Nowlan
Bissonnette	Greenaway	Nunziata
Blais-Grenier	Guilbault (Saint-Jacques)	Oberle
Brightwell	Hamilton	Oostrom
Browes	Hnatyshyn	Penner
Caccia	Holtmann	Pennock
Champagne (Saint-Hyacinthe-Bagot)	Kaplan	Plourde
Champagne (Champlain)	Kempling	Ricard
Clark (Brandon-Souris)	Lanthier	Schellenberg (Nanaimo-Alberni)
Collins	Lawrence	Scott (Hamilton-Wentworth)
Cook	Layton	Scowen
Copps	MacDonald (Kingston and the Islands)	Siddon
Crosbie (St. John's West)	MacDougall (Timiskaming)	Speyer
Crosby (Halifax West)	MacKay	Suluk
Dantzer	Marchi	Tardif (Charlesbourg)
de Cotret	Marin	Tupper
Della Noce	Mazankowski	Turner (Ottawa-Carleton)
Ellis	McCuish	Warner
Fontaine	McGrath	Weiner
Gauthier	McInnes	Wenman
Gormley	Nicholson (Trinity)	Wilson (Swift Current-Maple Creek)
Graham	Nickerson	Wise
Gray (Bonaventure-Îles-de-la-Madeleine)	Nielsen	Witer—69.

NAYS

Members

Althouse	Keeper	Murphy
Broadbent	Langdon	Orlikow
Deans	Manly	Robinson
Heap	Mitchell	Waddell—13.
Jewett		

Mr. Speaker: I declare the motion carried.

I am in receipt of a notice of a desire to raise a question of privilege arising out of Question Period from the Hon. Member for York Centre (Mr. Kaplan).

* * *

PRIVILEGE

ALLEGED MISLEADING INTERPRETATION OF FACTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to rise on a question of privilege arising out of Question Period. During Question Period, questions were asked about the evidence before the Deschênes Commission. My objection is that my ability to function effectively as a Member of Parliament is affected by the constant efforts of members of the Government who mischaracterize the evidence before the Deschênes Commission.

In the case of the Estey Commission, Government Members insist on leaving matters to the Commissioner. In the case of the Deschênes Commission, which is reviewing matters for which I was responsible as a Minister, they are constantly writing the report of the Commissioner in this House and writing it based on their own false and misleading interpretation of what is happening before that commission and what happened in the ministry of the Solicitor General in the period of time for which I was responsible for the ministry.

Point of Order—Mr. de Cotret

Government Members should withdraw these efforts to mischaracterize the records so that I may function effectively during Question Period. Today, they went so far in their interventions as to tell me what questions I should ask. It is my busienss what questions I should ask and they have no right to be telling me what I should be doing here in the House.

Mr. Speaker: The Hon. Member has made his representations. I think he will understand that I can find in no way that his privileges as a Member have been breached. Therefore, I cannot find that there has been a prima facie case made for a question of privilege.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions with the exception of 10 presented by Hon. Members on Thursday, October 10, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Vancouver East (Ms. Mitchell), the Hon. Member for Ottawa Centre (Mr. Cassidy), the Hon. Member for Broadview-Greenwood (Ms. McDonald), the Hon. Member for Windsor-Walkerville (Mr. McCurdy), the Hon. Member for York West (Mr. Marchi) and the Hon. Member for York South-Weston (Mr. Nunziata) do not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

CORRECTION OF ANSWER GIVEN DURING QUESTION PERIOD

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I rise on a point of order. On October 8, in response to a question put by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), I referred to last November's program reduction exercise and the House will recall that the numbers I mentioned at that time were from given memory. I have now been provided with the figures and I would like to set the record straight.

Last November a decision was made to reduce the growth planned by the previous Government for 1985-86 by some 1,300 person years. Because of vacancies and attrition, only 725 indeterminate employees were directly affected. Almost 700 of them were redeployed within the Public Service. Approximately 30 were actually laid off and all of them were entitled to a priority for placement for one year.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on the same point of order. It is a well established practice of this House that "Late show" questions are allowed. At that time the person putting the question and the Minister answering the question can further elaborate on that question.

I absolutely reject the precedent the Minister is setting today. I do not think Ministers can, outside of the normal Question Period or the "Late Show", make that kind of statement. I have a "Late Show" question to ask and I would still like to ask that question.

Mr. Speaker: The Hon. Member raises a point. There have been practices in the past where Ministers have corrected an answer that they gave in Question Period in which they had made minor slips. Those have been treated as points of personal explanation. I take it that that was the practice this Minister was adopting, but I would sympathize with the Hon. Member for Ottawa-Vanier. He will continue to be able to ask his "Late Show" question.

Perhaps I might suggest that in future when Ministers wish to do this, they might make a distinction between something which is a point of personal clarification that is minor and something which is not. Perhaps in future, other Ministers may avail themselves of an opportunity to make a statement under Statement by Ministers and that would give them the right to respond when a matter is that detailed.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour and privilege to present a petition from a number of citizens resident in Toronto. These citizens are concerned that the Government's decision to enter legislation that will reduce the family allowance payment will hurt primarily low-income people. This is in conjunction with other new taxes which will hurt primarily low-income people and with tax benefits that go primarily to the rich in Canada. Therefore, the petitioners urge that the House of Commons should reinstate the full indexation of family allowances and rescind the unfair tax increases.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a petition signed by several people from the ridings of Gatineau, Ottawa Centre, Nepean-Carleton, Ottawa-Vanier and Ottawa West asking the Government to reconsider its policies and its legislation and to restore full indexation to the family allowance and child tax credit because budget measures will take away $55 million in family benefits from ordinary Canadians.

● (1250)

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a petition from a number of residents of Winnipeg. They point out that the deindexation of family allowances is an attack on women and children, especially on single-parent families, and that the amount of family allowance which even the poorest families receive after 1990 will be decreased. They call upon the Government to restore full indexation of family allowances.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following question will be answered today: No. 389.

[*Text*]

BANK NOTES

Question No. 389—**Mr. Riis:**

Is the Government planning to issue newly designed bank notes and, if so, on what dates?

Hon. Barbara McDougall (Minister of State (Finance)): The Bank of Canada, under Section 21 of its Act, has the responsibility of arranging for the issue of banknotes. The form and material of the notes are subject to the approval of the Minister of Finance. Four series of banknotes have been introduced since the Bank of Canada was established. These are dated 1935, 1937, 1954 and for the latest series, the various denominations have dates from 1969 through 1975, depending on the year that the particular denomination was printed for the first time. Two denominations of the current series, the $5 and the $20 notes, were revised in 1979.

The Bank of Canada maintains an extensive program of research into banknotes with a view to maintaining and improving upon the high standards of the banknote issue. In recent years this has involved work on such aspects of banknotes as additional anti-counterfeiting features, features to help the visually impaired and blind, and techniques to increase the durability of notes. This highly technical work takes considerable time and involves several stages of preparation and review before a final decision to produce a new series can be made.

Once a final decision has been made to introduce a new series, to circulate alongside existing banknotes, an announcement will be made which will explain the reasons for any changes in advance of issue. Also, all practical information, including information on timing, will be supplied to help Canadians become familiar with the new series.

[*Translation*]

Mr. Scott (Hamilton-Wentworth): I ask, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CONDOMINIUM ORDINANCE VALIDATION ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Indian Affairs and Northern Development) moved that Bill C-73, an Act to validate certain ordinances of the Yukon Territory and the Northwest Territories, as reported (without amendment) from the legislative committee, be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Indian Affairs and Northern Development) moved that the Bill be read the third time and passed.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have been involved with this question both as an MLA and as an MP for a good ten years. It is strictly a technicality conflict between the condominium ordinances of the Northwest Territories and Yukon and the federal Land Titles Act. No one is opposed to it. In fact, I have yet to meet one person who would be against allowing the Legislatures of the two Territories in question to make enactments dealing with condominiums. My faith today in the parliamentary system has been somewhat restored. After 10 years of work on this issue, it would appear that we are getting through the last hurdle as far as the House of Commons is concerned. The matter now has only to be dealt with in the other place.

This morning I am filling in for the Minister of Indian Affairs and Northern Development (Mr. Crombie) who unfortunately is absent. I have in my possession a prepared speech. I have never given one in the House of Commons before.

Some Hon. Members: Oh, oh!

Mr. Nickerson: These words should have been uttered by the Minister of Indian Affairs and Northern Development. However, if the House will bear with me, I will try to give a prepared speech.

Today I ask Hon. Members to turn their attention again to Bill C-73, an Act to validate the condominium ordinances of the Yukon Territory and the Northwest Territories. It is a matter of serious concern to the residents and the Governments of these two northern Territories. Following second reading on September 26, the Bill was referred to the special parliamentary legislative Committee, which reported it back to the House on October 7. The Bill now has the unanimous support of the Standing Committee on Indian Affairs and Northern Development and the special parliamentary legislative committee. For this support I am grateful, since it confirms my belief and feeling that this legislation is truly required and will be a benefit and a convenience for those people who have chosen to make Canada's North their home; those who have made a commitment to that part of Canada which, to be honest, requires in many ways a higher degree of willingness to accept the challenges of nature, location and geography than in the other areas of our great country.

Today I do not intend to belabour the facts giving rise to the Bill—the extreme housing shortages in parts of the North, the desire of the people there for affordable housing which they can call their own and the deficiencies of the Land Titles Act with respect to condominiums. These were well covered at second reading. However, I will address myself to certain concerns raised by Hon. Members which, while somewhat peripheral to the technical aspects of the Bill, have a certain relevance.

The Hon. Member for Spadina (Mr. Heap) raised concerns regarding the possible conversion of existing rental units to condominiums and referred to a similar situation when the Minister of Indian Affairs and Northern Development was mayor of Toronto. I assure the Hon. Member that the Minister shall express his concern on this point to the Governments of the Yukon and the Northwest Territories. It must be emphasized, however, that this is a matter entirely within the legislative prerogatives of those Governments and that the ordinances are territorial ordinances. It would not be in the interests of the Government, as a condition of introducing and supporting the Bill, to dictate to those Governments the terms and conditions which they must place in their own legislation. They are freely elected representatives of the people of the Territories, and I can assume nothing else but that their only concern is the well-being of the people they represent. This viewpoint represents not only the constitutional position of the territorial Governments but the sincere commitment of the Government of Canada to the devolution of powers and responsibilities to the territorial Governments and the people they represent.

The Hon. Member for Sudbury (Mr. Frith), at second reading, raised the question of conflict between federal and territorial legislation. It is not really a matter of conflict but a matter of federal legislation not being quite current. The federal legislation has simply not kept pace with the times and, as presently written, cannot accommodate what is contemplated by the condominium ordinances. The present Bill will overcome this legal technicality. The Minister has introduced the Bill to ensure that federal legislation, no matter how inadvertently or unintentionally, does not stand in the way of territorial initiatives in areas where those Governments have legislative responsibility.

I referred a few moments ago to devolution. This is an ongoing process placing under scrutiny all matters in the Territories for which the Department of Indian Affairs and

Northern Development and other federal Government departments exercise jurisdiction over subject matters which are or may be more appropriately assumed by the territorial Governments. Rest assured, Mr. Speaker, that the ways and means of ensuring local control of land titles registration are part of these in-depth studies.

Before concluding, I should like to express my appreciation once again for the continuing support of the Hon. Member for Nunatsiaq (Mr. Suluk), the Hon. Member for Yukon (Mr. Nielsen) and the members of the two committees for their very helpful recommendations and suggestions. Therefore, I strongly recommend to all Hon. Members the passage of the Bill. Those were the words which the Minister of Indian Affairs and Northern Development would have spoken had he been present.

Finally, I should like to express my personal thanks for all the assistance by Hon. Members on both sides of the House, in particular the Hon. Member for Spadina, the housing critic for the New Democratic Party, and the official opposition critic for Indian Affairs and Northern Development, who is about to speak next.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: We resume debate on Bill C-73 with the Hon. Member for Cochrane-Superior (Mr. Penner).

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I and the members of my Party support Bill C-73 without any hesitation or reservation of any kind.

Mr. Hnatyshyn: This is an important speech we are going to hear now.

Mr. Penner: This is an important speech.

This matter has been contemplated for a long while and before making any comments on the Bill itself I think it would be appropriate for me to recognize the hard work of the Hon. Member for Western Arctic (Mr. Nickerson). He introduced a Bill on this very same matter and the House saw fit to refer the subject matter of that Bill to the Standing Committee on Indian Affairs and Northern Development.

In the standing committee the result of the deliberation on that Bill was to bring forth a unanimous recommendation that the Government act post haste to validate a territorial ordinance which was designed to ease the serious accommodation shortage in the Northwest Territories, and particularly in the City of Yellowknife where, according to testimony that the committee received from the mayor of that city, there is today a zero per cent vacancy rate. We were all alarmed and shocked by the rising costs of accommodation in that city.

I think the standing committee also deserves credit for the manner in which it acted. It acted with dispatch. It endorsed federal action and did so last May 28. The only thing that is surprising to me is that an uncomplicated Bill such as this, dealing with a technical matter, was not dealt with before the summer recess. This resulted in a loss of the advantage of the summer construction season, and that is certainly very regrettable. The Government knew that this Bill had unanimous support, and that a genuine, demonstrated need existed. It is very difficult for parliamentarians—and I know the Member for Western Arctic is equally frustrated—to understand why winter will be approaching before this Bill is passed. I do not think we can now expect to see the necessary construction beginning until late spring.

In giving our thanks it is probably also correct to thank the legislative committee for the way in which it handled this matter so quickly, under the able chairmanship of my good and honourable friend, the Hon. Member for Hull-Aylmer (Mr. Isabelle).

Before resuming my seat let me just place this Bill in some context so that all Hon. Members will know and the citizens of Canada will understand what we are doing and why we are doing it. All the property registration in the two Territories north of 60 is governed by a federal statute which is called the Land Titles Act. That Act goes back to 1894. Of course, in 1894 parliamentarians in this House of Commons did not foresee or envisage something called condominiums.

It was in the late 1960s that the two territorial Legislative Assemblies passed ordinances to register condominiums. Having done so, they were advised that they were probably in conflict with the federal statute, the Land Tittles Act. When northerners talk about the continuation of a colonial regime, this could be cited as an example. Life north of 60 is still extensively and rigidly governed by Ottawa and this creates a great deal of resentment and frustration among northerners. We who have been members of the Standing Committee on Indian Affairs and Northern Development for many years have heard recitations of this hostility and this frustration repeated over and over again. Yet so little seems to be happening in recognizing the capabilities and the responsibilities of northerners to manage and direct their own affairs. They really do not need Ottawa breathing down their necks, looking over their shoulders and holding their hands. They can look after their affairs very well, and the Member for Western Arctic who served for a long period of time and with distinction in the Legislative Assembly of the Northwest Territories knows that much better than I do. The previous Government did bring in a Bill to deal with this matter. It was going to repeal the whole of the Land Titles Act, and at first blush that seems to make eminently good sense. Again for reasons that Members of Parliament cannot understand that Bill died on the Order Paper. It was not passed.

The present Government received advice that it would probably be well to delay or postpone the repealing of the Land

Titles Act until there is a full settlement of the comprehensive aboriginal claims in the North. I really cannot argue with that. It seems to make good sense. It was probably good advice that the Government received. But we do need to get on with the settlement of these outstanding aboriginal claims in the North.

Much in the way of development in northern Canada is being delayed because these aboriginal claims remain outstanding and unsettled. In fact the Macdonald Royal Commission drew attention to the fact that this matter should be dealt with as quickly as possible. The Minister, in recognition of this, is now trying to put together a new claims policy. He wants to take out some of the impediments in the former policy, which caused more settlements to be blocked than were allowed. Once those aboriginal claims are settled, then I think the door will be opened for what we call devolution. That simply means the transfer of powers and responsibilities from Ottawa to the two territorial Governments and their Legislative Assemblies in the North.

• (1410)

I wish to refer to the MacDonald Commission again. The commission said that this process of devolution, this transfer of powers and responsibilities to the North, should get under way quickly and that all provincial-like powers should be transferred to the North within a period of five years. Again, I would like to tell my hon. friends how frustrating it has been for those of us who sit on the Standing Committee on Indian Affairs and Northern Development each year when we examine the Estimates. We have confirmation that the policy of devolution exists, not only with this Government but with the previous Government and with administrations before that. Yet, we ask: How much devolution has there been? The answer is: Precious little. The Hon. Member for Western Arctic (Mr. Nickerson) can correct me if I am wrong but I think the last time some control was transferred it was over co-operatives and place names. It was something as small as that. More recently, there has been some transfer of responsibility over the forestry sector, which is encouraging. It can be seen how slowly things move.

We still have a very large Department in Ottawa of more than 800 person-years which is responsible in some way which is never very clear to anyone for administering the North from afar. All of these federal public servants in the northern development part of the Department of Indian Affairs and Northern Development are stepping on the toes of territorial public servants who are every bit as competent as those here in Ottawa. It does not make one more competent to be a federal public servant. It does not mean that the federal public servant is one notch above provincial or territorial public servants. These public servants are stepping on the toes of territorial public servants. They are also bumping head-to-head with other federal public servants who are working vigorously on their own projects in the North. I am speaking of public servants from the Department of Fisheries and Oceans and the Departments of the Environment, Energy, Mines and Resources and Transport Canada. Thus, if one visits the North it would be difficult to meet someone who is not some type of public servant. In order to find a real northerner one has to search around.

There are so many public servants that certainly devolution ought to mean that responsibility of the northern development part of the Department could be easily and quickly transferred to the North. If the Government wishes to save some money, if it is really serious about cutting the deficit, then it should look very hard at the northern development part of that Department and reduce it significantly. It could be done without causing any hardship or any serious difficulty to anyone in the North of whom I am aware.

I would like to give one example of the problems that we seem to be having with the policy of devolution. A few years ago the standing committee established a subcommittee, as the Hon. Member for Western Arctic will remember since he served on it. He proved to be very helpful because of his engineering background. We looked at the Northern Canada Power Commission wanting to know whether or not we really needed a federal Crown Corporation to supervise the production and distribution of power in all of northern Canada. In a province such as Ontario there are municipalities that can quite ably handle the matter. We came to the conclusion that there could be territorial power commissions which could handle the matter quite well, provided there was some continuing transfer of funds to assist the power rates paid by those people who live in isolated areas and who rely upon diesel fuel for the generation of electrical power. That was our conclusion. It was a long time ago. At this moment I cannot remember the year we tabled the report in Parliament, but I know that the Northern Canada Power Commission still exists. It still has its headquarters in Edmonton and not in the real North, north of 60. So far nothing has happened but we all await some action.

I conclude by saying that it is my urgent hope that the legislation which is before us will make possible more affordable housing to residents of northern Canada. We recognize that a Bill such as the one before us can be handled competently by northern legislators who are responsible to their electorates. It is a small, technical matter for the Parliament of Canada to be dealing with. It is really an item which is not on the national agenda. However, it has important ramifications for the North, as we have been reminded by other speakers.

Once the Bill is passed, the territorial Governments will be able to proceed with legislation or ordinances which they passed some 15 years ago. Can we really comprehend that? Some 15 years ago they decided they should act and they have had to wait since that time to have certain ordinances validated by the Parliament of Canada. Does that not illustrate that it is time for Ottawa to let go and allow northerners to conduct and manage their own affairs?

The Minister has promised that there will be action with regard to devolution. We want to believe that. All members of the standing committee will want to see some real and concrete results during the lifetime of this Parliament. Those results will certainly have my full support.

Condominium Ordinance Validation Act

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to speak in support of Bill C-73. I agree with the Hon. Members who spoke before me that it seems to be long overdue. That is to say, the people of the Northwest Territories and the Yukon decided 15 years ago through their legislators to have a condominium ordinance. It was in technical conflict with the Land Titles Act of the federal Government, which had been passed nearly a century before, before condominiums were even thought of. However, for whatever reason, it has taken 15 years to come this far in removing that technical barrier.

Like the previous speakers, I have not heard of anyone who opposes the principle of this Bill. However, there is a problem associated with it which is not a matter of principle. In fact, if this Bill does open the way for the creation of more housing in the Northwest Territories and in the Yukon it will certainly be a useful Bill. I am not convinced that we will have any sudden action with respect to it. Perhaps some people will say there was a time five years ago which would have been more favourable. What I understand is taking place at least in some parts of the Territories, particularly in Yellowknife, is that there is not a good financial situation for building condominiums and, perhaps, for building anything. It is expensive to build in that part of the country. Much of the housing which is being built is being constructed with federal subsidies. I think these subsidies are right and necessary. Whether or not they will be available for condominiums is not yet clear to me. Other Hon. Members may have a better view with respect to that issue.

The irony is that very few people living in the Northwest Territories are likely to benefit from this legislation. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), when he was speaking to this Bill on second reading, gave some of the recognized statistics with respect to the gross shortage of housing and the gross over-crowding among the Indian people of the Northwest Territories. Very few, if any, of those people will be in a position to buy a condominium. They are not likely to be seen as potential customers for those who would invest in building a condominium. There is probably a very small potential market for condominiums there and, from talking with some of the people in Yellowknife, my impression is that the market has been shrinking of late as opposed to expanding. So this Bill may not have an effect for several years and when it does have an effect, it is likely to be of no benefit at all to a very large number of the people in the North who badly need housing.

● (1420)

Condominium housing is not the solution for low income or moderate income people whether they live in the Northwest Territories or in Toronto. My colleague, the Hon. Member for Cowichan-Malahat-The Islands, mentioned on second reading, and I in fact had the opportunity to raise it in committee, that in Ontario we have had experience with condominium legislation. It was passed in the late 1960s, I am not sure whether it was 1967 or 1968, and was no doubt much like the condominium legislation in the Northwest Territories and the Yukon. But we found that when things were going well and the builders were building rental and condominium apartments, no serious squeeze was felt. But since the early 1970s, in many parts of southern Ontario, certainly from Windsor to Kingston, building has dried up, not totally, but the situation is serious, particularly with respect to the building of rental apartments. In fact, in the middle of 1972, there was a downturn of investment in rental apartments in southern Ontario. Rents started to shoot up shockingly and in 1973 and 1974, there were 25 per cent, 30 per cent, 45 per cent increases for little or no reason. The landlord perhaps put on a coat of paint and said he had to pay the cost of the paint. Nobody believed that. It was simply that the industry decided that there should be a shortage of rental accommodation and, therefore, landlords were able to force rents up exorbitantly. The result of that, of course, was that rent control, for the first time in anyone's memory, became a major election issue in the Ontario election of 1975. The reigning Government at that time said no to rent controls and continued to do so until the day after the election when it found itself to be a minority Government. We then got rent control in Ontario.

Now, of course, the industry would like to rewrite history. It tells us that the reason for the shortage of apartments is the rent control legislation, but in fact that is false. It is a complete reversal of the truth. The fact is that it was the shortage of apartments which forced the unusual step of rent control in peacetime. We had rent control in wartime and some people thought we would never see it in peacetime. But the industry forced it on us.

Because of the rent control situation there was pressure on some apartment owners to find a way out of this. They decided to convert their buildings into condominiums, sell them off and spend their money out west or in buying up Florida or New York, which some of the large real estate companies in Toronto are busy doing. The legislation in Ontario provides that the municipality shall have power to approve or disapprove, allow or disallow a conversion from a rental building to a condominium. Toronto City Council did exercise that power because of the great need of the people in Toronto for rental accommodation. Toronto adopted a policy statement that there should be no conversions from rental apartments to condominiums so long as the vacancy rate was below 2 per cent. It did make some exceptions. It said that if the rents are already so high that only the rich are renting, it might as well let the rich buy them if they want to. However, for most apartment buildings there was to be no conversions until the vacancy rate rose above 2 per cent. In the last 15 years that has never happened in Toronto.

On the basis of that experience, I would suggest that the Legislatures of the Northwest Territories and the Yukon take note of what has happened and guard against the loss of rental accommodation. I believe there are only about 504 rental units in the larger apartment buildings in the City of Yellowknife. Actually, there are 700 units publicly owned and leased, but only 500 units in the private market. I am sure it would be a great hardship for many people in Yellowknife if those 500 units were to be converted to condominiums. The Legislatures

have the power to prevent that. I believe the Legislature of the Northwest Territories is meeting next week. I do not know about the Legislature of the Yukon. In principle, the Legislatures have the power to prevent this conversion or, if they wish, they can share that power with the municipalities. But they should simply recognize that below a certain vacancy rate it is not in the public interest to eliminate rental accommodation. The vacancy rate in Yellowknife is worse, from a tenant's point of view, than the vacancy rate in Toronto has ever been. It is zero. There are no apartments to rent in Yellowknife so I have been told by knowledgeable people. This would be a poor time to turf out tenants because the owner wants to sell the apartment as a condominium and the tenant does not have the money to buy it.

I urge, therefore, the Legislatures of the Yukon and the Northwest Territories to profit from the experience in places like Toronto. In spite of the policy of the Ontario legislation, Toronto in 10 years or 15 years lost 1,800 rental units. Some of them were very expensive and, therefore, perhaps, it was no loss in a practical way. But some of them were units which had been rented to people who could not afford to buy them as condominiums. I believe the municipalities of the Northwest Territories and the Yukon should take warning from Toronto.

I agree with the two previous speakers and the Minister that this is a decision which belongs to the people in the Legislatures of the Territories. It is correct to pass this problem on to them as it is without attempting to amend it here. We should leave to them the responsibility to resolve that problem. However, I do recommend that they look at the experience not only of Toronto but in a good many other cities in the south where tenants have been very hard pressed by the loss of rental units. That being said, Mr. Speaker, I am happy to approve the legislation. I hope that the serious shortage of decent and affordable housing in the two Territories will be relieved.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

• (1430)

CRIMINAL CODE

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved the second reading of, and concurrence in, an amendment made by the Senate to Bill C-77, an Act to amend the Criminal Code (pari-mutuel betting).

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not want to take up too much time of the House. I just want to give a brief explanation as to why we are dealing with this matter at this particular time.

This amendment results from a decision taken by the Department of Justice and enshrines in legislation a long-standing practice of the race-track division of Agriculture Canada. The existing regulations delegate to the director of the race-track division the authority to approve changes in the percentage deducted and retained from each dollar bet up to a maximum amount set by the Minister and the race-track division regulation. It was the opinion of PCO lawyers that the existing words in the subclause were inadequate to allow for such delegation. Thus, this amendment will allow for the delegation of the authority to approve the association percentage up to a maximum set by the Minister. The Department concluded that this amendment was needed for clarification, thereby removing any doubt about the delegation of authority to the director of the race-track division.

Hon. Bob Kaplan (York Centre): Mr. Speaker, let me say on behalf of my fellow Liberal Members of Parliament that we are familiar with the amendment. I have reviewed it and it is satisfactory to us. We are glad to see this amendment to the Bill. I might just add that I had the honour to serve as co-Chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments and it pleased me very much to see the attention being paid by the Government to ensure that enabling legislation of this sort adequately states the power it conveys. Although one could have argued that the power already existed by virtue of the larger regulation-making power given in the legislation, it is always better in cases where it can be done to specify clearly the discretion being awarded, in this case to an official in the Minister's Department.

I am glad this step has been taken and I am glad to support the Bill. I hope it is proclaimed shortly so that race-tracks across the country as well as the agricultural industry can have the benefits it provides.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I just wanted to say on behalf of the New Democratic Party that, having consulted very carefully with our members in the other place, we, too, agree with this amendment.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, amendment read the second time and concurred in.

The Governor General's Act

THE GOVERNOR GENERAL'S ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-78, an Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I have the honour to commend to Members of this honourable House Bill C-78, an Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act. Just to start things off, the Secretary of State (Mr. Bouchard) will not be speaking in this debate so I wish to touch first on the changes this Bill provides with reference to the emoluments of the Governor General and the Lieutenant-Governor. The salary of the Governor General of Canada was fixed at Confederation at 10,000 pounds sterling. In 1931 it was converted from sterling to $48,666.63 and has remained at that level until today. The salary is, however, tax-free. If this Bill is passed by the House, the Governor General's salary would be increased to $70,000, which I think is clearly more appropriate for the occupant of that office. In addition, there is a slight amendment to the Governor General's Retiring Annuity Act.

The Lieutenant-Governors have had their salaries revised by statute only three times since 1867; in 1952, 1975 and again in 1983. Without going into too much detail, this Bill would increase the salary of all Lieutenant-Governors to $69,000 a year as of January 1, 1985. Their present salary is $44,100. However, those salaries are taxable rather than not taxable which is true of the Governor General. I think there will be no hesitation by Members of the House in approving these salary increases for both Her Excellency the Governor General and for the Lieutenant-Governors who today are, by and large, not persons of any substantial wealth and who therefore need to have a reasonable salary if they are to occupy those offices. Of course, that reminds me that the new Lieutenant-Governor of Ontario happens to be a former colleague of ours in the person of His Excellency Lincoln Alexander, so I hope Linc will be pleased with this presentation I am making here today.

Mr. Robinson: He wrote the Bill.

Mr. Hnatyshyn: It is a merit increase.

Mr. Crosbie: Just before getting into subject matter of the increases we propose for the judiciary, I want to outline the context within which the judiciary is operating in our system. We have had a very productive year in the area of justice, the most productive, I would say, in many years, since September, 1984. This House passed Bill C-14, the Foreign Extraterritorial Measures Act. The Opposition when it was in Government had a similar Act lying around for several years but could do nothing with it. We have now passed that legislation, which puts Canada in a position where we have some weapons at our disposal to use if there are any threats to our sovereignty through interference with the operation of Canadian law through another state such as the U.S. trying to apply its influence in an extraterritorial manner.

The House has also passed amendments with respect to the Ontario and Manitoba courts, namely, Bill C-3 and Bill C-61. We have made major amendments to the Criminal Code through the Criminal Law Amendment Act known as Bill C-18. That will be proclaimed on December 2 of this year. These are major amendments, particularly regarding impaired and drunken driving. That measure will be proclaimed three weeks ahead of the Christmas season. There will be an intense campaign to make the provisions of the Bill well known at the end of November, and of course there are a great many other amendments included in that legislation.

The House enacted the Charter Conformity Bill, which will be proclaimed on October 15. We prepared a discussion paper on equality. We appointed a subcommittee of the House Standing Committee on Justice and Legal Affairs to consider this discussion paper on issues raised by the coming into force of the equality provisions of the Charter on April 17. That committee is going to report, I believe, on October 25. As a result of its report we will have to respond to its recommendations and findings. There will be another charter conformity Bill arising out of the subcommittee's report as soon as time permits it to be prepared.

• (1440)

Bills C-47 and C-48 are now before a committee of the House. They are the new Divorce Act and the Bill for family orders enforcement which are about to be studied at the clause by clause stage. I believe that those two pieces of legislation will have a greater effect on Canadian life than any other legislation which will be enacted in the House during this Parliament. This is not the time to go into the details, but the family orders enforcement Bill includes an effecitve national system for the enforcement of maintenance and custody orders, the lack of which has been a national scandal for some years.

Bill C-49 is legislation to deal with the problem of street soliciting and is now before a legislative committee and should be passed through the House before the end of November. That legislation deals with a major public nuisance and decaptures the streets of the cities of this country for the ordinary law-abiding citizen. That legislation deals with a problem which has existed since 1978 about which the predecessor Government dithered and twittered around and did nothing.

Bill C-78 deals with the issue of compensation for judges. Every three years there must be a report by an independent commission on what should be done about judges' compensation and emoluments. There was such a report produced over two years ago, about a year before the Official Opposition was defeated last year. Unfortunately, no effective action was taken and we are now dealing with that matter, the details of which I will give in a few moments.

In the area of justice, during the last year we have entered into a mutual legal assistance treaty with the United States in order that both countries can be more effective in attempting

to deal with crime and in assisting one another in the battle against crime. There will be legislation forthcoming in the House in the next few months for the implementation of that treaty. We have adopted a policy of compensation for wrongfully convicted and imprisoned persons. Our predecessor Government refused to deal with that problem. It refused to join with the provinces and the provinces were forced to compensate such persons on their own. The federal Government has paid half of the compensation which the Province of Nova Scotia agreed to pay to Mr. Marshall who was found to be wrongfully convicted and imprisoned. We have advised British Columbia that we will do the same in connection with the Fox case there.

There is before the House a resolution on reform of the Senate. As time permits, we will see what becomes of that. We have introduced a new policy in the Charter Challenges Program which was announced a week or two ago. It provides $9 million over the next three years to assist women, the handicapped, and other persons who may wish to take advantage of the equality clauses of the new Charter in worthy cases of national importance. Who is to be assisted and to what extent will be decided by a board of competent people independent of the Government.

We have established the Deschênes Commission to deal with the question of whether there are any war criminals or persons reasonably suspected of being war criminals in Canada today or whether there have been any such people here in the past. We have, therefore, taken some action on that very sore and important question as the commission is now sitting.

These are just some of the highlights of the actions taken on the justice scene in the last year. This is only a warm-up compared to what I hope to have before the House in the course of the next year.

We will have to deal with the question of the Constitution, pornography, hate literature, child abuse, the Badgely and Fraser Reports, and, hopefully, our response to those through legislation will be put before the House in the new year. I am ascribing a high priority to the question of mental disorder and the criminal law. This area badly needs reform. I intend to have legislation dealing with that subject before the House this fall. As I mentioned earlier, there will be another Charter conformity Bill and mutual legal assistance treaty legislation.

This fall most important legislation will be placed before the House dealing with the application of Canadian laws to the off-shore, the Off-shore Laws Extension Act. This is particularly important because of our determination to establish clearly the fact that Canada has sovereignty in the Arctic and northern regions of this country. For the first time in many years decisive action in that respect is being taken. There will be legislation coming before the House dealing with the implementation of the Atlantic Accord in the energy area between Canada and Newfoundland. There will be legislation forthcoming dealing with important amendments to the Supreme Court Act. There will be legislation proposed dealing with the question of tax appeals amending the Tax Court of Canada Act and the Income Tax Act.

There will be Criminal Code amendments suggested, Mr. Speaker, in the area of contempt of court, the jury, theft and fraud, vandalism and arson, and dealing with the question of proceeds from crime. There will be a new Bill coming before the House in the next few months proposing amendments to the Federal Court Act and the Crown Liability Act.

I intend to assign a high priority to the question of changes in the process of the appointment of judges. We have had a report from a committee of the Canadian Bar Association which, of course, we will consider in the course of deciding how we are going to change the process to ensure that there are improvements in it. I also intend to deal with the question of judicial independence and the reports which have been made in that area in order that it be not only a fact that our judiciary is independent, but that it be apparent that we have an independent judiciary. There will be some changes in the criminal legal aid area and initiatives in the area of the victims of crime.

We will have to deal, of course, during the course of the next several years, with changes to the Constitution, particularly, hopefully, in connection with the endorsement of the Constitution by the Province of Quebec. There are amendments to be suggested in connection with Newfoundland Pentecostal schools. Of course, there will have to be changes in connection with aboriginal rights and it is very likely that changes will have to be considered in connection with the upper House.

This is the general context of the framework of the past 12 months in the field of justice and our prospects for the next several years. I am hoping that Members of the House will have an opportunity to deal with all of these matters in such a way that progress will be achieved in all areas within the next two years. If we can make progress at the rate of that achieved in the last year, it will certainly be an astonishing three years in the area of social justice.

This brings me to the subject of the judiciary. If we are to have social justice and if this framework is to work and these reforms are to be carried out satisfactorily, we must have an independent and able judiciary. We must have a judicial system which attracts people to become judges. As a matter of interest, Mr. Speaker, we have 793 Section 96 judges. That is, there are 793 federal judges appointed by the Government of Canada. Eighty-two of them are supernumerary judges and 711 are in the active category. Of course, the supernumerary judges hear cases as well, but not on a full-time basis. As another point of interest, I point out that since the Government took office it has made 68 new appointments, seven judges have been elevated to higher courts, and six have been transferred. The total number of appointments in the last year was 81. The total expenditure on salaries for our judges in the last fiscal year ending May 31, 1985, was $64,893,806.40. The total expenditure this year, if there are no changes based on the judges presently holding office, is projected to be $70,992,-539.53. If this Bill is enacted, we would add $9,580,710 to salaries for the present fiscal year. There would be an increase of $136,000 for conference allowances and an increase of

$141,500 for the representation allowances. The increase in salaries and allowances would be $9,858,200.

● (1450)

It is interesting to note also that of the total number of judges, 231 are county or district judges and of the total number of judges as of September 1—this has changed slightly since then—41 are women. Obviously, there are too few female judges and this is an area to which we must and will give high priority. It is only being held back by the fact that women in large numbers have only joined the legal profession in the last 10 or 15 years. Since one must be in practice for at least 10 years before becoming a judge, this, at the moment, limits the number of available women to become judges. However, it is a high priority for us to increase the number of female judges in this country as rapidly as possible.

To operate this whole system we need judges who are intelligent, who have ability, who are hard working, independent and understanding. We need judges who are humane, literate, discerning and who are well disposed and humble. That is a great attribute of a judge. There are not too many humble judges but I strongly recommend it to members of the judiciary. They should be polite and caring. These are the kinds of judges that we want to encourage on the benches of our country. They will not be encouraged there unless we make sure that their working conditions and emoluments are attractive to them. Whether we like it or not, we must face the fact that lawyers can do very well in their own practices without going to the bench. In fact, those who are not failures—because there are always some failures in any profession—do much better by staying in private practice than they can ever do on the bench. When we consider what we pay judges, we must make the comparison to what they can earn in private life if we are to attract them to the bench. They have families and other needs to look after.

Mr. Keeper: Go to the bench, John.

Mr. Crosbie: John is not going to the bench. John has no intention of going to the bench. There are too many other things to be done before I go to the bench.

Mr. Keeper: Do it for your family.

Mr. Crosbie: If I ever do go to the bench, it would be the great bench in the sky. Perhaps that is the only bench I will go to.

Let me give some details with respect to the judiciary.

Mr. Keeper: Get those dolts off the bench.

Mr. Crosbie: The hon. gentleman said to get the dolts off the bench.

Mr. Robinson: The dolts out of the PMO.

Mr. Crosbie: The Hon. Member had better watch it or I will call him and his Party *une bande de cruches*, which means, of course, a bunch of dolts. It is not widely known that I am bilingual.

Unfortunately, we cannot delegate the task, and the Constitution imposes upon Parliament the duty to fix and provide the salaries, allowances and pensions of the federally appointed judiciary. It is a difficult duty. It may have seemed straightforward back in 1867, but it is a difficult task.

We must balance the needs and expectations of our judiciary with our own responsibility to see that the money of the taxpayers of Canada is used wisely and to the best effect. However, we are not allowed to pass this duty off to anyone else. By virtue of the wording of Section 100, it cannot be delegated to any other body. It is a duty that is often found to be embarrassing and distasteful to Parliament and members of the judiciary because it results in public debate upon the remuneration of men and women who may be subjected, as a result, to generalized abuse but who, by their offices, are denied the privilege of public reply. Our judges cannot reply themselves when they are criticized here or anywhere else. Therefore, it is my duty as Minister of Justice to attempt to act on their behalf and be a public voice for them.

The fact that all of this must be done by Parliament itself carries with it the danger of politicizing judicial compensation issues, and unless the levels of compensation are reviewed at regular intervals there is also the danger of inequity and unfairness to the judiciary if their salaries and benefits are permitted to fall behind on the basis of leading economic indicators.

There has been erosion in judicial salaries since 1981, when an indexing formula was first provided to cushion the effects of inflation between parliamentary reviews. As I mentioned earlier, there is provision now for triennial commissions to review the adequacy of judicial salaries and benefits.

Mr. Otto Lang, a former Liberal Minister of Justice, two years ago reported on judges' salaries and benefits and that report was tabled in Parliament. At its 1985 annual meeting, the Canadian Bar Association passed a resolution deploring the delay in dealing with the Lang Report and calling for its implementation forthwith. We regret the serious delay, but I believe that we did not cause it.

We also have a mandate for fiscal restraint and to protect the nation's economic interests. As a result of that mandate, we are not going to accept fully, at this time, the Lang Commission's recommendations. We have sought to arrive at salary levels which will adequately compensate the judiciary, while recognizing the fact that we are in a position of fiscal restraint and are attempting to achieve economic recovery. Incidentally, it is good to see from the economic figures announced today that there is a drop in the unemployment rate and a drop in the interest rate. We now have the lowest interest rate in seven years, I believe. We are on the road to economic recovery. When the froth of insidious suggestions and when the cesspool of slanderous imputations is removed from the surface of the House of Commons, we can see the real progress that is being made in this country in the last 12 months.

We were fortunate in the past to attract practitioners to the bench who considered the judicial appointments not only a great honour but also a public duty. Those appointees were usually senior lawyers. When they came to the bench they had wide experience and a mature and reflective outlook on legal and social issues. Those personages were usually financially secure and could leave the rigours of practice and its returns in favour for what was then a more sedate pace of life on the bench. However, believe me, the pace of life on the bench today is no longer sedate. It is not a sinecure to be appointed a judge. Everywhere I have gone in the country, judges are among the hardest working. It is not a holiday. It is not entering into a pleasant retirement. Joining the judiciary is entering into a life of rigorous work. The work that they do is of tremendous importance.

Now, with the Constitution and new Charter of Rights and Freedoms, the judges of this country are in the trenches when it comes to determining what kind of society we will have in the future. In the last three years we have transferred tremendous powers to them. Now we must make sure that we have people at the bench who are more than suited to exercise those tremendous powers over us and our descendants.

The judiciary is still dedicated to public service. I repeat that life on the bench is the same as an active practice with the bar. The case loads in all of our courts have increased dramatically. The trend since 1975 has been to appoint younger men and women. Throughout the first half of this century the average age at appointment was 55, but it has fallen to 49. Far more judges have been appointed in their late thirties or early forties.

● (1500)

Much of our success in making judicial appointments has come because we are trying to consult broadly within the legal and judicial communities in making the appointments. I have mentioned that we will be reviewing the judicial appointment process. I intend to recommend major changes. However, the responsibility for judicial appointments will still remain with the Government of Canada and we do not intend to delegate that responsibility to anyone else, no matter what reports come in from wherever recommending that. The process can certainly be improved, though. Of course, the Prime Minister (Mr. Mulroney) has announced that he has asked me to review the process and to recommend changes.

There will be full consultations in connection with these proposed changes with provincial Attorneys General, Chief Justices, the Canadian Bar Association and other interested groups. The McKelvey Committee Report will be considered by the CDA at its winter council meeting in February.

It is obvious that we must have very high standards on the bench. Their position within our constitutional framework provides that members of the judiciary have a greater and greater influence on the lives of us all. They will determine the shape of our society for generations. If they are to carry out that great task, we have to ensure that they are adequately compensated for this onerous and essential duty.

Judges are just as vulnerable to economic concerns as the rest of us. As the age of appointment has fallen, the men and women on the bench have become less concerned about the hereafter, the retirement package, and are more concerned with the here and now, their salaries. Because they are younger appointees, they do not have the financial resources behind them that would permit them the luxury of indifference to their cash flow. Younger judges have younger families and they have to make adequate provision for them. I am surprised by the number of people approached by me or on my behalf to become judges who have said no because they have children who are going to university or have other heavy responsibilities and do not feel that they can afford to sit on the bench.

I know judicial salaries are high by the standards of the average Canadian but they are not exceptional when measured against the professional incomes lawyers can expect to enjoy at the Bar and they are not even exceptional when measured against senior public sector salaries. One must have at least 10 years at the Bar to be appointed. Once one has 10 years at the Bar in private practice, one should be enjoying his or her best earning years. Therefore, judicial salaries must be appropriate to those circumstances.

The present salary of a provincial superior court judge, the judge with which we are most familiar, was $93,800 as of April 1, 1985. This Bill proposes to increase that salary to $105,000. The Lang Commission made its recommendation using 1975 salary levels for the judiciary, applying the full industrial composite index and allowing for a cap of 6 per cent and 5 per cent in 1983 and 1984. Following that formula, the salary recommended by the Commission would have come to $119,000. If we adjust its recommendation to take into account not the inflation it expected but the actual rate of change, then the salary in accordance with that formula would be $114,000. The salary that we are recommending is $9,000 less for a puisne superior court or supreme court judge than the recommendation of the Lang Commission.

As I said earlier, it is not possible for us to provide salaries in the order of these recommended by Mr. Lang at the present time. However, we know that compensation must be adjusted because we have to take into account the erosion of judicial salaries by inflation and other pressures since 1975. We consider the figure of $105,000 to be just and equitable in the circumstances. Whether or not the salaries we have proposed are adequate will be examined again next year because we have to appoint the next statutory review commission in 1986. By the way, the Commission will be asked to pay special attention to the question of what changes there should be made to judicial pensions.

The salary of $105,000 was determined by restoring the relativity that existed in 1975 between judicial salaries and those of the most senior classification of Deputy Ministers, the DM3 level. I do not want to deal with all of the salaries because we issued a release with all the details. However, the salary of the Chief Justice of Canada would be fixed at $135,000 under this Bill and other categories of the judiciary would be scaled downward accordingly.

With respect to county and district court judges, the Lang Commission recommended that the difference in salary between a county court judge and a superior court judge should not exceed $5,000. We have accepted that suggestion. There are four provinces in which there are still county and district courts, Ontario, Nova Scotia, British Columbia and Newfoundland. Since the jurisdiction of those courts is not that much different from the jurisdiction of superior courts, the present differential of $6,900 will be reduced to $5,000. Under this Bill, for example, a puisne district court judge or county court judge will receive $100,000 per year which, incidentally, is $14,000 less than that suggested by the Lang Commission. Of course, the chief justices will receive somewhat more than the puisne judges. A puisne judge of the Supreme Court of Canada will receive $124,200. As I said, a judge of a superior court will receive $105,000 and a judge of a county court will receive $100,000.

The Bill also deals with certain judicial allowances. A representational allowance is provided to chief justices and other senior judges to defray expenses incurred in hosting or attending functions of an official or semi-official nature in their capacity as heads of the court. That allowance is also provided to the puisne judges of the Supreme Court of Canada and to the senior judges of the Supreme Courts of the Yukon and the Northwest Territories. We will double that allowance from its current levels to $10,000 for the Chief Justice of Canada, $7,000 for the Chief Justice of the Federal Court and the chief justices of each of the provinces and $5,000 for all other judges entitled to that benefit.

The Lang Commission had recommended that the ceiling on this allowance be removed and that all certified expenses be reimbursed. Rather than doing that, we are extending the benefit of this allowance in certain cases so that expenses incurred by spouses can be defrayed as well. We felt that when a chief justice attends a Government or other official function on behalf of the court, it is usually expected that he or she be accompanied by his or her spouse. At the present time, there is no authority for reimbursing expenses incurred by reason of attendance of spouses and we propose to permit reimbursement out of the representation allowance for such expenses. That, in my view, is only fair.

I believe that spouses should not be forgotten, whether they are male or female, and I am pleased that we are making this change. By the way, several years ago a report pointed out that in the External Affairs Department, the wives of diplomats and the like should be paid a salary. That is a principle which I thought was a reasonable one in view of the kind of life they lead and the kind of work they do without pay at the present time. As part of that kind of experience—

Mr. Robinson: What about Jane?

Mr. Crosbie: Yes, I believe Jane should be paid a high salary for travelling expenses. However, I have not had her at any staff meetings. I never know when she is going to barge in, mind you. I hope that she is not watching me.

The terms of the removal allowance will also be broadened by the Bill. There is now a removal allowance available to reimburse judges required to move their place of residence on appointment to the bench or when they are subsequently reassigned. We are going to extend that allowance to permit payment of such expenses in two special cases affecting the administration of justice in the north. If the Bill is passed by the House, a judge who resigns or retires from the Supreme Court of the Yukon or of the Northwest Territories—and I am glad to see that both Hon. Members are present this afternoon—and if it is the judge's wish to relocate in one of the 10 provinces, he will be paid a removal allowance which will cover reasonable moving and related expenses.

• (1510)

The same benefit will be extended to the surviving spouse and children of a northern judge who dies in office, if the judge's surviving dependants decide to relocate in one of the provinces. However, this benefit is conditional upon the judge having been appointed to a northern court while being a resident of one of the provinces. These amendments are proposed in recognition of the special circumstances which exist in the North.

Finally, the conference allowance will also be increased. That allowance is now based upon a multiplier of $350 per judge on a court, with a minimum per court of $3,000. The purpose of it is to meet expenses incurred by judges in attending conferences, meetings and seminars which promote efficiency or uniformity in the courts or improvements in the quality of judicial service in the courts. We are suggesting a new multiplier of $500 per judge, with a minimum of $5,000 per court, as a response to increased travel costs since the allowance was last adjusted. We are not proposing any change at this time to the conference allowance of the judges of the Supreme Court of Canada, which will remain at $1,000 per judge.

We cannot over-emphasize the importance of the judiciary to our system. We must strive, not only to secure the best legal talent available for the bench, but to compensate our judges adequately for the enerous and vital tasks which they undertake on our behalf. We think that we are proposing a fair and equitable approach to the issue of judicial compensation and allowances. They may be less generous than many in the judiciary had hoped and less generous than those advocated by the Lang Commission, but I think there are valid reasons to say that it is not possible to implement the Commission's recommendations in full. Judges are subject to the same economic realities as you and I, Mr. Speaker. Within the limits imposed by the need for restraint, I think that these amendments will go a long way toward improving judicial remuneration and the quality of life on the bench. This is why I am happy to move the Bill today.

In conclusion, I should like to return to the kinds of characteristics we need in judges. We need intelligence and ability. They have to be hard working. We cannot have lazy louts on the bench any longer. They have to be independent and

understanding. They have to be humane, literate, discerning, well disposed and humble. By the way, this reminds me of myself. Perhaps I should go to the bench; perhaps that is the only solution. They have to be well disposed, humble, polite and caring. It is not easy to find people of that nature. I look upon our judges today, as a result of recent constitutional changes, as voyageurs—and I did not say voyeurs—in a new legal frontier, exploring the frontier of the Charter. I look upon them as the *coureurs de bois*, the people who portaged and explored Canada in canoes, people such as Radisson, Des Groseilliers and others. Our judges are penetrating unknown territory. It would be very unwise for us to have a short-sighted attitude and sound to the general public as if we are paying judges tremendous salaries—and I think they are tremendous salaries—or to arouse envy among the public. The comparison is to what they can make if they do not go on the bench. We want the best, we want more women and we want more representatives of ethnic communities on the bench. We want a good mixture on the bench for this exploration; they are the new voyageurs. Who knows how they will interpret the Charter of Rights and Freedoms or what they will think it means? If any of us have to come before a court, we will want to have the best on the bench, and we will only have the best on the bench if we not only respect them but pay them well.

I thank my hon. colleagues in the Official Opposition and in the New Democratic Party who I believe will co-operate in seeing that the Bill goes to committee relatively quickly, like sort of today or, if not, the next day. The legislation will make these payments retroactive to April 1, but I hope we will not keep the judiciary on tenterhooks for the next several months and that we will give reasonably swift treatment to the Bill which I commend to the House as being a reasonable compromise.

Some Hon. Members: Hear, hear!

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to begin by admitting that I had underestimated the Minister. I came to the House today thinking that his remarks would perhaps take five minutes to make and knowing that the Bill was heading for the Standing Committee on Justice and Legal Affairs and that we would be able to examine it further there. However, upon listening to the length of his speech, I reflected upon the fact that he came from Newfoundland. In Newfoundland they try to say things well and, by and large, they do so. I do not know if that is a total explanation of it. Also I recognized, as I listened to his speech, that he was bound to set the record straight, as he saw it, and to try to demonstrate the terrible record in the justice field of the former Government, as well as the excellent record of his own Government in the brief one year it has been in office. I do not want to take the bait on any of his misstatements, no doubt through a lack of full examination and study of the Liberal record. I commend the Liberal record to him. I have to say for my part that I am disappointed that few things have been done in the area of justice in the year. However, I welcome the things which have been done. They were mostly bits and pieces of Bills on the Order Paper which would have proceeded during the last Parliament if only the Opposition of that day had been as co-operative as the Opposition of this day is intending to be, certainly in relation to legislation which we started. I thought, as he continued on and on, that even a Minister wanting to set the record straight would not have taken that long to try to do it. Then we found out the real reason for the speech being what it was, and I guess the real reason was that Jane was listening. I am glad that the wife of the Minister takes a considerable interest in her husband's work to listen that long, it being that full of baloney and hot air. I certainly want Jane to know that I enjoy her husband's speeches very much and I enjoy his presence in the House. I hope he stays out of trouble long enough to bring in even a small proportion of the many good things not yet delivered but promised. I hope Esterelke is listening, by the way.

I have little to say on the subject of the piece of legislation before us. It is a Bill to raise salaries, pensions and other related benefits. I endorse fully what the Minister said about the importance of the bench to a society which is animated, as is ours, by the rule of law and which wants to give absolute reality to the rhetoric that emerges from the House about our commitment to a society where all citizens truly have access to the judicial process. We want good judges.

My friend has offered himself as a candidate for the bench today. I hope he will not go until a lot of that good legislation about which he talked is brought forward and is made into law. However, since he raised the subject, I want to add a note about a type of judge who is needed and was not mentioned by my hon. friend. The record of the last year shows a lack of sensitivity to this criterion. As the judicial arm of the public administration of Canada has gained more and more authority by the passage of laws which have been referred to it and by the passage, in particular, of the Charter of Rights and Freedoms, in addition to all the fine qualities mentioned by the Minister, we should add a greater reflection in the bench of the population nature of society. For example, he spoke about women. I was disappointed to hear him say that he could not find many good women to appoint to the bench now. He explained that only lawyers can be appointed and far less than half the lawyers in the country today are women. I still think, in spite of what the Minister said, and my own experience is that women can now be found to be appointed to the bench. This ought to be a more positive goal of the Minister than he indicated.

● (1520)

I recently tabled a question on the Order Paper which I had hoped would be answered by today. I asked how many of the 68 judges named by this Government are women. The reason I asked the question is that my sense of it is that since the election there are fewer women appointed to the bench, in proportion, than there were. I am very proud that in the former Liberal Government a substantial proportion were women. I have asked for the actual facts and when they are available I think they will show a falling off of the appointment of women to the bench. The Minister says he is in favour

of it. He says that he cannot find enough good candidates, and I think that he is wrong. I hope that he will take another look at it.

I want to indicate that it is not only women who ought to be represented more on the bench. There are other groups in the country whose views ought to animate the judiciary in Canada. Minority groups have very proud and able lawyers among their communities who ought to be elevated to the bench as much as possible, as a priority, I am indicating, not just as a coincidence, in order to achieve a judiciary which truly comes from the people of Canada, in addition to having all of the other qualities my friend mentioned and with which I very much agree.

Mr. Speaker, I will reserve my comments about particular provisions until we reach committee. I can tell you that the Liberals will not hold up this Bill. We are in favour of this increase. We recognize and note that it is not everything that was recommended by the independent outsider who reviewed the qualifications for judges, but it is an improvement. My sense of it is that it is an improvement that will make it easier for good people to accept when they are invited to become judges. On this side of the House we are all in favour of that.

As I said it was a very long speech by the Minister. He covered a lot of subjects that I could challenge but that is almost always the case with that Minister when he is on his feet. So far as second reading is concerned, I will simply note on behalf of our Party our approval in principle of the Bill.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise today to speak on Bill C-78 which has as its primary objective a rather substantial increase in the salary of the federal judiciary. As well it would increase the salaries of the Governor General and the Lieutenant Governors of Canada.

I do not intend to comment with respect to the proposed increases in salary of the Governor General and the Lieutenant Governors as I understand that the last time those salaries were increased was back in the 1800s, and it is probably about time that we had another look at that. Certainly we on this side are not prepared to storm the barricades with respect to those proposals contained in the Bill.

I had the honour of taking part in a similar debate, that is with respect to judicial compensation, some four years ago. That was on what was then Bill C-34, at a time when rather substantial increases once again were being proposed in the salaries of members of the federal judiciary. The previous occasion on which salaries had been increased was in 1977.

In March of 1981 the approximately 750 federally appointed members of the judiciary, and here of course we are talking about country and district court judges in those provinces in which there still is a country and district court, I believe Ontario, British Columbia and Nova Scotia; Supreme Court judges; Court of Appeal judges; Federal Court; Federal Court of Appeal; the Tax Court and the highest court in Canada, the Supreme Court of Canada, a substantial pay raise which was in fact retroactive to April 1 of 1980.

At the same time as we passed that Bill there was provision made for annual cost of living increases which were based on a percentage. I believe there was a maximum of 7 per cent in the cost of living. Finally, that Bill made provision for an independent commission to study the whole range of compensation and benefits offered to members of the federal judiciary.

In 1983 the first such commission was appointed. It was chaired by a former Liberal Cabinet Minister, Otto Lang, former Minister of Justice in fact, and that committee met and recommended some very substantial increases in salaries for the federally appointed judiciary. They reported in October of 1983 and recommended salary increases ranging from 26 per cent to 36 per cent, very significant increases. At the same time they recommended eliminating any contributions by federally appointed judges to their very generous pension plan.

The question of contributions to their pension plans by federally appointed judges has been a sticky and controversial one and indeed in the previous Bill the Minister of Justice had proposed eliminating contributions by those judges to their pension plans. However, in the face of strong opposition from my colleagues in the New Democratic Party, as well as from the then Official Opposition, the Conservative Party, the Minister of Justice withdrew those provisions and appointed a special commission, as a bit of a face saving gesture, to look into that whole area.

The suggestion was made that somehow by requiring judges to contribute to their pension plan the way all other Canadians contribute to their pension plans we were in some way attacking the independence of the judiciary. I have the report of the special committee that looked into this whole question which was chaired by Mr. Jean de Grandpré and which included Mr. Jack Birkenshaw and Mr. Jack Munro. That report made an astonishing suggestion. They said, and I am quoting from the report:

> —there exists a subtle but real relationship between the annuity benefits provided by law for the judges and the quality, competence and independence of the judiciary in Canada.

Clearly any such suggestion that the requirement for judges to contribute to their own pension plan is in some way linked to the independence of the judiciary is completely without foundation. I was pleased to note that even the report of the Lang Commission quickly put the lie to that particular suggestion. I quote again from the Lang Commission:

> We do not consider the issue of contributions to annuities as in any way affecting the independence of the judiciary.

I suggest that that is certainly the only appropriate approach to that particular question.

I was pleased to note that despite the recommendatoin both of the de Granpre committee and the Lang Commission that they did not in fact include in this Bill provisions to elimiante contributions by federally appointed judges to their very generous pension plans.

I want to put the Government clearly on notice that our position on this issue remains the same today as it was four years ago. We will vigorously oppose any Bill which is brought forward to eliminate contributions by judges to their pension

plans. That is not to say, however, that there are not deficiencies in the current provisions for pension plans for members of the federal judiciary.

• (1530)

I will refer to the report of the Lang Commission which noted that it had been made aware of at least one recent case in which a judge, after holding an office for over 10 years but less than 15, had resigned his office and was thereby disentitled from receiving any benefit, apart from the return of his contributions. The Commission said that was unfair and we in this Party agree that it is unfair. It went on to recommend that a judge with no final qualification for retirement should be entitled to a partial annuity after completing 10 years of service on the bench. That is a recommendation which was repeated by the committee chaired by Louis-Philippe de Grandpré on the independence of the judiciary in Canada. That committee recommended, as the Lang Commission had done, that there should be changes made in the eligibility in vesting requirements for pensions of the members of the federal judiciary. I would note that one outstanding former judge and lawyer, a man who has contributed a great deal not only to the development of jurisprudence but to human rights in this country, and I am speaking of Thomas Berger, is one of those who is affected by this present inequity in the provisions for judges' pensions. I hope that the Government is prepared to move forward on an early basis to make the changes necessary in this particular area.

Parliament is called upon to consider the question of the level of judges' salaries by virtue of the provisions of the British North America Act. Section 100 of the BNA Act requires Parliament and no other body to establish the level of salaries, allowances and pensions of judges who are appointed by the federal Government. Those payments are established by way of amendments to the Judges Act which come before this House from time to time. I believe the time has come to consider seriously whether this is in fact the most appropriate way to approach the sensitive question of what is an appropriate level of judicial compensation. I suggest that the House of Commons Standing Committee on Justice and Legal Affairs may want to consider the advisability of looking into other approaches to the method of fixing judicial compensation.

I emphasize that the final decision with respect to the level of such compensation must clearly be made by Parliament. However, it may well be that there are other methods for arriving at an appropriate level of such compensation. For example, in the State of New South Wales in Australia there is a provision whereby an independent remuneration tribunal is empowered to address the issue of salaries for the judiciary, among other federally-appointed individuals. The tribunal reports to Parliament and unless there is a specific objection to its recommendations by 50 per cent of the Members of Parliament after the passage of a certain period of time the recommendations become law. That is the negative resolution means of proceeding. I suggest, without endorsing that particular proposal in any way, that the time has come for us to examine alternatives which remove the direct link between those of us in Parliament and the judiciary when it comes time to fix levels of salary.

I wish to make it clear that we reject the argument that it is necessary to substantially increase the level of salaries for federally-appointed judges in order to ensure that the best people are appointed to the bench. I suggest it is totally without foundation to advocate, as does the Minister of Justice (Mr. Crosbie), that we increase the level of salaries in order that those people who are already making $150,000 or $200,000 would then be in a position to accept appointments to the bench. We do not want a bench which is appointed on the basis of those individuals who will accept a position which pays a great deal of money. In fact, even the report of the Canadian Bar Association on the independence of the judiciary, the committee to which I referred earlier chaired by Louis-Philippe de Grandpré, stated the following:

> —it is neither necessary nor desirable to establish judicial salaries at such a level as to match the judges' earnings before appointment to the bench. The most obvious reason for this is that such a policy would tend to attract people to the bench for purely financial reasons. The sort of person who would accept a position on the bench because it paid well is not the sort of person who would make the best judge. Rather, the sort of person we would wish to see on the bench are those who appreciate the honour of being a judge and who see as part of their reward the satisfaction of serving society on the bench.

I suggest that is a more appropriate approach to the question of what is adequate judicial compensation. The suggestion that somehow the best people are those who are making the most money is one that we in the New Democratic Party reject. There are many outstanding members of the bar who, in fact, are making salaries well below those which are currently being paid to members of the federal judiciary. In looking at the level of judicial compensation we have to consider as well the fact that there is a very generous annuity plan which should be included in any assessment of the level of compensation. Lawyers who are working in the area of public interest advocacy, lawyers who do a great deal of legal aid work and those involved in poverty law are not necessarily the best paid. They do not make as much money as corporate lawyers, for example. Nor do they make as much money as tax lawyers. However, that does not mean they are not eminently qualified to serve on the bench of this country.

I would note as well that by this bench-mark, as suggested by the Minister of Justice, senior members of the bar would presumably be unwilling to serve in Parliament because we are paid even less than members of the federal judiciary. The suggestion that the quality of representation, either on the bench or in Parliament, is directly linked to the level of compensation is one which I find invidious and without any foundation in substance.

My colleague from Winnipeg North Centre (Mr. Keeper) asks why there are so many lawyers in Parliament. I think that that perhaps is a question he may want to address in the context of his speech.

Stanley Knowles, the former Member for Winnipeg North Centre, spoke in 1981 when a Bill dealing with judges' salaries was before Parliament. I think it is appropriate that I remind the House what Stanley Knowles had to say with respect to

judges' salaries. I might say that he said the same thing with respect to the salary of Members of Parliament. Stanley Knowles said this:

> Most of our senior citizens, and this means most of the 2 million people over the age of 65, are struggling at or just below the poverty line. We have many others, particularly women, in the 55 to 65 age bracket, those unattached who would be well off if they could get up to the poverty line who are having a difficult time—
>
> I cannot bring myself to believe that it is the right thing in the face of these problems to keep on giving massive increases to those who are at the top—
>
> I still think, if I may go back that far, that there was something to the idea in Edward Bellamy's "Looking Backward", who said that those who had to do the dirtiest and the meanest jobs should get paid more than those who had the privilege of doing the delightful and the enjoyable jobs.

There is considerable substance to what my good friend and former colleague Stanley Knowles had to say on the occasion of the debate on judges' salaries in 1981. There is a great deal of job satisfaction in the work of a federally-appointed judge. There can be no greater honour bestowed upon a member of the bar than to be called upon to serve as a member of the federal judiciary. I think that the level of status within the community, the degree of respect, as well as the existing salary levels are certainly adequate.

I would note as well that there is a built-in percentage increase already in the Judges Act. When we deal with percentage increases on salaries which are already up around $100,000 what we are doing is increasing the gap between rich and poor. At a time when the Government is talking about allocating scarce resources efficiently, I have to ask myself whether it is really appropriate for us symbolically, if in no other way, to add to the salaries of those who are already at the top at the same time as this Government is cutting back on family allowances. I have to question the priorities of a Government which is prepared to move forward in this way. I have to question the priorities of a Government which tables a Bill to substantially increase the salaries of federally appointed judges at the same time as it tables a Bill to remove full indexation of old age pensions, a proposal which was turned back only as a result of the collective will, determination and energy of senior citizens right across this country.

● (1540)

It is my view and that of my colleagues in the NDP that this is not the time for this increase. I emphasize again that we do not in any way dispute the vital role played by the judiciary in Canada. What we do question is whether it is necessary to significantly increase these salaries in order to attract the finest legal minds to the bench. The argument is made that senior lawyers are paid well in excess of what members of the federal judiciary are paid. In fact, the Lang Commission included a table in its report which would appear to document that. It noted, for example, in 1981 that the average income of a lawyer who had been practising for 10 years, in the third quartile of the profession, was $95,269. Certainly those lawyers are not underpaid by any stretch of the imagination. Once again we have to ask ourselves as a society whether it is not the case that the gap between rich and poor is too great, that it is too great between those who have and those who have not, and whether we, as a society, should be moving to narrow those income inequities instead of broadening them as this Bill would do.

The Lang Commission as well made a rather sad plea on behalf of members of the federal judiciary. It said that for many judges, particularly those in the large urban centres, and in areas with a high cost of living, cash flow is an increasing problem. I think all of us will shed a tear or two for the federal members of the judiciary for whom cash flow is a problem when we note that the bottom salary of these individuals as of April 1 of this year was $86,900. I do not think we have to shed too many tears, although I am sure it must be a struggle for them to survive on $86,900 a year. I am sure the cash flow must be a difficult problem but I suggest there are literally millions of Canadians who are struggling to get by on salaries far below those suggested by the Lang Commission as inadequate. Indeed, the current level of salaries is from $86,900 for a judge of the County Court up to $117,800 for the Chief Justice of the Supreme Court of Canada. I suggest that range of salaries will not in any way lead to financial hardship. Quite frankly, it will not in any way act as a deterrent to those who generally want to serve on the bench. I suggest that if someone turns down an appointment to the bench because they are making $90,000 or $100,000 a year, we have to ask ourselves whether that is an individual we really want on the bench in Canada today. If someone is prepared to say no to a salary like that, despite the fact that the position itself brings honour and prestige and, indeed, is the pinnacle of any lawyer's career, do we really want him on the bench?

I would like to deal for a moment with another area of fundamental importance to this whole question. That is, the nature of the appointments process. Quite frankly, I would have hoped that, instead of bringing a Bill forward to deal with judges' salaries, this Government would have brought forward a Bill to deal with the question of the method of appointment of judges. The Canadian Bar Association recently issued a report called *The Appointment of Judges in Canada*. This excellent committee, chaired by Neil McKelvey, interviewed literally hundreds of people and came to the conclusion that there has been a long history of political patronage appointments to the bench by both major Parties in Canada. The committee noted that although there had been some commendable exceptions, the practice of appointing the Party faithful to the bench has been all too common. Those were the words of a reputable committee of the CBA which suggested very clearly that political patronage has played an excessive role in the appointment of members of the federal bench. It went on to add that that does not in any way mean that those who were appointed were incompetent because they happen to be of a particular political persuasion. However, what it does mean is that we are not appointing judges on the basis of quality and ability; we are appointing them on the basis of their political stripe.

The committee said that in the light of political appointments, continued public confidence in the integrity of the Canadian justice system cannot simply be assumed. There is

cynicism concerning the appointment of judges and this cynicism must be allayed if public confidence in the legal system is to be maintained. The committee went on to say that the process of the appointment of judges tended to vary widely from province to province. For example, in the Province of British Columbia, Quebec, the Ontario Court of Appeal and the High Court, the Northwest Territories and in the Yukon, political favouritism has not had a significant influence on appointments. Speaking as a Member of Parliament from British Columbia, certainly that has been my sense of the nature of appointments to the federal bench in British Columbia. Political appointments have not been a significant problem there, although there certainly have not been an excessive number of lawyers who happen to be New Democrats appointed to the bench. However, the committee goes on to note that in Alberta, Manitoba, Newfoundland and in Ontario county and district court appointments, political favouritism has been a significant but not dominant consideration. Finally, in the most damning portion of this report, the committee says that in New Brunswick, Nova Scotia, Prince Edward Island and Saskatchewan, political favouritism has been a dominant, although not the sole, consideration. Most appointees have been active supporters of the Party in power. That is a pretty stinging indictment of the method of appointment of judges in Canada today. I suggest that rather than focusing on the level of salaries we should, as a Parliament, be looking very seriously at the mehthod of appointment. This is particularly important at a time when the role of the judiciary has been significantly enhanced. The Charter of Rights, of course, has been in effect since 1982. The equality rights section of the Charter has been in effect since April 17 of this year. Members of the federal judiciary are going to be called upon to make fundamental decisions which will in many cases shape the fabric of this nation in the future.

I suggest that to continue with a method of appointment of judges which is clearly flawed and, in too many instances, based on partisan political factors, does a great disservice to the people of Canada. I suggest, Mr. Speaker, as well, that we look very seriously at the recommendation made by the CBA for an independent appointments process. I happen to believe that we should not reject as quickly as they do the suggestion of a role for Parliament in scrutinizing appointments to the federal judiciary. A similar role was played by American legislators, elected representatives. I suggest that we want to look very carefully at the implications of that in the Canadian political and parliamentary context.

As the Canadian Bar noted, Mr. Speaker, the primary cause for concern, the support of a particular Party, is totally irrelevant to whether a person is qualified to be a judge. Another concern they noted is that where political favouritism exists, supporters of Opposition Parties are frequently not given serious consideration as candidates for the bench. Those who support no Party at all are also often excluded. They go on to suggest that the system may produce appointments of unqualified people, those whose only qualifications are friendship with the Party in power or one of its Ministers. They also suggest that even if political affiliation may be a minor consideration, patronage and judicial appointments can become a means of managing a political Party. Finally, they raise two other major concerns. Now that increasing numbers of Charter cases are coming before Canadian courts, some involving review of political decisions, and of course the Supreme Court of Canada has indeed held that Cabinet decisions can be reviewed, as in the cruise missile case, Governments might try to stack the courts with people of their own ideological persuasion in an effort to influence the outcome of decisions on contentious social issues. Finally, and this is a very important factor, even if political favouritism is reduced or eliminated in judicial appointments, if the public perceives that it exists, public confidence in the judicial system is effectively undermined. The committee goes on to make a number of suggestions for reform and I believe many of them should be looked at by the Government on a priority basis.

● (1550)

There are a number of other issues of concern with respect to the question of the judiciary in Canada. I was recently most disappointed with the decision of the Prime Minister (Mr. Mulroney) to call upon a justice of the Supreme Court of Canada, Justice Willard Estey, to conduct the investigation into the Government's mishandling of the CCB and Northland Bank fiascos. I believe the Chief Justice of Canada, Brian Dickson, very clearly and eloquently urged the Government as recently as last month to be very cautious before calling upon judges to embark upon commissions of inquiry. At a time when the Supreme Court of Canada has a very heavy workload before it, I believe the Prime Minister made a serious mistake in taking away an albeit outstanding member of that bench and asking him to conduct this commission of inquiry. I hope the Government in future will heed the concern of the Chief Justice of Canada and others in not appointing such individuals. On this point I would note that the de Grandpré Commission on the independence of the judiciary was very clear and explicit. It said:

> The Committee . . . is not in favour of judges sitting on commissions of inquiry except in those cases where the nature of the matter under investigation makes the choice of a judge as commissioner particularly appropriate. Time spent away from the bench sitting on commissions of inquiry tends to reduce the independence of the individual judge involved and of the bench generally. The most obvious problem is the absence of the judge from the bench. A greater burden is placed on the other judges of a court when one is absent for a substantial period, and the work of the absent judge may suffer.

Therefore, I think this is an appropriate occasion to draw to the attention of the Government my concern about weakening the bench by making these kinds of appointments. I suggest as well that we look very seriously at the fact that access to our courts is becoming increasingly restricted. This is the result of serious but-backs in legal aid programs all across Canada. This has the effect of creating a justice system in which there is full accessibility only to those who can afford to go before the courts. We in this Party have always spoken out strongly for full and equal access to the courts. I suggest it is incumbent upon both the federal and provincial Governments to provide all necessary resources to ensure that legal aid programs, both

civil and criminal, are adequately funded. They are not adequately funded today and that can very easily lead to a system in which there is justice for the rich but not for the poor.

The Minister of Justice touched upon in particular the question of appointments of women. While some progress has been made, I think it is only appropriate to draw to the attention of this House and Canadians the fact that until this Government came into power not one woman had been appointed by a Conservative Government in the history of Canada. Not one woman by any Conservative Government since 1867. That is a pretty disgraceful record. However, I am pleased to note that the Government has started, albeit slowly, to appoint more women to the federal bench. However, I suggest there is no shortage of qualified women at this point and if ever there were a need for strong and effective affirmative action, it is in this area. The time has come for qualified and capable women to be appointed to the federal bench and I hope the rate of such appointments will increase very significantly.

In conclusion, I want to again emphasize the importance of the task now before Parliament in being called upon to determine an appropriate level of compensation for members of the federal judiciary. At the same time I want to underscore our concern that judges should not be appointed on the basis of how much money they are going to be making. They should be appointed on their willingness to serve and accept this very important position. In many ways there can be no greater honour for a member of the bar than to be called upon to serve as a member of the judiciary. It is a difficult job and one which by and large in this country is done very well. I know that most of us who are members of the legal profession in British Columbia have the greatest confidence in and respect for our federally-appointed judges at all levels. I think it is important that we take the opportunity, when this Bill gets to committee, to look very carefully at some of the questions raised today regarding appointments to the federal judiciary and access to the courts, and look very seriously at whether it is an appropriate time for us to be increasing salaries of judges at the federal level as proposed by this Government. We in this Party are opposing this Bill at second reading and I know my colleagues will be taking an opportunity to speak at greater length today and in the days which lie ahead.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I see that this Bill is not going through today but that will not be on my account because I am going to finish my remarks before four o'clock. I am not going to involve myself in the argument as to whether or not a judge can scrimp by on the present salary of $95,000 and whether he really needs that extra $10,000 at a time when others in society are being asked to cut back on their expectations. I am not going to involve myself in the argument about whether or not the general level of compensation in the legal profession is too high in relation to other people in society for the type of work they do. What I am going to do is speak specifically about Clause 6 in the Bill which deals with the removal allowances paid to judges in the Yukon and Northwest Territories. There is a good reason why you need that allowance. Judges in those jurisdictions usually come from elsewhere. However, I would like to point out that this only applies to judges who are originally from and retire to one of the 10 provinces. It occurs to me that there might well be a case where a judge originally from the Yukon goes to the Northwest Territories, or the reverse, and he or she ought to be entitled to the same removal allowance as judges originating in and returning to the south.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North Centre (Mr. Keeper). Does the Hon. Member wish to call it four o'clock? The Hon. Member will have the floor the next time this matter is debated.

Mr. Keeper: Yes, call it four o'clock.

Mr. Deputy Speaker: Very well.

It being four o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

INDIAN AFFAIRS

ADVISABILITY OF PROMOTING INDIAN SELF-GOVERNMENT

The House resumed from Friday, February 15, 1985, consideration of the motion of Mr. Penner:

That, in the opinion of this House, the Government should consider the advisability of promoting Indian self-government by:

1. Announcing support for an affirmative policy of constitutional recognition of aboriginal self-government;

2. Pursuing actively, a bilateral process of discussion with representatives of first nations on such issues as self-government, natives claims and the elimination of the extinguishment policy; and

3. Introducing legislation to recognition first nations self-government which should be developed by means of a joint process and utilization of the Standing Committee on Indian Affairs and Northern Development.

Mr. Penner: Mr. Speaker, I have a point of order.

Mr. Deputy Speaker: The Member for Cochrane-Superior (Mr. Penner) on a point of order.

Mr. Penner: Am I being recognized for debate, Mr. Speaker?

Mr. Deputy Speaker: The Member for Cochrane-Superior has already spoken on this matter. Of course, if he speaks now, that will close the debate. Are there other Members who wish to speak?

Mr. Tupper: Yes.

Mr. Keeper: Yes.

Mr. Penner: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: Yes, on a point of order, the Member for Cochrane-Superior.

Mr. Penner: Mr. Speaker, the motion that I put on the Order Paper on February 15 of this year has now been before the House on several occasions. If Members will examine the motion carefully they will recognize that to a very extensive degree, almost entirely, this has become—

Mr. Dick: That's debate.

Mr. Penner: It is not debate, it is a point of order. It has become the policy of the Government. The point I want to make, on a point of order, is simply that it is the intention of the Government to bring in a closure motion next week on Bill C-79 which involves the expenditure of some $800 million. I would like to ask, on a point of order—

Mr. Dick: Order. That's not a point of order.

Mr. Penner: Will the Parliamentary Secretary please listen for a moment—

Mr. Dick: Get to the point.

Mr. Penner: —instead of shouting so that no one can be heard?

Mr. Dick: Get to the point.

Mr. Penner: The point is simply the following: Will the Parliamentary Secretary consider allowing debate to stop now and having this motion come to a division next week?

Mr. Deputy Speaker: Order, please.

Mr. Penner: Will he recognize what that will do?

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. There may be personal discussions but, unfortunately, this is not a point of order.

Mr. Penner: Well, this certainly is a point of order because it is how we conduct our business and how we conduct our business is a point of order.

Mr. Deputy Speaker: I cannot allow it as a point of order.

Mr. Penner: Mr. Speaker, may I be allowed to finish the last part of my point of order and then the Speaker will see that it is a point of order. By allowing this motion to come to a division we will in fact be getting behind the Minister and saying that Parliament supports the Minister in his program. We will be getting behind the Indian people and saying that we are aware of their aspirations and that we, as a Parliament, are behind them.

Mr. Deputy Speaker: Order, please.

Mr. Penner: That is the point and the reason we should proceed to division now instead of debating any longer.

Mr. Deputy Speaker: Order. The Chair does not consider that to be a point of order. The Member for Nepean-Carleton (Mr. Tupper) has the floor for debate.

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I am delighted to rise this afternoon on behalf of the constituents of Nepean-Carleton to provide Members of the House with my analysis of the Private Members' motion which is before us. I think we all want to compliment our colleague, the Member for Cochrane-Superior (Mr. Penner) for his interest in native peoples, many of whom live in northern Canada and many of whom are his constituents. He has approached this subject in the House with a great deal of sincerity and integrity and he is to be complimented on that. I took the time today to read his speech of December 4 in the House when he introduced this motion. He ended his presentation that day by noting that these very important, sensitive, and difficult issues have to be addressed. I compliment him for that.

As I look at his motion which we are considering today I see that the Member for Cochrane-Superior is asking the Government to consider promoting Indian self-government by taking action in specified areas. Indian self-government, as I understand it, is intended to do the following four things: to enhance community control and decision-making; to recognize the diverse needs, traditions and cultures of those it serves; to enable Indian people to provide for Governments accountable to them rather than to the federal bureaucracy; and to establish future economic self-reliance for Indian people.

Aboriginal peoples have a historical view of this land prior to European exploration and colonization. It was inhabited by many different indigenous people who came from various geographic areas and eventually inhabited North America. These people were organized into political entities and groupings based on common language, culture, and history. These diverse communities were self-sufficient. Their economies were based variously on hunting, fishing, agriculture, gathering, and trading. Those economies depended upon the climate, forest cover, availability of game and good fishing, etc.

Over the years our native peoples were segregated onto reserve lands. The evolution of technology, the development of economies based upon manufactured products, and the dissemination of the tribes through disease disabled their traditional economic system. Many of these problems relate back to the Indian Act of 1876. Through the treaty-making process the Indians believed that their economic base would be protected or enhanced. Non-Indians saw the treaties as an extinguishment of Indian rights with the acceptance of a defined land base and government programs such as education and medical services.

Over the years various Governments have tried to stimulate economic growth in the aboriginal community. There have been some notable successes witnessed in many communities. The failures occur mainly because we have tried to impose our concept of business practices and economies on to the native peoples. The statistics tell the story. On every count aboriginal people suffered by comparison with the rest of Canadian society, even in comparison to adjacent non-native communi-

ties. They have less education, live in lower standard housing, and suffer from more health problems. This all leads to a continuous cycle of poverty and dependence, a cycle which this Government is anxious for those peoples to break out of. Changes in the economic prospects of aboriginal people will not come about easily. Movement must take place on a number of fronts simultaneously. This will not happen overnight, but we are starting now.

To be more specific, the educational levels of native peoples have historically been less than that of non-natives. Forty-four per cent of the Indian population have less than grade nine education compared to 22 per cent of the rest of the population. Fortunately, there are some signs of change in this area. A significantly larger number of young Indians are achieving higher levels of education than were achieved in their parents' generation. Enrolment in post-secondary schools, especially in management, administrative and related programs, between 1979 and 1983 increased by 63 per cent. Enrolment in architectural, engineering and related programs in 1982 to 1984 increased four times over that in 1979 and 1980.

The view of Indian people, which view the Government supports, is that economic development is linked to self-government. I am confident that the Member for Cochrane-Superior would agree with this hypothesis. Both are necessary to achieve the common goal of increased self-reliance. Therefore, we are moving in the direction of economic control being transferred to Indian peoples. Because of the diversity of the Indian nations, a wide range of possibilities must be and will be accommodated. This takes time.

• (1610)

We are currently working on a number of initiatives which will assist Indian people in breaking their dependency cycle and in moving toward economic self-reliance and self-sufficiency.

For example, in confirmation of the Government's commitment to improve the quality of life of Indian people through economic development, we have announced a $24 million fund for an Indian community human resource development strategy program. This program is based on the principle that a successful human resource strategy must be tailored to the needs of the community. Communities will be encouraged to assume full responsibility for the development and implementation of their own strategies.

In July it was announced that a fund of $11 million would be made available for the implementation of the Indian fisherman's economic development program designed to stabilize the participation levels of Métis people in the West Coast fishing industry.

We are currently working in close co-operation with the Department of Regional Industrial Expansion to pursue, through various tripartite agreements with the provinces and native people, the development of specific program initiatives that take into account the needs and circumstances of native communities. The Minister of Indian Affairs and Northern Development (Mr. Crombie) has announced that he is exploring a means of introducing new funding arrangements for Indian bands and tribal councils. Such funding arrangements would enable them to decide how best to meet their people's needs and to set their own priorities in view of their local conditions.

The need for other changes is fully recognized. As has been said before, we must find a way in these times of restraint and fiscal responsibility to provide a level of funding sufficient so that First Nation's communities can receive levels of service on a par with other Canadians in other parts of Canada which will allow them to become healthy and productive communities. This can only be done when funds can be expended in accord with their own values and under their own control.

The economic revitalization of this country is a major goal of the Government. This revitalization is clearly needed for our aboriginal people as well as for other citizens. The Government has made a commitment that Canada's native peoples will be part of the process of building a national economic consensus. It is absolutely essential that we provide an environment in which our native peoples find their true role in our society. We want them to enhance their educational opportunities in their own communities, to enhance their social opportunities, their business interests and their total well-being so that they can contribute in their own way and in their fullest way to the fabric of Canadian society.

We have a great deal to do in working for them. Naturally, we want them to work within their own councils. Beyond that, however, they must take their place in the framework of our great Confederation. I believe it is the hope of every Member of the House and every Canadian that as we move through the 1980s we will be able to enhance the economic and social well-being of native peoples who have such a great tradition and form such a great part of Canadian and North American heritage.

The Government is looking for new approaches to replace the policies that have failed our native people so badly in the past. It is talking to aboriginal peoples and seeking their views. I know that we can succeed in establishing the new relationship that is so vital to the enhancement of their place in our society. Together we can make a better future for native persons.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, in speaking briefly in this debate, I want to make it clear that our Party supports this resolution. It aligns itself very well with the aspirations and needs of Indian people. The resolution begins by calling upon the Government to make an affirmative policy of constitutional recognition of aboriginal rights and points out that the Government could accomplish a great deal through a bilateral process of negotiation with First Nations' government. Finally, it indicates that the Government should be introducing legislation that would recognize First Nations' self-government.

My Party and I support this resolution because it brings these aspirations and hopes of aboriginal peoples directly to the attention of the Government. While it will not be easy,

Indian self-government will be achieved. I hope that we take many steps toward that goal during our lifetime.

Indian self-government must be achieved because it is the lack of self-government and self-determination which has caused native people to end up at the bottom of the totem pole. The inability of the Indian people and Indian communities to make decisions about their needs and find solutions to their problems has resulted in low levels of education in Indian communities, high levels of alcoholism, violence and extremely high unemployment. Present conditions are enough reason to move toward Indian self-government.

History will show that the symptoms of today's conditions began when their right to self-determination was taken away. When European people first stepped foot on this continent in an attempt to establish communities here, it was the Indian people who came to their aid and taught them the ways to survive on this continent. There was greater equality later on during the fur trade between the trappers and merchants. At that time there was a mutually beneficial relationship between the Indians and European people. This mutually beneficial relationship between European and native people on this continent has been destroyed as a result of the undermining of the traditional native economy and the changing political process which left Indian political organizations with very little power or influence.

We must recognize that Indian self-government is the proper solution. Canadians were made aware of this fact by the parliamentary committee which produced the report on Indian self-government entitled "Indian Self-government in Canada: A Report of the Special Committee of the House of Commons". My colleague, the Hon. Member for Cochrane-Superior (Mr. Penner), who was the chairman of that committee, deserves special recognition.

● (1620

He and the other members of the committee deserve special recognition. They spoke and listened to Indian leaders right across the country. When they wrote their report, they demonstrated that they had in fact listened because the report reflected something that had been said by Indian people for many years: quite simply, that if there is going to be any real resolution to the problems that face Indian people, it is the Indian people who are going to have to fashion and implement the solution. The way to assure that that can be done by structuring the political process in a way that allows Indian people self-government.

In a country like Canada which in the past has been traumatized by threats of separatist movements, notions like self-government can throw fear into the hearts of many. It is necessary for Canadians to appreciate the need for self-government and what is meant by self-government and to appreciate that it is possible to negotiate self-government and still maintain a national unity.

I would like to pay particular tribute to those Hon. Members who served on the special parliamentary committee and issued the report on Indian self-government because they demonstrated that Parliament can serve a useful, worthwhile function and that it can take hold of a complex and difficult problem which has been unsolvable throughout the last 100 years of our history and come up with intelligent, reasonable and workable solutions. Having demonstrated that Parliament can work, we now need a real demonstration that Government can work.

It is not only Indian people who are cynical about the Government. In large measure, the whole of the Canadian public is cynical about the Government because Governments have so often promised so much and delivered so little. This matter provides a real opportunity for the Government of the day to live up to its promise and to demonstrate that Governments can serve people.

The cynicism that exists in the Indian community is based upon painful experience and has resulted in the fact that while this report on Indian self-government came from the Indian community, a number of Indian people have opposed its recommendations and concepts primarily because they no longer trust the political process and public authority. They feel that anything that comes from a parliamentary or Government source is bound to be flawed and detrimental to the interests of the Indian community. We have a long way to go toward building the trust that must exist between the Canadian Government and Indian communities in order to allow the negotiations that will result in Indian self-government.

There is some value to going through the agony, trouble and work that would be involved in establishing Indian self-government in this country. By achieving Indian self-government, we could aid human dignity. That Indian people face the conditions they do today is an affront to human dignity. By negotiating Indian self-government, we would show that we are no longer willing to tolerate the kinds of social and economic conditions under which Indian people live and that we would no longer tolerate the affront to human dignity that those conditions represent.

The benefits of Indian self-government would accrue not only to Indian people. Certainly Indian self-government would lead to a better life for Indian people and it would lead to the development of Indian communities and individuals. As well, it would be of benefit to the entire nation because as one segment of the community flourishes, we all benefit. As one flower in the garden blossoms, the beauty of the entire garden is enhanced.

As we demonstrate that it is possible for this nation to negotiate and create Indian self-government, a measure of democracy, we could also extend that same kind of negotiation in other directions. There are many other communities in this country that feel powerless and are cynical about the promise of democracy. If we could demonstrate that we are capable of putting in place a democratic system for Indian people, then we could do that with regard to other groups and communities as well.

The resolution brought forward by the Hon. Member for Cochrane-Superior is a historic resolution. It is a real step forward in the progress of the Indian people of this country

and in the building of national unity. I would call upon the Government to take very seriously the concept of Indian self-government and to seek all ways possible to achieve it in reality without simply speaking of it in rhetorical terms.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I would like to start by congratulating the Hon. Member for Cochrane-Superior (Mr. Penner) on the interest he has shown here today for our native communities, an interest that was apparent before, both in the proceedings of the parliamentary committee and in this House. The Hon. Member may be aware that my riding too has a native population that is very much present, very community-oriented, and that also wants to evolve towards a certain form of self-determination.

In the motion presented by the Hon. Member, he is asking the Government to support the adoption of an affirmative policy of constitutional recognition of aboriginal self-government. In this respect, Mr. Speaker, I would like to recall, first of all, that at the First Ministers' Conference on constitutional issues concerning native peoples, held on April 2 and 3, 1985, the Government indicated that it was entirely in favour of adopting a Bill to amend the Constitution, to recognize and affirm the right of aboriginal peoples to self-government within the Canadian confederation.

In his preliminary speech, the Prime Minister indicated that, like other Canadians, Indians, Inuit and Metis must be able to take responsibility for their own affairs by setting their own priorities and establishing their own programs. They also must have a guarantee that their cultural and linguistic background and traditions will be respected. "The key to the changes that are necessary . . ." said the Prime Minister, " . . . is to grant (native people) self-government within the Canadian confederation".

Mr. Speaker, he also recognized and accepted the desire of native peoples to have their rights, which are unique, enshrined in the supreme law of the land, in order to protect these rights against any legislative interference. The federal Government has demonstrated its commitment to providing constitutional protection for native rights in the amending proposal tabled at the conference, in which we find the following elements:

The recognition and affirmation of the right of native peoples to self-government within the Canadian confederation, provided these rights are set forth in agreements negotiated and approved by the Parliament of Canada and the provincial legislative assemblies concerned;

● (1630)

Second, a commitment by the federal and provincial governments to conducting negotiations with native peoples on the issue of self-government, in accordance with their respective jurisdictions, while providing for participation by territorial governments if necessary.

I am sure I do not have to remind Hon. Members that the Constitution Act, 1982, contains a constitutional amending formula requiring the agreement of two-thirds of the provinces whose total population is equal to at least half of the population of the country. Furthermore, Section 37 of the Constitution Act provides for participation by representatives of the Indians, Inuit and Metis, and of both territories, in the process of determining native rights.

Obviously, it is not easy to reach an agreement when there are so many parties with such vastly diverging interests. However, the federal Government, by playing the role of moderator as well as tabling a detailed and innovative amending proposal, has helped to create the requisite framework for discussion and reaching an acceptable compromise.

The initial reaction of native participants was that although the amending proposal did not go far enough, considering the provisions they wanted to see in the Constitution, it was nevertheless a good starting point for discussion.

Among the provinces, reactions varied from unqualified support for the federal Government's proposal to outright rejection. The proposal was supported by five provinces: Ontario, Manitoba, New Brunswick, Prince Edward Island and Newfoundland. Nova Scotia and Saskatchewan admitted that it responded to many of their concerns. However, Nova Scotia would have preferred a more precise definition of self-government, while Saskatchewan was concerned about the nature of commitments that were not clearly defined and the risk of court challenges. British Columbia and Alberta were opposed to the proposal. The Minister of Justice (Mr. Crosbie), who played a major role at the Constitutional Conference, chaired meetings held in camera on the evening of the first day and the following morning, in an attempt to try and develop a constitutional amending proposal that would be acceptable to all parties. The struggle to find a common ground that would make it possible to reach a compromise was a long and difficult one.

The federal Government's new proposal, reflecting Saskatchewan's compromise, was tabled around noon on the second day. It differed from the initial proposal in that, first of all, the commitment concerning the negotiating process was withdrawn from the amending proposal and included in the agreement. Second, the approval of the Parliament of Canada and the provincial legislative assemblies concerned would be necessary to conclude any agreement on self-government. Third, a provision was added to the amending proposal to protect native people against any measure that would repeal of infringe on their rights, including their rights to self-government.

The new provisions of the Accord included, among other things, the right to appear before the First Ministers' conference and present progress reports on the negotiations as well as

proposed amendments to the Constitution with respect to self-government, an item which was to be on the agenda of the following conference of First Ministers on constitutional matters concerning aboriginal peoples.

This new proposition gave rise to various reactions from the provinces and the organizations of aboriginal peoples, from rejection in certain cases—because it did not go far enough—to conditional acceptance in other cases.

British Columbia tabled a counterproposition. Some provinces stated they would not take position until the aboriginal groups had expressed their views, and the Inuit Committee on National Issues said it would announce its opinion only after further consultations with other Inuit people. The Native Council of Canada and the Métis National Council both expressed conditional support for the new proposition, whereas the Assembly of First Nations rejected it outright even though it endorsed the initiative taken by the Government.

Just so the representatives would have time to consult with their aboriginal brothers, more ministerial meetings were held last June 6 and 7 to continue the discussions. At the time the federal Government indicated its willingness to support any proposition deemed acceptable to the other parties.

However it soon became obvious that it would be impossible to reach an immediate consensus to adopt a proposed amendment.

We were disappointed but not discouraged by the outcome, if only because it had been possible to reach agreement on more issues than ever before. What matters now is to provide unequivocal evidence that self-government is a viable concept in Canada. The constitutional process is therefore still ongoing as we wait for the 1987 conference.

In the meantime, mechanisms other than the constitutional process are being set up to show that the Government does indeed take the necessary steps in this field.

Earlier, the Hon. Member mentioned a host of programs that have been made available to native peoples and should be seen as a transitional measure, to help them until such time as native rights can again be enshrined in the Constitution.

However, I believe that the federal Government's commitment to recognition of aboriginal self-government in the Constitution has been made abundantly clear, and that is why we are asking all Canadians to give their elected representatives the support they need to enact this draft amendment.

[*English*]

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I should like to make a few comments this afternoon particularly on the motion and generally on the question of Indian self-government. I should like to begin by being as partisan as I am going to be in this debate and by paying tribute to the Hon. Member who moved this motion, the Hon. Member for Cochrane-Superior (Mr. Penner). If a certain Prime Minister in a previous Government had been more well-intentioned in his thinking, he would have named this Member as the Minister of Indian Affairs, and a great number of the difficulties encountered by Indian people would not have been encountered to the extent that they were. I pay tribute to him for his invaluable work both on the subcommittee report on self-government and for his continuing work in the House of Commons. He deserves our thanks.

Some Hon. Members: Hear, hear!

Mr. Gormley: I feel qualified in some respects to speak about Indian self-government, in that my constituency of The Battlefords-Meadowlake has some 19 Indian reservations. Approximately 22 per cent of the electors or citizens in my constituency are of native ancestry. These people feel very strongly about the need for self-government and are supportive in principle of the move of our Government as it continues toward genuine native self-government.

As was mentioned by the previous Hon. Member who spoke, many interpretations were given, at the First Ministers' meeting and at other conferences, about what precisely was self-government. The Minister of Indian Affairs and Northern Development (Mr. Crombie) is working with a large number of native constituencies, provincial Governments and other native organizations toward specifically defining self-government. However, the general principle is one which I think all Hon. Members of the House can support, to the extent that the Minister has been working hard to bring self-government to reality.

There is a historical need for Indian self-government. The very principle of a Government ending the 20th century with a specific Department which deals with the running of people's lives, namely the Department of Indian Affairs and Northern Development, is no longer acceptable. There is no doubt that that institution has long passed its time. A very necessary, historical point must be mentioned first—the native people of Canada must be the people who control their own destiny. For that reason it is crucial for us to move toward the position of self-government and to continue to move at a rate which will see the Hon. Minister, as he said, as the last Minister of Indian Affairs. This is his desire. I think it is the desire of all Members of this House.

● (1640)

I had the opportunity to speak recently to a native economic development conference. I spoke at that time about the need to couple the move to self-government with many other areas of concern of native people. Economic development is the most prominent of those concerns, of course, and this is being acknowledged by native people in my constituency of The Battlefords-Meadow Lake as a movement away from what they have seen, within the framework of this very parternalistic Department of Indian Affairs mechanism, as a hand-out mentality. When they look back on the years of reliance on the Department of Indian Affairs they see that economic development has not worked. Quite simply, the approach of the Government in handing out amounts of money to people,

perpetuating a sense of reliance on the Government, is a system which is doomed to fail. These native investors and businessmen and businesswomen now see economic development as a self-sustained, self-driving sort of entrepreneurship. These people see that genuine economic development will only come as native people begin to govern themselves.

The process of devolution of the Department of Indian Affairs and Northern Development and of many of the other roles that the federal Government plays is a request long held by native people in my constituency. Presently across the spending range of the Government of Canada there is almost $3 billion annually spent through 11 different Government Departments on native people and native programs. Understandably the native community and the non-native taxpaying community share many of the same frustrations, and the frustration quite simply is, are we getting value for our money? I don't mean this as an aspersion upon the urban community of Canada but I travel to larger Canadian cities and I do sense there is a very profound misunderstanding of the way in which funds are administered to native peoples.

One only need drive, as I do, thousands of miles a year from reserve to reserve to see that with a consistency that is alarming, and I use the word shocking, that native people have a standard of health that is below that of non-native more urbanized Canadians; a standard of education that is lower and certainly a standard of housing which is sub-standard. The taxpayer says the Government is spending almost $3 billion a year on all of these programs so surely the native people must be getting at least enough money, if not more than that which they are entitled to. That is not true, Mr. Speaker. One only needs to see the standard of living in those Indian reservations and it will be obvious that the money is not finding its way to the rightful people who should be benefiting from that money, namely the Indian men, women and children of Canada.

There is a latent frustration, which is coming ever more to the surface, by the native community, saying that band by band, local Indian community by Indian community these people are not able to enjoy a standard of living in the commitment that the Government of Canada has made to them.

On the other hand, the taxpaying non-native person says, how much more money should the Government be spending. The answer is clear that a great deal of this money is lost, if I may use that term, in administration. Of the vast mechanism that we call the Department of Indian Affairs and Northern Development, administration within the native community in the very large native umbrella organizations is not, in my humble opinion, representing the aspirations, the desires, the goals, the ideals of the average person on the reserve as well as the local chief and council, or the local tribal council or district chiefs association would be representating their concerns.

We have two large mechanisms within the native community first and, second, within the Department of Indian Affairs that on an administrative basis are consuming vast amounts of money and I think not providing the service to native people that could be provided at their own grass roots level.

The answer is clearly to begin to devolve this process and move toward genuine self-government. A system of self-government as I would envisage it would see the political, the economic and the economic development opportunity resting with those people who best know their community. The local chiefs, the tribal councils, the organizations of district chiefs are the groups that know about the true needs in the native community and are better set to administer it politically and certainly, an important aspect, financially.

If one looks at the present move toward self-government I think that we should pay tribute for a moment to the present Minister. I cannot speak with any scientific accuracy, but certainly by the experience of watching the Minister travel, he has logged more miles than many Ministers in the Department of Indian Affairs have done in the past. An important aspect of what our Minister has done is this concern that he has shown for the local band, the local native community. I know in my Province of Saskatchewan where we have 69 Indian bands we have seen this Minister visit the province several times in his first year of office, and that first year is a difficult time for any Minister. The Minister made this endeavour to talk with native people in individual bands in their own communities.

An Hon. Member speaking earlier mentioned the First Ministers' Conference on Native Affairs and Indian Self-Government and the disappointment felt by our Prime Minister (Mr. Mulroney) who came closer than any Minister has come in the past as a First Minister to secure a specific commitment on behalf of the Governments of Canada to entrenching the need for self-government in the Constitution.

The Prime Minister, the Minister of Indian Affairs, their colleague the Minister of Health have all spoken clearly for the need to have Indian people control their own destinies, and I think that is a tribute to what this Government is doing.

As a Member in the last session of the Standing Committee on Indian Affairs and Northern Development I had the honour to work extensively on Bill C-31 which was a historic day for native women and for those who had lost their status as treaty Indian people. This was a Bill that, like self-government, had long been desired. It has been talked about for a long time. I think it is significant that it is the first major piece of legislation by which the Minister of Indian Affairs chose to right a historic wrong that affected our native people.

I know there are other Members who would like to speak today so I will wind up my remarks by saying that the move to self-government is truly upon us. It makes sense, first and most importantly, for the native communities. Like any people who aspire to control their own destiny are well deserving—I should not use the term right, it was a right long ago for people to control their own lives—but, for lack of a better word, these people are now ready. They want that right to be able to control their own lives and their own communities.

The larger question of responsibility also rests with the native people who say they want full responsibility for housing, education, economic development and health. These are matters that should no longer be administered from afar by a large

weighty Government bureaucracy. Similarly there is a feeling I think in the rest of Canada that self-government is a proposal that will begin to give true autonomy to the native community and therefore a more efficient use of not only the funds but the expertise and the political development between the Government of Canada and the Governments of first nations. I fully applaud our Minister of Indian Affairs for undertaking the initiative that he has thus far and I know that he will have the support of all Members of the House as he moves toward constitutional self-government and the areas of non-constitutional self-government. I know that all Members will join with me in supporting our government's proposals, our government's move and push towards full self-government for native people.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I would like to begin, with permission of the House, by congratulating the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley), who has just spoken, for a thoughtful, well informed and sensitive discussion of what is a very, very important issue. I also think it is exceedingly important, as those who have preceded me, to comment upon the dedication of the Hon. Member for Cochrane-Superior (Mr. Penner) for whom this has been an interest and a concern—perhaps even a mission—for many, many years. It is largely to his credit that the issue is before us now. I know that all Members of the House recognize the contribution of an individual Member and, quite frankly, I think what the Hon. Member for Cochrane-Superior has demonstrated to us is the ability of a so-called back-bencher, a so-called ordinary Member of the House of Commons, to make a significant contribution. He is to be commended. I think many of us hope to use him as a model in the years to come.

● (1650)

The issue which is before us is an important one. Yet, in many ways it is a difficult one, particularly for those Canadians who have not had the opportunity to have any type of direct and intimate experience with the Canadian Indian community. I have had a reasonably close association within the community in two ways for which I am pleased. First, as a Canadian historian, and although I do not pretend to be an expert in Canadian Indian history, I have paid a considerable amount of attention to the history of the Canadian Indians and their relationship with other Canadians. Second, I have had the distinction in the past to have taught a number of Indian students at the university level in the early 1960s when many of our education programs for Canadian Indians at the university level were just beginning.

I became very aware at that point in time, as a result of that experience, of some of the tremendous difficulties faced by young and not so young Canadian Indians who were seeking to improve upon their own economic and educational positions. I became aware as I visited them in their reserves and taught them in their own northern communities of the incredible disadvantages which they faced and of which many other Canadians were largely unaware.

I would like to take this opportunity to share with the Members of the House one of my first intimate experiences with a young Indian lad. I think he was probably about 18 at the time. He had been brought to the college residence where I happened to be the Dean. This chap was trying to break new ground by continuing on in an educational program at a time when he was very much a part of a minority. He was trying to finish his high school. Unfortunately, there were no others within that high school community who were of Indian ancestry. This young person who had been supported by the President of Brandon College, as it then was, and which is now Brandon University, had been selected because he had remarkable artistic talents. He was doing well as a high school scholar. Unfortunately, to my dismay, he did not return from the Christmas vacation.

Because I had grown fond of this young man, whose name is Cecil, I went to seek him out in his home. That was my first real genuine introduction to the living conditions to which other Members have referred. I found him in a cabin not too far from Portage La Prairie in the Province of Manitoba. I found him with some difficulty because he was living with his grandmother. I went and spoke to him about why he should return to school and why he should make his contribution.

It seems to me that the goal of self government, the topic which we are addressing today, is to a large degree dependent upon the likes of Cecil attaining an education and assuming a role of leadership within the native community. Cecil was reluctant to talk about why he had not come back to the residence and to school. We sat in the kitchen of the two-room cabin and I, with all the enthusiasm and naiveté of a 27-year old white Canadian who knew little of what he was talking about, tried to explain to this young man how important it was for him to carry on with his education. Cecil did not talk a great deal. However, he finally said that he wanted to come back but there were many reasons why he could not. He explained to me that he was there to chop wood. He was chopping the wood because there was no one else in his family who was able to chop it in order to keep the fires lit. This was the month of January, although I have forgotten the year. His sisters and brothers had been and were being raised by his grandmother who was ill and not present at the time. Neither his father nor mother were available to carry on with their parental responsibilities. Thus, young Cecil, who wished to be an artist and to become educated like other white Canadians, who wished to play a role in society, felt that his responsibilities as an elder member of the family required him to drop out of school and return home.

We talked and talked for a long time. I even reached the point where I offered to help cut the wood, although that was obviously a short-term solution. What he finally did was bring me a poem which he had written. The poem was about a young Indian lad who had a brother. The brother had become ill. The family in the poem lived on the reserve, which is certainly a tragic by-product in many ways of our Canadian history. The brother in the poem had tried to get some help for his younger brother who was seriously ill. He had called a doctor by

walking to a phone since there was no telephone in the home. The doctor would not come to the reserve. The only solution was for the young Indian lad in the poem to take his sick brother to the doctor, which he began to do, according to the story outlined in the poem. It was wintertime and he trudged across the snow-covered fields of Manitoba carrying his ailing brother in search of medical assistance.

As I read to the bottom of the poem the story revealed that the young brother had died in the arms of the older brother. After I had finished reading the poem I looked up at Cecil who was sitting there in the cabin with me. After a few moments of hesitation he said to me that he was the elder brother in the poem. He had given me his own autobiography. As I thought about what I had read I realized just how inadequate my own comprehension was of the lot of the life which that young individual faced.

I realize that when we talk about the history of the Canadian Indian who lives on the reserve and when we look at some of the statistics we find it exceedingly difficult, perhaps impossible, to fully realize the incredible barrier experienced by such Canadians.

Cecil came back to college, although I am not sure whether he finished his high school education. I do know that he went on and participated in some of the other Government programs that were available. I see him from time to time when I am home in my riding. Today, he is an ordinary Canadian. He lives not too far from the constituency which I represent. I see him in the City of Brandon. He has a family and is self-supporting. He will not be a person of any particular distinction because I think he has failed to develop his artistic skills. However, he is carrying on as a self-supporting Canadian citizen.

It seems to me that what we are attempting to do and what we are hoping will happen is that people such as Cecil, who were in many ways victims of a highly paternalistic governmental system developed in Canada after the 1870s, and particularly after the tragic event of the 1885 rebellion, will slowly but surely evolve to recover the concepts of self-government and self-sufficiency.

When the whites first arrived the Canadian Indians were a self-governing people. I look forward to the day when they will return to that same position.

Mr. Deputy Speaker: Order, please. The time allotted for Private Members' Business has now expired.

[*Translation*]

It being five o'clock, this House stands adjourned until Tuesday, October 15, 1985, at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Tuesday, October 15, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE GOVERNOR GENERAL'S ACT

MEASURE TO AMEND

The House resumed from Friday, October 11, consideration of the motion of Mr. Crosbie that Bill C-78, an Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act, be read the second time and referred to a legislative committee.

Mr. Dan Heap (Spadina): Mr. Speaker, this is principally a Bill to increase judges' salaries, as well as those of the Governor General and Lieutenant-Governors. It refers as well to pensions along with salaries. What I want to speak about, however, is the salaries of judges. As the Government itself notes, notwithstanding this Bill it has put forward, there is the problem of spending restraint.

What we have here is a proposed raise in salaries for the judges retroactive to April 1 of this year. For example, the chief Justice of the Supreme Court is now receiving $117,000 annually with a cost of living adjustment capped at 7 per cent. His salary goes up by 7 per cent or the cost of living each year, whichever is less. At present inflation is less than 7 per cent but it will go up by 3 per cent or 4 per cent next year no doubt. However, this Bill proposes that his salary be increased to $135,000 retroactive to April 1, and I understand the cost of living increase would continue. The salaries of other judges of the court go up from $108,400 to $124,000, again retroactive to April 1. In the Superior Court, the Chief Justice now gets $101,800 and that will be increased to $113,900. Puisne judges will have an increase to $105,000. The chief judge of a district or county court will receive $108,900 and the salaries of other judges, now at $86,900, will increase to $100,000. In addition there is what is called the representation allowance. Judges are sometimes called upon to act in a public way and travel, and most of them are allowed up to $5,000 for representation costs. That will now be doubled to $10,000.

There are, Mr. Speaker, somewhere between 700 and 800 judges covered by this Bill. That, of course, is not a very large number in a country of 25 million so it can be argued that the money involved is not a great amount. It is not like the $1 billion being paid to bail out the banks. It is not like the $1 billion being given to the oil companies. However, there is a principle involved, that of restraint. These increases amount to 12 per cent or 15 per cent. That is a remarkably large increase compared to what almost every other public servant receives. It is a remarkably large increase compared to what ordinary wage earners and professional people in private employment receive. It is a shockingly large increase when compared with what is happening to people on mother's allowance.

Now, we are told that there is a problem. The judges have a problem which requires special consideration. They have a cash flow problem. I understand they need to spend more than they receive and therefore they have a cash flow problem. This problem is very easy to understand. A great many people in the country have the same problem. For example, there are millions of mothers in this land, whose income is only a small fraction of that of the judges, who have cash flow problems. There are thousands of mothers in my riding of Spadina who receive the family allowance and have cash flow problems. They have it every day when they go to the grocery store and every month when they pay the rent. Of course they are not the only ones, but I mention them particularly because the Government has decided that this country is so poor that it must reduce the effective income that mothers receive from mother's allowance by 3 per cent every year.

• (1110)

There are others who are affected less directly. For example, many people need legal aid but the budgets for legal aid offices are being cut back or, at best, frozen rather than increased in accordance with the cash flow problems of the lawyers and other workers in those legal aid offices. They would like a little more money to pay the higher prices because they have a cash flow problem. Of course, that does not fall directly under federal jurisdiction, but some of the problems that require people to use legal aid are under federal jurisdiction.

For example, people come to my office who have immigration problems with the federal Government. They may be getting a raw deal through a mistake or perhaps through a bias in the administration. They may need the services of a lawyer, but very often new immigrants cannot afford that and must go to legal aid. There they run into these people with the cash flow problems. Both the legal aid clinics and the people who work there have that problem and it makes it difficult for them to give service to the people who need legal aid in order to argue their case before the immigration commission.

People who have trouble with unemployment insurance have difficulty getting legal aid because of the cash flow problem of the legal aid clinic. The same applies to pensioners. It occasionally happens that a pensioner cannot get his or her prob-

lem resolved, even with the help of an MP or another helpful person on a voluntary basis, and must get a lawyer. Once again they run into a cash flow problem.

Now that the grape boycott has been launched in Parliament today there will be some difficulties between boycotters and stores. There may be some controversies arising out of that and there may be some people who will need legal aid to defend themselves against an over-hasty charge laid by the police who are trying to keep order on the picket line. They will come to the legal aid clinics and find that there is a cash flow problem.

My point, Mr. Speaker, is that just about everyone of whom I have heard has a cash flow problem. I do not know whether the President of the Bank of Montreal has a personal cash flow problem because he has not told me, but the people who come to my office have cash flow problems and most of them receive only a quarter or an eighth of the income that judges now receive. Therefore, I think that their cash flow problems are much more serious than those of the judges.

My Party and I feel that this is not the right time to give the judges such a big raise. It may be that in times of affluence we can give them a little more, but at this time of restraint when we are cutting back family allowances and so many of the programs which help ordinary working people, all of whom have cash flow problems, it is not right to be raising the pay of judges by the astonishing amount of 12 or 15 per cent retroactive for nearly a whole year. For instance, if the Government were persuaded by the public of Canada to withdraw its legislation that will reduce the family allowance that is available to mothers, as it wisely did in June with respect to pensions, and if it withdrew other forms of taxation, such as increased sales tax, which bears so heavily on working people, I think there would be a better environment and a better public attitude within which to increase the judges' pay by this or some other amount. However, I suggest it would seem monstrously unfair to do so at this time.

• (1115)

While I am not a lawyer, I would suggest that it seems unjust to give an extra large increase to people who already have more while we are taking away from the people who already have less. We know that there is a saying in the gospels that, "To those that have shall be given and from those that have not shall be taken away" but whatever that means, that was meant to be the action of God, not the action of this Parliament. On the basis of our Charter, we certainly cannot find any justification for taking money away from mothers on family allowances and giving it to judges who already earn five or even ten times as much.

If the Government wished to amend this Bill so that the judges' salaries would increase according to the cost of living minus 3 per cent, I and I believe other Mmeber of my Party would be willing to take a very fresh look at it. I am not sure that the cost of living or Consumer Price Index will be this year perhaps 3.5 per cent, but if that is the case the judges would receive the same increase as mothers, that is, 0.5 per cent. I suggest that most people would consider that to be reasonably fair. While it may be a perfect solution for mothers or judges, most people would agree that it would be fair.

Furthermore, since judges are in the business of justice, I hope even they would suggest that it would be a just decision, especially since some of the judges are women and perhaps mothers. I hope even they would suggest to the Government that a just compromise would be that judges' pay not be increased as proposed but rise each year by an amount equal to the Consumer Price Index minus 3 per cent so long as that is the formula being applied to the mothers of Canada.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Crosbie, seconded by Mr. Hnatyshyn moves that Bill C-78, An Act to amend the Governor General's Act, The Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act, be now read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

Hon. Don Mazankowski (Minister of Transport) moved that Bill C-75, An Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, the amendments which are contained in Bill C-75 which I am introducing today will reaffirm the Canada Shipping Act as the principal Act of Parliament dealing with safety of shipping, the preservation of life at sea and the protection of the marine environment in Canadian waters and fishing zones. The last time major amendments were made to the Canada Shipping Act was in 1971. These dealt specifically with pollution from ships. The Liberal Government of the day was jolted into taking stopgap measures by the tragic events surrounding the break up of the *Arrow*. As all Hon. Members will know, there is considerable demand for and widespread interest in these amendments by all sectors of the marine industry and the maritime bar. For example, there is an immediate requirement for amendments to the Canada Shipping Act to enhance safety at sea; to enable Canada to deal more effectively with matters associated with marine pollution; to allow for the Government to consider charging for certain Coast Guard services; and to give effect to important

international marine conventions, such as the 1978 Protocol to the Safety of Life at Sea Convention, the Convention of Standards of Training, Certification and Watchkeeping for Seafarers and the Convention for Prevention of Pollution from Ships. Most Hon. Members will be aware that Canada has been unable to ratify and hence become a party to these conventions because of not having the necessary enabling legislation.

• (1120)

In layman's terms, apart from those amendments of an administrative nature, what I am proposing today relates principally to health, safety, recovery of costs and financial protection for individuals, all of which are of concern to everyone associated with maritime transportation and trade in Canada. As well, the two items announced last year as part of the Government's restraint program are included in this legislation.

First, in order to avoid unnecessary duplication of ship inspections, the amendments will enable the delegation of routine inspection of ships to classification societies. This of course will be done in accordance with our regulations. Safety equipment will continue to be inspected by the Coast Guard. This will amount to a cost saving of some $200,000 annually.

Second, amendments are also included which would permit the option of transferring the provisions of port warden services to the private sector. If this option is exercised, cargoes will continue to be loaded and inspected in accordance with the regulations made under the Act, but the actual inspections would be carried out by private sector surveyors.

Another very important provision provides for the enabling authority for the recovery of certain Coast Guard expenses for services such as ice-breaking, escort services and aids to navigation.

Perhaps, in introducing this provision, it is necessary to take a few minutes to elaborate on the services which I have mentioned. I am sure Hon. Members on both sides of the House may be somewhat amazed at the depth and breadth of Coast Guard activities presently provided at virtually no charge to the maritime community. The Coast Guard provides a multiplicity of services to the marine sector. These include a sophisticated system of aids to navigation; radio aids and maintenance of ship channels; ship movement systems, such as the vessel traffic services and a network of radio stations; and ice-breaking services for commercial shipping, flood control and support of arctic operations. The Coast Guard is the principal marine component for search and rescue operations, with particular emphasis upon the safety of pleasure craft through education on boating safety and regulatory activities which encompass the safety of shipping, including the examination and certification of personnel, the licensing and registration of vessels, and the inspection of ships and their cargoes. Additionally, the Coast Guard deals with pollution clean-up from marine-related sources and other marine emergencies.

The Coast Guard operates from bases in five regions across Canada. In support of its functions, it deploys a fleet of 86 vessels ranging from major ice-breakers to shore-based search and rescue lifeboats, some 34 helicopters, four hovercraft and one aircraft, plus a number of inshore rescue boats and various sized work boats.

The total operating and capital costs, including administrative costs, in the 1985-86 fiscal year for the Coast Guard are in the region of $824 million. This includes costs of $368 million for aids to navigation; $74 million for ship movement systems and services; $177 million for ice-breaking, Arctic and ship support services; $62 million for marine search and rescue; $37 million for regulatory activities including marine emergencies; and $72 million for public ports and harbours.

• (1125)

I would like to emphasize, Mr. Speaker, that the Canadian Coast Guard is a vital component of the marine transportation system, contributing to the safe and expeditious movement of shipping and, most important, the safety of life at sea.

I would like to make it clear, Mr. Speaker, that the introduction of charges for certain Coast Guard services and the concept of privatizing the port warden services would only proceed after consultation with interested parties in the public and private sectors. I will be directing my Department to establish a consultative committee, mandated to meet with groups across the country, including shipowners and their representatives; unions, shippers and shipper-groups, fishermen and their associations, and other representatives of the marine industry and users of the marine infrastructure.

Let me turn now to other details of the Bill. The amendments will provide for clear authority for vessel traffic zones and the procedures to be followed by ships in or about to enter such zones. The Bill also provides for the designation of marine traffic administrators and delineates the circumstances under which they may issue directions to ships in Canadian waters.

I would emphasize here that there is no intention to undermine or take away the authority of masters or pilots but instead, to work with these professionals to enhance the safety and integrity of the existing system.

There would be no additional financial expenditures, public or private, associated with vessel traffic services, as these systems are already in place.

Experience in administering Part XX, the pollution section of the existing Act, which was prepared on an urgent basis as a sequel to the Arrow disaster of 1970, has revealed serious faults and omissions, and these amendments aim to correct those faults and omissions. Further, through a lack of enabling legislation, Canada has been unable to implement and obtain the advantage of the assured compensation provided by two international conventions: the 1969 International Convention on Civil Liability for Oil Pollution Damage, and the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage.

These amendments, Mr. Speaker, therefore provide not only improvements in pollution prevention from ships and the

arrangements for clean-up, but also a greatly improved scheme of liability and compensation for the victims of oil pollution damage.

For instance, if a 60,000-ton laden tanker importing crude into Canada experienced a spill today, the owner of that ship would be required to make approximately $8.7 million available to pay compensation for pollution damage; that is to say, the maximum amount available would be $8.7 million, plus any moneys that there might be in the maritime pollution claims fund. The balance of that domestic fund is currently approximately $110 million. On the other hand, there would be assured compensation of $60 million from the two aforementioned international conventions and $100 million from the maritime pollution claims fund.

Improvements are to be made to the maritime pollution claims fund, which will be renamed the ship source oil pollution fund, whereby small claimants, such as fishermen and resort owners, will in future be able to claim directly against that fund.

Compensation for a ship other than a laden tanker will be at least $100 million, provided from the Canadian fund.

Within a similar context, Mr. Speaker, the powers of pollution prevention officers to board ships will be modified to conform to the inspection provisions of the International Pollution Convention. They will also be authorized to delineate emergency zones and to control traffic within those zones and, in cases where there is the likelihood of a spill, order any ship to move or to proceed as directed, and also, for purposes of prosecution, to obtain samples of pollutants from ships without first having to obtain a search warrant.

Additionally, to comply with the recommendation of the Auditor General, designated officials will be empowered to enter premises to inspect the books and financial records of contributors to our own domestic oil spill compensation fund.

Included in these amendments providing for discretionary authority for officials, the Board of Steamship Inspection would be able to permit adoption of equivalent standards in respect of such items as the structural strength of ships and equipment or exemption from regulations where this may be deemed desirable or appropriate. The board would also be empowered to prescribe interim standards for the carriage of dangerous goods in bulk for new substances for which standards do not exist and where time does not permit the making of a regulation.

● (1130)

With reference to dangerous goods, Hon. Members may wish to note that the amendments will provide for more effective regulation of the carriage by sea of dangerous goods in bulk by bringing the provisions of the Act into line with the Transportation of Dangerous Goods Act. Bulk cargoes will continue to be regulated under the Canada Shipping Act while packaged goods will in future be regulated on a multimodal basis under the Transportation of Dangerous Goods Act.

With respect to safety at sea, the amendments will promote safety and more efficient navigation. For instance, they will enable the introduction of new and improved standards for the training and certification of seafarers including, very importantly, special qualifications for service on ships such as oil and chemical tankers and mobile offshore drilling units. I think Hon. Members only have to recall the tragic events of the *Ocean Ranger*, the *Hudson Transport* and the *Cartiercliffe Hall* to understand the importance of this amendment which will enable the adoption of recommendations on safety training, made by these formal investigations. There will be some additional cost to both industry and Government in undertaking this training but this must be balanced against the benefits in terms of safety and environmental protection.

Specifically, the cost of training in respect to seafarers of the industry would be in the magnitude of $24 million over the next five years and for employees on civilian government ships it would be in the magnitude of some $4.8 million over the same five-year period. The cost for employees on government ships will be absorbed by appropriate Departments such as the Departments of Transport, Fisheries and Oceans, National Defence and Public Works, and of course the cost to the private sector will be absorbed by the individual firms. It is far easier to put a dollar figure on the cost of training and prevention than it is to estimate the price we may pay in loss of lives and irretractable damage to the environment if we do not proceed in this area.

With respect to ship integrity, particular standards for the construction and equipment of mobile offshore drilling units and special purpose ships have been adopted internationally. These amendments will enable Canada to implement these standards. As well, the amendments provide for the implementation of the 1978 Protocol on Tanker Safety and the 1974 Safety of Life at Sea Convention regarding such matters as inspections, steering gear, fire protection and navigational equipment.

In addition to the foregoing, there are a number of other amendments relating to dynamically supported craft such as air cushion vehicles, tonnage measurement, abolition of hard labour as a penalty under the Act, restricted application of rules and regulations, the recording of Government ships in the shipping registry and a provision that would enable foreign flag ships to be exempted from the prohibitory provisions of the Act relating to the coasting trade when suitable Canadian ships are not available. This latter provision has been in place since 1973 and is retained as an interim measure for use until such time as a separate coasting trade Act is developed, a point I shall address later in my remarks.

It should be noted that the Bill is drafted to permit the regulation of matters relating to drill ships and structures, their construction and equipment and training and certification of personnel on board while actively engaged in exploration and exploitation on Canada Lands to be regulated under the Canada Oil and Gas Act. At all other times, these vessels will be regulated under the Canada Shipping Act.

I am sure Hon. Members would appreciate my referring to other aspects of marine-related legislation mentioned in my recent discussion paper on economic regulatory reform entitled *Freedom to Move*. The Shipping Conferences Exemption Act, 1979, was extended for a further year by the Government and now expires on March 31, 1986. I am anxious that some of the uncertainty surrouding the future of this subject be dispelled as soon as possible since proposed revisions to the legislation in one form or another have been under discussion for some time now both by the previous Liberal administration and by this Government. I therefore propose to present a revised shipping conferences exemption Bill to Parliament separate from and ahead of revisions to the National Transportation Act with the hope that Parliament will dispose of the subject before the most recent extension to the Shipping Conferences Exemption Act of 1979 expires.

A further item referred to in *Freedom to Move* that I intend to put before Parliament before the new National Transportation Act is introduced is a Bill concerning amendments to the previously mentioned Coasting Trade Act of Canada. I should explain that coasting trade provisions are now covered under Part XV of the present Canada Shipping Act, and indeed the amendments to the Canada Shipping Act which I am proposing do in fact contain an amendment to Part XV, which is necessary to correct a technical problem which is of some concern. However, the amendment is only there to remove any doubts about the legality of existing practices.

Consistent with *Freedom to Move*, the new coasting trade Bill will, among other things, extend the jurisdiction to 200 nautical miles or to the limit of the continental shelf, whichever is greater. It will expand the scope of the act to include all commercial marine activities except fishing, yet it will still retain a waiver system to allow foreign flag ships to satisfy temporary requirements.

Last, *Freedom to Move* made references to the Inland Water Freight Rates Act and the Transport Act. I propose to deal with the future of both of these pieces of legislation when the new National Transportation Act is introduced to Parliament some time early next year.

It is more important at this particular time that the House deal expeditiously with what I am proposing today. As I said earlier, the Canada Shipping Act is the principal Act of Parliament dealing with the safety of shipping, the preservation of life and the protection of the marine environment in Canadian waters and fishing zones. As outlined, it deals with such diverse matters as vessel ownership, tonnage measurement, certification and training of seafarers, construction and equipment of ships, safe navigation, civil liability, cargoes, the prevention of pollution from ships and compensation for the victims of oil pollution damage. Its provisions ensure that all ships entering Canadian waters and using our ports comply with standards that provide a high degree of safety and efficiency.

These amendments, which have taken considerable time to develop, have been widely discussed and generally endorsed by all interest groups including ship owners, shipbuilders and repairers, trade unions, the oil industry, fishing interests and other agencies of Government. I believe the Bill goes a long way toward modernizing an outdated piece of legislation and making it responsive to today's needs.

Canada is fortunate to have a solid reputation within the international maritime community. In fact, I am proud to note for Hon. Members that Mr. Bill O'Neil, the President of the St. Lawrence Seaway, was the first Canadian elected as Chairman of the Council of the U.N. International Maritime Organization in 1979. He was subsequently re-elected to this position in both 1981 and 1983.

Let me reiterate to the House that there are approximately 12 major international conventions and codes that Canda cannot effect until these amendments are passed. The maritime community, both at home and abroad, awaits these amendments to bring this legislation governing the seafaring trade into 1986 and beyond. This legislation will re-establish Canada's credibility in the marine sector. I therefore call upon all Hon. Members to give expeditious pasage to this Bill.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in looking at this Bill, which is quite an elaborate piece of legislation that cannot be absorbed very quickly, my impression of which I would like to speak today is that the Government of Canada is expecting a growing volume of year-round oil tanker shipping in Arctic waters. I will address the subject of the Arctic in the next few minutes. As well, the Minister has given a much broader and more comprehensive perspective to the Bill than the one I will develop.

The reality of the South is one thing and the reality of the North is another. It seems to me that the Minister needs to be sensitized to some of the realities of the North in view of the fact that by amending the Arctic Waters Pollution Prevention Act, this Bill spells bad news for northern people and the northern areas of the country from an environmental point of view. I would like to provide the Minister with some background on this. He has referred to the groups with which he has consulted or intends to consult. He did not make a reference, at least I did not hear him make any reference to the native people. I would like to refer him to some documentation of which his Department ought to be aware, beginning with the Lancaster Sound regional study of November of 1983. It is a document which embodies a public review. It consists of public consultation, and I will just put on the record a few selected passages because they seem to be quite relevant to this Bill which will generate growing volumes of year-round tanker shipping in the Arctic. George Eckalook, speaking on behalf of the Resolute Bay Settlement Council, stated:

● (1140)

—the settlement wants Lancaster Sound to stay in its present state and not be touched at all. The people of the settlement want to protect the environment, they want to learn more, to consider the possibility of parks, and to wait for the Nunavut land claims settlement. They are concerned about the possible use of icebreaking ships moving through the Sound during the winter and are frightened by the possible explosion of natural gas being carried by these ships.

Sampson Akpaleapik, a student in grade nine at the Takijualuk School in Pond Inlet, expressed on the same occasion an opinion that, and I quote:

—if there was an oil spill in the Sound the fish would suffocate. The narwhals, seals, and other sea animals would die out. If there was an oil spill, the marine currents would spread the oil rapidly killing the animals that the whales, seals, and walruses eat. Even if there was no oil spill, the noise of the ships' engines would scare the animals away.

Maggie Allooloo, speaking on behalf of the Development Review Committee of the Hamlet Council of Pond Inlet, stated emphatically and I quote:

—the Council does not want development of non-renewable resources at this time. Even with planning, heavy controls, and strict regulations, the Development Review Committee feels that activity associated with non-renewable resource development would grow beyond what the environment and the people could tolerate. The Committee is in favour of option two as outlined in the Green Paper, and after land claims are settled, the final decisions on the National Park in the area could be worked out.

Charlie Inuarak, speaking on behalf of the Baffin Region Inuit Association, reviewed the association's positions with respect to conservation, uncertainty about impacts, and the narrow definition that equates national interest to Canada's energy supply. He stated:

The key question for BRIA is: do we choose to put the Lancaster Sound Region at risk? In response, BRIA contends that if we are serious about the principle of the maintenance of biological productivity and environmental quality, then no hydrocarbon activities should be allowed to proceed in the Lancaster Sound Region.

You can appreciate, Mr. Speaker, that the Lancaster Sound would be right smack in the middle of many of these shipping movements if they were to take place. I am sure you, Mr. Speaker, and the Minister of Transport (Mr. Mazankowski), have seen the beauty and richness of that ecological body of water and you are aware of how fragile it is and how much it represents one of the last unique resources of this particular quality in the entire globe.

In the same document, a position was taken by the Canadian Arctic Resources Committee, of which, I am sure, the Minister is familiar, as an organization with which he intends to consult or has consulted. The report reads as follows, first:

That the moratorium on exploratory drilling and year round shipping be continued until a satisfactory regional planning process and a northern conversation policy are in place;

Second:

That the establishment of a planning process recognize the political development and land claim initiatives which are now taking place in the Northwest Territories.

And third:

That all immediate decisions regarding Lancaster Sound be made in line with the general principles that CARC developed in 1979.

We have here, Mr. Speaker, an input from North by people who live there are who follow developments such as the Canadian Arctic Resources Committee which really seems to be expressing a viewpoint which is diametrically opposite to the direction in which this Government intends to go. I can only express profound disappointment in the absence so far of consultations with the organizations of the North and also with the Inuit Tapirisats and with the territorial Governments as well as, perhaps, Environment Canada or the Department of Indian Affairs and Northern Development.

I believe it is essential, Mr. Speaker, that a thorough consultation, which has not taken place up to now, be part and parcel of the examination of the Bill after second reading so as to allow input from the people in the areas affected and the consideration of lifestyles and cultures which are going to be affected if this Bill goes through and eventually leads to growing volumes of year-round oil and tanker shipping.

There has been a draft Green Paper on Lancaster Sound and the North. There has been Lancaster Sound regional study. There has also been a Green Paper on the Lancaster Sound region 1980-2000. It is basically this Green Paper I would like to be sure the Minister is familiar with. It needs to be examined in the light of the main thrust of this Bill, which is to increase liability and compensation and to destroy the ecology and lifestyle in the North by the tanker traffic which will inevitably lead to serious consequences.

I am told that the Inuit Tapirisats Organization feels very strongly about any activity which would contemplate tanker movement through Lancaster Sound, and that the public hearings so far did determine an attitude which rejected that notion. The Inuit Tapirisats, as an organization and as individuals, would be simply outraged, if, after second reading, consultations had not taken place in committee and a decision made.

I realize that will be a very difficult situation to resolve by the Minister in the application of this Bill if he intends, as it is my assumption he does, to increase the volume of year-round tanker shipping in the Arctic. That will mean that once again we will have imposed our values and our economic goals on a culture which so far has managed to survive under very difficult circumstances and in a very fragile ecological set-up. Basically, this tends to reject our exploitation of the natural resources in the way we do it as a white society. There is a very strong commitment to finding ways of exploiting our renewable resources, but certainly in my experience there is a rejection of the exploitation of oil and gas in a manner which will cause damage to the environment which no amount of compensation can adequately repair. We all know the beauty of Lancaster Sound and I can hardly imagine anyone in his right mind who would want to see any damage caused to that beautiful body of water. It is one of the most striking of its kind in the world, and increasing liability and compensation from present levels to the highest amount any Government could afford is not really coming to grips with the important ecological and cultural question before us, namely whether we want to move into that environment and pollute it. Regardless of the good intentions and the prevention schemes which may be in place, cleaning up marine pollution in the Arctic is virtually impossible once the damage is done. It is difficult to do that even in our climate and latitude, as our experience off the Atlantic coast some 10 years ago has shown. It is virtually impossible to do it in our Arctic areas once the spill has taken place.

● (1150)

It is therefore necessary to bring this to the attention of the Minister of Transport and ensure that he has the support of his colleague, the Minister of the Environment (Mr. McMillan), as well as the Minister of Indian Affairs and Northern Development (Mr. Crombie). He has to ensure that a proposal of this kind also has the full support and understanding of the territorial Governments. Beyond that, the bottom line is that he has to have the support of the native people in the regions affected. My impression is that, by and large, the native communities in the North would reject the notion of a year-round oil tanker route for the reasons I have already identified by way of quotations from the *Lancaster Sound Regional Study* produced by the Department of Indian Affairs and Northern Development. Evidently the attitude of people up there is one that rejects any activity which would have the potential to damage permanently the ecology and the environment per se.

I urge the Minister to travel to and consult with the people in communities like Pond Inlet and Tuktoyaktuk and Grise Ford and others in order to see with his own eyes the ecological reality. Standing in the North and looking south gives you a perspective quite different from that of standing here in this House and looking North. I am sure that if he were to do that, he would have profound doubts about the advisability of using this Bill to increase year-round oil tanker traffic.

The reason I raise these questions is that I know the Minister is a democrat, he listens to people and he wants to be fully informed about the implications of any measure he brings to Parliament, not just from the perspective of the industrialized South but from that of the North. My impression is that if we were to tap the oil and gas resources of the North, we could get the support of the native people there if we did it by land, if we were to do it by way of pipelines, which are operated under strict controls, well-regulated and environmentally safe. That is where the thrust has been for some time. But when it comes to the alternative of doing it by sea where the possibility of an accidental spill is increased many, many times, then we are talking a completely different approach. This can only be fully understood if you stand, for example, on a hill in Pond Inlet and look out over Lancaster Sound. This is unique water body, ecologically speaking one of the richest in the world. Then try to envisage a tanker route moving through that part of our Arctic. It is unthinkable. Therefore, I submit that we should be extremely careful in laying the foundations for such an initiative which would have such profound consequences on the lifestyle and ecological riches of our North.

The main thrust of this intervention on my part today is to impress upon the Minister and the Government the absolute necessity of thorough consultations with the native people. It is of the greatest importance that this Bill be explained to them. It is difficult for us to fathom it in all its details here today, and one can only imagine what difficulty it poses to people who live several thousand miles away. It is important that the Bill be understood, because a one-page press release cannot do justice to a Bill which runs some 106 pages and which contains a very important chapter on pollution prevention and control and which has politically, I suspect, some profound and long-term implications. Therefore, the Minister of Transport and his Government owe this House as well as the affected communities a thorough explanation as to what the long-term policy of this Government is in relation to year-round oil tanker traffic in Arctic waters. This is the basic policy direction which has to be understood on second reading of Bill C-75.

● (1200)

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my pleasure to rise to speak on Bill C-75, an Act to amend the Canada Shipping Act, among others. I do so in my role as my Party's spokesperson for marine activities and, in particular, for the St. Lawrence Seaway. While this Act is basically an effort to bring the marine industry into the twentieth century, I believe it has one serious flaw. Before I get to that, I would like to say that the matters raised by the Government in this Bill are extremely important. I agree with the Minister that we should move them through the House and committee as quickly as possible. However, we may have some difficulty with this one flaw.

Bill C-75 takes the former Government's user-pay philosophy for the St. Lawrence Seaway and expands it into the Conservative Government's philosophy for cost recovery on the remainder of the marine industry in Canada. Clause 4 of this Act gives the Government the power to require that any amount up to 100 per cent of the cost of providing Coast Guard services be passed on to the users. It is important to this debate, Mr. Speaker, that I read the clause that I am so concerned about. It reads:

> 3.1(1) For the purpose of defraying the cost of navigational services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing, aids to navigation, dredging, vessel traffic services, ice breaking services and escorting services.
>
> (2) Charges may be imposed pursuant to subsection (1) in relation to any ship or vessel, regardless of whether the Canadian Coast Guard actually provides a navigational service to that particular ship or vessel.

Those are fairly broad powers given to the Minister of Transportation (Mr. Mazankowski) and Cabinet. I want you to understand, Mr. Speaker, that regardless of my comments and those of my colleagues who will follow me, this Bill does have considerable support. In fact, this particular clause has support in every country that competes with Canada in the world market for sales of grain, coal, potash, and other bulk commodities. They support the Bill because they know that the imposition of yet another user-fee policy will make Canada and Canadian exports less competitive on the world market. They know that such a policy will make our grains more expensive, that our potash will increase in price, and that it may put some of our producers out of business over the long term. If you like, Mr. Speaker, they welcome a permanent elimination of their competition.

It was with no surprise, Mr. Speaker, that I discovered this particular clause in the Bill. It was clear from this past spring's

federal Budget that the Conservative Government was going to pursue the Liberal Government's cost recovery philosophy. The decision by the Minister of Finance (Mr. Wilson) to skim $30 million from the assets of the St. Lawrence Seaway Corporation was a clear indication that Seaway tolls would have to rise. I would, however, like to acknowledge and congratulate the Minister of Transportation for having indicated in the House last week that that matter was under review. It is clear that he has an understanding of the needs of the Seaway and the marine industry and is prepared to go to bat for them at the Cabinet level. I encourage him to continue to do so.

I am not surprised that the Government is following the Liberal's philosophy of user-pay. I am, however, disappointed that the Government would bury this clause in this particular Bill, which otherwise, as I mentioned before, is, on the whole, worthy, albeit long overdue, legislation. However, I am not surprised. Although I am surprised that the Minister of Transportation would allow his name to be associated with this particular Bill. When I used to watch Parliament while I was trying to get here I heard the words that the Minister himself used to chastise his predecessor, Otto Lang, on this subject. He said:

> Consider the record when it comes to fulfilling the commitments which were made. What has become of those sweeping plans, those radical departures from past methods, those comprehensive programs we heard so much about? What became of the idea of world leadership in transportation? We can probably summarize all this in one phrase: all we have received following these lofty promises amount to nothing more than the Otto Lang user-pay concept.

I go back further into history to June 16, 1958. The Speaker of the House was the then Member of Parliament for Niagara Falls, Mr. W. L. Houck. He was quoting history. Back in 1934, Mr. Speaker, there was a full debate in this House on the motion that all goods shipped through canals owned and operated by the Government of Canada be subject to taxation.

In speaking against the motion, the Hon. R. J. Manion, MP for Fort William from 1917 to 1940—which riding was the predecessor of the riding of Thunder Bay-Atikokan which I now hold—former Leader of the Conservative Party and, at the time, Minister of Railways and Canals, stated in part:

> In regard to the Panama, Suez, and Manchester Canals, it is true that they collect tolls. We must realize, however, that the conditions under which these canals are operated are altogether different from those existing in connection with Canadian canals. The Manchester Canal is a private commercial enterprise, whereas in Canada our canals are national. Then the Suez Canal is operated by a privately owned company. True, the Panama Canal is publicly owned and operated, but we must remember this important point: The difference between the Suez, the Panama and our Canadian canals is that no vessel owner is forced to use either the Suez or the Panama.
>
> On the other hand, in Canada we have no alternative water route from the western grain fields, unless one wishes to use the railways from the head of the lakes. As has already been pointed out, however, the railroad would be so much higher that it would not be possible in the marketing of grain. It is important that we should have the lowest possible rates in order that we may compete with countries whose grain fields are closer to the seaboards than are the fields of Canada.

Those words, Mr. Speaker, were no more true in 1933 or 1958 than they are today. In fact, those same words have been echoed by industry spokesmen over the last year as they have warned the Government that it has put the Seaway on the road to ruin. It is perfectly clear that when we increase transportation costs, whether by increases in fuel costs, taxes, tolls, labour, or materials, those costs ripple through the economy.

The transportation company itself is affected in that it is less able to compete, particularly against other modes, for the movement of, in this case, bulk commodities. The producer, whose products are no longer as competitive in the domestic and foreign market, is directly impacted upon. Due to declining demands for the goods that workers handle, they have less employment and, therefore, less income to spend on consumer goods. Canada as a nation is affected because of a reduction in exports and, therefore, a shift in the balance of payments, because of a reduction in income and corporate tax paid, and because of an increase in the cost of income support programs such as unemployment insurance and welfare that must be paid out to support those laid off workers.

In 1958, the MP for Welland, another riding in this country which has a very direct relationship to marine industry, Mr. W. H. McMillan, said as follows:

> As Members of Parliament, we should be interested in the costs of vessel operation in so far as they relate to the cost of moving cargo. We should consider what effect this cost may have on industry generally, on agriculture and commerce. We should be interested in the shipping industry because of the thousands of men who are engaged as seamen and because of the shipbuilders and suppliers, in the same way that we should be interested in the welfare of Canada generally.
>
> I have often read that 40 per cent of our workmen depend for their livelihood on our foreign trade, and I believe that if we are to have a continuing prosperity in this country we must have an expanding trade. The St. Lawrence River and the Great Lakes basin, which extends to the very heart of our continent, a distance of 2,900 miles to the sea, are Canada's greatest single outlet to the markets of Europe, the eastern coast of the United States and South America. Much of the trade between Canada and the United States goes across this route. It is the most economical transportation system in the world and, because of its economy, it has helped to build our country. It has helped our farmers to market their wheat in highly competitive markets, even though that wheat is grown thousands of miles from the seaports. It has also helped our industry to assemble raw materials to manufacture products and to enter competitive markets. Today this water transportation system is becoming even more important to the economy of Canada because of the prospective shipping of large tonnages of iron ore from Quebec and Labrador to steel centres along the Great Lakes in both Canada and the United States.

The following also was stated:

> One must agree that ultimately tolls are always paid by the consumer, whether he knows it or not. They are included in the cost of transportation and eventually wind up in the price charged for the product. In the case of our basic materials the added cost of transportation through tolls increases in proportion to the number of processes through which the material passes before it finally goes off the dealers' shelves. It is thus cheaper, to say nothing of less painful, for all of us to pay for waterway improvements just once through taxes rather than repeatedly through the higher prices which would result from tolls on the Welland Canal.

● (1210)

That is a final quote from Mr. W. L. Houck, the M.P. for Niagara Falls.

I have a final quote in this series, dated March 12, 1959. It is from a gentleman well known to the House and to you, Mr. Speaker. He is still a Member of Parliament. The then Minister of Transport, the present Minister of Veterans Affairs (Mr. Hees) said:

—this great inland water way will become operative with the opening of the navigation season this year and we have every reason to look forward to the material increase in the volume of shipping using these facilities. This should be of great assistance to the development of the commerce of this country as whole, and should enable goods produced in Canada to become more competitive in world markets. We look forward to the whole economy of Canada benfiting with the opening of this great Seaway project.

Although it is geographically located in the centre of Canada, clearly it is a national asset and should be treated as such. Throughout this debate my colleagues and I will try to put before the House our concerns over the negative impacts of this particular clause. We want to talk about its impact on the commercial fishing industry on the West Coast and the East Coast. We do not believe that those borderline operations can withstand another cost. We want to talk about the impact on recreational boaters as well as the boating industry itself.

Most specifically, we want to deal with its impact on commercial shipping throughout our nation. This will not only hurt the Seaway but will negatively impact on Churchill, Prince Rupert, Vancouver, Saint John, Halifax, Baie Comeau and Port Cartier. Each port and port community in this country will be affected by this Bill. The impact will be severe and nowhere will it be more severe than in the Great Lakes and the St. Lawrence system. In fact, I would go so far as to say that when taken in conjunction with other Government action to increase cost recovery, this legislation will kill the Seaway as a viable transportation entity.

In this respect, it is important not to look at the cost recovery measures in this Bill in isolation. We cannot just focus on Clause 4 of Bill C-75; we must look at it in the context of Seaway tolls, Seaway fees and pilotage fees. The Minister knows well, as does his parliamentary assistant, that the industry is howling about the cost increases that they are already facing through the proposed changes to the Laurentian Pilotage Authority as well as their fear that the Minister will not be able to replace the $30 million in the Seaway Authority.

As evidenced by this Bill, it is quite clear that the Government intends to follow this path of cost recovery. Just a few days ago in *The Globe and Mail*, a paper that is read occasionally by some Members in the House, an aid to the Minister of Transport is quoted as saying:

We're going to make Crown corporations stand on their own two feet . . . The users of the Seaway are going to have to pay most of the cost of the service they get.

Assuming that he was speaking on behalf of the Minister, it is unfortunate that he made such a statement because that kind of approach is not positive for the country and is certainly not positive for the Seaway. This Act gives the Government the power to recover the cost of services that are now provided or will be provided by the Canadian Coast Guard, regardless of whether those services are used by a particular vessel. These services include dredging, ice-breaking, the provision of navigational aids and the provision of ship escort services.

This clause in no way indicates the total extent of that cost recovery. Is it to be 10 per cent, 25 per cent, 50 per cent or even 100 per cent or more? It is my understanding that officials at the Thunder Bay Harbour Commission and officials from the Coast Guard have been in negotiation over dredging services for the Port of Thunder Bay all summer. They have been told that the Coast Guard wants to recover 100 per cent of the cost of dredging services within the harbour of the Port of Thunder Bay. Those charges, while levied against the Harbour Commission, will be passed on to the shipper who will pass them on to the producers. Therefore, everyone loses in that cycle.

There are a number of industries whose products are shipped through Thunder Bay and the rest of the Seaway. Their margin is so slim that they are negotiating and competing for pennies and barely able to make anything above the cost of labour. They are competing this way in order to keep in business because they recognize their value not only to the communities where their production originates but to the communities along the Seaway as a result of shipping those goods.

The vast majority of commodities that move through Thunder Bay into the Seaway originate in western Canada. In 1984 alone, 16.6 million tonnes of grain, 2.8 million tonnes of coal and 1.8 million tonnes of potash from as far away as British Columbia was shipped to eastern and foreign markets via Thunder Bay and the Seaway. In fact, in recent years the amount of coal and potash moving through the eastern gate of the Prairies has been on the increase, aided in part by the efficiencies of the Seaway itself. Each year, the Seaway generates $3 billion of economic activity for the ports on both sides of this international waterway.

According to the President of the St. Lawrence Seaway Authority, Mr. William O'Neil, the Seaway was built, "To serve the grain industry which is now a $6 billion earner of foreign exchange".

Undeniably, the Seaway is uniquely cost efficient for moving transportation intensive bulk products. For less than half the cost of rail, western grain can be loaded on to bulk carriers and shipped from Thunder Bay to eastern ports. Canada's key grain and steel industries demand a low cost bulk system to move their high volume products. The 3,200 kilometres of Seaway is an irreplaceable artery for these industries. Since its completion, the Seaway has moved well over a billion tonnes of cargo. In 1985, the Seaway handled 54 million tonnes through its Welland Canal and 47.4 million through its Montreal-Lake Ontario section. Today, the Port of Thunder Bay ships in excess of 23 million tonnes a year and is responsible for a third of the Seaway's traffic.

According to Robert J. Paterson, Executive Vice-President of NM Paterson and Sons Limited of Thunder Bay, on average, a ship will carry a tonne of cargo 125 per cent farther on a unit of fuel oil than a train, and seven times farther than a truck. Therefore, dollars and cents notwithstanding, in terms of our natural resources it makes more sense to encourage shipments by water.

The head of the grainhandlers in Thunder Bay, Frank Mazur, stated in one of their publications:

We have a world-class seaport on a world-class waterway. Our work force is one of the most productive in the world.

When most Canadians think of grain, they probably think about the infamous Crows Nest Pass rate debate that was held in the House and across the Prairies a few years ago. I think the underlying message derived from that debate is that there is a belief in this country that the movement of a commodity like grain must be subsidized because our grain fields are so far from export positions compared to other countries whose ports are 30 miles to 40 miles away. They recognize that we must do something to overcome those obstacles. Perhaps they also recognize that we must ensure that new obstacles are not put into place which prevent products from going to market. Quite honestly, Clause 4 of Bill C-75 puts a very serious obstacle in the way of grain and other bulk commodities being competitive on the world market.

● (1220)

Mr. Donald S. Rothwell, President of the Great Lakes Waterways Development Association, recently said:

> The Lakes-Seaway system must get competitive again, in a viciously price conscious world. In an environment where a quarter of a cent per tonne can make a difference, no cost is so insignificant it is inconsequential.
>
> Lower costs are mandatory if traffic is to increase to the point where the Seaway's very stringent cost recovery mandate is to make any economic sense at all . . . Ill-conceived increases in user fees could be counter-productive and result in lower gross revenue to the Government while inflicting serious damage on industries that are already badly wounded by the economic downturn of the early eighties.

The Minister spoke earlier about wanting, once the Bill was passed, to go forth and seek opinions as to what the industry had to say about cost recovery. I respectfully suggest that it should be the other way around. He should have listened to the industry which has been saying for quite some time that it is concerned about the move to cost recovery. Mr. George J. Ryan, President of the Lakes Carriers Association, said:

> User charges will wreak havoc on the Great Lakes transportation system and send shock waves through the whole economy. Great Lakes shipping has prevailed through the recession and preserved its assets for better times to come, but user charges could well be the death-knell of this proud industry.

In part, a publication of the Thunder Bay Harbour Commission read:

> Excessive tolls have all but driven away the lucrative "general" or "manufactured" cargoes that plied the system in the sixties and seventies. If our Government transfer the costs for Seaway maintenance to the ports, the Seaway will be priced out of business.

Also, Robert J. Paterson from NM Paterson and Sons said:

> The user pay cost recovery concept has an obvious political attraction for Government, but its implementation can have severe consequences in efficiency. Fuel surcharges and Seaway user fees pose a serious threat to ship owners and shippers. Private industry is intuitively wary of Government charging back costs when the level of the costs is not subject to the disciplines of the market. We, in the Seaway, are being penalized for being as efficient as we are . . . The Seaway should be treated like every other transportation mode in this country.

If we look at the highways are railroads of our nation, can we really say that they are being charged full cost recovery for their use? I doubt it. I would be very pleased to see a cost comparison, if the Minister happens to have one, showing the various subsidy levels by mode. Then we could take a look at the impact, particularly as it relates to the marine industry. Also Mr. Paterson said:

> A greater percentage of the running of the Seaway should be picked up by the general public simply because the Seaway positively affects every citizen of Canada.

During the years of bumper crops in the Prairies or an abundance of grain sales, everyone is happy and everyone is working; grain is moving east, west and north to Churchill. However, during poor years such as last year the inequities or the system become more apparent. The 1984-85 crop was one of the worst in at least six years, if not longer, with a decline of some three million tonnes over previous years. Despite a commitment in the House by the Minister of State For Canadian Wheat Board (Mr. Mayer), the crop failure was not shared equally throughout the system. For instance, the Port of Prince Rupert saw its throughput decline by 26 per cent; Churchill, by 31 per cent; and Thunder Bay, by 29 per cent. On the other hand, Vancouver was down only 14 per cent over the previous year. While Vancouver was thankfully at full employment last summer, at the Port of Thunder Bay over 1,200 men and women in the grain handling and grain transportation industry were out of work. It was not only in Thunder Bay. Throughout the length of the Seaway, grain handlers and sailors were out of work last summer. The International Seafarers Union estimated that 2,500 of its members were laid off.

If we examine some of the eastern ports downstream, we have a better idea of the trickle effect throughout the country. In two ports in the riding of Manicouagan—and, Mr. Speaker, I am sure you are familiar with the person who represents it—47.5 per cent of the workforce in the elevators was laid off last summer; in Halifax, 41 per cent; in Saint John, 70 per cent; in Quebec City, 29 per cent; in Trois-Rivières, 12 per cent; and in Sorel, 60 per cent. Although those percentages are high, the numbers on a broad scale are fairly low. For instance, at Port Cartier, 47 people were laid off and at Baie Comeau 46 people were laid off. Those are smaller communities, and the effect is much greater than in larger centres. Certainly it is important for those 46 and 47 people who were out of work and did not have to be out of work. We estimate that approximately 3,900 people along the Seaway were out of work. When I say "along the Seaway", I am extending it into Manitoba and its rail workers, tradesmen and those at CN shops. People all through the system were out of work because of that inequity. Approximately 51 per cent of the industry was shut down. I suspect—and perhaps the Minister will be able to enlighten us about this later today—that because of the accident, which has shut down the Seaway for a length of time that no one is prepared to estimate, and I can understand the difficulty in doing it, we may see the situation occur again quite quickly where a large number of Canadians are out of work. The trickle down effect is also very severe. It not only affects those people working in the industry, but also those who provide services to them and whose consumer goods they buy.

The American port at Duluth conducted a study a few years ago which found that for every job directly related to the grain industry, there were 2.57 jobs elsewhere in the community. If we look at last summer's unemployment figures, we are talking about 14,000 people who were directly affected by these

lay-offs. The cost to UIC alone, if those people were unfortunately laid off for a year, would be $200 million.

At the present time it costs anywher from $23 to $28 per tonne more to move grain through the Seaway to an export position than it does to move it to Vancouver. We are already in a situation where we cannot compete with our western brethren in the Port of Vancouver. The addition of cost recovery measures would in effect be applied unevenly because Vancouver does not have a requirement for ice-breaking whereas Churchill, Thunder Bay and other ports on the Seaway system do. It makes the gap even worse. This is the kind of thing about which I am concerned, as are my colleagues and the industry. This Bill is pushing up that cost.

● (1230)

I have spoken a fair bit about grain and the Port of Thunder Bay, and as well I have touched on some of the ports downstream of Thunder Bay in terms of their unemployment situation this past summer. I should like to continue on that theme for a little longer. Over the summer, Members tend to spend a lot of time in their ridings talking with people, and this past summer I took the opportunity to spend a lot of my time with the people involved in the grain transportation industry. I met with most of the managers of the grain elevators in Thunder Bay and spoke with the managers of the elevators in the eastern part of the system by telephone. As well, I met with the rail superintendents and with the Grain Transportation Authority staff—all in an effort to understand a little more about the movement of grains. And quite frankly, Mr. Speaker, I found, on going into it, that my knowledge was very limited. I suspect that most Canadians do not have an appreciation of the nature of the grain industry, both in terms of pricing and competition and how grain moves.

I honestly did not know the relationship between the Port of Thunder Bay and the ten bay ports along the Great Lakes and the Ports of Montreal, Trois-Rivières, Baie-Comeau, Port-Cartier, Halifax, and St. John's. It was through the research that I did this past summer that I was able to get a much better understanding of the system, and I would like to share some of that with you.

As most Members of the House know, when grain or any other bulk commodity moves from western Canada through the St. Lawrence Seaway, it can be picked up by an ocean-going vessel at Thunder Bay—and that is one of the reasons the Seaway was built some 26 years ago—or it can go on a laker for downstream transference to another elevator or directly on to an ocean-going ship.

About 16 per cent of the grain coming through Thunder Bay goes directly on to a "salty." The remainder is distributed throughout the system through the 32 elevators in 18 communities, stretching from Collingwood to Halifax.

For example, 37 per cent of the grain handled in Thunder Bay is handled in the two ports of Manicouagan, Port-Cartier and Baie-Comeau. The ports of Halifax and St. John's handle 2 per cent each; Quebec City, 15 per cent; Trois-Rivières, 7 per cent; Sorel, 7 per cent; Montreal, 12 per cent; and then approximately 18 per cent is handled by the ten bay ports.

I said in committee last year that when the West gets sick, Thunder Bay catches pneumonia. Well, if Thunder Bay catches pneumonia, those germs are spread all the way downstream, because the economies of all of the other port communites go up and down with the economy of Thunder Bay.

I mentioned a few moments ago, Mr. Speaker, the competitive aspect. I should like to give the House an idea of what we are up against in the grain industry in terms of competition. This is part and parcel of what we are dealing with, because the higher the fees, the less competitive we will be as a country.

The Manitoba Government conducted a study from 1972 to 1981 comparing the subsidies for grain prevailing in the European Economic Community, the United States and Canada, the three of which, in combination, handled four-fifths of the world's export grain market during that period, a value of (U.S.) $15 billion.

The report produced as a result of that study contained the following statement:

> The question at hand is less one of whether in the absence of subsidies everywhere world grain prices would be lower (they would, and so would government expenditures, and hopefully taxes), but rather what is the likely consequence if one grain-exporting nation reduces subsidies unilaterally. Undoubtedly, its grain production and (very likely) exports would decline.

The study group found that, during that 10-year period, our subsidies averaged about 4 per cent, compared to 8.6 per cent in the United States and 10.5 per cent in the EEC. When they examined the year-to-year levels of proportional subsidies, they found a striking difference between Canada and the U.S. On Canadian wheat, for example, subsidies ranged from a low of 2.2 per cent in 1973 to a high of 5 per cent in 1972. In the United States, on the other hand, the variation was much more pronounced, with wheat subsidies as low as 0.8 per cent in 1974 and as high as 22.5 per cent in 1977.

And this clearly reflects the nature of the U.S. grains support programs. U.S. wheat, on average, received $11.41 per tonne in subsidy; Canadian wheat, $6.35; and the EEC, $19.96.

Mr. Speaker, I have the feeling, given the signal you are making, that I am going to have to share my notes with some of my colleagues so that they can continue the arguments in respect of this issue—

Mr. Gauthier: With unanimous consent, you could go on.

Mr. Angus: The Hon. Member suggests that I could try to get unanimous consent. I am not sure that the House is willing to provide that.

Some Hon. Members: Sure, sure.

Mr. Angus: Let me go on for a bit and we will see what happens.

Mr. Speaker, Clause 4 of the Bill is crucial to the viability of my community in the long term and to port communities all

along the Seaway. It is crucial to the Port of Churchill and as well to the West Coast ports, particularly the ports of Prince Rupert and Vancouver, and to the maritime ports of Atlantic Canada.

If the user fees are increased to 100 per cent of the cost of the service, Canada would be much less competitive on world markets. Fewer of our products would move offshore.

In the light of that, I would ask the Minister to reconsider the whole concept. The Minister indicated to the House last week that he would have no objection to the question of the tolls and fees to be charged by the St. Lawrence Seaway Authority being discussed by the Standing Committee on Transport. What I would like to see happen is for the Minister to remove voluntarily Clause 4 from the Bill and refer it and all other user fees in the marine industry to the Standing Committee on Transport so that the philosophical aspect can be dealt with. In that way we can have hearings focusing on the impact of user fees on marine transportation.

That would allow this Bill to go through in the expedient manner that he has asked for. In that way the positive aspects of the Bill can be put in place, as they most appropriately should be, with the controversial element removed from the Bill, thus giving us an opportunity to examine that issue with the industry, with the users, with the workers. In that way we can take a good hard look at the whole question of the cost of using the Seaway system and the costs of using our ports. It also will allow us to work with the United States in doing these things in concert.

I should like to hear from the Minister whether or not he has received the agreement of the U.S. officials that they will be moving ahead with their cost recovery in respect of the operation of U.S. ports and whether or not this is a matching duo of operations that we have here, or whether Canada is going on its own in this respect.

And if Canada is going on its own, what is the impact within the St. Lawrence Seaway system? Will a lot more of our bulk commodities go to the United States by rail through Minneapolis and Duluth, or to Chicago? There is already potash going by rail from western Canada to Chicago, instead of coming by rail to Thunder Bay and then by water from Thunder Bay to Chicago.

Mr. Speaker, you as a westerner knows, as do all Members of this House, that we cannot hurt our commodity exports. We are involved in a very vicious fight in world markets.

I should like to conclude by asking the Minister once again to pull Clause 4 out of the Bill. I have been advised that I do not have the ability to move an amendment to have Clause 4 removed from the Bill, and so I would ask the Minister to do so in the interest of maintaining a viable shipping industry in this country.

I thank you, Mr. Speaker, and Members of the House for your patience.

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

Some Hon. Members: Question.

Mr. George Baker (Gander-Twillingate): Mr. Speaker,—

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander-Twillingate (Mr. Baker).

An Hon. Member: Oh no!

Mr. Baker: Thank you, Mr. Speaker. I had not—

The Acting Speaker (Mr. Paproski): Order, please. I should just like to remind Hon. Members that we are now in the second phase of Standing Order 36(2), which calls for 20-minute speeches, followed by a 10-minute question and comment period.

Mr. Baker: Thank you, Mr. Speaker. To be quite honest with you, I was not intending to say very much concerning this Bill—

Mr. Mazankowski: Prove it.

An Hon. Member: You now have a full glass of water.

• (1240)

Mr. Baker: Mr. Speaker, I might point out to the House that there are perhaps two things wrong with this Bill. The first is what is in it and the second is what is not in it.

The Hon. Member who just spoke was talking about Clause 4 of the Bill. Perhaps I could elaborate on it a little bit. This clause gives the Governor in Council the authority to make regulations respecting charges relating to services including aids to navigation, dredging, vessel traffic services, ice-breaking services and escorting services. The full implication of that will not become evident until this Government with its massive majority passes this Bill and the Minister of Transport (Mr. Mazankowski), under an obligation to the Treasury Board and the Cabinet, imposes the said charges as outlined in this Bill.

If this Bill passes, we can imagine that the following situation will arise: say that a fishing boat is out in the Atlantic 100 miles off the coast of Canada. Perhaps this boat has engine trouble, is stuck in the ice and needs to call the Coast Guard. The captain of the boat will first have to check to find out how much that will cost him. As well, when boats go out in the spring, ice-breakers normally precede them so that the vessels can be allowed out. That is not the responsibility of the Coast Guard as outlined in its regulations. However, it has always done so over the years because it was of assistance to the fishermen and their communities. All of a sudden, the Coast Guard will have to charge for the time of the ice-breaker. The Minister of Transport knows how much it costs to operate an ice-breaker for just one hour. It is quite a considerable cost. Because of this legislation, the Minister of Transport will be able to impose charges on Canadian fishermen.

Let us not forget that we should never discourage fishermen from checking with the weather office to find out what the weather will be like and we should never discourage them from asking for assistance if they need it. This particular clause of

the Bill gives the Minister or the Cabinet the authority to impose these charges which have never before been imposed.

Quite frankly, I would warn the Minister of Transport that he should check the Terms of Union between the Province of Newfoundland and the Government of Canada. I can assure the Minister that the Terms of Union indicate that these services will be provided without charge. In fact, through the Terms of Union, it becomes an obligation of the Government of Canada to provide these services free to Newfoundlanders. How can there be an Act of Parliament that gives the Governor in Council the authority to impose these charges? It is absolutely contradictory to the Terms of Union between the Province of Newfoundland and the Government of Canada.

Through this same clause, the Government will now be able to charge for dredging. That is quite something. Who is it going to charge? It is going to charge the provincial Governments, the boat owners or the fish plants and the industries? The dredging of a harbour is done for the use of the public, not only for the use of pleasure craft as pointed out by the Hon. Member a few moments ago. It is done for working people. How is the Government going to charge for this? Obviously it is to be done in the name of cost recovery. Perhaps the Department of Transport and the Department of Public Works which is selling its dredging machines will charge the Department of Fisheries and Oceans, another federal Government Department. Certainly these Departments cannot charge the public of Canada as this clause suggests.

The final point mentioned in this clause is escorting services. Why is the Government of Canada so anxious to charge a boat owner for being escorted into port if he has trouble at sea? A poor fellow with problems with his engine is going to be charged for the time it takes a federal government vessel to bring him into port. That should not be allowed to happen. That is ridiculous. The Minister might say that he will never do that but he wants the legislative authorization to do it. He should not have that legislative authorization.

The second part of Clause 4 is rather interesting. It reads:

Charges may be imposed pursuant to subsection (1) in relation to any ship or vessel, regardless of whether the Canadian Coast Guard actually provides a navigational service to that particular ship or vessel.

That is an interesting clause. Can you imagine charging someone for something you did not do, Mr. Speaker? Perhaps that part of the clause exists so that a boat owner may be charged if his engine starts while the Coast Guard vessel is on its way to get him.

Clause 4 goes on to indicate that interest may be charged on the amount outstanding from time to time. I would say that this clause is directed particularly at fishermen from eastern Canada. The Government can eventually bring fishermen to court on interest charges owed for help given in 1980. The clause also gives to the court authorization to collect the fee owing plus any charges owing. That is an incredible affront to the fishermen of eastern Canada.

At the same time as the Government with its massive majority, through the Department of National Revenue, is trying to make deals with every fisherman from Newfoundland for the repayment of some $14 million, the federal improvement loans that were guaranteed by the Government of Canada through the banks will no longer be honoured by the Government. On top of that, there is now to be a system of charging fishermen for other things. This will affect fishermen from British Columbia to Newfoundland.

Fishermen are now receiving notices from the Department of Fisheries and Oceans saying that loans made back in the late 1970s and early 1980s will no longer be guaranteed for a three-year period. On top of that comes this legislation.

Another very interesting part of Clause 4 indicates the following:

The Minister may enter into an agreement with the government of any province or any agency thereof for the collection of charges,—

Why would the federal Government enter into such an agreement with a provincial Government? The only reason I can see is that many of the services provided relate to provincial transportation systems like ferry systems. Although it is not normally its function, the Coast Guard provides ice-breaking services in British Columbia, Quebec and Newfoundland. There can now be a charge for that service. This clause enables the federal Government to enter into an agreement with the provincial Governments for the collection of those fees. Actually, the charges will be paid by the general public which travels to many islands off the Canadian coast.

As far as Clause 4 is concerned, it would contravene the Terms of Union between the Newfoundland Government and the federal Government if it can be enacted on the approval of the Newfoundland Government. It would not surprise me, from the way this Government gets along with the Newfoundland Government, to see that approval granted. Everything this Government does is approved by the Newfoundland Government. There are no disagreements. Everything is hunky-dory. The two Government are like peas in a pod. No matter what this Government does, it is agreed to by the Newfoundland Government. Perhaps it will get the agreement of the Newfouland Government to enact this, although I believe it is against the Terms of Union between the Province of Newfounland and the federal Government. That is what is in the Bill, Mr. Speaker, as far as absolute error of judgment on the part of the Minister of Transport is concerned who is being forced to do this by the Treasury Board.

• (1250)

What is not in the Bill, Mr. Speaker? Bill C-75 reads:

An Act to amend the Canadian Shipping Act and to amend the Arctic Water Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof.

I will tell you what is not in the Bill, Mr. Speaker. The Minister of Transport in introducing this Bill talked about the amendments which were being made as far as the safety of seafarers, workers and ships is concerned. The biggest disaster in Canadian shipping history in the past 10 years was the sinking of the *Ocean Ranger*. There was a royal commission which presented its reports to the federal Government and the Government said it was going to implement this and that

recommendation. It announced it was going to increase search and rescue in St. John's, Newfoundland. But all it did, Mr. Speaker, was to steal a helicopter from my riding. The Government stole a helicopter from Gander Search and Rescue and put it in St. John's to take care of the offshore. Then it found a fixed wing aircraft somewhere, either in Nova Scotia or in New Brunswick, and stuck that down there, and that was the Government's improvement in search and rescue service.

The Government said it made certain structural changes. It claimed it got together with the Newfoundland regulatory authority to achieve some sort of unity in its regulations. You see, Mr. Speaker, there were Newfoundland Government regulations, federal Government regulations under the Canada Shipping Act, the Canada Oil and Gas Lands Act and the Newfoundland Oil Directorate regulations. Then there were the U.S. shipping regulations. All of them came together in the case of the sinking of the *Ocean Ranger* and in the subsequent examination. An incredible number of recommendations were made by the royal commission.

This Bill talks about the Canada Shipping Act and the Oil and Gas Production Conservation Act. I would venture to say, Mr. Speaker, that the key recommendations made by the royal commission are not being followed in this particular Bill. The Minister said in his opening remarks that he was going to bring in further amendments later on next fall. But that is not good enough. Even when those changes are brought in, I just wonder whether or not the Government of Canada will actually do anything to prevent a similar disaster from occurring again.

When we read the *Ocean Ranger* report, we are struck by one fundamental fact. In examining the entire sequence of events, it boils down to the fact that there were people in the water who could not be rescued. That is incredible, Mr. Speaker. Most people who heard about the *Ocean Ranger* disaster actually believed that everyone was drowned in the rig and that the rescue vessels went out to look for them and could not find anyone. That is not correct. There were people who actually were in boats, in the water, and they could not be rescued. It is rather shocking to read that section of the report which talked about 20 or 30 men in a life boat, going towards this stand-by rescue ship, in waves up to 80 feet high, the men all shouting, and the rescue boat actually throwing a line to the vessel and trying it on to the rescue boat. There were 20 or 30 people alive in the boat and not one of them ever came ashore. Not one of them ever got into the rescue ship. We have to ask ourselves, Mr. Speaker, what was wrong.

When we look at the report we discover that what was wrong was that there were no regulations—and there still are none—under the Canada Shipping Act because it has no jurisdiction. It should have jurisdiction and it should be spelled out in this Bill but there is no regulation concerning the type of vessel which is used as a stand-by vessel for certain rescue purposes. The people could not get over the side of the rescue vessel because of the way the vessel was built. Those people could not get over the side because there was no mechanism to take them over the side, even if the boat had been built differently. We have this incredible disaster of 20 or 30 men in a boat, trying to get aboard a rescue ship and not being able to do so because there were no facilities on board, according to Canadian law or any other law, to make these rescue ships capable of saving the people who were in the ocean.

According to the reports there were men floating around with life jackets on in the middle of the night, with lights on, and they could not be saved. The Search and Rescue helicopters came out and they could not save them. That is the bottom line, Mr. Speaker. And the Government of Canada after receiving that report should have sat down with the Canada Shipping Act, with all of the regulatory bodies, and asked itself how it could prevent this from happening again. The federal Government should have sat down with the Newfoundland Government—

Mr. Forrestall: Three are 12 amendments, for God's sake.

Mr. Baker: The Hon. gentleman should read these reports and find out how many amendments were recommended. The Minister said he was going to bring in legislation with respect to extending the jurisdiction out to that area. As I was saying before I was so rudely interrupted, the federal Government should have sat down with the Government of Newfoundland. I am sure the Parliamentary Secretary will agree with what I am about to say. The regulations of the Newfoundland Government stated that there had to be x number of Newfoundlanders hired right off the bat in every branch of that operation offshore. And even before the disaster took place, there should have been some co-ordination as to where these people should be, who they should be and how we define the occupations. But paramount in the minds of both Governments should have been the question, what were the recommendations of the royal commission on the *Ocean Ranger* marine disaster as it relates to the Canada Shipping Act and to the other Acts with which we are dealing today.

The Minister brings a Bill into this House today amending the Canada Shipping Act but does not adopt the most important recommendation of the royal commission, which was to give some jurisdiction to that area. The Minister tells us he is going to bring it in next fall and I suppose it is better late than never but I wonder what the extent of his amendment will be. The Minister says he is now going to charge everyone for using rescue ships. Shame! He is going to charge people for using an ice breaker or rescue ship to meet a long liner. That is absolutely incredible.

You are about to cut me off, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired. He will still have 10 minutes for questions or comments after three o'clock.

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

At 1 p.m., the House took recess.

AFTER LUNCH

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

FERRIES

REDUCTION IN PRINCE EDWARD ISLAND SERVICE

Mr. George Henderson (Egmont): Mr. Speaker, the Prince Edward Island Truckers Associations is hopping mad. As of today, October 15, Northumberland Ferries Limited is tying up the M.V. *Confederation* for the winter. Reducing the number of runs between Wood Islands and Caribou, Nova Scotia, means a weaker link in our connection to the mainland. Businesses which transport goods on and off the Island do not need this. They are already at a competitive disadvantage with the Atlantic counterparts because of the ferries. Line-ups and long delays are not uncommon for Islanders who depend upon the ferries. Reducing the number of ferries just adds to those problems.

We need a consistent, reliable ferry service on Prince Edward Island. We do not need fewer crossings at a time when potato farmers are busy shipping their crop to markets in Newfoundland and Nova Scotia. Farmers do not have extra winter storage space. They count on getting their early crop to market in October and November.

This move does not help our farmers who are once again facing a bleak year. Potato prices have hit rock botton. P.E.I. farmers are getting 1.5 cents per pound, which is 4.5 cents per pound below the cost of production. They also depend on the ferries to bring in lime from Nova Scotia. The P.E.I. Government brings in salt from Nova Scotia for our highways. These are just a few examples of those who will be seriously inconvenienced by one less ferry on that run.

Northumberland Ferries Limited would operate the M. V. *Confederation* with two crews until late November if the Government would approve this necessary sailing and provide the funding.

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

* * *

TRADE

CALIFORNIA GRAPES—BOYCOTT CAMPAIGN

Mr. Rod Murphy (Churchill): Mr. Speaker, Cesar Chavez, Leader of the United Farmworkers of America, met with Members of Parliament today as part of his nation-wide tour, gathering support for a renewed boycott of California table grapes. At this meeting Members of Parliament from all three political Parties officially signed a pledge to join and support the boycott. I hope all Members of this House will take the lead in encouraging Canadians to support this cause.

We are asking Americans to enforce the law enacted in 1975 to allow farmworkers the right to unionize. Grape workers continue to be fired, coerced and abused by the corporate grape growers, and there have even been two union leaders killed. The boycott is also aimed at forcing grape growers to drop the use of pesticides which are dangerous to the workers, their families, and consumers.

To quote Cesar Chavez: "Farmworkers will never again be treated like agricultural implements to be used and discarded. We have tasted freedom and dignity, and we will fight to the end before we give it up. We have come too far and we have too much further to go to give up now!"

* * *

PROVINCIAL AFFAIRS

ALBERTA—PREMIER LOUGHEED'S RETIREMENT—CHOICE OF HON. DON GETTY AS SUCCESSOR

Mr. Gordon Taylor (Bow River): Mr. Speaker, it was a great weekend in Alberta. Thousands gathered in Edmonton to thank Premier Peter Lougheed and his wife Jeanne for years of dedicated service to Alberta and Canada. His record stands out conspicuously throughout our Dominion. His administration improved health services for all of the people, with emphasis on those for the mentally retarded. His program gave eastern Canadians oil and gas at prices which cost Alberta millions of dollars. He was a great Albertan and a great Canadian, and this House now wishes him and his wife many more years of happiness.

His replacement, Don Getty, who was raised in Montreal, educated in Ontario, went west with Margaret, his wife, in 1950 and chose Alberta as his home, was chosen as Alberta's next Premier. Flanked by his two opponents, either one of whom would have been an excellent Premier, Don Getty declared: "I'm happy to have you on my team". Thousands cheered. "We're going to listen to the grassroots", he continued. He will give agriculture and jobs top priority. "I will not soon forget the National Energy Program that crushed our growth and derailed our economy", he cried to the thunderous applause of the people.

A strong Alberta means a strong Canada, and Don Getty, a real man with high principles, will make sure Alberta's voice is heard and respected. He will add strength and teamwork to the national P.C. determination to build a strong and united nation. Long live Premier-elect Don Getty?

Some Hon. Members: Hear, hear!

S.O. 22

THE COMMONWEALTH

SUCCESS OF COMMONWEALTH PARLIAMENTARY ASSOCIATION CONFERENCE

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am pleased to inform the House that the 31st Conference of the Commonwealth Parliamentary Association held recently was a complete and resounding success. Held from October 2 to October 11 in Regina and Saskatoon, it attracted 250 delegates from 46 countries around the world. In representing some 10,000 parliamentarians and one billion people, the delegates worked to bring each country closer together toward the common good of mankind.

Amid the fabulous panorama that is Saskatchewan, many of the world's ills were discussed by this group of international legislators. Apartheid, drug abuse, electoral law practices, the debt crisis, and international currency fluctuations were but a few of the important problems under scrutiny at the Conference.

The image of modern-day parliamentarians was also investigated, and it was concluded that the M.P. must be more mindful of his or her commitment to constituents, rather than seeking to enhance his or her own image. We are the watchdog for the people, and although we are obliged to have some Party interests, they should not be at the expense of the people we represent. Those responsible for setting the agenda for this Conference are to be warmly congratulated. In this time of fractious relations between some countries, conferences such as this are the cement of international relations.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN CAPE BRETON, N.S.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise today under the provisions of Standing Order 22 to express my concern in the hope that the Government will take some action regarding the high unemployment rate on the Island of Cape Breton. On Friday Statistics Canada reported that this area had the highest unemployment in all of Canada.

One of the actions taken by the Government since it came to power was to close down two heavy water plants in Cape Breton, thereby throwing 750 people out of work. The Government has refused to provide much needed money for the Sysco modernization fund, previously agreed to by the provincial Conservative Government and the federal Liberal Government. The Government has terminated the decentralization program which would have provided a couple of hundred jobs in the City of Sydney. It has also made major cut-backs to the CBC budget, thereby nullifying its efforts in that area of Canada. It has also terminated the expansion of the coal industry on the Island.

All this Government has done is appoint an advisory committee, which has made 34 recommendations to the Minister of Regional Industrial Expansion (Mr. Stevens), which would pump in excess of $600 million into the economy of the Island for the fiscal year 1985-86. I hope that the Minister responsible, as well as the Minister of Employment and Immigration (Miss MacDonald), will take their responsibilities quite seriously and move on these recommendations forthwith. There is high unemployment in the construction and fishing industries, and—

Mr. Speaker: I have to advise the Hon. Member his time has expired.

* * *

HOUSING

SOCIAL HOUSING—FEDERAL-PROVINCIAL NEGOTIATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, as more and more Canadians fall below the poverty line, the Tory Government is moving to reduce its commitment to ensuring that all Canadians have equal access to decent, affordable housing. For a year now, the Minister of Labour (Mr. McKnight) responsible for housing, has carried on closed-door negotiations with selected groups concerning changes to the federal housing program.

Provincial Governments and others have leaked information showing that the consistent direction of the Minister's negotiations is toward handing over to the provinces much of the responsibility for social housing traditionally belonging to the federal Government. However, groups representing users of social housing, such as co-ops, tenants, and unions, along with Members of Parliament, have been excluded from these discussions with the Minister for many months. Recently in a letter to the Minister the Canadian Labour Congress demanded that he stop these secret and one-sided negotiations until he has put on the table some clear proposals and invited everyone in the public to comment.

Does the Minister intend to opt out of all social housing programs? If not, which ones? Will he maintain and enforce standards of housing supply in all provinces and territories? Will he reaffirm the federal Government's commitment to funding assistance to all parts of Canada for rent geared to income housing, co-op and non-profit housing, native peoples' housing, and home owners' mortgages?

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

* * *

[*Translation*]

BANKS AND BANKING

MONITORING OF BANKING INSTITUTIONS

Mr. Gabriel Fontaine (Lévis): Fortunately, Mr. Speaker, the collapse of the Canadian Commercial Bank and the Northland Bank did not set off the chain reaction Opposition Members were predicting.

However, Mr. Speaker, we should consider those two unfortunate events as an opportunity to take stock of the situation and introduce mechanisms that will preclude further occurrence of this kind in Canada's economy.

About sixty new banks have been established in recent years. Relevant legislation was never passed and was not in place to anticipate the results we have seen in recent weeks.

On the basis of those events, our Government has ample justification for adopting new provisions to strengthen the supervision of our banking institutions.

Mr. Speaker, we must conclude that the efforts of the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) as well as the solidarity shown by our major banks last week were successful in stemming the incipient psychological panic that might have harmed two more banks for purely artificial reasons.

● (1410)

Congratulations to the Minister of Finance, the Minister of State for Finance and our major banks!

Depositors can stop worrying and our banks will continue to be safe and secure for both Canadians and non-Canadians.

* * *

[*English*]

TRADE

SUPPORT FOR CANADA-UNITED STATES NEGOTIATIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on September 26 the Prime Minister made a historic announcement to express Canada's interest in pursuing a new trade agreement with the United States. Trade has been critical to the livelihood of Canada. One-third of what we produce is exported, yet our share of world trade is declining, and this means a loss of jobs.

We want to turn this trend around, Mr. Speaker. My Government's highest priority is job creation through economic renewal. I applaud the Government for this courageous initiative which is not without risks. The Macdonald Commission on the economy said: "Instead of weaknesses, we found substantial areas of strength in Canadian manufacturing. Canada has proved its industrial capacity at the level of the individual firm and the subsector, even in sectors that normally run a deficit in U.S. trade. Thus Canada would be likely to achieve substantial benefits from more open trade, even in our manufacturing sectors".

The Canadian Manufacturers' Association recently stated that more than 475,000 new manufacturing jobs have been created in Canada over the past 20 years and that all but a handful can be attributed to our expanding export trade. It is clear that we must negotiate with the U.S. to find special and direct means of securing and enhancing the $155 billion of trade which we enjoy with the United States.

S.O. 22

YOUNG OFFENDERS ACT

SUGGESTIONS FOR AMENDMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to say a few words about the Young Offenders Act. This piece of legislation came into effect during the last Parliament, part of it in 1982 and another part about a year ago. I consider it, as I believe most Canadians do, to be a great reform and it had the unanimous support of this Parliament when it was passed. However, I certainly would not want to give the impression that I think the legislation is perfect. I know that there have been some criticisms of it, but a lot of them are not well founded. They are really as a result of problems created by provincial Governments failing to implement the parts of the legislation which are under their jurisdiction. However, if some of the interpretations of the courts which have heard certain cases are right, they indeed suggest that the law should be amended.

The Government has had two Solicitors General now, both of whom have indicated that they are studying the law and consulting with the provinces about it. I think it is time for that process to be completed in order that full public confidence in that legislation can be established. I think that the present Solicitor General (Mr. Beatty) should let the House and the Canadian people know what shortcomings he sees in the legislation. If there are any, he should introduce amendments to correct that legislation.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—EFFECT ON FORESTS

Mr. John Oostrom (Willowdale): Mr. Speaker, acid rain and other air contaminants have been killing some forests in the eastern United States as suddenly and drastically as they have wreaked havoc on the famous Black Forest in Germany, according to American scientists. Dr. Hans Marten, senior adviser to the Canadian Acid Rain Research Program, said such findings in the United States are very worrisome for Canada.

Though the effects on our forest, have been minimal when compared to the deterioration of the forests in the Adirondacks, our stands of maple are showing symptoms of decline. Over the past several years there has been a serious decline in the production of maple syrup. Research indicates that there is a direct correlation between the increase in acid rain and the decrease in maple syrup production.

The maple syrup sugar industry is a component of our economy upon which hundreds of jobs depend in areas where it is produced. Maple syrup is part of our culture and our history. It marks the coming of spring. The Government must do everything possible to solve the acid rain problem or we will lose not only our forests and lakes, but also part of our heritage.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

FULL-TIME AND PART-TIME JOB STATISTICS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I was going to address my question to the Minister of Employment and Immigration, but I will address it to the Minister of Finance. The unemployment statistics released on Friday clearly indicate that there has been a decline, by 24,000, in full-time jobs, and an increase, by 47,000 in part-time jobs which, by the way, has been an ongoing trend for several months. Will the Minister explain to the House why his Government is so willing to accept this exchange of low paying part-time jobs for full-time jobs? Is that what his leader meant when he was promising "jobs, jobs, jobs" during the election campaign?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, at the time of the election we promised 300,000 "jobs, jobs, jobs". That is pretty good for a full year.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We would have been happier if they had been full-time jobs, but I ask the Member to cast his mind back. About three months ago there was a sharp increase in full-time jobs and a drop in part-time jobs. I do not recall the Member asking a question at that time.

EMPLOYMENT OF WOMEN

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my supplementary question is directed to the Minister of Employment and Immigration. The trend has been toward a greater percentage of part-time jobs. Those statistics released on Friday indicated that the 24,000 full-time jobs which were lost were almost entirely those of women. Of the 47,000 new part-time jobs, 45,000 were taken up by women. Why is the Minister and her Government satisfied with having women move from full-time jobs to low-paying part-time jobs? Is that what she promises to the women of this country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the continuing trend has been toward a decrease in unemployment for the last six months.

Mr. Allmand: Part-time jobs.

Miss MacDonald: That has been an ongoing decrease.

Some Hon. Members: Hear, hear!

Miss MacDonald: With regard to part-time employees, Mr. Speaker, we have found, through analysing this situation and questioning people about it, that those who are seeking part-time work are doing so in large measure because they also want to return to school and to training.

Ms. Mitchell: Come on.

Miss MacDonald: For that very reason, Mr. Speaker, we introduced,—

Ms. Mitchell: You know better than that.

Miss MacDonald: —for the first time, training allowances for people who are working part-time. That applies particularly to women who will benefit under this new program.

WALLACE REPORT INQUIRY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Minister has now confirmed that she is willing to live with this very bad trend away from full-time work to part-time work. If she is willing to accept that, when is she going to announce the implementation of the recommendations of the Wallace Report on part-time work which would guarantee pensions and other important fringe benefits for part-time workers?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I mentioned, we have implemented training allowances for those who are working part-time and who are attending school or training programs part time. That became beneficial for 21,000 people in the last month and for some 170,000 over the last year. Those people are able to improve their situation because they are now able to enroll in part-time training and to benefit themselves by becoming more productive as a result of that training and the training allowances they now receive.

* * *

[*Translation*]

EMPLOYMENT

SITUATION IN MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Regarding unemployment, our major concern in Quebec is that Montreal's industrial base is being eroded to the point of no return, and that the Government is doing very little to stop the process.

The Minister of State (Transport) has refused to make a commitment to provide locomotive contracts for Bombardier. The Minister of Energy, Mines and Resources has refused to guarantee funding for Motoco to purchase Gulf, which would protect jobs. I therefore wish to ask the Minister whether she is relying on her part-time employment policy to replace the thousands of full-time jobs now being lost in the east end of Montreal.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am very happy to say that the number of jobs created in Montreal last year was over 50,000.

• (1420)

IMPORTANCE OF CREATING FULL-TIME JOBS

Mr. Jacques Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker.

The Minister fails to realize that part-time jobs are being created while every day, full-time jobs are being lost. I would like to ask the Minister to come down from her ivory tower and explain to the House whether she has a specific plan to stop the erosion of Montreal East's industrial base. If she does, could she provide details of that plan now and right away?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am pleased to say I often have a chance to visit Montreal, and from time to time I spend a few weekends in Montreal to discuss the problems of the unemployed with certain people in that city, and I intend to continue to do so.

* * *

[*English*]

APARTHEID

POLICY ON SANCTIONS AGAINST SOUTH AFRICA

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. How can Canada take a strong position on economic sanctions against South Africa at the Commonwealth Conference this week and persuade the United Kingdom to take a strong position when its own policy is so weak, when it supports only voluntary sanctions that business appears to be ignoring entirely and that require no economic sacrifice on our part?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only do I not agree with the Hon. Members, characterization of the policy of the Government of Canada on South Africa, she did not agree with it when I announced that policy some two or three weeks ago.

GOVERNMENT POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I encouraged the Minister in his policy statement several weeks ago and urged him to see that the private sector went along with the intentions of the Government of Canada. The private sector, as the Minister knows, is totally ignoring the policy of the Government of Canada. An instance in British Columbia came to light the other day.

Will he restore the credibility of his position on sanctions against South Africa by admitting that the voluntary process is not working and we will turn to mandatory economic sanctions?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it may be that some Members of the House are so committed, as a matter of principle, to state action as against voluntary action that they will not give the voluntary process a chance to work. The evidence is that there has been remarkable voluntary support by the business community, by the labour community and other Canadians for the position that has been taken by the Government of Canada with respect to South Africa.

The Hon. Member makes general reference to a particular case in British Columbia. I presume that is the one she raised with me in the House the other day. By now she should have received a letter from me indicating the full details and background of that case which indicate that, in effect, there is no inconsistency with the policy of the Government of Canada. There is no danger of the export of Canadian computers to a sensitive industry in South Africa. That will not occur.

Ms. Jewett: Yes, I was referring to that exact MacDonald Dettwiler case. However, I did not want to take the time to go into it here.

IMPLEMENTATION OF POLICY

Ms. Pauline Jewett (New Westminster-Coquitlam): The fact is that the Government did not object to what MacDonald Dettwiler was doing. It did not ask it to postpone or call off the trip from the branch of Armscor in South Africa trying to do business with a Canadian firm. In fact the Minister did not object.

I ask the Minister to stop kidding us about objecting. He does not object. Will he now object to Canadian business doing business with South Africa? Will he admit that it should not be doing business with South Africa? Will he encourage sanctions at the Commonwealth Conference?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for a case that the Hon. Member did not want to raise in the House of Commons, she is pursuing it with considerable vigour and considerable inaccuracy. She knows the facts. I gave her the facts in a letter. She must have them in her hands.

Ms. Jewett: I do indeed.

Mr. Clark (Yellowhead): She knows that the policy announced by the Government of Canada would stop the export of that kind of computer to South Africa.

Ms. Jewett: There is no policy at all.

Mr. Clark (Yellowhead): That was not the case before our policy was introduced. That is the case now.

[*Translation*]

BANKS AND BANKING

REQUEST FOR CLARIFICATION OF MERCANTILE BANK SITUATION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, since the Minister of Finance is in the House, I would like to ask him a question about the Mercantile Bank. It is common knowledge that the Government's incompetence in its abortive attempt to rescue the Canadian Commercial Bank has led to liquidity problems at the Mercantile Bank, for one, and considering what we are reading in the newspapers, I would like to ask the Minister of Finance, who said before leaving on a trip that he was completely in control of the situation, what is actually happening at the Mercantile Bank.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member has a specific question I would be happy to respond. However, the Hon. Member can read the newspapers. He knows that statements have been made by the Mercantile Bank. It is making these statements as a private sector institution, and I will let those statements stand on their own.

[*Translation*]

FUTURE OF MERCANTILE BANK

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a supplementary. As I understand it, the future of Canada's banking system no longer concerns the Minister and it is up to the financial institutions to make decisions that will affect thousands of depositors. What is the real situation today at the Mercantile Bank? For instance, does the Minister of Finance agree with the suggested amalgmation with Citibank and its Canadian branch, to make it a Schedule B bank?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, now that the Hon. Member has put a specific question, I will give him an answer. He is speculating on the result of some actions that might be forthcoming from the decisions being taken by the Mercantile Bank. That is speculation at this point in time and I caution him not to jump to conclusions based on speculation arising out of street talk.

POSSIBLE TAKEOVER

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is also directed to the Minister of Finance. He will be well aware that a United States merger firm has been commissioned to find a buyer for the Mercantile Bank. Is he prepared to suspend the provisons of the Bank Act to allow a foreign bank to take over this small Canadian regional bank?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would give the Hon. Member the same response. He is reading the papers and drawing some conclusions out of speculation that is arising from rumours. I ask and caution him not to draw any conclusions arising out of that speculation.

BANK ACT PROVISIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am asking the Minister for the policy of the Government. We have been told time and again that the Bank Act cannot be changed in order to provide us with a list of depositors. However, we now discover that to enable a foreign bank like Citibank to take over Mercantile, it would require ignoring the provisions of the Bank Act. Is the Minister of Finance prepared to ignore the provisions of the Bank Act to allow this acquisition to take place?

Hon. Michael Wilson (Minister of Finance): First, Mr. Speaker, what acquisition are we talking about? As I said in my previous answer, the Hon. Member is responding to speculation that is coming out of rumours on the street. The Hon. Member should know that there are many rumours floating around these days and some of them are totally untrue.

CANADIAN COMMERCIAL BANK—MINISTER'S LETTER TO SHAREHOLDER

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. On August 9, having received the interim Hitchman Report, the Minister wrote to a shareholder of the Canadian Commercial Bank, saying: "The liquidity requirements of the CCB are being met by the Bank of Canada. Such liquidity will be continued . . . until full confidence in the bank is restored". Will the Minister tell the House why the Government flip-flopped and closed the bank two weeks later?

• (1430)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there was no flip-flop.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I have told the Hon. Member before that all facts will be coming forward in a judicial inquiry and that other facts will be coming forward in committee on the Bill which is now before the House. When those facts become available, I suggest the Hon. Member will be quite pleased.

MINISTER'S ASSURANCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the Minister of Finance. The assurances of the Minister of State for Finance on August 9 were unequivocal. Shareholders and depositors alike hung in because of them. Why, then, did the Government not live up to these assurances?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my colleague, the Minister of State for Finance, has responded quite adequately to that question. At that time she said that the liquidity of that bank would be maintained. It was maintained until we took the decision on Labour Day weekend that the bank was no longer viable. I am sure the Hon. Member would agree with me and say that we should not maintain in existence a bank which is no longer viable.

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ST. LAWRENCE SEAWAY

WELLAND CANAL BLOCKAGE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. It concerns the unfortunate accident on the Welland Canal. How long is it estimated that the canal and the system will be shut down? More important, given that the President of the Seaway Authority indicated that the Seaway is beginning to show its age, what steps will the Minister and the Government take to ensure that the canal, as well as other structures along the Seaway, will remain structurally sound and therefore safe?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, unfortunately I am not in the position as of now to give the Hon. Member the kind of information he wants. The extent of the damage is still being assessed. I will be meeting with the president of the Seaway this afternoon. There are four engineers and contractors on site. I expect to have a preliminary report this afternoon. As well, the president of the Seaway Authority will be meeting with the users tomorrow to discuss further actions. Perhaps by that time we will have a better idea of the extent of the damage and the length of time which will be required to repair Lock No. 7.

CONDITION OF LOCKS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, setting the accident aside, is the Minister prepared to commit the necessary capital funds to ensure that all locks remain in a usable condition for the next 20 years?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would certainly like to give the Hon. Member that assurance, but I am sure he would understand that it would be premature for me to undertake what he is suggesting. I urge him to wait for an accurate assessment of the damage. I will be glad to confer with him upon ascertainment of those facts.

* * *

INCOME TAX

TAXATION OF FARMERS' INCOME

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of National Revenue. As the Minister knows, western Canadian grain producers often receive cash advances in the fall and grain is subsequently delivered in the next taxation year to cover the cash advances. As there is some confusion on this point among Canadian farmers, could the Minister clarify which is taxable? Is it the cash advance that is taxable, or is it the grain which is delivered the next taxation year?

Hon. Elmer M. McKay (Minister of National Revenue): Mr. Speaker, for the benefit of my colleague and the House, the Department's position is that for taxation year 1985 and subsequent taxation years, farmers are only required to report proceeds from the sale of crops in the year in which the sales actually take place. The 1985 Farmers' Guide, which will be available in December, will clearly set this out to remove any uncertainty that presently exists.

* * *

AGRICULTURE

SUGAR-BEET INDUSTRY—STABILIZATION PAYMENTS INQUIRY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the desperate state of the Canadian sugar-beet industry and a stabilization payment for the 1983 crop year. For the first time in 60 years there is no crop due to market conditions. The Minister indicated in a letter a couple of weeks ago that there would be no stabilization payment for 1983, yet the Government House Leader in the Senate indicated last week that the matter would go before Cabinet for a decision. Could he indicate which decision will prevail, which one is factual, and which one is retractable?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member will know that the Government is very concerned about the future of the sugar-beet industry, particularly in view of the fact that we have growers left in only three provinces. The Hon. Member should know that we took immediate action to provide some financial incentive to the producers of the three provinces. It was not picked up by the Province of Alberta. However, as he knows as well, Cabinet is giving very active consideration to further assistance for the industry. At this point in time I am not in a position to indicate to him exactly what the final decision will be.

GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, could the Minister explain why he has cancelled five meetings since the first of the year with sugar-beet producer groups? Could he clarify exactly whether or not a 1983 crop year stabilization payment will be made? The Minister has indicated that it will not be made, and the Government House Leader in the Senate has indicated that this matter is up for consideration by Cabinet. Can he indicate whether or not a stabilization payment will be made for the 1983 crop year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not know whether there was some misunderstanding or misinterpretation of my remarks. I cannot recall at any time ever giving an indication that a 1983 payment would not be made.

Mr. Foster: I have it in a letter.

Mr. Wise: At the moment it is being considered in the over-all package which would provide some benefit to ensure the retention of the sugar-beet industry.

* * *

CANADIAN DEVELOPMENT INVESTMENT CORPORATION

DIVESTITURE COMMITTEE MEMBERS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Three of the seven members of the CDIC divestiture committee are tied to the Brascan group, the company which is trying to buy 15 per cent of the Canada Development Corporation. Will the Minister request that these three members resign in view of the conflict of interest their Branscan ties create for a body which is shaping how the CDC is to be privatized?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the Hon. Member for Essex-Windsor, rather than ask for resignations, I ask him to identify for the House where exactly the alleged conflict of interest exists. If he cannot identify that conflict of interest, he should resign himself.

Some Hon. Members: Hear, hear!

MANAGEMENT DEBATE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I simply hope the Minister will do likewise if I demonstrate this conflict of interest.

Some Hon. Members: Hear, hear!

Mr. Langdon: We have a conflict publicly between CDC and CDIC about the independence of CDC management. Why can the Minister not see that allowing CDIC to debate in public with CDC is very much a conflict of interest, when three of the members of the CDIC divestiture committee are key players in the Brascan group which is trying to take over CDC?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in answer to the Hon. Member, one wonders should we have entrusted to such Members our legislative committee procedure? The fact is that witnesses appeared before the committee and discussed exactly what the Hon. Member is raising in the House. Rather than be responsive to such an open approach, the Hon. member suggests that the mere fact they entered into the discussion to which he alluded indicates a conflict of interest. What absolutely tommy-rot!

* * *

● (1440)

EXTERNAL AFFAIRS

TAIWAN—NATIONAL DAY CELEBRATION—MINISTER'S ATTENDANCE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. Will the Secretary of State for External Affairs inform this House who authorized the Minister of National Revenue to represent the Canadian Government at the National Day celebration of Taiwan?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question of authorization for a Minister to attend a domestic event in Canada is really not at issue.

An Hon. Member: A multicultural event.

Mr. Clark (Yellowhead): The precaution taken by the Minister of National Revenue was to check with the appropriate Department of Government, the Ministry of State for Multiculturalism, which assured him that the group sponsoring the meeting was a group which represented a broad cross-section of Canadians of different origin.

[*Translation*]

REPUBLIC OF CHINA—CANADIAN POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, could the Minister explain to the House why there was no one in this Government who could inform the Minister in question that it was the National Day of Formosa, and furthermore, does the Minister intend to send apologies to the Government of the People's Republic of China?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no need for sending apologies to the Government of the People's Republic of China or any other government. In fact, direct contract was made by the representative of the Government of China with the Canadian Government. There were no representations from the Government of the People's Republic of China. It is a matter of position. It is not a matter that concerns relations between Canada and China. If the Liberal Member still wants to stir up a controversy where there is none, well that is up to the Liberal Party, but there is no basis for the allegations made by the Hon. Member for Bay Street.

[*English*]

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Gauthier: Mr. Speaker, on a point of order—

Mr. Speaker: Order. References by one side to Members on some basis other than their constituencies are just as out of order as references from the other side misnaming Ministers.

Let me suggest to all Members that the practice be stopped by both sides.

* * *

[*Translation*]

INDUSTRY

DONAHUE REQUEST—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): I have a question for the Minister of Regional Industrial Expansion.

Is the Government prepared to accede to the request by the Donahue Company in Clermont, near Quebec City, for a subsidy of $16 million to help the company modernize its facilities and thus maintain some 300 jobs in the face of international competition?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in response to the question from the Hon. Member for Ottawa-Centre I can only tell him that, in due course, if it appears appropriate to provide such assistance to the company he has referred to, it will of course be done. In the meantime the Government has no advice to offer the Hon. Member on this particular matter.

[*Translation*]

MAINTENANCE OF QUEBEC'S POSITION IN NEWSPRINT PRODUCTION

Mr. Mike Cassidy (Ottawa Centre): My supplementary is as follows: Does the Government believe it is important for Quebec to maintain its position on the world market as a producer of newsprint? If so, is the Government prepared to provide some leadership in this area and find a way to modernize Donahue, or are you going to let this matter deteriorate until all the people of Quebec start putting pressure on the Government as they did in the Domtar case?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member knows the circumstances surrounding the Donahue plant: the provincial Government involvement and the involvement of *The New York Times*. If he were to take the opportunity quietly to weigh all of the circumstances, he might frame his question in a different way.

[*Translation*]

TRADE

RESTRICTION ON ENTRY OF CANADIAN TECHNICIANS TO UNITED STATES TO SERVICE EQUIPMENT SOLD TO UNITED STATES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I have a question for the Minister for External Trade.

As a result of charges brought before the courts in California, Canadian workers and technicians may no longer enter the United States to instal and repair Canadian commercial and industrial equipment.

In my riding, Verville Incorporated, whose main customers are in the United States, cannot send its technicians to service their equipment.

Does the Minister intend to take the necessary action to clear up a situation that is causing a crisis in our Canadian industry?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that where a contract was entered into prior to August 28, 1985, technicians will continue to enter the United States without any problem.

With respect to those contracts entered into subsequent to August 28, 1985, as a result of representations to the Attorney General of the United States, an appeal has been launched for a temporary staying order to the Ninth Circuit Court of Appeals, and we expect a decision on that this week.

* * *

[*Translation*]

IMMIGRATION

REQUEST THAT REFUGEES DETAINED IN MONTREAL BE RELEASED

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Three weeks ago, departmental officials promised to facilitate the release of a number of refugees in Montreal who have been under detention for several months, without cause, and now that promise has been withdrawn, on the pretext that the refugees would fail to appear at their inquiry.

Could the Minister inform the House whether she intends to make use of her discretionary powers to have these people released as soon as possible?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there are ongoing discussions between the officials and the individuals concerned in the City of Montreal. I shall take notice of the Hon. Member's representations for the Minister of State for Immigration.

[*Translation*]

REQUEST THAT DETAINEES BE RELEASED BY 3 P.M.

Mrs. Lucie Pépin (Outremont): I have a supplementary, Mr. Speaker.

The deadline given was today at 3 p.m. Could the Minister inform the House whether she will be able to release these people as requested, by three o'clock this afternoon?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I said in my earlier response, I shall take the representations of the Hon. Member to the Minister of State for Immigration.

* * *

[*Translation*]

TEXTILE INDUSTRY

CLOSING OF TEXTILE PLANTS AT SAINT-JEAN AND VALLEYFIELD—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion.

Last week, the Minister of State for Small Businesses informed the House that the closing of textile plants at Saint-Jean and Valleyfield was a matter that concerned the private sector and not the federal Government. My question, Mr. Speaker, is as follows:

Is the Government going to act responsibly and become involved in this decision, since it has already invested $2.6 million in modernizing these plants?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the question of the Hon. Member, let me say that I feel that he has read something additional into my colleague's answer of last week.

I listened to the answer most attentively, and I think he gave a full and fair answer to the question that was put to him.

Ms. Jewett: In other words, he doesn't know.

[*Translation*]

EMPLOYMENT—IMPORTANCE OF GOVERNMENT AID

Mr. Lorne Nystrom (Yorkton-Melville): In that case, Mr. Speaker, would the Minister not agree that this Government funding, and I mentioned $2.6 million, would justify the Government's intervening to ensure that the 850 workers in these industries are not laid off?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in answer to the Hon. Member, let me say I think it is totally wrong to read into what my hon. colleague said last week that in some way there is not concern on the part of the federal Government in this regard. We have been having ongoing discussions with management concerning this matter and with the provincial Governments.

We have indicated that we want to work out, not just for the short term but for the longer term, an appropriate textile policy in Canada to ensure the viability, not just of such plants as the Hon. Member has referred to, but the industry in general.

What we would really appreciate is a little more co-operation from his Party in this connection.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

TRADE

TEXTILE INDUSTRY IN NOVA SCOTIA—MINISTER'S STATEMENT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister for International Trade. Last Thursday the Minister made the statement that in Nova Scotia there was no textile industry. In fact, Mr. Speaker, there are 3,000 Nova Scotians employed in the textile industry.

Will the Minister indicate to the House how Canadians in that province can expect a fair deal from the Government's handling of the free trade issue, when one of the Ministers charged with the responsibility of that file has made such an irresponsible and incompetent statement?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am quite prepared to admit that I was in error in making that statement.

Some Hon. Members: Hear, hear!

• (1450)

Mr. Kelleher: There is indeed a vibrant textile industry in Nova Scotia. I certainly apologize to our former Leader, Mr. Stanfield, and his family business.

Some Hon. Members: Oh, oh!

Mr. Kelleher: I certainly apologize to my friends in Nova Scotia and the Hon. Members from that province.

Some Hon. Members: Hear, hear!

REQUEST FOR MINISTERIAL ASSURANCE

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I thank the Minister for his partial apology.

Some Hon. Members: Oh, oh!

Mr. Dingwall: Would he apologize to the workers in Yarmouth, in Bridgetown, in Windsor—

Mr. Speaker: Question, please.

Mr. Dingwall: Would the Minister give his personal assurances to the workers in Windsor, Truro, Yarmouth and Bridgetown that their economic interests will be treated equitably and fairly in all subsequent talks on the free trade issue?

Hon. James Kelleher (Minister for International Trade): Absolutely, Mr. Speaker.

* * *

CO-OPERATIVES

GOVERNMENT RESPONSE TO TASK FORCE REPORT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have a question for the Minister responsible for co-operatives, a Minister who undoubtedly does not need to be told that this week has been designated National Co-operative Week. The Government has been in office more than a year but has not yet issued a response to *A Co-operative Development Strategy for Canada*. What can the Minister tell us about plans to issue a substantial response to that report which was issued in May, 1984?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I thank the Hon. Member for his question. Co-operatives truly are an important part of the Canadian economy.

In direct answer to the Hon. Member's question, we have been working very closely with the co-operative sector developing a response to the task force report. I am happy to have the chance to announce that on Friday the federal Government will be hosting the first ever federal-provincial meeting of Co-operative Ministers in Regina as a way of getting input from the provinces into what precisely should be our response to the task force report.

REQUEST THAT CO-ORDINATING AGENCY BE ESTABLISHED

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, meetings are useful as far as they go but mechanisms are far more important. Does the Minister have plans to create a substantial co-ordinating agency within Government to bring the various activities of Government together to ensure that there really is a co-operative development strategy operating with the encouragement of the Government?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we are interested in doing whatever we can to assist the co-operative sector to develop and have a fair chance at Government programs just like every other sector. We have worked very closely with the co-operative sector and it has been my experience that it has been much more impressed with a good response than a quick response. It is my understanding that it is not at all interested in having another layer of bureaucracy. It is interested in having programs that are co-ordinated and do the best for the co-operative sector. That is exactly what the Government intends to do.

* * *

EXTERNAL AID

MEDICAL IMMUNIZATION OF CHILDREN—CANADIAN COMMONWEALTH INITIATIVE

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is directed to the Minister for External Relations. We understand that the Prime Minister, in a speech to the Commonwealth Press Union this morning, has pledged $25 million over the next five years to assist developing Commonwealth countries to achieve total immunization of their children by the year 1990. Would the Minister tell the House what the projected scope and benefits of this initiative will be? In particular, given the past commitment of the Secretary of State for External Affairs to increased non governmental organizations' involvement in foreign affairs, will NGOs be expected to play a role in this latest initiative?

Ms. Jewett: That's a plant if there ever was one.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, the NGOs will indeed have a major role to play within this immunization campaign, whose objective is to immunize all children throughout the world by 1990. I am proud to be administering this program, through CIDA.

As Hon. Members are no doubt aware, tomorrow, October 16, marks the tenth anniversary of the eradication of smallpox. Our Prime Minister and his Government have announced a $25 million immunization program over five years, which annually will save the lives of five million children suffering from these diseases—

Mr. Speaker: Order, please! The Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

* * *

[*English*]

NATIONAL REVENUE

GULF TAKEOVER—TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the Minister of Finance. Does the Minister agree that Canadians are entitled to know exactly how much money they have contributed in order to facilitate the acquisition of Gulf Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would assume that that is a question that the Hon. Member would like to answer himself. I think I know what he is driving at here. There has been speculation about a tax ruling and the Hon. Member knows, as a tax lawyers, that neither I nor the

Minister of National Revenue are allowed to comment on particulars of a tax ruling according to the law. If the Hon. Member is asking me to break the law, then I would like him to say that.

AMOUNT INVOLVED

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, is the Minister telling us that disclosing the amounts involved in the ruling is breaking the law without disclosing the ruling itself? He said that he would not disclose the ruling. He has said that a number of times in the House, as has the Prime Minister and others. I am simply asking the Minister to tell us how much money was involved in the ruling so that Canadians will know how much they have contributed.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I put the same question to the Hon. Member that I put in my previous response. If he is asking me to break the law, let him say so. If he wants to have the law changed, let him make a proposal to change the law. Right now, under the law of Canada, neither I nor anyone else, as the Hon. Member knows as a former tax lawyer, would be able to comment specifically about any tax ruling, whether it relate to the Hon. Member as an individual taxpayer or to any corporation as a corporate taxpayer.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister for International Trade. I think the people of Nova Scotia will accept his apology with regard to the remarks he made while he was in the province. However, how can the people of Canada feel confident about a Government negotiating on their behalf when it makes such a fundamental error?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I think I have already answered the question. I believe that my apology stands and I have given my assurance that the industry will certainly be given every consideration in whatever negotiations take place between Canada and the United States.

CANADIAN POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the same Minister. Would the Minister's gaffe of last week not make it further necessary for Canadians to know exactly that position the Government is taking into the negotiations? Is that not something all Canadians must know?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can assure the Hon. Member that most of Friday in Halifax was taken up discussing with the provinces their involvement in these negotiations. I am satisfied that the provinces feel that they will be fully consulted, and that will certainly take care of the problem to which the Hon. Member has referred.

* * *

GOVERNMENT EXPENDITURES

MINISTER'S AFRICAN JOURNEY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Deputy Prime Minister and relates to the one-month African safari taken by the former Secretary of State. With regard to the $100,000 cost of Government aircraft alone, the Minister said the following over the weekend:

> I would do exactly the same. I make no apology whatsoever.

I find this statement not only arrogant but callous and immoral. Does the Deputy Prime Minister support the Minister's profligate spending habits? Does he not agree that it would have been preferable and more humane to give $80,000 to the relief agencies in Africa that are helping Africans overcome the battle against famine? Does the Deputy Prime Minister not agree that that would have been the moral solution?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered a similar question last week. I would point out to the Hon. Member that he is the last person to be speaking about a matter such as this, being a supporter of a Party which was previously in Government and expended 37.5 per cent more on government aircraft than this Government in a comparable year. That is a statistic that I would like the Hon. Member to explain regarding the operations of the previous Government.

Some Hon. Members: Shame!

• (1500)

Mr. Marchi: Mr. Speaker, the only shame is for the Deputy Prime Minister not to have the courage—

Mr. Speaker: Order.

REQUEST THAT TRAVEL DOCUMENTS BE TABLED

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to ask the Deputy Prime Minister, if he is talking about courage and legitimacy, if he has the moral courage and obligation to table in this House all documents referring to the expenses not only of the Minister, but of his wife and aide, while they were trucking across Africa for one month? Let Canadians decide if those expenditures were legitimate or illegitimate. Does the Deputy Prime Minister have the courage?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is not a question of courage. If the Hon. Member paid the same attention to processes

which are available to him and to the general public in order to obtain that information which is freely available, as he did the Question Period today when speaking of aid to foreign countries—he seems to have completely missed the $25 million which has been expended on global immunization programs in favour of the kind of questions he is asking—he would find that the information is available. The Hon. Member should know the processes to obtain it.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, October 11, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

Mr. Speaker: Presenting reports from Standing, Special or Legislative Committees. Tabling of documents. Statements by Ministers.

I take it Hon. Members have just noticed that we have gone through three items, have they?

Mr. Gauthier: We didn't hear you.

Mr. Speaker: Order, please. I will now revert back. I am trying to make a small point today, if I may. Neither the Minister, who is waiting to table a report nor the Hon. Member who is waiting to present a report, could hear the item being called, even though it is amplified. That is not their fault, it is the fault of the rest of the House.

Mr. Prud'homme: Thank you, Mr. Speaker, for your understanding. It is true we could not hear.

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COMMITTEES OF THE HOUSE

MANAGEMENT AND MEMBERS' SERVICES—THIRD REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): I have the honour, Mr. Speaker, to present the third report of the Standing Committee on Management and Members' Services.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—THIRD REPORT OF STANDING COMMITTEE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I have the honour to present the Third Report of the Standing

Committee on Indian Affairs and Northern Development in both official languages.

If the House gives its consent, I intend to move concurrence to the report later this day.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

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DEPARTMENT OF JUSTICE

TABLING OF ANNUAL REPORT FOR 1984-85

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have the honour to table the annual report of the Department of Justice for the year 1984-85 in both official languages.

* * *

PETITIONS

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition signed by people from Prince Edward Island in which they state that the deduction of pension benefits from the unemployment insurance benefits would seriously interfere with the efforts of the employees and the community to create employment via early retirement pension packages. In their petition, the petitioners ask that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

PROPOSED CHANGES TO YOUNG OFFENDERS ACT

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I have the honour to present a petition gathered by citizens of Surrey-White Rock-North Delta who are concerned about the effects of the young offenders' legislation. They are concerned enough to have gathered 9,000 names. They point out the need to address problems of the ages of the young offender, that Section 11 should be re-examined, clearly defined and changed, that the statement to "person in authority" be more clearly defined, made uninational and changed; that Section 7(3) relating to custody should be subjected to a commission for study and to make recommendations, that the judicial system treat offenders and offences as serious and impose stiffer sentencing, and that—

Mr. Speaker: Order, please.

FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my honour to present a petition signed by a number of residents from across northern Ontario who attended a recent

New Democratic Party Northernary Council meeting in Thunder Bay. They call upon the Government to reverse itself on the question of deindexation for family allowances.

I have the honour to table also a petition circulated by a constituent of mine, calling for the reinstatement of full indexing of family allowances and signed by over 171 residents of my riding.

PROPOSED REPLACEMENT OF LORD'S DAY ACT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I have the honour to present a petition from the congregation of Annesley United Church, Markdale, Ontario, in my riding of Grey-Simcoe. The petitioners would like to see legislation passed to replace the Lord's Day Act which the Supreme Court of Canada has declared unconstitutional, and provide for one pause day in seven for the sake of family life and to provide the opportunity for those who want to worship to attend worship together.

IMPACT OF U.S. LEGISLATION ON CANADIAN LUMBER INDUSTRY

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to table at this time a petition signed principally by residents of Dryden, Ontario, who are concerned about the possible impact of the Gibbons Bill and other protectionist legislation and the effect it would have on Canadian softwood exports to the United States. They are concerned that the Government of Canada is not taking adequate steps to deal with the consequences of that softwood lumber protectionist legislation.

CHANGES TO FAMILY ALLOWANCES AND CHILD TAX CREDIT PROGRAMS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present a petition on behalf of my constituents and other residents of notherwestern Ontario. These petitioners protest the Government decision to deindex the family allowance and point out that the changes in the child tax credit will not be adequate to offset what so that by 1990, as things stand, even the poorest families will be worse off than they would be if the present system were to continue.

CANADIAN PACIFIC RAILWAY PROPOSED ACTION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present also a petition on behalf of former employees of CP Rail who protest that the company has plans to do away with their lifetime pass privileges and to replace that with an unnegotiated health care plan. They were promised that they would have these passes throughout their lifetime and they bitterly oppose the action which is proposed by the Canadian Pacific Railway.

EFFECT OF U.S. LEGISLATION ON CANADIAN LUMBER INDUSTRY

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour to present a petition signed by residents of Dryden, Ontario, who call upon Parliament to make its best efforts in persuading the United States Congress not to pass legislation which would adversely affect Canada's softwood lumber industry.

* * *

THE NATIONAL ANTHEM ACT

MEASURE TO AMEND

Mr. Reg Stackhouse (Scarborough West) moved for leave to introduce Bill C-251, an Act to amend the National Anthem Act

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

Some Hon. Members: Agreed.

Mr. Stackhouse: The intent of this Bill to amend the National Anthem Act is to make a modest change of two words which would enable the National Anthem to reflect more aptly the current values of Canada on sexual equality.

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

* * *

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-79

On the Order: Government Notices of Motions:

Oct 10, 1985—The President of the Privy Council: That, in relation to Bill C-79, An Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

That fifteen minutes before the expiry of the time provided for the consideration of Government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under the Government Orders at the next sitting of the House.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I should like at this time to move concurrence in the third report of the Standing Committee on Indian Affairs and Northern Development, presented earlier this day.

Motion agreed to.

* * *

● (1510)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 167, 366 and 379.

[*Text*]

FUTURE OF VOODOO AIRCRAFT

Question No. 167—**Mr. Stackhouse:**

What will happen to the Voodoo aircraft with the acceptance of the CF-18 into the Canadian Forces inventory?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): As of December 31, 1984 when the CF-101 Voodoo was deactivated, the fleet totalled 48, comprising 16 flyable and 32 non-flyable aircraft. One aircraft will remain flying for the next two years in support of a special project. Twenty-three are being retained for non-flying technical training and support roles. The remaining 24 aircraft have either already been positioned for display or are in the process of being allocated for display at military bases, federal and public museums, communities and veterans' organizations.

NORTH WARNING SYSTEM

Question No. 366—**Mr. Caccia:**

1. Will the Government undertake assessments of the environmental impact of the North Warning System plans across the Canadian North?

2. Who is responsible for the environmental aspects of the plans?

3. Will native concerns and those of civilian experts on the Arctic environment be heard and, if so, in what manner?

4. Will North Warning System sites be on unsurrendered native lands and, if so (*a*) what provisions have been made for informing the owners of these lands (*b*) has any agreement been sought and/or obtained and (i) if so, under what conditions (ii) if not, for what reason?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. Yes, although final locations for the Short Range Radar (SRR) have not been finalized, initial screening has been carried out in conjunction with the Department of Indian Affairs and Northern Development (DIAND). Once site locations are confirmed environmental assessments will be carried out.

2. The Department of National Defence (DND) is responsible for the environmental aspects of the plan. The Federal Environmental Assessment Review Process (Order in Council, June 21, 1984) will apply. DND will seek the advice and guidance of DIAND and the Department of the Environment (DOE) throughout the process.

3. Yes, community consultations will be held and site visits will be made during the preparation of the environmental assessments. Upon completion, the report(*s*) will be made public, and anyone can make interventions for consideration by the Department.

4. Some North Warning System sites may be on lands where aboriginal claims have been or are being negotiated. The Department will keep the native negotiating bodies and individual communities apprised of project details. Discussions on conditions for land use and occupancy and environmental protection will be part of that information process.

CANADIAN FORCES SUPERANNUATION ACCOUNT

Question No. 379—**Mr. McKinnon:**

1. On March 31 (*a*) 1981 (*b*) 1982 (*c*) 1983 (*d*) 1984, what total amount was at the credit of the Canadian Forces Superannuation Account?

2. During (*a*) 1981 (*b*) 1982 (*c*) 1983 (*d*) 1984, what rate of interest did the Government pay for the use of this money?

3. What amount of interest was credited to the Account during the fiscal year ended March 31 (*a*) 1981 (*b*) 1982 (*c*) 1983 (*d*) 1984?

4. For each of the above fiscal years, what was the total amount (*a*) paid into the Account by service personnel (*b*) paid from the Account?

5. What portion of the amounts paid into the Account for each of the above years, represents contributions towards indexation of the Fund?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. The amount of credit in the Canadian Forces Superannuation Account (CFSA) for the years in question are as follows:

(*a*) $ 9,327,417,912.

(*b*) $10,343,553,408.

(*c*) $11,346,305,841.

(*d*) $12,268,197,318.

2. The Government paid interest on this money at the following rates:

(*a*) 8.3708 per cent.

(*b*) 9.0423 per cent.

(*c*) 9.8963 per cent.

(*d*) 10.1417 per cent.

3. The following amounts of interest were credited to the CFSA:

(*a*) $479,806,539.

(*b*) $617,982,032.

(*c*) $754,418,249.

(*d*) $932,496,074.

4. (*a*) For the years in question service members paid the following amount into the account:

(*a*) $ 80,056,222.

(*b*) $ 91,295,399.

(*c*) $104,348,025.

(*d*) $113,166,394.

(*b*) The amount paid from the account for the years in question is as follows:

(*a*) $280,886,649.

(*b*) $306,909,882.

(*c*) $327,196,681.

(*d*) $345,626,573.

5. Members' contributions shown in 4(*a*) are paid into the Canadian Forces' Superannuation Account for provision of basic pensions. Indexation of basic pensions requires additional contributions (1 per cent of salary) by members and are paid into the Supplementary Retirement Benefits Account (SRBA). Contributions to the SRBA for the above years were:

(*a*) $14,738,376.

(*b*) $16,972,634.

(*c*) $19,540,469.

(*d*) $21,182,091.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House adjourned there was a period of questions and comments following the speech of the Hon. Member for Gander-Twillingate (Mr. Baker).

[*Translation*]

Mr. Gauthier: Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-75. I was most interested in the remarks and comments of my hon. friend from Gander-Twillingate (Mr. Baker), when he mentioned to the House that Clause 4 of Bill C-75 reads as follows:

> For the purpose of defraying the cost of navigational services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing, aids to navigation, dredging, vessel traffic services, ice breaking services and escorting services.

In fact, Mr. Speaker, the explanatory note says, and this is very straightforward:

> *New.* This amendment would provide the authority for the Coast Guard to recover the cost of providing navigational services.

[*English*]

As was brought to our attention by the Hon. Member for Gander-Twillingate (Mr. Baker), this Bill means that boat owners, more specifically fishermen, could be charged certain fees which today they do not have to pay. Fees could be charged for, say, urgent situations where a boat is unable to proceed because of difficulty with its engines. There could be a lot of such difficult situations and the fishermen would have to cope also with an additional cost to their operation. Can the Hon. Member explain further his views on this important clause and tell us how the fishermen of his riding, which I understand he visited recently, feel about this clause?

Mr. Baker: Mr. Speaker, let me make it perfectly clear what this Bill means. I will give the Hon. Member an example. Right now at this very minute there is no such charge in place if a fellow wants to leave a harbour and go fishing. What this Bill would do is to enable the Government of Canada to impose a charge to dredge the harbour this fisherman is leaving from. It enables the Government to charge for the use of an ice-breaker so that fishermen can get out in early spring. Not only that, if he uses Marine Radio, which is a navigational aid as such, then the Government of Canada could charge him for that. Suppose his propeller breaks while he is out at sea. He needs assistance to be brought back into port. The Government of Canada can charge him for escorting his boat back into port. Isn't this incredible? That is in Clause 4 and that is what is wrong with this Bill.

It was not enough for the Government of Canada to turn around last winter and impose a charge on all Canadians who phone the weather office. Here we have a fisherman or boat owner who is not going to want to check on the weather because he has to pay for it, and he is going to wonder whether he should really go out early in the spring to fish because he is going to be charged to have the ice in the harbour broken up. He is going to hesitate to phone Marine Radio because he is going to be charged for that.

Mr. Tobin: In a life-threatening situation.

Mr. Baker: Yes. Here he is with problems in his motor 100 miles out in the ocean and he will hesitate to phone the Coast Guard.

This Bill is an absolute affront to all boat owners in Canada. The Minister of Justice (Mr. Crosbie) is in his place today and I am sure that he will check the Terms of Union between Canada and Newfoundland because I believe, from my reading of that document, that this Bill violates the Terms of Union. It says that this service will be provided by the Government of Canada. Not for a charge; it will be provided in a continuing fashion. All in all, as the hon. gentleman pointed out, this clause in the Bill is absolutely disastrous for the fishermen in all of Canada, on the East Coast or the West Coast.

Mr. Forrestall: Mr. Speaker, the implication of the comments made by the Hon. Member for Gander-Twillingate (Mr. Baker) are, of course, that it is the Government's intention to charge 100 per cent of the cost. There is no intention of doing that whatsoever. It would be against the great traditions of this House and successive Governments over the lifetime of our country to attempt to do that. What we are attempting to do is to put in place enabling legislation to recover some of these costs. We presently recover about 2.4 per cent of marine costs. Who does the Hon. Member think is paying for it now?

Mr. Gauthier: All taxpayers.

Mr. Forrestall: Who pays for the dredging of the harbour? There is no harbour in Ottawa-Vanier.

Mr. Gauthier: That does not matter.

Mr. Forrestall: But you pay for it.

Mr. Gauthier: Yes.

Mr. Forrestall: So why don't the users of harbours, the ones who benefit directly, begin to pay a little bit more?

Mr. Gauthier: I can't believe you, Michael.

Mr. Tobin: I am going to send this speech back home.

Mr. Forrestall: Another comment which should be made, Mr. Speaker—

Mr. Tobin: Who pays for the Ottawa airport? Not the people in small fishing harbours. They do not use it but who pays for it? The taxpayer.

Mr. Forrestall: The air services, for the Hon. Member's edification, recover about 35 per cent or 36 per cent of their cost. If we are to continue the level of service which is enjoyed by fishermen and small craft owners, not to mention the commercial services and bulk carriers, then funds have to be found to maintain navigational aids, dredging and ice clearance.

Mr. Tobin: Who pays for the National Capital Commission?

Mr. Forrestall: Money has to be found and where does the Hon. Member think the money is coming from? He knows that this Government is obliged to pursue deficit reduction. This is what we are doing. When the Hon. Member or any Hon. Member rises in this Chamber and suggests that through Bill C-75 the Government is attempting to recover 100 per cent of these costs, he is misleading the people in the Chamber and the people in the country.

Mr. Baker: Mr. Speaker, I am glad to hear that the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall), who obviously knows the Government's policy, is saying it is not going to charge 100 per cent of the cost. I wonder whether it is 99 per cent, 98 per cent, 50 per cent, 10 per cent, or 2 per cent of the cost of an ice-breaker. An ice-breaker costs about $1,000 an hour. What is the cost to the people of Canada? He talks about saving money. The Government did not think about saving money when it recently allocated $1 billion for the bail-out of certain uninsured depositors in a bank. It did not think about saving money when it spent over $10 million to put a communications system in the Prime Minister's office. It did not think about saving money when it increased the staff by 54 per cent to 120 people.

• (1520)

That argument does not apply in this case when we are talking about our primary producers, safety at sea, and trying to assist poor fishermen in the country at this time of the year. That argument just does not hold any water at all.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. The Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) on debate.

Mr. Morrissey Johnson (Bonavista-Trinity-Conception): Mr. Speaker, as I rise to speak on Bill C-75 I would like to say that I believe that most of the amendments contained in this Bill are long overdue and I certainly hope that the Bill will be given quick passage by the House. I feel that all Canadian seafarers and all seafarers who ply Canadian waters will be glad to hear of the emphasis in this Bill on safety at sea. As well as enhancing safety at sea, this Bill will enable Canada to deal more effectively with matters associated with the prevention and clean-up of marine pollution and will provide an improved scheme for attributing liability and paying compensation for all pollution damage caused by ships at sea. In addition, Mr. Speaker, the amendments will enable Canada to ratify a number of important international maritime conventions which we have been unable to do because of the lack of enabling legislation.

I believe that Canadians can and should be proud of the Canadian Coast Guard as it presently exists. This Bill has been drafted to allow the introduction of additional Coast Guard services such as aids to navigation, ice-breaking and dredging.

I am sure that Hon. Members will appreciate my reference to the fact that most of the amendments put forth in this Bill have been discussed in public hearings across Canada. I have

personally discussed some of the amendments as far back as 1983. Hearings have been held across Canada from St. John's to Vancouver over the last few years. You can see, Mr. Speaker, that industry has been consulted on the amendments put forward in this Bill and has been given the opportunity to have in-put in them.

As with all legislation, I am sure that there are those who will find fault with this Bill, as the Hon. Member for Gander-Twillingate (Mr. Baker) has already done. I feel confident that the Government will move quickly to make additional amendments to the Canada Shipping Act if and when they become necessary. As I have already said, the amendments in this Bill have been a long time coming and the Bill should be given speedy passage.

This morning the Hon. Member for Gander-Twillingate referred to the *Ocean Ranger* disaster. I am sure that all of us who know of that disaster were deeply touched by it. The Hon. Member failed to say that his Party was in Government at the time of that disaster. It should have moved quickly at that time to bring in the regulations to which he referred this morning. However, it did not do that. He also failed to point out that Bill C-75 will improve construction and equipment standards of mobile off-shore drilling units such as the *Ocean Ranger*.

I should point out that this Bill provides for the recovery of costs for certain services that are now provided for without charge by the Canadian Coast Guard. It does not set out what the charges will be and I believe that the Government will be discussing the proposed charges fully with industry before any charges are implemented. I say that, Mr. Speaker, because, unlike the previous administration, this Government believes in and practises consultation.

There are many reasons why the amendments in Bill C-75 are put forward. I think we all agree that there is an urgent need to amend the Canada Shipping Act. For several years we have been trying to implement a maritime code in Canada. I do not believe that we can go on without passing amendments to allow the Government to take the necessary action with regard to the construction of ships and to having master's and seaman's certificates improved and modernized. This Bill will also provide for the implementation of the International Maritime Organization convention for the standard of training and for the introduction of medical examinations for seafarers. At the present time I believe that the only medical requirement for anyone obtaining a certificate as a master, mate, or engineer on a ship is to have an eye examination. At times the lives of thousands of people depend on the physical and mental ability of those in charge. The requirement for periodic medical check-ups for officers on ships is long overdue.

I spoke earlier about construction equipment and certification provisions for ships. One of those which will be important is the code for the construction of equipment and ships carrying liquefied gases in bulk and those carrying dangerous cargoes. With regard to the disaster to which I have already referred, I hope that more stingent regulations will be brought in for the construction of drilling rigs and so on. I have to agree with the Hon. Member for Gander-Twillingate that the Bill may not go far enough. With oil exploration and development about to take place off the east coast of Canada, there should be more detailed legislation setting out what type of ship should be used. In particular, the legislation should make it compulsory to have ships, other than the traditional supply vessels, standing by the oil rigs. We should follow the example of the United Kingdom, Norway and other countries and make it compulsory to have those stand-by ships in place. I believe the Bill should take that into consideration.

● (1530)

Although the charges have not been set out in this legislation, I am sure that as people from the Department of Transport consult with ship owners and operators in Canada, any increases that must be imposed to recover some of the costs will be modest.

Mr. Henderson: My question for the Hon. Member who just spoke concerns Clause 4 of Bill C-75. That clause explains the purpose of adding more revenues through user fees.

First, I want to draw to the Hon. Member's attention the situation that will be faced by my Province of Prince Edward Island with regard to ice-breaking as a result of Clause 4. As he knows, agriculture is the main industry in Prince Edward Island and potatoes are the primary product grown there. The Hon. Member, being a former sea captain, is aware of the ice conditions in the Gulf of St. Lawrence and the Northumberland Strait during the winter, when there are two and a half to three months of virtual freeze up. At that time we must rely heavily upon ice-breaking services to ship our produce—mainly potatoes—to market.

Prince Edward Island is a seed growing area. It probably grows the best seed potatoes in the world. In my six years in this place, representing the riding of Egmont, I have been asked by producers and shippers of potatoes on several occasions to obtain the services of an ice-breaker in order to allow vessels in and out of Summerside harbour from where approximately 85 per cent of all potatoes grown on P.E.I. are shipped. The Hon. Member for Gander-Twillingate (Mr. Baker) stated that it costs approximately $1,000 an hour for ice-breaking services. The Hon. Member who just spoke stated that although the regulations would be in the legislation, the user fees may or may not be imposed. I want to tell the Hon. Member that with respect to legislation that is passed, it is too late to close the barn door after the horse has been stolen. Whether it is the present Minister, a Minister of the Government which may follow, or any other Government, if difficult economic times arise, this legislation would be in place and could suddenly become an avenue through which revenues could be taken by a Government. That is why I do not like Clause 4. If the Government does not intend to impose user fees it should say so and delete this Clause. It is too open-ended.

Let me explain the current situation facing the potato industry in my province. The cost of production of potatoes is a bare minimum of 5 cents per pound. The cost to potato

farmers at the farmyard f.o.b. is 1.5 cents per pound. Since the farmer is already losing 3.5 cents a pound, how much longer can the agricultural industry survive? If the cost of ice-breaking services, dredging services and those other services which usually come from general revenue are added, the cost will probably be up to 6.5 cents a pound.

How does the Hon. Member believe his Government will use Clause 4 once this legislation is passed?

Mr. Johnson: Mr. Speaker, first I would point out to the Hon. Member for Egmont (Mr. Henderson) that I stated at the beginning of my remarks that I believe most of the amendments were long overdue. I did not say that I agreed with everything in Bill C-75. I pointed out that it would be almost impossible for any legislation that is introduced to be perfect. There will be those in any nation who will find some faults in their legislation.

Let me point out to the Hon. Member that I know of cases where ice-breaker services have been called upon not to provide ice-breaking services but to have fuel or food put on board vessels. That is why I am not entirely opposed to Clause 4. I think the Government should recover the costs of those services that are provided to put fuel or food on a vessel. I do not believe that charges for ice-breaking services in the Maritimes, whether it is Newfoundland, P.E.I., Sydney harbour or Cape Breton or the St. Lawrence River will be made if it is to enable ships to carry on the commerce of this country and ship exports to other countries or bring produce from one province to another.

I am quite familiar with the Hon. Member's Province of Prince Edward Island. I have shipped a good many loads of spuds from that province. Sometimes I have had to put heaters in the hold to raise the temperature before loading the potatoes because they would freeze before we got the hatches back on.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise to join in this debate on Bill C-75 with decidedly mixed feelings. The debate has already focused on some of the strengths of this Bill as well as some of its weaknesses. It is worth taking a few moments to consider the contributions this Bill will make to the statute law of this country as it deals with an important part of our transportation system, specifically the support and regulation of shipping in the waters of this country.

The Government has often given us the impression that regulation is detrimental. The former Liberal Minister of Transport actually created the impression as well that deregulation would be the direction of the future.

● (1540)

It is good to see legislation which recognizes those matters of life and death, safety, prevention of pollution and so on, for which the Bill provides. It is also good to see that the Government recognizes there are situations in which regulation is quite essential and provides us with a Bill which makes provision for these areas. Since we are honoured this afternoon to have the Minister of Transport (Mr. Mazankowski) listening to the debate, surely it would not be inappropriate for me, as a member of one of the opposition caucuses, to commend him for that. I trust that all movements in the deregulation policy of the Government will be carried out with regard for the safety of travellers and for the safety of the environment. Surely the changes will not be carried through in any blind pursuit of some principle without regard for the environment and for people who work in the industry as well as those who travel on aircraft, trains, buses or whatever, for whom the Minister of Transport has responsibility.

Recognizing that the process of deregulation has been judicially handled in this particular area by the Minister, I also recognize that the Bill contains a variety of provisions which is long overdue. I suspect that it would not be unfair, although it may have been a more extreme case, to compare this Bill with the Aeronautics Act which we considered some time ago. There were significant revisions and amendments to update legislation largely dated back to the inter-war years, which makes it more than a half-century ago. Surely the preceding Liberal Government was not very concerned about the infrastructure or transportation system of the country or about legislative provisions for it. If at times I am inclined to say nasty things about this particular Government in terms of the slowness with which it arrives at initiatives for us to consider, some of these matters deserve to be recognized as more than just housekeeping legislation because they in fact update legislation which provides for our basic transportation system.

The most unfavourable part of the Bill before us is the particular provision which has already received a great deal of attention, the provision which would enable the Minister or the Government to institute a cost recovery system against our shippers for Coast Guard services. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus) already recognized the very real danger that those particular charges could only be part of an increased loading of cost on the transportation system, particularly in the St. Lawrence Seaway, with which shippers may be faced in 1986 and years thereafter. We recognize that particular possibility and consider the importance of the transportation system to Canada. It is important to northwestern Ontario and to the great City of Thunder Bay to which I want to devote a little of my attention this afternoon. We have real reason for concern about part of the Bill and powerful reason for asking the Minister to reconsider Clause 4 and give up the idea of any kind of cost recovery.

After all, it is in a time of recession, at the very least, that this proposal comes before us. There are enough Canadians facing situations which seem to be ones of depression. I recognize that it is tempting for a Minister to contemplate some possibility of recovering costs in terms of his contribution to the deficit reduction program of the Government. However, there is such a thing as short-sighted reduction which makes Canadian industries even less competitive than they might be in other circumstances, which reduces economic activity in the

country, and which ends up increasing the deficit by loading other costs on to the Consolidated Revenue Fund, particularly the cost of unemployment insurance and the loss of revenue, whether it be individual income tax or corporate income tax. Those particular dangers require careful calculation before one is ready to undertake anything of the sort the Minister is seeking authorization to do. Simply, it is very easy to undertake such measures as these for reasons which are a little more than ideological but are regarded as important matters of principle and, in the process, to act against the national interest of the country.

The Canadian nation was not built upon cost recovery. It was not built upon the expansion of market opportunities for their own sake. Surely it was built upon and found expression in policies designed to enlarge opportunities, frequently by putting costs on the Consolidated Revenue Fund and by carrying out investments which would be justified if the country were to be seen in over-all corporate terms. I am referring to social investments which made it possible for people to settle in the Canadian West and in that process improve the land, grow grain and find a market for it. For me, being from Thunder Bay, to talk about the importance of the western settlement, land improvement and wheat production, is simply to recognize the fact that the most important trade through the Port of Thunder Bay is the trade in grain. In 1984, the most important product which went through the Port was grain, for a total of 16.6 million metric tons. That total is evidence of the extent to which the Port of Thunder Bay is a junction between western grain growers and shippers on the Great Lakes moving grain toward domestic markets to the East, and, even more so, on the export markets beyond the North American continent.

If I compare the quantity of grain moved with the amount of coal which went through the port at 2.78 million metric tons, one has a real indication of the dominance of the grain trade in that port. Also it helps one to appreciate the way in which great terminal elevators dominate the lakeshore along the bay and provide the point of linkage between trains from the West and vessels from the East.

The importance of the grain trade is not only a matter of the business done in Thunder Bay. After last year's decline of 25 per cent from the preceding year, this year we have a further decline of 40 per cent in grain movement. For weeks and months during the summer-time practically nothing happened in the port and hundreds of elevator workers were laid off. Some were laid off for more than a year. They realized, as it went into the summer and continued into the fall, that it was unlikely they would be called back for the moment and perhaps never called back again. We have a daily experience with those circumstances. I visited the Port Arthur Shipbuilding company and talked with managers and workers there. I was told how very slow business was this year. When ships are not moving, they do not have the good fortune to move grain nor do they have the bad fortune for them, to rub bottom at various points and to suffer other minor damage which make it possible for that company to do its jobs in ship repair.

• (1550)

As a result, employment at the shipyards falls off sharply, and in one area after another the same is true. The Seafarers' International Union is talking in terms of 2,500 of its members not being at work this year, and both CN Rail and CP Rail have laid people off.

We are experiencing what can happen when factors go against an industry. Initially we were told that the decline in the grain crop in the West was to blame. However, we also have anxiety about the cost factors that make it less attractive to ship through the Port of Thunder Bay, thus leading to these effects in the Port of Thunder Bay and in ports all along the system, including the Port of Montréal and beyond.

At point after point the factors that slow the movement of grain and of other freight through the Great Lakes system have a serious effect on employment and business activities. It is for that reason, Mr. Speaker, that my colleague, the Hon. Member for Thunder Bay-Atikokan, and I feel, as I am sure others do, so deeply the necessity of asking the Minister of Transport, to reconsider Clause 4 of the Bill. Our desire is to prevent any possibility of additional costs being added to the use of the system.

The centennial of the construction of the Canadian Pacific Railway is almost upon us, and in the case of the St. Lawrence Seaway we have a system that is nearing the 30-year mark now—which, incidentally, might underscore the damage suffered as a result of the collapse of part of the wall of a lock in the Welland Canal system, a point which was pursued briefly in Question Period earlier this afternoon. It is clear that we need not only to undertake every measure to reduce the costs on the system but to invest the money to ensure that the system is in first class condition.

We speak readily these days about things being "world class" and "state of the art," and so forth. Well, the canals on this system have been around for quite a while. The Welland Canal, of course, is rich in history, the first construction having taken place in the late 1820s, with a series of reconstructions and expansions following as one canaly system has succeeded another.

I do not mean to suggest to the Minister that we need yet another Welland Canal built—although, given the size of vessels today, that is a topic that is perhaps worth thinking about. In recession circumstances, I do not suppose that the Minister wants to contemplate such a project. Nonetheless, Mr. Speaker, we have to ensure that the system is as efficient as it can be and that the costs to the carriers are kept down. Those are the important points that I wish to note critically about this Bill. Clause 4 presents some very dangerous prospects for the shippers, a perilous possibility for the Government to act upon.

Perhaps I could now say something about the second largest trade done through the Port of Thunder Bay, the trade in coal. The figures in respect of the trade in coal underscore the importance of keeping costs down to the various industries in Canada and in fact to Canadians generally, as I shall demon-

strate in a moment. I note, Mr. Speaker, that the second largest trade in 1984 done through the Port of Thunder Bay was that in coal, with a shade over 2.75 million tonnes passing through the Port of Thunder Bay. As Canadians who know their economic geography are well aware, Canada has been most unfortunate in terms of the location of its energy resources *vis-à-vis* the centres of industry in this country.

J. B. Brebner, in his mid-1940s publication dealing with Canadian-American industry—a publication which became in fact a study of the North Atlantic Triangle—pointed out something that we Canadians can so easily forget, that being the reality that the Americans have with iron ore at the upper end of the lakes and coal just south of the central lakes, or lower lakes, if you will, and that incredible transportation system linking the two. It is, after all, on that reality that American industrial might for 100 years was built. That reality led to the building of the great Rockefeller fleet and others to carry the iron ore to the areas of the coal deposits, which in turn led to the establishment of the great steel mills, the automobile industry, and so forth. Those were the factors that helped make America the industrial power that it is.

Where were we Canadians? Well, we had our centres of population in the St. Lawrence Valley/Lower Great Lakes region. We had our small iron ore deposits on the Canadian side of the international boundary. But where was the coal? Well, the coal, of course, was off in Cape Breton and in other places in the Atlantic region and in the Rocky Mountains and on Vancouver Island. Given that the coal was to be found at the far reaches of the country and the iron ore in the centre, it became difficult to build up industry. As we all here appreciate, the ore is hauled to the coal. One does not, as a rule, haul the coal great distances, only to burn it up at its destination.

The remarkable fact since the mid-1970s is that it has proved feasible, to some extent, to move coal from the Rocky Mountains and the lignite deposits of eastern Saskatchewan eastward across the Prairies and the northwestern Ontario part of the Shield and then on to the lakes and down the lakes to industrial users in Sault Ste Marie and Hamilton and on to the thermal generating plants of Ontario Hydro.

The fact that it has become possible to do that is a remarkable achievement. It is, in its way, a small revolution, if you will, and certainly a remarkable addition to the potential economic geography of this country. However, the necessity, of course, is to keep costs down. Ontario Hydro would be quite happy to burn a good deal of western Canadian coal, particularly when one considers that it is coal that is low in sulphur, thereby producing far less of the acid rain-producing emissions which result from the burning of American coal. That particular feature is one that is well worth noting. After all, it was just this afternoon that a Government private Member was spotlighting the dangers from acid rain, emphasizing the importance of dealing with this menace.

As anyone who is exploring this topic these days realizes, it is only in the last year or two that the consequences of acid rain have become so very obvious. Large numbers of trees have been lost in the forests of Europe and the forests of the Appalachian Mountains. Prior to that time, it was thought that it would be years before the consequences of acid rain would be obvious in the forests of this continent and the forests of northern Europe, and now suddenly we find that there are large numbers of trees that are unable, as a result of the acid rain emissions, to survive the diseases that beset them, leading to the loss of many of our trees.

In the circumstances, Mr. Speaker, anything that will make it possible for Ontario Hydro to move to a level of 50 or 55 per cent of Canadian coal being burned in its furnaces in order to generate electricity is something that should be undertaken. The challenges, of course, are quite real. American coal is all too close at hand on the other side of the lakes. The cost of moving American coal to the generating stations of Ontario Hydro is in the $2-a-tonne range. When Ontario Hydro faces a cost of moving Canadian coal to its plants in the $7-a-tonne range, it undoubtedly becomes a matter of significance.

It is in such circumstances that we surely want to do everything we can to ensure that costs are kept down and that the St. Lawrence Seaway can to continue operate effectively in providing the transportation means needed for the various resources of the country.

Mr. Speaker, I know you have a limit to your patience. Thank you for having given me this opportunity to ask the Minister to think very carefully about Clause 4 in terms of its removal from the Bill.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): We will now entertain questions or comments on the remarks of the Hon. Member. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

• (1600)

Mr. Angus: Mr. Speaker, I would like to ask my hon. colleague if he could advise us as to the impact of Clause 4 on the forest-based industries, not only in northwestern Ontario from where we both come but in Quebec, other parts of Ontario and perhaps even British Columbia. Will this have an adverse effect on its competitiveness in the world pulp, newsprint and lumber markets? Perhaps the Hon. Member could advise us as to his understanding of the situation.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I have to thank my colleague, the Hon. Member for Thunder Bay-Atikokan, for that good question. In responding to it, I think immediately of the extent to which the American lumber producers, in their efforts to meet the Canadian competition, experienced difficulties because of the Jones Act which requires that cargoes which move between American ports and do a coasting trade be carried in American bottoms. That creates cost disadvantages because, as has been shown in Canada, the Government has rejected any possibility of a deep-sea marine policy, although I must say—and this may cut against my own argument—that I wish that we in Canada had something similar to the Jones Act making it possible to build up, on the basis of our large export trade, a Canadian

merchant marine. The question that we are debating this afternoon regarding the viability of industries is at the very heart of that particular question.

My colleague has given me the opportunity to point out that if the movement of forest products from this country was affected by increased costs, there would be very unfortunate consequences for the industry. The Hon. Member for Skeena (Mr. Fulton) came to northwestern Ontario two or three weeks ago to discuss with us the dangers facing lumber producers. At that point, we were thinking primarily of lumber producers being faced with the prospect of Congressional action which could put countervailing duties against Canadian lumber products or take even more drastic forms like the Gibbon Bill. When we spoke to people in the industry, we found that they were underscoring the closeness with which they had to cut their costs and the fact that they were making very little money when trees are being cut 200 miles from the mill and trucks have to go back and forth. That 400-mile round trip creates an incredible cost.

I might note, since it was one of the most interesting days in the early part of this parliamentary Session, that when we were debating last December the question of sales and excise tax increases, there was a most interesting debate on the question of a reduction in the rebate on the fuel tax for fuel used by the forestry industry not only for equipment but for transportation. I am sure you would agree with me, Mr. Speaker, that one of the reasons the combined Opposition defeated the Government on a voice vote that auspicious Wednesday afternoon was that a number of private government Members were convinced along with us that the sales tax should not apply to fuel being used by logging trucks operating on the roads.

The Hon. Member for Kootenay West (Mr. Brisco) spoke with some passion on this particular matter that day and he was only one of the private government Members who felt strongly along with my colleagues and particularly my colleague, the Hon. Member for Thunder Bay-Atikokan, about that point. That is a little bit of parliamentary history illustrating the same point we are discussing today.

Where we can avoid costs, let us find the means to do so in order to ensure that the industries remain valiable, employment is maintained and profits continue to be made. After all, we do need some kind of a base for taxation, and let a New Democrat say so occasionally.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Income Tax—Introduction of minimum tax; the Hon. Member for Don Valley East (Mr. Attewell)—Customs and Excise—Planned reductions in inspection personnel; the Hon. Member for Gander-Twillingate (Mr. Baker)—Fisheries (a) Refinancing of Fishery Products International (b) Company's social responsibility.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT, ARCTIC WATERS POLLUTION PREVENTION ACT, MARITIME CODE ACT, AND THE OIL AND GAS PRODUCTION AND CONSERVATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof be read the second time and referred to a legislative committee.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to participate today in the discussion on Bill C-75, the Canada Shipping Act. Let me say at the outset that I agree with the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) who indicated that there are many amendments contained in this Bill that are long overdue, much needed and proper. Having said that, let me also say that in some very important ways, this piece of legislation is more noteworthy for what is not contained within it than for what is.

Nearly four years ago on February 15, 1982, the drilling rig *Ocean Ranger* went down off the coast of my home province and took with it 84 lives. Among those 84 lives were 69 Canadians and 56 fellow Newfoundlanders. One of the ways the Government of the day, in conjunction with the Government of Newfoundland, reacted after some weeks and months to that tragic disaster was to commission a joint federal-provincial royal commission to examine the circumstances that led up to the disastrous night of February 15, 1982, to examine the regulations that were in place at the time of the disaster to

see if they were sufficient and to examine the safety standards and practices that were employed at the time of that disaster.

The royal commission to which I referred produced a very comprehensive and excellent report. It was detailed, it uncovered every stone and it looked at every facet of the events leading up to this marine disaster. The report was passionate in its approach and committed to preventing such occurrences from happening again. I am told that it was a $15 million exercise.

The commissioners made some very specific recommendations to the Minister of Transport and tabled a report in August, 1984, about a month before the last election. They made some very specific recommendations to the Government of Canada, recommendations that they hoped would be contained within pending changes to the Canada Shipping Act, the Bill that is before us today.

● (1610)

While I will acknowledge that some of the recommendations made have been included in Bill C-75, the single most important recommendation has not been adopted in Bill C-75. I am sure it will astound Members of this House to know that when an oil rig operates 200 miles offshore the regulations contained in the Canada Shipping Act do not apply to that oil rig. The Minister of Transport (Mr. Mazankowski) under the Canada Shipping Act has no authority over the operation of that rig under that Act when it operates 200 miles offshore. One of the primary recommendations contained in this report was that the Shipping Act be changed and the provisions of the act encompass rigs operating offshore. That has not been done, Mr. Speaker. Words, discussions, and policy formulation and debate in this palatial Chamber seldom resembles the reality of the real world. For example, our agricultural policies seldom resemble the impact on farmers in western Canada. The fishery policy seldom resembles the impact it has on fishermen in Atlantic Canada. When we talk about safety regulations and a royal commission, nothing we say here makes us truly undestand why it is important that the Government of Canada under the Shipping Act regulate rigs operating offshore. I would like to refer to the report of the royal commission so that we know what we are talking about and why we are insisting that the Shipping Act govern and police the operation of rigs offshore. Most people believe that the *Ocean Ranger* went down with 84 men, that no on really got off the rig. They believe we do not know what happened but that is not true, Mr. Speaker.

A supply vessel called the *Seaforth Highlander* at 2.32 o'clock a.m. on February 15, 1982, reported a lifeboat to be alongside. Inside the lifeboat lights were on and men who had got off the *Ocean Ranger* could be seen moving about. Some of the men were bailing through the port and starboard sides. The sound of the seas and wind made voice communication between the lifeboat and the seamen on the after deck impossible. On the after deck a seaman attempted to throw a Samson rope to the lifeboat but it was blown away from its target. He then threw a line with a life ring attached to a man in the aft hatch of the small capsulized lifeboat. The man, clinging for his life, caught the line and attached it to the canopy of the lifeboat. He tied the other end of the line to the cat rail on the port side of the *Seaforth Highlander*, the supply vessel.

When this was happening, seven or eight of the men in the lifeboat emerged into the port gunwell. These men were wearing hard hats and work vests or life preservers. Some were lightly clad and others wore heavier clothing. The lifeboat began to roll slowly to port away from the *Seaforth Highlander* and within seconds it capsized, throwing the men who had been standing on the port gunwale into the sea and snapping the lines which had attached to the *Seaforth Highlander*.

As the men from the lifeboat spilled into the sea, the water in the immediate area was illuminated by the lights attached to the life preservers. The lifeboat had completely capsized. The time was 2.38 o'clock a.m.

That is what we are talking about, Mr. Speaker. We are not talking about the bureaucracy. We are not talking about red tape. We are talking about the lives of people who go to sea.

We are talking about the lives of men who managed to escape that floating coffin on February 15, 1982, the *Ocean Ranger*, the men who managed to get into the capsulized raft but who were unable to be rescued. Why? The report goes on to tell us that the supply boat, despite the courage and determination of the men on it, was ill equipped to bring a capsule alongside. It was ill equipped to provide any assistance. Even though they had a line on that capsule which had men in it, alive, it was not able to rescue those men.

The report recommended as well that the Government, through the Canada Shipping Act, provide regulations for the construction and operation of those supply vessels. That is not contained in the Minister's legislation, Bill C-75. I therefore say to the Minister who tells us that he will make further changes next fall, I absolutely guarantee to the Minister that if he will make the appropriate changes as recommended by the royal commission now, he will have no trouble as far as this Party is concerned, the Liberal Party, in having this legislation moved quickly and speedily through the House of Commons.

I know that every Member of Parliament, no matter on what side of this House he sits and no matter what Party he represents, feels exactly as I do and as strongly as I do. Offshore exploration is an area which is still relatively new but it is an area where we have Canadian men and women putting their lives at risk in order to harness that resource from the sea in the most dramatic and difficult conditions in the word. We want to ensure that every possible action is taken by the Government of Canada to guarantee the health and safety of our people. I know, and the people who work the rig know, that there is no fail safe system. They go to sea in those kinds of weather conditions, doing that kind of work, putting life and limb at risk. They know that no one can give them guarantees. But surely to God, Mr. Speaker, we can give them the very best facilities, regulations and equipment that money, technology and political will can provide. That is what we ask of the Minister today.

We ask the Minister to go further than he has and we tell him that if he is prepared to go further, this legislation will receive speedy approval from the Official Opposition in this House and that this Minister will be applauded. I know he has some difficulty. I know there is some bureaucratic in-fighting and there is some difficulty with the Department of Energy, Mines and Resources, in particular, COGLA, which believes its regulations apply when a rig is operating at sea. However, we are not going to let bureaucratic in-fighting or empire building stand in the way of our responsibility to those citizens who make their living from the sea.

There is another measure contained in this Act which I would like to address. Section 4, charges relating to navigational services, has already been mentioned by the Hon. Member for Gander-Twillingate (Mr. Baker) and I know by other Hon. Members who have spoken on Bill C-75. You would need to have more nerve than a bad toothache to include that particular section in Bill C-75 at this time. More nerve than a toothache, Mr. Speaker. This is incredible. The Canadian shipping industry at this moment is in deep trouble and on its back. We already have one major company being operated by a bank, and the Minister knows it. We have one or two more which, before this year is out, are liable to join their crippled friend in being operated by a bank or receiver as well. Yet the Minister includes in this legislation a measure to impose on that industry what is, I submit, an unreasonable hardship. This at a time when you have a ship in the Welland Canal looking like the Conservative Party, frozen in suspended animation; unable to move forward, backward or sideways. This at a time when the credibility of the St. Lawrence Seaway is seriously endangered. For two years in a row the system has broken down because preventative maintenance is not being done.

● (1620)

Mr. Mazankowski: Because of Liberal neglect! Why don't you say it?

Mr. Tobin: Because preventative maintenance is not being done because you are trying to balance the books—

Mr. Mazankowski: Boy, have you got a lot of nerve.

Mr. Tobin: —in a way that bites off your nose to spite your face. The Minister knows that if he drives a car year in and year out and does not take it in and do at least the normal maintenance, rotate the tires, check the brakes and change the oil, that car is going to break down. Yet another car, properly maintained, tires rotated, oil changed regularly, will run for a heck of a long time. We were providing good constructive maintenance on the St. Lawrence Seaway when we were in power but this Government is trying to drive the Authority right to the wall. The Authority has a $30 million surplus. That is not well-known because all you ever hear is that the Authority will have an $11 million deficit this year. The Government does not know whether it is going to bail the Seaway out. The Government will not let the Authority have access to the $30 million it built up in surplus, either to pay off its debt or do preventative maintenance. That is the problem.

The Seaway saves Canadian farmers $10 per tonne compared to what it would cost to move grain by other methods. It is estimated that in the 26 years the Seaway has been in place, it has saved grain farmers a total of 2 billion. That Seaway is absolutely incredibly important for farmers, iron ore mines, those who are left, not having been shut down during the tenure of the current Prime Minister (Mr. Mulroney). It is important to people at Stelco producing steel. Yet this Government treats it as if it were an old bus. It has aged a little bit and it is letting it run itself into the ground. This is the exact same approach being taken with the Newfoundland Railway. The Government does not have the political courage to say that it wants to scrap the railway in Newfoundland so it is taking away maintenance dollars and letting it run itself into the ground. Eventually it will tell Newfoundlanders that it is run down, no good and let's close it down. Well, if the Government is not careful that is exactly the kind of situation we will find on the St. Lawrence Seaway. I know my friend from the NDP has raised this matter a number of times during the last few weeks and he is absolutely correct. The Government is being penny-wise and pound-folish.

I simply want to say again to the Minister, having spent $15 million over a couple of years in order to come up with the most intensive and exhaustive examination of conditions affecting the operation of rigs in the offshore, having made specific recommendations to the Minister, and despite the bureaucratic difficulties he has, despite the in-fighting which may occur among bureaucrats because the Minister is certainly not a man who would be distracted from doing the right thing because of bureaucratic in-fighting, would he not please reconsider and stand in his place and provide us with amendments which would reflect the spirit of the recommendations made by the royal commission on the *Ocean Ranger* marine disaster? Will he not do that? If he does, I can assure him that we in the Liberal Party, and I would not be surprised if the same applies to the other Party represented in this House, will do everything in our power to see that this Bill receives the speedy passage it deserves. That is always providing that we have made up our minds here that Canada should use all her technology and whatever of her wealth is necessary to give those people at sea in hazardous conditions every possible chance at survival.

Mr. Forrestall: Mr. Speaker, as someone who has a son on one of those rigs, I assure the Hon. Member that he does not have a corner on concern for these people. It is shared by all of us from our part of the country. I want to direct my comments, because the Hon. Member's observations are important, to advise the House of where we stand, in part, on the recommendations of Mr. Justice Hickman. As has been indicated, the first phase of the report was tabled in August of 1984 and it contained 66 recommendations directed at Government and industry. They dealt with drilling rig design, evacuation systems, certification and training of crew, search and rescue, among others. Some 80 per cent of those recommendations are

either fully or partially implemented. The remaining 20 per cent require legislative authority to implement. That is what this process is all about. The recommendations contained in the more detailed report, some three volumes, require legislative change or Government-industry agreement after very close consultation.

The Hon. Member and others have said that this Bill does not address the *Ocean Ranger* report. In Bill C-75 we are dealing with safety at sea, standards of training and certification of seafarers, and we are dealing with greater capacity for the Board of Steamship Inspections to assure themselves and the Canadian public of the safety of the rigs. We deal with construction and equipment. We require the implementation of certain conventions and codes, some of which have been hanging around since 1969. That is about 15 or 16 years ago. For the edification of the House, these include the 1969 International Convention on Tonnage and Measurement of Ships. The International Convention on Standards of Training, the certification of watchkeeping certificate for seafarers; and the 1978 protocol to the 1974 International Convention of Safety of Life at Sea. Then we have the 1975 International Convention for the Prevention of Pollution and the 1958 Seafarers' Identity Document Convention. We have also included the 1969 International Convention on Civil Liability for Oil Pollution Damage and the 1971 International Convention on the Establishment of the Fund for Compensation of Oil Pollution Damage. Among the codes that are even more pertinent are the code for the construction of equipment of ships carrying liquefied gases in bulk, the code for existing ships carrying liquefied gases other than in bulk, the code for the construction and equipment of ships carrying dangerous chemicals, and the code for the construction and equipment of mobile off-shore drilling units, the very thing which must be ratified before Canada can implement the regulations.

• (1630)

I ask the Hon. Member where in this Bill, if he has read it, he got the impression that Bill C-75 is not attempting to address the very real concerns which he raised, almost blatantly, and, I suggest, with perhaps not as much regard as he should have for the families of those who have been lost.

Mr. Tobin: Mr. Speaker, I am surprised at the last words of the Member opposite. I hope he will stand in his place and apologize for them.

Mr. Forrestall: Oh, come on.

Mr. Tobin: I am serious. I pointed out at the beginning of my remarks that no Member of this House had a monopoly on concern for people off-shore. I have stated repeatedly—and I wish the Member would read the "blues"—that every Member has a concern—

Mr. Forrestall: Stop trading on their misfortune.

Mr. Tobin: I have to tell you, sir—

Mr. Forrestall: You are trading on their misfortune and you should be ashamed.

Mr. Tobin: The comments that the Hon. Member has just made are not worthy of his reponsibility as a Member of Parliament and are certainly not worthy of his responsibility as a Parliamentary Secretary to the Minister of Transport. I will also say that they are not worthy of an honourable man. I will say no more, Mr. Speaker. When I speak in this House on the *Ocean Ranger* and the *Ocean Ranger* disaster, I speak as a Member of Parliament from Newfoundland who is concerned about all 84 people who went down on that rig. There were two people from my riding who went down on that rig and I do not want my sincerity questioned by any Member.

Mr. Forrestall: You are trading on it and you know it.

The Acting Speaker (Mr. Paproski): Order, please. I appreciate the comments being made and the exchange which is taking place. We are touching on a very serious incident which happened and I hope that Hon. Members on both sides will cool it, shall I say, and let us get on with the debate.

Mr. Tobin: Mr. Speaker, if this is not the place to talk about it, I don't know what is. The Hon. Member says that 80 per cent of the recommendations have been implemented or partially implemented. I congratulate the Government, as I have in the past, for implementing those recommendations which it has. However, some of the so-called partially implemented recommendations are very much partial. The Government says that it has met a recommendation that a helicopter base be established in St. John's by temporarily stationing a helicopter from time to time in St. John's. That is not the recommendation of the commission on the *Ocean Ranger*. That recommendation has not been met as the Government claims it has.

I would like to see a report card from the royal commission which would tell us how many of these so-called recommendations the Government believes it has met have indeed been met, in the minds of the *Ocean Ranger* commissioners. The commission said that there ought to be a full-time helicopter facility established in St. John's. The Government says that it has met that recommendation by moving a helicopter from Gander into St. John's from time to time. That is not meeting the recommendation of the royal commission. The Parliamentary Secretary, the Minister, and the Member for St. John's West (Mr. Crosbie) know that. The Member is very knowledgeable about this matter. He knows that everyone in Newfoundland knows it.

People are questioning the very nature and type of the helicopter which is currently being used. People are questioning whether this vehicle is proper and sufficient for use in off-shore weather and icing conditions. We are still using those same helicopters with no publicly expressed intention to replace them with more modern and efficient aircraft. That indicates that the spirit of the recommendations are not being met. The means for getting off the rig when it is listing or in a stormy sea is a couple of slings which drop a capsule over the side. That is the same means which was in place on February

15, 1982. That indicates that the spirit of the recommendations have not been met.

That is all I am saying, Mr. Speaker. It has nothing to do with partisan politics. It has to do with doing the best we can by using the technology that is available in this country and the money that is available to the Government to make the best possible system. I have said that no system can guarantee the safety of anyone on a rig but, by God, we should do our best. If the Parliamentary Secretary wants to call into question anyone's sincerity in raising this matter in the House, then he is out of touch. I give him the opportunity to apologize for that comment. I would not accuse any Member—

Mr. Forrestall: You just did.

Mr. Tobin: I would not accuse any Member—

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

Mr. Tobin: —in a natural disaster of this kind—

Mr. Forrestall: You're trading on the misery of those families and you know it.

The Acting Speaker (Mr. Paproski): Order, please. The period for questions and comments is now terminated. I would like to recognize the Hon. Minister of Justice (Mr. Crosbie).

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I was not planning to get involved in this particular debate, but since the matter of the *Ocean Ranger* has come up I thought that I would speak about it for a few moments because I am taking an obvious interest in ensuring that the recommendations with regard to the Ocean Ranger are implemented in so far as they can be. The final report of the commission on the *Ocean Ranger* which was headed by Chief Justice Hickman of Newfoundland was only received in July if my memory serves me right. That report is now under intense scrutiny by various departments of the Government, including the Department of Transport, in order to decide how many of the recommendations can be effected. Since I am a Member from Newfoundland I am taking a particular interest in that period.

As a matter of fact, Mr. Speaker, I met last Friday with the chairman of the committee of officials which is dealing with the report. The legislation which is now before the House deals with revisions and changes to the Canada Shipping Act. As we all know, it is not, nor will it be, the only legislation which applies to Canada's off-shore areas. I would like to assure the Members of this House, and through this House anyone who might be watching or interested from Newfoundland and Labrador, that the recommendations of the *Ocean Ranger* commission are going to be implemented wherever possible and wherever the Government considers that these recommendations would bring about improvement which are possible and can reasonably be made in connection with off-shore safety of Canada. The Government will certainly make clear its position on each recommendation which it feels it cannot or should not accept and on each recommendation which will only be partially accepted or partially implemented. Nothing less would be satisfactory.

I am pleased that the hon. gentleman has brought up this subject as it is a most important one. I know that some of his rhetoric is just that. He likes to expound with some vigour and as a young MP he is coming along. He is certainly able to fill this Chamber with the rotundities of his views, if that is the right wording.

Mr. Nystrom: The new John Crosbie.

Mr. Crosbie: Being in Opposition, he can now do that and exercise himself with considerable indignation whereas in former times he had to remain silent. One can understand that he is somewhat like the steam kettle that has been on the boil all day with a wooden plug in the bung-hole. Having come from Government and into Opposition of course the bung-hole has sprung and all the steam is pushing out. We welcome it. Of course, often the hon. gentleman does not make more sense than a bung-hole.

• (1640)

Mr. Nystrom: What hole?

Mr. Crosbie: Bung-hole. It is a kind of hole that you would not understand, coming from Saskatchewan.

Returning to the point, I would ask the hon. gentleman to remember that when the *Ocean Ranger* tragedy occurred in 1982, it occurred when our predecessor Government had been in power for some 20 years. It is obvious from the circumstances that surrounded that incident, certainly as later found by the royal commission, that some peculiar situations had been allowed to develop about which people had not been made aware. Most of this has been clearly pointed out in the report of the *Ocean Ranger*. Hopefully it is not a situation that will ever occur again but we have to be vigilant to make sure that it does not occur again.

The *Ocean Ranger* commission consisted of six members. As I recall, three were nominated by the Government of Newfoundland and Labrador and three were nominated by the Government of Canada. Both Governments jointly shared the expenses of that commission. However, this is primarily within the jurisdiction of the Government of Canada and it has a responsibility to see that these recommendations are carried out except where a conclusion is reached that a recommendation is not the right one.

In addition to the fact that the legislation and regulations that pertained in 1982, at the time of this occurrence, were regulations that were implemented under a legislative regime for which the hon. gentlemen opposite had been responsible for some 20 years, I would point out that there have been considerable improvements brought about in the situation since this Government assumed office. The Hon. Member mentioned one of those improvements but only did so to denigrate it. It is the stationing of National Defence search and rescue helicopters in St. John's during the winter period, which is the period of

greatest danger for offshore operations. That commenced last year under the aegis of this Government.

For years, when we were in opposition in the House, our protests and cries that the search and rescue facilities in Newfoundland were inadequate were completely ignored by the Government of the day, which is the Government to which the Hon. Member belonged. There have already been considerable improvements brought about in search and rescue for the offshore just through the stationing of helicopters in the St. John's area in the winter-time. They are not in Gander or Prince Edward Island or Halifax or some areas where it will take them hours to get to the scene of the trouble, if trouble occurs. Although more improvement is needed, there has already been a great deal of improvement in that direction. Better equipped helicopters, reflecting the latest state-of-the-art technology, are needed in this location, certainly during the winter period but preferably all year.

I do not intend to make a lengthy intervention here today, except to say that the Minister of Transport (Mr. Mazankowski) is well aware of these problems. He has done more in his few short months as Minister of Transport to overcome transportation problems in Newfoundland and elsewhere than any other in our history. He only had eight months in his last reincarnation. He has had 13 months so far, this time. He is well aware of the problems and well aware, as far as his jurisdiction is concerned, of what must be done to overcome these problems. As long as we have a person of his calibre and interest occupying this position, we do not need to worry about what will happen to the *Ocean Ranger* report. That report will be implemented and any aspects of it that the Government concludes are not suitable for recommendation will certainly be made public.

Mr. Tobin: Mr. Speaker, I have a comment and then a question. First, let me say that I agree with the Member for St. John's West (Mr. Crosbie) that the Minister of Transport is indeed a man unusually possessed with a high degree of intelligence, ability, wisdom and knowledge in this industry. I think he is a man of integrity. I do not question that. It is because I believe he has those qualities that I appeal to him to move more quickly and not wait until next fall with respect to the recommendations contained within the *Ocean Ranger* report.

Let me say with respect to the Member for St. John's West, that I agree with just about everything he said with the exception of his comments about the bung-hole. Even though I agree with everything he said, I tremble somewhat in fear because I am expecting a retraction to be issued at any moment. I do not know if he cleared those comments with the PMO first.

The Hon. Member said that conditions were not as good as they should have been in 1982 when the previous Government was in power. He is right. They were not. If the Hon. Member checks the record in *Hansard* for 1982 and 1983, or checks the public record as far as press clippings are concerned in Newfoundland, he will find that that is exactly what I was saying as a Member of the Government about the provisions made by the Government in 1982 and 1983. They were not good enough.

I recall that one of the most disturbing incidents at that time was that two levels of Government were having a political fight about safety regulations while the rigs were operating. One Government threatened to close down the drilling season while the federal Government said it would not allow that to be done. It was a political football that was being kicked back and forth in a very partisan way. If the Hon. Member checks the record, he will see that I was asking at that time for an interim report from the royal commission. In fact, I asked questions in the House of the Minister of Transport as well as in public through the press for an interim report so that we could resolve at least some question of safety rather than let the matter become nothing but a political football.

If the Hon. Member for St. John's West is consistent he will check the record and find that out. The fact of the matter is that we did not have a report in 1982 or 1983. However, since August, 1984, we have had the most exhaustive report of a royal commission. The fact that it was not available before is not an excuse for the past. It does not forgive inaction by Governments of any stripe, including Liberal, if there was inaction in past years. However, we never had a report.

The fact that we have that report now is why I ask the Minister of Transport to take this opportunity to encompass within Bill C-75 the recommendations of the royal commission, particularly as it affects his jurisdiction under the Canada Shipping Act to police the operation of these rigs when they are stationary and at sea.

I ask the Member for St. John's West, in good faith, if he is satisfied that the temporary stationing of the helicopter from Gander meets the specific recommendation of the royal commission. Is he satisfied with that as the Member for St. John's West and, more important, as a Newfoundland Cabinet Minister?

Second, will he tell us whether any initiative is under way by the Government to examine what new types of equipment with respect to SAR helicopters might be more appropriate for this kind of offshore duty than the aircraft that is currently being used? There is wide ranging debate as to whether or not this current vehicle is appropraite for the conditions offshore.

Mr. Crosbie: Mr. Speaker, I do not know about retractions. I never recall having retracted anything that I have said, not even in recent days. Therefore, I am not familiar at all with retractions. I do not know what the Hon. Member is referring to in that respect.

Perhaps the hon. gentleman was being accurate. I will have to accept his word for it if he says that in 1982 and 1983 he went on the record as to the need for improvements in offshore search and rescue capabilities and other needs in Newfoundland.

I also remember that he was aiding and abetting the then Minister of Energy, Mines and Resources, who is now the External Affairs critic for the Official Opposition, in his efforts to crush the province and force it to submit to the

Government of Canada and accept what it was offering the Province of Newfoundland by way of an oil and gas agreement at that time. Of course that agreement was one which would have put complete authority and control over all offshore activities into the hands of the Government of Canada.

• (1650)

I well remember when the *Ocean Ranger* tragedy occurred the disgraceful appearance of the Government of Canada attempting to prevent the Government of Newfoundland from appointing a commission of inquiry to look into the matter and trying to beat it to the punch by appointing its own commission. I remember well the unsavoury fracas which occurred until wiser heads persuaded the Government of Canada to pay some attention to the province, to do the decent thing and to appoint a commission which would have representatives of both Governments. That is the kind of thing I remember. The then Government of Canada did not care much about what was happening in the offshore insofar as safety or the conduct of the offshore was concerned. It was interested in who would control it, who would have the power, how it could best crush Newfoundland and Labrador, and how it could prevent another Alberta from arising on the East Coast of Canada, as it visualized it. That was its concern at that time, not helicopters or equipment on helicopters—

Mr. Tobin: On a point of order—

The Acting Speaker (Mr. Paproski): The Hon. Member can rise on a point of order, a supplementary question or a comment.

Mr. Tobin: Mr. Speaker, I put the same two questions to the Hon. Minister again. Obviously he is using partisan rhetoric to try to avoid my questions. My question was twofold. Is the Hon. Member for St. John's West (Mr. Crosbie) satisfied—

Mr. Crosbie: That is not a point of order.

The Acting Speaker (Mr. Paproski): Order, please. It is not a point of order, but the Hon. Member wants to direct a supplementary question to the Minister. Is the Minister finished?

Mr. Crosbie: Could I answer his original question?

Mr. Tobin: There are two questions; answer them.

Mr. Crosbie: Mr. Speaker, I could either ignore answering his supplementary questions or ignore answering his original questions. I choose, at the moment, to ignore answering his original questions. I will ignore his supplementary questions later.

Mr. Tobin: Why are you afraid to answer them?

Mr. Crosbie: Mr. Speaker, I was interrupted—

Mr. Tobin: Answer them.

Mr. Crosbie: The Hon. Member claims to have asked a question. What I heard was a harangue, followed perhaps by a question.

Mr. Tobin: *Hansard* will record my original two questions, and *Hansard* will record that you are afraid to answer them.

Mr. Crosbie: The hon. gentleman is irrepressible in the venting which he wants to do through his bung-hole at this particular moment. With respect to the question of helicopters, I believe, as I said in my earlier remarks, that we should have state of the art helicopters with the latest in search and rescue techniques and equipment stationed in St. John's, Newfoundland, in order to provide maximum search and rescue capabilities and safety features, particularly during the winter season. That is what is required. The Government of Canada is looking at all options and how they can best be accomplished.

We are looking at the recommendations of the *Ocean Ranger* commission. Some of them would involve quite massive changes and, therefore, decisions could not be made overnight. For example, there was a recommendation that the search and rescue work should be conducted by a new, independent agency, not by a Department of Government which has other responsibilities, such as DND. That would be a very considerable change involving some intricate questions as to whether all the equipment of such an agency would be dedicated for that one purpose, how it would affect present arrangements and the like. All these matters are under intensive scrutiny now, and certainly that will be decided within the next several months; three or four months at the latest. Other matters which are not quite that intricate or where the involvement of Government in the changes would not be so massive will be decided much quicker. I know that the Minister of Energy, and the Minister responsible in Newfoundland will be giving a report this fall on just what has happened to all these recommendations to date.

I have forgotten the second question, but just to answer—

Mr. Tobin: Are you satisfied with temporary placement in St. John's?

Mr. Crosbie: That is an improvement over the condition which applied beforehand.

Mr. Tobin: Yes, it is.

Mr. Crosbie: However, I could not say that I was satisfied with just that. I would like to see the new arrangements made permanent and better equipment used. That is what we have to work toward.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I do not plan to say too much, so that this Bill can proceed. However, I have a few comments to make regarding Bill C-75. My concerns focus around 16 items in the Bill. I will start by going through them one at a time.

The first one primarily concerns the suggestion or implication that user fees will be applied to commercial shipping. Most likely this is where costs will be imposed on the grandest

scale. As a western Canadian Member of Parliament, I am concerned about added costs to central Canada in potential coal contracts with Alberta and British Columbia. Mr. Speaker, I know you are familiar with the study by the Alberta and Ontario joint task force on coal, being a Member from the fine Province of Alberta. The task force shed a great deal of light on Seaway transportation costs, particularly as they impact upon the matter of coal.

In 1978, in my own province, the Byron Creek collieries started looking at the exportation of coal from British Columbia to central Canada, to be used primarily by power facilities in Ontario. Aside from it being a Canadian product producing jobs in western Canada, not to mention the jobs which would be created throughout the transportation system, western coal is of particular interest because of the role it plays in acid rain and the fact that its sulphur content is so much lower than that coming from the United States of America. It has a significant role to play in the future, particularly with Ontario Hydro generating stations. Like many of our problems in Canada, our unfortunate fluke of geography results in it being a considerable distance from market. That is the essence of my first concern. The imposition of additional commercial shipping fees put the possibility of a western Canadian coal link with central Canadian demands simply that much further into the future. For example, a cost-quality comparison indicates that in Canadian dollars per tonne, the maritime transportation component shows an average cost of $2 per tonne for American coal compared with $7 per tonne for Canadian coal. Obviously any increase in Seaway tolls for indirectly or directly related Coast Guard services will only make the gap between the cost of American coal and the cost of Canadian coal larger and therefore reduce the competitiveness of western Canadian coal. Hon. Members from western Canada have repeatedly raised this matter as something into which the Minister of Transport (Mr. Mazankowski) should look very seriously, in terms of keeping costs to a minimum to facilitate the exportation of western coal into central Canada. If currently contracted Hydro Ontario purchases are any indication, western Canadian coal could increase to 50 per cent or 55 per cent of Hydro's total coal supply by 1990. The opportunities for increased sales of western Canadian coal to Ontario Hydro will of course depend upon the availability of a competitive product.

● (1700)

The fact that western Canadian coal is of low sulphur content ought to be a factor in encouraging the Government to consider some subsidies in respect of the transportating of that coal from western Canada into the Central Canadian basin—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member, on Bill C-75, will have 15 minutes for his speech, plus 10 minutes for questions and comments, when the Bill next comes up in the House.

[*Translation*]

It being five o'clock, the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ENERGY

ADVISABILITY OF PRODUCTION AND DISTRIBUTION OF OCTANE ENHANCERS

Mr. Elliott Hardey (Kent) moved:

That, the Standing Committee on National Resources and Public Works be empowered to study the feasibility of recommending the production and distribution for sale to the motoring public of Canada, through its Crown agency, Petro-Canada, gasoline blended with the octane enhancers ethanol (3 per cent) and methanol (5 per cent) for the purposes of:

1. removing the additive of lead concentrates and MMT (Methylycylopentadienyl Mangenese Tricarbonyl) from currently-marketed gasolines;

2. creating an expanding market for Canada-grown corn;

3. utilizing the existing sources and known reserves of natural gas; and

4. reducing the importation of light crude oil products currently used in gasoline production.

He said: Mr. Speaker, this motion proposes a government initiative of far-reaching importance to Canadians and one which would result in extensive economic and environmental benefits both in the short and long terms, providing the type of stimulus that can only come from a major national staple industry.

Energy and environmental issues are of paramount importance to the world community, of which Canada is a part. These issues touch each part of our land in such a way that individual national interests are inseparable from mankind's global interests. Each day we become more and more committed to the development and discovery of energy sources to meet the needs of our nation's growing population. These needs represent an important part of the progressive lifestyle of our citizens, and the lifestyle of our citizens reflects the well-being of Canada.

At the same time, we are equally committed to a national and international program to clean up, maintain and protect our environment. The proper and controlled uses of energy sources are recognized as essential to any environmental protection efforts.

Our principal environmental pollutants, particularly those released into the atmosphere, emanate from energy sources used by industry and in transportation. And, of course, today we are dealing with the pollution problems arising from transportation.

We all know how seriously the federal and provincial Governments of Canada view the environmental clean-up pro-

gram. The recent conference on acid rain held in Minett, Ontario, certainly demonstrated these concerns in a most impressive way. I think this is one of the most important issues of our time and our generation. It is we who must solve the environmental pollution problems, while there is still time.

As simple as it may sound, it is the combustion engine that is the major problem resulting in pollutants in our atmosphere. The constant release of vast quantities of nitrous oxides into the atmosphere over extensive regions of the globe has brought us to the critical juncture where we have no choice but to take drastic steps to control air pollution. Over the last several years, there has been a major effort to reduce the lead content in gasolines, both in Canada and the United States, as a major part of this clean-up thrust.

In the United States the Environmental Protection Agency has been the leader in these efforts, even to the point of promoting what are called "lead credits'; that is, federal subsidies to petroleum producers for taking the lead out of their products. It is a program that has been largely successful. Lead as an octane enhancer has been on the way out for the last three years, and with it the injurious effects on the environment and on people. We in Canada have been a little slower in the move to phase out lead in gasoline, but there is a move in that direction.

What about the so-called "lead-free" gasolines? In Canada, lead-free gas is known as MMT, a manganese compound, Mr. Speaker, which is another heavy metal. It is added to gasoline as an octane enhancer. While MMT has a high octane rating, it is highly flammable and can cause irritation to the skin and eyes. High concentrations of it can cause headaches, dizziness, and even unconsciousness.

MMT vapours are known to travel considerable distances to ignition sources and cause a flashback. The hazards of MMT to people and to the environment are therefore obvious. In the United States, MMT has been effectively prohibited since 1977 because of federal regulations which only permit a quantity of 0.0685 grams per gallon to be used in any gasoline blend. MMT is also prohibited in Europe. So, it has to go also in Canada, and as soon as possible.

The removal of lead and of MMT from gasoline as octane enhancers leads naturally to the question of their replacement. Where do we go to find a replacement source? What are the global aspects, economically, of such a possible replacement? My motion answers these questions. When Canada meets U.S. and, indeed, world standards for lead and MMT concentrations, something else must supply the needed octane enhancement. Clean-burning alcohols are ideally suited for this purpose. My motion proposes the federally-sponsored production of an ethanol-methanol blended gasoline for Canada, known as EM gasoline.

A blend of 92 per cent gasoline, 5 per cent methanol and 3 per cent ethanol creates a satisfactory octane requirement. Again, that is a blend of 92 per cent gasoline, 5 per cent methanol—sometimes known as wood alcohol—and 3 per cent ethanol—and that is the happy stuff, Mr. Speaker. The combination of the alcohols making up 8 per cent of the fuel will cost no more than the gasoline it replaces, and maybe less, and these alcohols will not damage the environment.

Both methanol and ethanol are home-grown products. Methanol is derived from methane, or natural gas, of which Canada has an abundant supply, and ethanol is a renewable fuel alcohol produced from grains, particularly grain corn, though it can also be produced from cull potatoes, from the east, or forestry by-products in the West.

Let us get right into the cost factors of this EM concept of octane enhancement. The idea of alcohol for this purpose has been around for a number of years, usually in the form of a straight 10 per cent ethanol blend with gasoline, which is known as gasohol, a product used commonly in the United States. It has gained the reputation of being unable to quite compete with petroleum-based fuels, but in Canada, we have natural gas and lots of it. With it we can produce methanol for nearly one-half the cost of gasoline. It can be produced at 16 cents to 18 cents per litre while the cost of producing gasoline is about 31 cents per litre. Methanol is the key to introducing clean-burning, affordable alcohols into our gasoline blends.

• (1710)

There are three modern western plants already producing methanol. One such plant is Alberta Gas Chemical Co. at Medicine Hat, Alberta. The two others are Canadian Celanese in Edmonton and Kitimat, British Columbia. These factories were built during the heyday of export markets. Presently, the domestic market is quite small. I am told by reliable sources that if these plants were put into high gear, they could produce enough methanol for all the gasoline blend requirements in Canada. No megaprojects need be considered, just efficient, job-creating, production increases with natural gas as a source.

I am sure Hon. Members are asking themselves at this point why we need ethanol if methanol can be produced far cheaper. Today's cost of producing ethanol is, I believe, about 50 cents per litre. Methanol requires a co-solvent to keep it properly mixed in gasoline, particularly in cold wheather. Ethanol is a co-solvent that will do the job. There are other co-solvents such as isobutyl alcohol and isopropanol, both derived from petrochemical feed stock. However, ethanol comes from a renewable source and it is now unmistakably clear that the price of petroleum and petrochemical products, regardless of technological advances in the field, can only go in one direction and that is up.

Since 1977, petrochemical products have shown a continuous price increase and it is the opinion of the economists, based on long-term supply and demand stituations, that the cost of petrochemical resources versus renewable resources will meet at a certain point. I have a graph which shows absolutely and inevitably that the costs will meet and even forecasts the meeting point to occur some time in 1991. Right now, though, ethanol does cost more to produce than gasoline.

The success story of gasohol in the U.S., where five billion U.S. gallons of blended gasoline consisting of 10 per cent ethanol and 90 per cent gasoline are sold annually, means that its production is supported by federal and state incentives. This

tax is justified by the tremendous boost to agriculture it provides, particularly to corn producers in Nebraska, Iowa, Illinois and Ohio. If fuel ethanol is to be used or developed in Canada, it will be with a blend of ethanol and low-cost methanol, known as EM fuel. This would require no subsidy by the taxpayer. We would simply tap into our abundant supply of natural gas. The 8 per cent portion of the combined ethanol and methanol in a litre of blended gasoline would cost 2.40 cents. The gasoline it would replace would cost 2.48 cents. The alcohol mixture is cheaper than the gasoline it replaces. It should be emphasized that no changes will be needed in automobiles for them to use EM gas and that all warranties would cover the use of EM fuels.

Companies like St. Lawrence Reactors Ltd. and Commercial Alcohol Ltd. in Montreal which are presently producing ethanol are eagerly working on technology in conjunction with the Canadian Renewable Fuels Association. They are ready to construct new plants as soon as a market appears to be forming. Again, no megaprojects will be required. Plants will simply appear where renewable resources are available. Representatives of these companies are telling me that they expect to significantly reduce the cost of producing ethanol in the future. However, the cost of EM fuel to which I just referred is based on today's prices, and even these figures indicate a favourable cost structure.

What does EM fuel mean? It means a cleaner environment and an opportunity for Canada to match U.S. gasoline standards for lead and MMT. This will surely strengthen Canadian credibility in discussions on acid rain and other environmental issues. That alone should be enough to put this motion before a committee. Further, the utilization of Canadian-produced renewable fuel source will involve the use of Ontario corn plus other agricultural and forestry by-products.

I come from Ontario, and there we think of corn as being a renewable source for ethanol. The production of 350 million litres of fuel ethanol in Ontario would require about 35 million bushels of corn. That corresponds to the average offshore sales of corn in recent years. As well, wet mill processing of corn yields corn gluten meal which is 60 per cent protein and highly prized in the poultry industry as well as corn gluten feed which is 21 per cent protein and used in the cattle industry.

Consider the potential for job creation, Mr. Speaker. Unlike petroleum refining which requires relatively few employees, grain handling and processing industries are more labour intensive. Expanded ethanol production would create literally thousands of jobs.

Finally, while Canada is again a net exporter of heavy crude oil, it is a significant importer of light crudes which are used for gasoline production. An 8 per cent reduction in the total Canadian requirement would have a major effect in reducing this import demand.

I ask my colleagues on all sides of the House to support this motion. There are only minimal adjustments to be addressed and once those are addressed we can stop using lead and MMT as an octane enhancer because the alternative can be readily available. We have a tremendous opportunity to capitalize on our Canadian resources. The time to move is now.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to thank the Hon. Member for Kent (Mr. Hardey) for bringing this motion before the House today. It is a very thought-provoking motion and one that has the potential to do a great deal not only for the consumers of this country but for the agricultural industry and the energy sector.

In looking at this question, I feel that the thought that must be uppermost in our minds is caution. There are many things we must consider when looking at the use of methanol and ethanol as octane enhancers in gasoline. This does not mean that we should not take a very serious look at the blend as an alternative fuel but we must use caution. I express concern mainly because methanol can cause problems such as vapour lock, layer separation and unusual wear on engine parts. That is not to say that these things cannot be overcome by thoughtful utilization and I believe this is going to be part of the interesting feature of studying this whole question. Although this is widely believed to happen only when methanol is used in heavy doses, the fact is that a vehicle's fuel system can be harmed and that is the main reason the automobile industry has had some hesitation in using this product widely. Also, Mr. Speaker, and more importantly, the long term effects of its use are not known at the present time. We must be very careful when we are dealing with the health of the Canadian consumer. Even if this Government does forget this fact from time to time, as we have seen very recently, the health of Canadians must be uppermost in our minds.

• (1720)

The automobile industry has allowed to a maximum of 5 per cent the use of methanol, which is the amount we are discussing here. Although the use of this blend could remove the additive of lead concentrates and MMT, which, of course, would be of great benefit to the environment, there remains one important question. What are the long term effects of this blending on the Canadian environment? We could—and I hope you will forgive the pun, Mr. Speaker—be adding fuel to the fire with regard to putting harmful substances into the environment. We must also face the fact that removing MMT from gasoline would be the last thing the industry wants. MMT is easy and much cheaper as an octane additive. If there is a chance that methanol can harm car parts, not to mention people, we must ask ourselves if there is not another alternative. That is not to throw water on this very important question because I, as well as the Hon. Member for Kent see this as a very important alternative.

I am glad the Hon. Member brought this subject forward and his motion to present this to the Standing Committee on Natural Resources and Public Works will give us an opportunity to look at this question. I think we have to look at the facts and the present data which is available to us through RDC, Research and Development and Consulting Ltd. which shows that the blend of 5 per cent methanol and 3 per cent

ethanol and 92 per cent gasoline lies within the satisfactory operating region for Reid vapour pressure or RVP. RVP is simply the vapour pressure of a fuel at 37.8 degree Celsius. It is used to measure the fuel volatility and, of course, fuel volatility must be controlled between suitable limits to provide proper operation in an internal combustion engine.

At the lower end, some volatility must be present to allow starting in cold temperatures and, at the upper end, too much volatility can cause vapour lock. I mentioned the problem with methanol when exposed to very high temperatures.

The Canadian General Standards Board allows for three levels of RVP, a summer grade, a winter grade and an intermediate grade. Through studies on this particular gasoline blend, it was found that this blend would have the vapour pressure and volatility characteristics suitable for the area of western Ontario. The study suggeted that motorists using this fuel would not experience vapour lock problems.

What about the other areas of our country, Mr. Speaker? Winters can get very cold in some parts of this country. Another problem with this blend of gasoline is drivability during warm up. I know that anyone who has had the distinct pleasure of sitting in a cold car waiting for it to warm up would find that an annoying problem.

These may be simple questions which have no bearing on the ultimate need to change to a blend such as this, but once again these are questions which are worth studying and worth answering because they are questions, Mr. Speaker, which are going to be asked of us who will be debating this very important issue.

The fact that this blend consumes less energy per mile is very significant. It does help to reduce our need for imported light crude oil products, and after the OPEC shocks to the western world, that is a very welcome option. Canada does have huge reserves of feed stocks from which methanol can be produced and it would create an expanding market for Canadian corn producers. With the situation in the agricultural industry at the present time, I think it is very important to be able to provide a blend which would be suitable to the motorist, to the environment and would be helpful to the Canadian public, and at the same time, it would be of benefit to the agricultural industry, which is something that would be very attractive indeed.

We must also look, Mr. Speaker, at what this type of blend will do for the consumer. Bob Chislett of Sunoco, who has joined with Alberta Gas Chemical Ltd. in test-marketing the blended fuel says that the consumer benefit. I believe that is very significant. Mr. Chislett says that the higher octane rating can help stop engine knock and in winter can reduce gasline freeze-up. It also burns more cleanly, which of course reduces the emissions going into our atmosphere.

However, the consumer does not get any break with lower prices. The reason for this is not because of the blend so much as it depends upon the price at which it is offered to the Canadian public. If recent history repeats itself, there is a very great reluctance to reduce fuel oil prices. Of course, there is also the high cost of the co-solvent which must be present in this blend and which at present comes from the United States.

The Ontario Government is waiving the tax on the methanol portion of the fuel, but the consumer will not feel it because of the increased cost in producing the blend. So there are many advantages to this blend of gasoline, advantages which we must consider, especially in view of the fact that lead additives are being phased down in our gasoline products from .77 grams per litre to .29 grams per litre by 1988. Therefore, we have no choice. We must find other octane enhancers, but in looking at those alternate fuels, we must also look at the history of the product. In 1976, the Canadian Society of Chemical Engineers and the Canadian Society of Mechanical Engineers concluded at a symposium that methanol may have better use as a replacement for liquefied petroleum gas in gas turbines. There would be fewer problems and application could be in areas such as electrical generation in rural communities for grain drying. We must look at their reservations, even though it was back in 1976. They were still reservations held by a very important and learned body.

We must be sure before we approve anything that our children will not regret our choice in future years. I must stress here, Mr. Speaker, that we must have an open mind in looking at this question, not because we do not see the benefits of what is before us today but because of the importance of the decision and because of the great utility of the product on which we would be passing judgment and which we would be analysing. If the effects were detrimental in any small fashion whatsoever, it could have serious consequences in the years ahead.

That is why, Mr. Speaker, I feel that the Standing Committee on Natural Resources and Public Works should have the opportunity to study the question more carefully, to invite members of the industry who are involved in the production of this blend and to hear from members of the auto industry who have some reservations about the blend, and of course, to hear experts on the environment.

We must realize that this blend of gasoline is widely used in other parts of the world, in West Germany, Brazil and in the United States. It is imperative that we look at what it means for Canada, and especially for the future health of Canadians.

I request, Mr. Speaker, as does the Hon. Member who presented this motion, that the question be referred to the Standing Committee in order that we can fully understand the implications and consequences of our decisions. We will then be in a better position to pass judgment and make a more informed decision about the use and possibilities of this very important fuel for our country.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina East (Mr. de Jong) from a standing position.

• (1730)

Mr. Simon de Jong (Regina East): Mr. Speaker, the doctors have put a cast on me and I am able to hop around and stand and face you and bow, Sir.

It is a pleasure to enter the debate on this private Members' resolution. I think it is a good one and the suggestion that it should go to committee makes a heck of a lot of sense. All of us recognize that alternate energy sources are important. We are living in a fool's paradise if we believe the energy crisis is over. All we have is some time in which we can get our house in order, so to speak. We do not have an energy or oil crisis now because of general economic conditions and because more oil and gas fields have been developed in the last number of years. However, we all know that oil and gas are not renewable resources. They are finite resources. Eventually mankind will have to face the fact that we have run out of these precious resources. To do nothing would be criminal. It would be socially irresponsible for any Government to claim that there is no longer an energy crisis and therefore we do not have to do any further research into alternate forms of energy. Regardless of what political Party is in power, any Government which took that attitude would be socially irresponsible. As I mentioned before, common sense tells you that at some stage down the line we will again be facing shortages of oil. The resolution in front of us makes sense from that point of view.

It also makes sense from the environmental point of view. A few years ago, I believe in 1983, the U.S. Environmental Protection Agency reported on the greenhouse effect. That report stated that this greenhouse effect will be felt and seen within a 15 to 20 year period. Airborne carbon particles will cover the globe and trap the earth's heat within the atmosphere causing major climatic and environmental changes which will have tremendous effect on the world as we know it today. At that time I asked the then Minister of Energy, Mines and Resources if he considered this report to be a serious one and would he give the same type of grants and incentives to developing alternate energy sources as he was providing to the oil companies. He pooh-poohed the idea. He suggested there was no linkage between the greenhouse effect and the grants and subsidies we were giving to the oil industry, particularly for drilling for oil in the Beaufort and along the Atlantic coast. Well, a good case can be made that all forms of energy research receive the same type of grants, incentives and tax breaks. I really wonder whether Government can determine what type of technology is developed through its taxation and grant programs. It seems as well that there was a degree of social irresponsibility when on the one hand we have some of the best scientists in the world warning us about the greenhouse effect, and on the other hand another arm of Government is promoting the very thing which will cause the greenhouse effect.

I found it unfortunate that at the beginning of this Government's mandate it chose to counsel some of the important work that the National Research Council was doing into alternate energy. At that time, in front of the Standing Committee on Miscellaneous Estimates, the Minister of State for Science and Technology (Mr. Siddon) stated that: "In many cases, after some 10 years of funding, it has become evident that, particularly in the areas of solar and wind energy, the return on that investment was not evident". I have expressed before in this House the sentiment that new forms of energy do take a long time to develop and make economically viable. As such, I have to disagree with the Minister when he says that 10 years is enough. I have pointed out previously that nuclear energy took 30 years of research and development before it became economically viable. Even now, there is a good question whether it is still economically viable.

I really do not have much more to add to the debate, Mr. Speaker. I think the mover and the spokesperson from the Liberal Party have covered many of the points I was going to raise. I will not repeat what they have said other than to indicate that we in the NDP support the resolution. We hope that the standing committee will seriously consider this motion. We welcome as well the establishment of a committee, which I understood was announced last week, to deal with hydrogen. Hydrogen is my choice for the ideal fuel. It is the cleanest fuel. Its only by-product is water vapour. Considering the warnings we have received about the greenhouse effect, I believe the fuel of the future is hydrogen. That was the conclusion of a special committee of Members of this House a few years ago. Their chief recommendation was that we begin to change Canada to a country which is based and dependent upon hydrogen. I would like to see hydrogen added to this list but it is my understanding that a committee has been struck to investigate the potential of hydrogen and the state of art of that technology. Therefore, I will accept the resolution as is, although I understand that the Government speaker after me will introduce a minor amendment which we will support as well.

In conclusion, we support this private Members' resolution and congratulate him because he will be one of the few lucky ones to see this resolution actually pass this House and not be talked out.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, first of all I want to congratulate my good friend, the Hon. Member for Kent (Mr. Hardey) for introducing this very thoughtful motion. It is something that I know the committee concerned with natural resources is anxious to get its teeth into for an in depth study. If I might, I want to for a few moments talk about this well intentioned motion and introduce one concern that I have which will cause me to, with your permission, introduce an amendment at the end of my remarks.

The one area that I am concerned about in the motion is that the federal Government should direct Petro-Canada. We all know that the federal Government has no authority to direct Petro-Canada to take the lead in the production and distribution of gasoline blended with octane enhancers. Petro-Canada is an autonomous company in pursuit of commercial goals, and such a federal directive could be interpreted as interventionist. Nevertheless, it is interesting to note that, without any federal prompting, Petro-Canada has been conducting studies on the use of methanol and ethanol extenders. I will be introducing an amendment a little later to that effect.

Octane Enhancers

● (1740)

I would like to deal with this motion as three distinct issues; the first relating to the removal of lead and MMT, the second focusing on addition of alcohols, and the third on the role of Petro-Canada. I would first like to discuss the removal of lead and MMT.

Approximately 50 per cent of Canada's vehicles use leaded gasoline while the rest use unleaded gasoline which is required for vehicles fitted with catalytic converters to reduce exhaust emissions. There has been considerable concern over lead emissions from vehicles that use leaded gasoline. The Minister of the Environment (Mr. McMillan) is responsible for regulating lead under the Clean Air Act. As of January 1, 1987 allowable lead levels will be reduced to .29 grams per litre from .72 grams per litre. No further reductions have been announced and I believe that any additional decrease in allowable levels will be based on a full assessment of related economic and health factors.

Such an assessment will take into account the findings of the Commission on Lead in the Environment headed by the Royal Society of Canada which is soliciting views and information from all interested parties in Canada. This commission will present a preliminary report to the Minister of the Environment later this fall with a final report scheduled for release in the fall of 1986.

In the interim, the Canadian Government is carefully monitoring developments in the United States relating to the lead issue. In that country allowable lead levels will decrease in 1986 to .03 grams per litre. In addition to these reductions, the U.S. Environmental Protection Agency has also proposed that, in due course, lead be banned completely. This proposal is rooted in the suspected health hazard of lead emissions as well as in the misfueling issue whereby cheaper leaded fuel is used in cars designed for unleaded gasoline resulting in damage to emission control devices.

MMT in the quantities currently used in Canada is not a health hazard. It is banned in the United States because American officials suspect that MMT contributes to increased exhaust emissions. The Minister of the Environment is currently examining the use of MMT in Canada. In a decision to change current use of MMT in this country—the only reason I am saying MMT is that I cannot pronounce the big words that it represents. I could spell them but I will not. They are very long and even for an old radio announcer they are tough to pronounce.

The use of MMT in this country would be based on a full assessment of economic factors and emission requirements. One factor in this assessment will be the adoption in 1988 of emission standards for light duty vehicles that match those in the United States. These more stringent emission standards may be difficult to meet if continued use of MMT is permitted. That would be in the future.

I would like to move along to the area of additions of alcohols to fuels. Lead and MMT are linked to ethanol and methanol because all four increase the octane or "anti-knock" ratings of gasoline. Octane is an important property of gasoline and refiners must absorb costs to ensure their gasolines met octane requirements, obviously in as cost-effective a way as possible. Lead has been the cheapest, and therefore the preferred way to raise octane. As lead use decreases due to the reduction in permissible levels and to the increasing use of unleaded gasoline, refiners must adopt other means of raising octane. Options range from switching additives such as MMT and alcohols to modifying refinery processes.

However, new processes may require large capital expenditures and may increase oil consumption. The Department of Energy, Mines and Resources holds the view that the alcohol-ethers option could be the attractive one for Canada for the reasons cited by the Hon. Member for Kent in his motion. Alcohols and ethers are made from domestic resources like natural gas and biomass that are abundant and could reduce light oil imports. Preliminary studies show economic benefits could stem from their production and use.

The Hon. Member refers specifically to corn which would be used to make ethanol and natural gas which would be used to make methanol. At this time I would like to report to the House that the Ontario Corn Producers' Association which is headquartered in Guelph has made representation to me as have a number of other associations interested in this production. The Ontario Corn Producers' Association has 25,000 members and it has written a letter to thank members of the Government for their support which permitted advance payments for crops. The Ontario Corn Producers' very kindly lauded the Government for its action and said how important this is for them. They wrote us all a thank you letter. In this business we do not get too many thank you letters, so I just wanted to put on record today that the Ontario Corn Producers' Association recognized the good work of the Government in its Department of Agriculture through some of the advance payments that were made permitting them to receive some cash while the harvest is being brought in in October and November. I got a little off the subject, but I did want to publicly thank the Ontario Corn Producers' for recognizing our good work.

While the Government is very interested in promoting increased use of domestic resources, it believes that market forces should determine which is most economic. It may be inappropriate to favour one resource over another. In particular, different feedstocks such as other cereals, wood, and liquefied petroleum gases could pay a role in the production of alcohols for gasoline blending.

There is some extensive testing on alcohol-gasoline blends going on. I could discuss these but I think the committee will go into great detail in examining this entire matter. It has a very wide scope and a number of excellent witnesses can be called before the committee to consider all aspects of this proposal from auto manufacturers to the Ontario Corn Producers' Association and Celanese Canada Inc. I know that our friends at St. Lawrence Starch are interested in making a presentation to the committee. There are a number of groups

that will be called before the committee to give evidence. We are very pleased about that.

I would like to briefly discuss the role of Petro-Canada in connection with Motion No. 218. Petro-Canada has done a considerable amount of work in evaluating the potential of octane enhancers, especially methanol. It has conducted several joint studies on methanol with Celanese Canada Inc., the most recent of which was managed by the Ontario Research Foundation and involved 60 vehicles being driven in typical owner-operator situations. The results of these initial studies indicate to Petro-Canada that there are still some unresolved concerns over the use of alcohol blends in Canada. It is also not clear that the sale of these blends would be financially advantageous to the company. Again, those who have been involved in this research would make excellent witnesses before the committee. I am sure that the chairperson will be happy to call these witnesses in order that we may have the benefit of their advice. I might also point out that through the recent Gulf acquisition, the research facility at Sheridan Park in Mississauga has now been obtained. Of course, we have been assured that broadened fuel research can take place there.

● (1750)

The Government believes that Petro-Canada should compete in the market-place on the same basis as all other oil companies. This means that Petro-Canada will receive no special support from Government. It also means that the managers of Petro-Canada must be free to make management decisions based on their best assessment of market demands. If these fuels prove to be commercially and socially attractive, we believe that Petro-Canada will want to take a lead role in marketing them.

However, the present wording of the motion limits the feasibility of producing and distributing for sale these additives through its Crown agency, Petro-Canada. If this is found to be beneficial for Canada, I believe that all companies dealing in these products should be included in this. Therefore, I move:

That the motion be amended by deleting the words "through its Crown agency, Petro-Canada".

The remaining words in the motion should remain.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. McDermid) agreed to.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I wish to say a few words in support of the motion. Let me begin by congratulating the Hon. Member for Kent (Mr. Hardey) for presenting a very timely motion to the House.

In the time remaining, I would like to concentrate on a certain portion of this proposal. Needless to say, we all recognize the importance of a proposal which has the possibility of producing a new petroleum product which would mean less acid rain emission. We also recognize the importance of providing an alternative fuel source, bearing in mind that petroleum resources are naturally limited.

What is of particular interest to me is the possibility that this study and the use of this particular fuel supply can provide an alternative market for agricultural products. I want to talk particularly about an experiment which is currently under way in the Province of Manitoba and on the Prairies. It involves a company by the name of Mohawk which, since 1982, has been selling a product called gasohol in the Province of Manitoba. Since 1984 it has been providing a product in the provinces of Alberta and Saskatchewan by the name of EM Gasohol.

It is of particular interest to us in the Province of Manitoba that Mohawk is producing the ethanol which is the key product of gasohol in the neighbouring constituency of Portage-Marquette in the community of Minnedosa. It is of particular interest this year that Mohawk at this plant is able to take advantage of and make use of agricultural products which have been severely damaged by bad harvest conditions. For example, in the fall of 1982 there was a severe frost which affected the corn crop. Mohawk was able to make use of that corn, even though it was damaged. It found an important economic use, regardless of its quality.

Since then, in the same plant in Minnedosa, the company has been experimenting with the use of sprouted barley, sprouted rye crop and considering the possibility of making use of feed wheats which, unfortunately, will be far too available this fall.

I also understand that there is a possibility that the company can make use of waste cheese whey. Should this experiment prove to be successful, we might have the ability in western Canada, if not all of Canada, to develop a domestic market. All of us who are concerned about the future of agriculture in Canada are very conscious of the fact that we have been too dependent on export markets for our agricultural products. Anything that we can do to increase domestic markets, particularly alternate domestic markets, is very clearly to our advantage.

You come from the great Province of Alberta, Mr. Speaker, and many Members come from western Canada. They are intrigued by the possibility of making use of scrub poplar as well as scrub spruce as a source of alternative supply.

Therefore, the economic advantages are extremely interesting. For those who may not have had an opportunity to make use of this particular product, as a casual customer I believe the market acceptability of gasahol is improving with the passage of time. However, I must confess that the automobile which I drive back and forth to the airport in Winnipeg is of such vintage that I cannot tell whether or not it is performing better when I use gasahol. However, others tell me that it is so.

Furthermore, the fact that this product has a built-in antifreeze is certainly of some advantage to those of us in western Canada during the winter. Although the time allotted for this subject is not as much as it should be. I look forward to this subject being referred to committee. However, I think you will find, Mr. Speaker, that there is an inclination in the House

that prior to calling it 6 o'clock the motion as amended will be accepted.

The Acting Speaker (Mr. Paproski): Shall the motion, as amended, carry?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been made.

INCOME TAX—INTRODUCTION OF MINIMUM TAX

Mr. Alan Redway (York East): Mr. Speaker, during the last election campaign many concerns were pointed out to me. However, one of the major concerns was the question of fairness of our income tax system. While many people were concerned about the complexity of the income tax system, the key concern relating to income tax was one of fairness and whether or not everyone paid some income tax. The real issue revolves around the concern that some high-income earners are not paying any income tax at all.

• (1800)

The Department of National Revenue, in its statistics, pointed out that some 5,500 people earning $50,000 or more per year paid no income tax whatsoever. In addition, it pointed out that even more than 5,500 people earning $50,000 per year paid 10 per cent or less of their income in income tax.

There are those people who feel there is nothing wrong, that there are good and legitimate reasons for high-income earners not paying income tax. They point out, for example, those people who make charitable donations which go toward good purposes. There are other reasons for people not paying income tax, the dividend tax credit being one. That provision is in the Income Tax Act to encourage Canadians to invest in taxable Canadian corporations. The provision respecting contributions to RRSPs is included in the Income Tax Act to encourage people to contribue to their own retirement, not to rely solely on the state to provide their pensions. Business and farm losses are deductible from income and result in no income tax being paid. Of course there is a very valid social reason, the fact that many people have to pay support payments to former spouses, separated spouses or children living separate and apart from them.

Notwithstanding these legitimate reasons, most people are concerned about the fact that some people do not pay income tax while the vast majority, probably earning less money, have to pay a very substantial proportion of their income in taxes to the Government. They feel that this is unfair and that perhaps they should be looking for ways of getting around having to pay any taxes. Of course there is potential for income tax cheating and for the creation of an underground economy where people deal in cash or deal in trading kind for kind so that there will be no income to report or taxes to pay.

As a result of the concern about high-income earners paying very little or no income tax, there was the great debate of the last election campaign when the Leaders of all three political Parties expressed their concerns about it. Most Canadians were pleased when the then Leader of the Official Opposition, the Prime Minister (Mr. Mulroney), indicated that he was in favour of bringing in a minimum income tax. In fact, he said that it should be a very handsome tax to be paid by large-income earners who were paying very little or no income tax.

There was a good deal of disappointment when, on May 23, the Minister of Finance (Mr. Wilson) did not introduce a minimum income tax. Of course, while he did introduce one to take effect immediately, he indicating that there would be a minimum income tax to take effect on January 1, 1986. At the same time the Minister released a discussion paper outlining certain alternatives for such a tax. There were three alternatives outlined in that discussion paper.

• (1805)

The first, as you will remember, Mr. Speaker, was the alternative minimum tax, which would involve two calculations of one's income tax, with the larger amount representing the taxes payable.

The second alternative was the add-on minimum tax, which would see an amount added where the taxes payable fall short of a certain level. In those instances where no taxes are payable, a minimum tax would be applied.

The third alternative would see a limit placed on the tax deductions available. Under that option, the full lump sum of deductions would not be available to taxpayers. Rather, only a portion of the tax deductions that we now have would be allowed.

In one of these ways there would be a minimum tax paid, but its form was a matter left open for discussion and decision.

Since that time the Minister of Finance has consulted with the provinces, and apparently all of the provinces are agreed that there should be a minimum tax. The question remaining has to do with its form and the income level at which it will commence. Will it be the $30,000 level as it the case under the American system, or the $50,000 level that the NDP has suggested?

I am hoping that tonight we will hear from the Parliamentary Secretary to the President of the Privy Council (Mr. Dick) the details of this minimum tax and exactly when it will be announced. But realistically, Mr. Speaker—and I see him shaking his head in the negative—I know that that is not going to happen; that probably we will just hear, "In due course, it will be announced".

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I am pleased to have the opportunity to speak on this issue. In my view, the minimum tax represents a very important development in improving the basic fairness of the tax system. The discussion paper on the minimum tax, tabled in the last Budget, presented three possible options for a minimum tax; an alternative minimum tax (AMT), an add-on minimum tax, and a limit on tax preferences (LTP).

Under the AMT option, a separate and alternative tax structure to the regular income tax would be established. The AMT would have its own tax rate which would be applied on an expanded income base.

The second option, the add-on minimum tax, would effectively serve as an additional levy on the use of a specified list of preference items above a certain exemption level.

Finally, the LTP option would place a limit on the use of specified tax preferences within the operation of the existing income tax system. For example, preference deductions and exemptions could be disallowed to the extent that they exceed a certain percentage of total income, with no disallowance if they are less than a specified dollar amount. A similar limit would be placed on the use of preference credits.

The Hon. Member's question concerns the exemption that will be provided under a minimum tax. In this regard, it is important to recognize that under each of the three possible options, the exemption operates in a distinctly different way. For example, under the AMT option the exemption level relates directly to the income of the individual. On the other hand, under the add-on approach or the LTP option, the exemption level applies to the amount of preference deductions and credits claimed by the individual. As a result, the exemption levels under the add-on and LTP options would not need to be similar to those under the alternative minimum tax option to provide the same relief to lower income individuals.

I should also note that for the LTP option two separate exemptions would be required, one for deductions and exemptions, and the other for tax credits.

One can see from these examples that the appropriate exemption levels will vary depending on the form of minimum tax structure that is chosen. I should add that the exemption level will also depend on the preference items that are included in the base for the minimum tax.

For example, if personal exemptions are allowed as a deduction from an AMT tax base, the general exemption level would not have to be as high as it would be if personal exemptions were excluded in the minimum tax calculation. Similarly, under an add-on tax or an LTP, the broader the list of tax preferences included under the minimum tax, the higher the exemption level should be.

The Minister of Finance (Mr. Wilson) has received a number of submissions on the minimum tax from interested parties. Recently the Minister met with his counterparts from the provinces and discussed the minimum tax options with them. These consultations have been very helpful in the analysis of the possible options.

At this time, the form of minimum tax, as well as the level of exemption and the breadth of the base of the tax, are still under consideration. However, I am sure that an announcement covering the Hon. Member's question will be made in the future, and certainly in time to introduce a minimum tax on January 1, 1986, as promised.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Dick) that his time has expired.

CUSTOMS AND EXCISE—PLANNED REDUCTIONS IN INSPECTION PERSONNEL

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on Tuesday, September 24, I asked the Minister of National Revenue about the proposed cut in Customs and Excise jobs which are planned over the next five years in connection with the planned centralization of the examination of international parcel mail.

• (1810)

Many of the residents of my riding of Don Valley East are very concerned about the problems of drugs and pornography. While I strongly applaud the Minister's initiative to do his share in reducing the size and cost of Government in this country, I would like his assurance that the rigid control that we require in order to reduce the illegal importation of drugs and pornography will be improved through this process and not in any way weakened.

I do want to share a few thoughts about my reasons for applauding the Minister for his share in helping reduce the size of Government. I believe the proposed cuts amount to about 8 per cent of the total. Individual Ministers can, as this Minister has, show leadership and do their share in reducing the size of Government. Canadians right across the nation are very concerned not only about the size of the federal Government but about the sizes of the various provincial and municipal Governments. Individual Members like myself can help with committee work and by offering ideas and suggestions to the various Ministries.

Deficits are a relatively recent phenomenon in this country. In the last 10 or 15 years, every year in succession has shown an ever-increasing deficit to the point where our cumulative debt is now well over $200 billion. I regret to project this, but by 1988, just three years from now, the total debt will likely be around the $300 billion mark.

I applaud the Minister for his action but I do want to talk about the risks that might be inherent in the steps that he is taking. Just before I do that, may I just highlight again the size of the bureaucracy in Ottawa? A recent article in a local newspaper highlighted a number of such instances. Let me cite two or three of them.

The Canadian International Development Agency in 1970 had one president and three vice-presidents. In 1985, 15 years later, the same agency has one president, one senior vice-president and 10 vice-presidents. Agriculture Canada, in 1970, had one Deputy Minister and three Assistant Deputy Ministers. Today, in 1985, it has one Deputy Minister, one Associate Deputy Minister, one senior ADM and six ADMs. Even the Government's watchdog agency, the office of the Auditor General, has seen costs mushroom and grow. In 1970, that agency had one Auditor General and one assistant. Today, it has one Auditor General, three Deputy Auditor Generals and 12 assistant Auditor Generals.

I have had over 30 years of experience in a financial institution and my experience is that when one wants to cut costs, it must be done together with cutting back on the number of jobs in one's own agency. Again, I applaud the Minister for what he is doing, as the people of Canada are looking for this type of leadership.

My main area of concern is the harmful and insidious impact of drugs and violent pornography on this country and how they are eroding the values of our social and family lives, the cornerstone of our great country. I can speak with first-hand knowledge of the terrible use of drugs which goes on at several local high schools and shopping plazas in Don Valley East. The local police are almost perplexed about what to do with the drug problem that exists.

During the election campaign of 1984, I attended at a housing development during the supper hour. At 11.30 that night a man telephoned me from that housing development. He was worried and asked if we could not do something to help reduce the drug trafficking problem in that local housing development. He told us that while he was talking to a few youths drug trading was going on just a few feet from him. I am concerned, Mr. Speaker, that in no way should the action of the Minister create any increased risk of extra drugs in this country.

• (1815)

Just to comment on the terrible problem of violent pornography in this country, it has spread now to the video tape machines in this country. I attended with my wife a symposium on private violence several months ago in Toronto. We were disgusted with the type of hard-core violent pornography which exists in this country today, and through the leadership of agencies such as the Minister of National Revenue (Mr. MacKay), the Solicitor General of Canada (Mr. Beatty) and the Minister of Justice (Mr. Crosbie) I am very hopeful that this terrible problem can be reduced in this country.

Let me just close by saying that while I applaud the Minister very strongly for his initiative in doing his part to reduce the cost of Government in this country, I just ask for his assurance that it in no way will increase the problem of violent pornography in this country and the use of drugs.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, as you are aware, the Government's restraint program, as initially described in the economic statement of the Minister of Finance (Mr. Wilson) in November 1984, and reaffirmed in the budget of May 1985, requires that the Public Service be reduced by 15,000 person-years over the next five years. In support of this over-all Government initiative, Federal Departments were asked by Treasury Board to develop plans whereby their person-year base would be substantially reduced over the next five years.

In compliance with this request, The Department of Customs and Excise developed a departmental plan which will lead to a reduction in person-years from a 1985 figure of 10,148 to 9,292 by 1990, a total decrease of 856 person-years. These reductions will be implemented in accordance with specific targets which have been established for each year of the five year period. This plan will be submitted to Treasury Board for approval this month.

In approaching this task, the department selected measures that would allow it to streamline its operations, improve productivity and, where possible, transfer operations to the private sector. None of these reductions will effect the department's capability to carry out its mandate, including the interception of pornography and illegal drugs coming into Canada.

The postal improvement project was established to achieve significant resource reductions in customs' postal operations. A pilot test will be conducted in the Montreal region beginning in October. National implementation is scheduled for April 1986 if the evaluation of the project demonstrates that the new postal system is successful.

The purpose of centralizing the examination of international mail would be to improve service to the public while substantially reducing cost by streamlining customs mail processing operations. Customs' ability to screen the mail entering Canada will not be affected by this centralization. Customs inspectors will continue to examine the mail, assess duty and taxes owing and prohibit the entrance of such goods as drugs, pornography and firearms. Customs processing of international mail will be concentrated in 12 centres, thus alleviating Canada Post's routine concerns, because over 99 per cent of international mail entering Canada will pass through these 12 centres. Furthermore, the concentration will enable Customs and Canada Post to eliminate a considerable amount of double handling of dutiable mail. Recipients of dutiable mail will no longer have to visit Customs offices to collect their goods.

• (1820)

The Acting Speaker (Mr. Paproski): I regret the Hon. Parliamentary Secretary's time has expired.

FISHERIES—REFINANCING OF FISHERY PRODUCTS INTERNATIONAL. (B) COMPANY'S SOCIAL RESPONSIBILITY

Mr. George Baker (Gander-Twillingate): Mr. Speaker, a couple of days ago I asked the Deputy Prime Minister (Mr. Nielsen), presently the Acting Minister of Fisheries and Oceans, with responsibilities as well for several other Govern-

ment Departments, a question relating to the restructuring of Fisheries Products International. I asked him what guarantees would be given to the communities where the Government claimed plants would be disposed of over a three-year period in Newfoundland. He stood in his place and said that I was twisting the facts and raising undue alarm in these communities.

In my supplementary I pointed out that even the Hon. Member for St. John's West (Mr. Crosbie) had made exactly the same statement that same afternoon. We all wanted to know the answer. He then passed it to the Minister responsible for small business who stood up and gave what I call the typical non-answer we get from the Government these days. He said absolutely nothing. That is why I wanted to deal with this question this evening. I note that the Hon. Member for Charlesbourg (Mrs. Tardif) has been designated to answer the question, she being the Parliamentary Secretary to the Minister of Regional Industrial Expansion. I am sure I will hear a lot more common sense from that Hon. Member than I would from the Deputy Prime Minister, as I am sure you will agree, Mr. Speaker.

The Government has said, and there is no sense in denying it, that 15 fish plants in Newfoundland will be disposed of over a three-year period. That is serious because it involves 15 communities. For the record, let me give the House the names of those communities and the number of jobs involved. We have the Port aux Basques fish plant with 414 employees; we have the Rose Blanche fish plant with 170 employees; and the St. Lawrence fish plant with 102 employees. These plants are to be closed down and disposed of. We have the Charleston plant with 649 employees; the Fermeuse with 218 employees; the Twillingate plant in my riding with 404 employees; the Englee plant with 270 employees; and the Cow Head plant with 39 employees. Then we get down to the plants which are leased to Fisheries Products International. We have the plant at Flower's Cove with 110 employees, the Anchor Pointnplant with 113 employees, the Great Harbour Deep plant with 39 employees, the Bridgeport plant with 49 employees, the Black Tickle plant with 68 employees, the Williams Harbour plant with 39 employees, and the Bide Arm plant with 79 employees. Why did the Minister not release this list when he announced the disposition of these plants? This adds up to 2,775 employees, and that is, at the low point in the fishing season, and not counting part-time staff. We are talking here about a total of 5,000 jobs in Newfoundland.

This is a very important matter which has really not sunk home for the people in Newfoundland, but I am sure it will very soon because there is no other employment in these communities. The Government has already said these are unprofitable plants. Just imagine, putting fish plants on sale and saying they are unprofitable. The Government says the equipment is not up to date and the plants cannot operate economically, yet it expects someone to come along and buy them. This is an absolute violation of an agreement made when Fisheries Products International was created. The Newfoundland Government and this federal Government said no fish plants would close. Now we have this incredible figure of 2,775 employees who are going to lose their jobs over the next three years.

You can see, Mr. Speaker, why I have raised this question here. In fact, if there were not so many important things going on in this Chamber and so many embarrassements for this Government which we have to delve into, I would be up on my feet every single day in this Chamber about this matter. In my riding alone some 550 employees are going to lose their jobs due to this restructuring. I am sure that the Parliamentary Secretary will at least shed some light on this agreement that has been made and will at least give us some hope for the future, certainly more than the Deputy Prime Minister would give.

● (1825)

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I am always pleased to answer my colleague, the Member for Gander-Twillingate (Mr. Baker), and I am not embarrassed at all by his question.

I would like to remind him that the two Government shareholders of Fishery Products International Ltd. have jointly approved the business plan of FPI and have agreed to share an additional equity investment of $105 million. The plan anticipates earning a return on the investment, paying dividends to shareholders, profit-sharing with employees, returning plants to the private sector and creating a modern viable fish harvesting-processing-marketing operation. The new investment will permit FPI's management to achieve its goal of commercial viability and privatization. It completes the restructuring process begun in 1983.

Following the initial investments by the shareholders as part of the restructuring process, the company was plagued with a number of unforeseen events including a delay in appointment of a new senior management team and an eight-month strike by trawlermen. The impact of these problems on operating profits was aggravated by very poor cod product prices until recently and by the disappointing in-shore fishery in 1984 and 1985. With these extraordinary problems now in the past and the new equity investment the company's management team now in place can deal more effectively with economic downturns. They have set forth a program to exploit market opportunities and to respond promptly to changing circumstances.

[*Translation*]

Mr. Speaker, in its commercial plan the company has provided for the disposal of fifteen plants within the next two years, to achieve its goals of profitability and privatization. However, FPI intends to operate all these plants during the two-year period, and no decision has been made to close any of the plants the company intends to sell.

The plants that are now sold will be assessed in FPI's 1988 commercial plan in terms of their overall production at that time. The purpose of privatization is to restructure FPI and not to diminish the status of these plants. FPI does not intend

to reduce its efforts regarding their operations. In addition, capital expenditures will be made, if necessary to keep the plants open. Prospective buyers will have to provide a firm operating plan to ensure that the plants have a realistic future in the industry.

In its petition on countervailing duties submitted to the U.S. Department of Commerce, the task force on North Atlantic fisheries indicated that the Government's investment in the Atlantic fisheries constituted a subsidy. There is some apprehension that this investment would give further weight to this argument.

[*English*]

We do not feel that this is the case, Mr. Speaker. In the past the United States has regarded Government equity investment as a subsidy in cases where there was no expectation of a commercial rate of return on the investment. The original 1983 investment was made on the basis of adequate returns forecast. As noted, there has as yet been no return due largely to unusual circumstances which could not be foreseen in 1983. A reasonable rate of return is expected on the investment being made now and on all the funds invested.

FPI's management and board of directors are aware that no further investment will be made and that they must manage the company with the resources in hand. There is no question of continuing equity infusions which could be considered a subsidy.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 o'clock p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Wednesday, October 16, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

EMPLOYMENT

GOVERNMENT POLICY

Hon. André Ouellet (Papineau): Unfortunately, Mr. Speaker, we now have to admit that the Government did not live up to its formal commitment to promote a full employment policy.

In his Budget statement the Minister of Finance (Mr. Wilson) had publicly expressed full confidence in the private sector. The election of a new Conservative Government was expected to create such a climate of confidence among businessmen that the unemployment problem was going to disappear altogether.

Well, Mr. Speaker, the reality is something else again. The Conservative Government shirked its responsibilities, deeming it preferable to rely on companies to create jobs. The only thing we can see today is that plants are closing down one after another: Bombardier, Vickers, CSF Smelting, CSW Foundry, Gulf, Dominion Bridge and Dominion Textile are all black marks and proof positive that the Conservatives have reneged on their promises.

This morning, textile and clothing industry workers met with our Quebec Liberal caucus and told us that the pending shutdown of Dominion Textile plants at Saint-Jean and Valleyfield is a hard blow to them. We deplore such inaction on the part of the Government, for it will swell the ranks of the unemployed in Quebec.

Mr. Speaker: I must inform the Hon. Member that his allotted time has expired. The Hon. Member for Beaches (Mr. Young).

[*English*]

PENSIONS

EFFECT OF BUDGET'S PROVISIONS ON REGISTERED RETIREMENT SAVINGS PLANS

Mr. Neil Young (Beaches): Mr. Speaker, the more closely one examines the Budget of last May the clearer it becomes that the Budget's provisions help the wealthy and large corporations at the expense of low income Canadians, the elderly, the young, and the disabled. While allowing high income earners to reduce taxes through greatly increased Registered Retirement Savings Plan contributions, the Government will take money out of the pockets of Canadians trying to survive on pensions, even from those receiving disability pensions.

The Budget proposes to restrict the rollovers of pension incomes into RRSPs. This means that those forced into early retirement or those on disability pensions will not have the option of sheltering a small part of their minimal income for the future. These people are not wealthy individuals. Putting money aside for the future means a loss in their present standard of living. The Government wants to tax them on those savings but it offers a bonanza to those earning far above the Canadian average.

The Government had the good political sense to withdraw its unfair attack on senior citizens' well-deserved pensions, but it is obvious that the same Budget treats the rich very well. Mr. Speaker, it is time that the Minister of Finance (Mr. Wilson) withdrew that Budget and brought in one that treats ordinary Canadians in the same manner that the rich are now being treated.

* * *

THE LATE SHANE VAUDRIN

LESSONS FROM THREE-YEAR-OLD'S LIFE AND DEATH

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, last Friday at Pittsburg Children's Hospital a tough little three-year-old boy passed away. Shane Vaudrin of Nanaimo died just a day after undergoing his third liver transplant. The new organ failed and infection had set in. On September 5 Shane had received his first liver transplant. On October 1 he underwent a second transplant operation. Despite the best efforts of his doctors, the third organ was rejected as well. Throughout his ordeal his parents, Claude and Cleo Vaudrin, were at his side, often going without sleep for three days at a time.

I rise today not just to say goodbye to Nanaimo's little hero. I want to acknowledge the people of central Vancouver Island,

and indeed across Canada, who contributed to Shane's fund which made the care he received possible.

In particular, the House should note the special efforts of Marlene Siegrist of Nanaimo who fell in love with Shane's newspaper photo and became the co-ordinator of the Show You Care Society. She and her fellow citizens organized special events to raise tens of thousands of dollars so that Shane could travel to the Children's Hospital in Pittsburgh.

Perhaps the finest tribute to Shane Vaudrin came from the Hospital staff who said: "The Vaudrins are very fine people and Shane is a dear little boy. He's very easy to love, and that has made things very hard for all of us here when we know he isn't doing well". Mr. Speaker, he did do well. He showed us more spirit than any three-year-old could show. His brief life touched us all.

* * *

WAR MEASURES ACT

FIFTEENTH ANNIVERSARY OF INVOCATION

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, this is an important anniversary in Canadian history. Exactly 15 years ago today at four o'clock in the morning the Government of Canada imposed the War Measures Act. Under its Draconian provisions hundreds of Canadians were deprived of their basic civil liberties and detained without charge. This was an unprecedented move in peacetime. There can be no more serious threat to democratic institutions than to deprive citizens unnecessarily of their basic rights. If there were compelling reasons for the Government's actions, we have not heard them.

At the time the Right Hon. Leader of the Opposition (Mr. Turner) stated, as was reported in *Hansard*: "It is my hope that some day the full details of the intelligence upon which the Government acted can be made public, because until that day comes the people of Canada will not be able fully to appraise the course of action which has been taken by the Government". I hope that "some day" is today. I call upon the Leader of the Opposition to make public the information upon which he acted. Canadians have been waiting 15 years for answers. Mr. Speaker, I believe 15 years is long enough.

* * *

ENERGY

DEREGULATION—EFFECT ON CONSUMER PRICES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Minister of Energy, Mines and Resources (Miss Carney) very proudly states that she has made all those oil men in Calgary rich again, but she has done precious little for the consumer. Remember last spring when she predicted that by decontrolling the oil industry a climate would be set for lower prices for consumers? Prices are falling in all areas of the world except in Canada, and the Canadian consumer can look forward to even more price increases. Not only has the Government added two cents a litre to the price of gas since the Budget, but when we greet the New Year we can expect to pay two more cents on a litre.

The Government has gone out of its way to make sure consumers do not settle for just tax increases. No way! Since Petro-Canada has purchased Gulf it will effectively mean the end of price wars in Canada. That is because Petro-Canada will be closing dozens of Gulf stations in order to boost its profits, because that is what the Government has told it to do. You could say they are putting their energy into squeezing the last cent out of the consumers' pockets.

It gets worse. The ever-generous multinational oil companies, in a move to express their gratitude to the Canadian people, are trying to introduce rack pricing. This means absolutely no chance of a price war because the retailer will not be able to afford any price cutting, so the consumer is put on the rack to see if any spare change falls out. Yes, the Minister of Energy, Mines and Resources can say that those rich oil men owe her a debt of thanks. The consumers—well, they are just not as grateful.

* * *

• (1410)

[*Translation*]

WAR MEASURES ACT

FIFTEENTH ANNIVERSARY OF INVOCATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, fifteen years ago on October 16, 1970, the Liberal Government, supported by the Conservatives, invoked exceptional powers under the War Measures Act. New Democratic Party Members objected to a reaction that was grossly exaggerated, considering the danger that actually existed. Hundreds of men and women in Quebec were arrested during the night and unjustly detained, like many Canadian citizens of Japanese origin during the Second World War were at the time, under the same Act. The Liberals have never revealed what the basis was for their decision.

On April 4, 1984, the Secretary of State for External Affairs (Mr. Clark) asked the following question:

> I wonder if the Minister of Justice would tell us whether it is his intention to continue to keep secret the information which Mr. Turner kept secret 14 years ago.

The Conservatives are now in power, but they too are keeping secret the information they asked for so often. And they also promised us several times they would amend the War Measures Act to make it less of a threat to Canadian citizens. Nevertheless, the legislation remains identical to what it was in 1970.

Furthermore, although Members of the present Government have often taken a stand against the Emergency Planning

Order adopted by the Liberals in 1981, the Order is still in effect today.

The threat of another October 1970 is still a possibility. The Government should protect the rights and freedoms of its citizens—

Mr. Speaker: Order, please. The Hon. Member for Drummond (Mr. Guilbault).

* * *

EMPLOYMENT

ROLE OF SMALL BUSINESS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the present Government recognizes the major role played by small businesses in innovative economic growth and job creation.

To promote the availability of capital for small businesses, the Government has announced a number of measures including the capital gains tax exemption, increased availability of capital from pension funds and registered retirement savings plans, and tax incentives for labour-sponsored venture capital funds.

The Minister of Supply and Services (Mr. McInnes) has set up a supplier awareness program to help small businesses acquire a larger share of public sector purchasing.

Small- and medium-sized businesses involved in research and development will receive a full and immediate refund of the tax credit which they earn on their first $2 million of research and development.

Thanks to the changes in RRSPs announced in the Budget, private sector entrepreneurs will now be able to manoeuver in order to plan for their retirement as adequately as other Canadians.

Mr. Speaker, small business is said to be responsible for most of the new jobs created in Canada in recent years. By trying to encourage small business, the present Government is helping to create jobs and stimulate the economy.

* * *

THE ECONOMY

SITUATION IN QUEBEC

Mr. Richard Grisé (Chambly): Since the September 4, 1984 election, Mr. Speaker, Quebecers have witnessed a considerable improvement in their province's economic situation as a result of the new climate of co-operation which followed our predecessors' confrontation approach.

Last week Statistics Canada confirmed that our Government's economic renewal and job creation initiatives have given encouraging results. The Bank of Canada rate has dropped 3.53 per cent since the election and now stands at 8.35 per cent, the lowest in seven years. The 4 per cent inflation rate, practically unchanged in over a year, has created the most stable climate since 1971. Those figures show conclusively that, since we took office, Canadian men and women have been more confident in the future. That was the sentiment expressed to me by community groups of the riding of Chambly when we met recently.

Yes, Mr. Speaker, all such signs clearly show that, unlike those of our prodecessors, our 1984 election campaign promises were not empty words. Once again our Government has lived up to its commitments.

* * *

[*English*]

CANADIAN ARMED FORCES

EXCLUSION OF WOMEN FROM COMBAT DUTY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, the right wing of the Tory Party has emitted its first scream against women in the Armed Forces. One Tory M.P. has said, "Certainly there are jobs that women can do but not in combat". Another has said that three of his brothers served in the trenches but "I certainly would not want my sister there". The point is that it is for the sister to decide. If equality means anything, women have the right to decide whether they go in the trenches or anywhere else.

The Minister of National Defence (Mr. Nielsen) has not even attempted to justify the current policy of excluding women from combat. We can only hope that the strident and Neanderthal right wing of the Tory Party will not carry the day and that the Government will move quickly to implement the recommendations of a parliamentary committee and make all trades and occupations in the Armed Forces open to women.

• (1415)

ORAL QUESTION PERIOD

[*Translation*]

EMPLOYMENT

SITUATION IN MONTREAL AND EASTERN TOWNSHIPS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister of Employment and Immigration admitted she had no concrete plan to revive the industrial base of Montreal East. Does the Minister intend to convince her Government colleagues they should stop dragging their feet about the problems facing employees at Bombardier, Vickers and the Gulf refinery? Is she also going to convince

the Prime Minister to keep the promises he made to textile workers in the Eastern Townships?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Right Hon. Member is ignoring the exceptional upsurge of employment in the Montreal area. The employment rate in Montreal is rising faster than in Quebec and Canada. Since we came to power about 51,000 jobs have been created in Montreal, and I am very proud of this perfomance. It is better than the Liberal Party's record.

SALE OF GULF REFINERY—GOVERNMENT'S HANDLING OF ISSUE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, these are very vague answers to specific questions.

Does the Minister of Employment and Immigration intend to convince the Prime Minister to provide a loan guarantee for the purchase of the Gulf refinery in Montreal East? Does the Minister intend to make her colleagues understand that it is entirely unfair to provide a billion-dollar tax exemption for the people who purchased Gulf, while at the same time refusing to allocate resources to help employees keep their jobs?

Does this mean everything for the big corporations and nothing for the worker?—

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Right Hon. Member seems to want to disparage what has been taking place in Montreal. In the last year some 51,000 new jobs have been created in Montreal.

Some Hon. Members: Hear, hear!

Miss MacDonald: What is more, the community of Montreal is confident that that kind of record will continue as it sees growth in the transportation sector, in the communications sector, and in other sectors throughout Montreal.

Mr. Ouellet: What a farce.

Miss MacDonald: The Leader of the Opposition would like to disparage that kind of growth, but he cannot ignore, Sir, that it is a fact.

[*Translation*]

REQUEST THAT MINISTER RECALL PROMISES FOR PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is no help to the workers in the company I just mentioned. I would like to ask a supplementary.

In Sherbrooke on July 26, 1984, the Prime Minister promised to maintain jobs in the textile and clothing industry in the Eastern Townships, in Quebec. Does the Minister intend to remind the Prime Minister to keep his promises, especially when this morning, we were informed that Domtex will be closing down two of its plants three months from now?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have, indeed, been keeping our promises.

Some Hon. Members: Oh, oh!

Miss MacDonald: We promised jobs. There have been more than 300,000 new jobs created in Canada since we came to office.

Some Hon. Members: Hear, hear!

Miss MacDonald: Two hundred and fourteen thousand of those jobs have been full-time, Mr. Speaker, 70,000 part-time. When the Liberals served their last full year in office, full-time jobs decreased, not increased.

Mr. Gauthier: Three hundred and forty thousand, Flora.

[*Translation*]

REQUEST THAT MONTREAL EAST BE DESIGNATED DEPRESSED AREA

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday in Montreal, a citizens' committee was set up to help save 5,000 jobs in Montreal East. Is the Minister willing to urge the Prime Minister to designate Montreal East as a depressed area, so that businesses and workers can take advantage of the benefits of programs for designated areas?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, since this Government came to power, the number of jobs in the oil industry has increased by more than 7 per cent, and we are working with the private sector to maintain this trend.

[*English*]

We will do that, as we have done it with various firms. We are working with the private sector. We are giving time to allow for various private sector offers to come forward. That has happened in the case of Gulf Canada. It has happened in the case of the textile industry. We will continue to work with the private sector to ensure that increase continues.

● (1420)

[*Translation*]

CITIZENS' COMMITTEE AND UNION CHAIRMEN—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Minister is not answering the question. When 5,000 workers are about to lose their jobs, figures and statistics will not pay their grocery bills.

The Minister has a lot of courage, so would she care to come along next Monday and meet the citizens' committee and union chairmen? Is she ready and does she have the courage to come to this meeting and give the same silly answers she is giving now?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Liberal Party has always lacked confidence in the Montreal area, in the province of Quebec and even in Canada!

[*English*]

It really is a shame that the Liberal Opposition lacks such confidence in the country that it cannot recognize that in the last year 300,000 new jobs were created. Some 51,000 new jobs were created in the City of Montreal, and almost 100,000 new jobs were created in the Province of Quebec. That is a record to be proud of.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL AND NORTHLAND BANKS—BANK OF CANADA LOSS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance who is well aware that the Bank of Canada has received less than 2 per cent of the total liquidity package that it provided for the Canadian Commercial Bank and the Northland Bank, leaving a balance of $1.291 billion, and increasing by an interest loss in excess of $10 million per month.

What assurances can the Minister give the House and the people of Canada, knowing that it has already cost taxpayers $1 billion, that the final bail-out package for the Canadian Commercial Bank and Northland will not be $2 billion, or perhaps even $3 billion? What assurances can he give?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is using outrageously exaggerated figures. He knows what the Bill is before the House. The Minister of State for Finance has indicated that there will be recoveries on the sale of assets on the unwinding of the loans which are in place right now. This will reduce the amount in the Bill to a lesser amount as it occurs over the next couple of years.

EFFECT OF LOSS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister knows that it will take at least a couple of years or many more years, likely, for all the assets to be disposed of and to return at least a portion of that $1.3 billion to the central bank.

Knowing that this incredible cost has to be picked up by the Bank of Canada, at least in the short run, and by the Canadian economy as well, what will be the effect of this outstanding balance of $1.291 billion, increasing at $10 million per month in lost interest, on interest rates, inflation, and monetary policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my understanding is that the liquidator has already received some funds back on the liquidation of assets, so the recovery is starting right now. However, in response to the Hon. Member's question, the economy has been growing at the rate of 4 per cent per annum. That is pretty good, I should say. The inflation rate is less than 4 per cent, and 300,000 jobs have been created. As my colleague has said, 70 per cent of those jobs are full-time jobs. Investment in the country has been increasing at 20 per cent per annum. Housing starts are growing at the rate of 170,000 per annum. I could go on and on.

INQUIRY ABOUT POSSIBLE CONSEQUENCES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister knows that there is an opportunity to make statements of that kind. I will ask him my question again. When he made the original decision to provide the liquidity from the central bank, and when he knows that it is costing in excess of $1 billion, what effect will the pay-back to the central bank over many years, costing us hundreds of millions of dollars in lost interest charges, have on the interest rate policy, the monetary policy, and on inflation, knowing that someone has to make up the difference in both the short and long run?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is not listening to the answers to questions. I indicated to him that the amount it will cost taxpayers will be less than the amount which is in the Bill before the House right now. As he knows, that amount is less than $1 billion. The premise on which the first part of his question is based is dead wrong, as are all the premises on which the Hon. Member bases his questions.

● (1425)

On the matter of interest rates, why does the Hon. Member suggest that interest rates should be rising at all? Interest rates have come down three percentage points in the last 12 months to the lowest level we have seen since 1978. Surely the Hon. Member should be congratulating the Government for getting interest rates down.

[*Translation*]

REQUEST THAT GOVERNMENT FULFIL PROMISES

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration.

There are now 755 people, 755 workers in Salaberry and Saint-Jean who were advised yesterday that they would be losing their jobs in June 1986. The reason behind the shutdown is a massive and uncontrolled increase in imports. Could the Minister inform the House whether her Government

intends to act on the promises made by its Leader on July 26 in Sherbrooke, to save these 755 jobs?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure the Hon. Member knows that, thanks to representations made by the Members from Drummondville and Sherbrooke in the House of Commons, my colleague, the Minister of Regional Industrial Expansion, has been looking at this question and examining it very closely. Hon. Members of the Conservative Party who are interested in the textile industry and the future of this industry have indeed been bringing their representations to the Cabinet and that is why the matter is under consideration.

[*Translation*]

PROSPECTS FOR OTHER WORKERS IN SAME SECTOR

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. The Minister knows perfectly well that her colleague has been looking at the matter for months without any concrete results and that the axe has just fallen on two major industries. She is now referring to Drummondville, Sherbrooke and Magog where, in fact, workers are wondering whether they are next on the list. Could the Minister give these workers the assurance that they will not meet the same fate as their fellow workers in Saint-Jean and Valleyfield because of her Government's inaction?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am quite happy—

Mr. Ouellet: Quite confused!

Miss MacDonald —to undertake to discuss the matter with my colleague and also with Conservative Members who are very concerned about this matter and are making representations to our Cabinet colleague.

* * *

[*English*]

EMPLOYMENT AND IMMIGRATION

BASEBALL WORLD SERIES—LIMITED USE OF CANADIAN BROADCASTING PERSONNEL

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister knows very well that the Toronto Blue Jays will be off to the World Series after tonight's game.

Some Hon. Members: Hear, hear!

Mr. Nystrom: She is also aware that traditionally, for events that are jointly televised by Canadian and American networks, there has always been a 50-50 crew-sharing arrangement between the two countries.

Can the Minister tell the House why she has agreed to let ABC Television televise the World Series games from Toronto using hardly any Canadian personnel and, once the Series has switched back to either St. Louis or Los Angeles, using no Canadian personnel? Does the Minister not believe in creating more Canadian jobs, and does she not believe in equality between the two nations? Can she tell the House why she struck out?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to assure the Hon. Member that we are aware of the situation. ABC is doing the broadcasts in accordance with Section 19(1)(*f*) of the regulations which allows for ABC crews to enter Canada without the need of employment authorization. The Hon. Member will understands that there is a reciprocal arrangement which in turn permits Canadian crews to enter the United States to report on Canadian news events.

CLASSIFICATION AS NEWS EVENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, can the Minister then explain to the House why he and/or the Minister of Employment and Immigration accepted an interpretation from their officials indicating that the World Series is a news event rather than an entertainment event, the guidelines of which would have allowed for more Canadian participation in the production of that particular Series? Why did they listen to their officials and have it classified as a news event rather than an entertainment event?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to suggest that it is one of the largest news events in Canadian history.

Some Hon. Members: Hear, hear!

• (1430)

Mr. McLean: Happily, it will reach both news and entertainment audiences. We believe it will be very positive entertainment and news for Canada.

* * *

REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON—CAPITAL WORKS PROGRAM

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. The Cape Breton Advisory Committee appointed by the Government following the closure of the two heavy water plants reports that there is unemployment in excess of 50 per cent in some communities. It has recommended the immediate implementation of a capital works program in 1985-86. In view of the fact that there is available a list of projects totalling $600 million, will the Minister indicate to the House when this program will be implemented and how much money will be forthcoming?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased that the Hon. Member has raised the question. I enjoy telling the House of the progress being made in Cape Breton. The report of the advisory committee includes no less than 34 recommendations and, as the Hon. Member has correctly indicated, it does suggest certain spending commitments which it would like to see the federal Government and the provincial Governments undertake. I know that the Hon. Member and Members of the House will be pleased to learn that I have been discussing the matter with the Premier of Nova Scotia. Within weeks, we certainly anticipate being able to come out with some important concrete results and answers to which I am sure the Hon. Member will give his support.

REQUEST FOR EARLY ANNOUNCEMENT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is for the same Minister. I ask the Minister is it fair for Canadians in this particular region to wait for such an extended period of time for some form of financial assistance when, in fact, the Government has jumped into the bail-out of two western banks and uninsured depositors, and when it has provided a tax haven in the amount of $1 billion for Gulf? Will the Minister stand in his place today and make an affirmative announcement with regard to this particular program?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, surely the Hon. Member does not have such a short memory as to forget that the people of Cape Breton waited 15 years under the former Government for some meaningful help with respect to their unemployment situation. The fact is unemployment went up during the past decade.

Mr. Dingwall: Do not mislead the House.

Mr. Stevens: Give us a little time to make sure we can obtain some permanent jobs for the area so that the people can live in a much more viable condition than the Liberals left them in.

Some Hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—MINISTER'S COMMITTEE STATEMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare who talks about the importance of families while taking away their benefits. Will the Minister confirm publicly what he indicated in committee yesterday, namely, that he has no plans to reindex family allowances even if the economy improves, and that by 1990 this will mean that he will have taken over $1 billion from families as the family allowance is devalued?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased to answer the question from a member of the Opposition who attended the committee meeting yesterday.

Some Hon. Members: Hear, hear!

An Hon. Member: Where were the Liberals?

Mr. Epp (Provencher): I give her the same answer as I gave her yesterday. As the Minister of Finance and the Minister of Employment and Immigration have said today, economic trends are improving, which is a good sign. She should rejoice with us and other Canadians with respect to this happening. As the developments continue further, obviously this Government and its members will be looking to other social programs to be put forward to the House.

[*Translation*]

REQUEST FOR CLARIFICATION OF CHILD TAX CREDIT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare. Is the Minister aware that the child tax credit is going to be reduced by de-indexation, just like family allowances? How can the Minister claim that temporary increases in the child tax credit will replace family allowances, when both are going to be reduced?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member has read the Budget and Bill C-70 she will have seen that the child tax credit will be increased. I suggest she look at those figures.

* * *

FISHERIES

TEMPORARY CLOSURE OF NEW BRUNSWICK FISH PLANT

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Acting Minister of Fisheries. The latest announcement is that the Star-Kist plant in St. Andrews, New Brunswick, will be closing down temporarily, throwing over 400 people out of work. This is no surprise in light of the way the Government has handled the whole tuna issue.

Some Hon. Members: Hear, hear!

Mr. Henderson: Will the Acting Minister of Fisheries tell the House about the Government's involvement with the Star-Kist plant concerning these problems? What are he and his Government doing to protect these 400 jobs? What is the Government doing to get that plant into full production?

Some Hon. Members: Oh, oh!

Mr. Crosbie: What a hypocrite.

An Hon. Member: Both sides of the fence again.

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, the temporary lay-offs should come as no surprise to the Hon. Member. My information is that the temporary lay-offs which have been announced by the company are similar to temporary lay-offs which have occurred from year to year over time in the past.

REQUEST FOR COMMITTEE EXAMINATION

Mr. George Henderson (Egmont): Mr. Speaker, in light of the fact that this whole affair has put a cast on the total fishing industry, will the Acting Minister of Fisheries instruct the members of his Party who sit on the Standing Committee on Fisheries and Forestry to put the affair on its agenda in order to study it in depth and hear witnesses, so that once and for all the issue can be resolved to the satisfaction of the industry?

Some Hon. Members: Hear, hear!

Mr. Speaker: The Minister may want to answer the question. However, I think the Hon. Member is asking a question with regard to committee agendas, which is really not a House of Commons question.

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker—

Mr. Speaker: I cannot disallow the question and then allow an answer. That is not fair.

BRITISH COLUMBIA SOCKEYE SALMON RUN

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also for the Acting Minister of Fisheries. As he knows, well in excess of one million sockeye could have been harvested from the Babine run in British Columbia and are now going to waste as a result of federal policy. Will the Minister explain why his Government has continued to refuse to allow commercial, native and sports harvesting of these stocks despite repeated requests to harvest the excess which is surplus?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, the accusation, as embedded in the preamble to the question, and the question are both unfair and untrue. What has actually happened is the realization of the highly successful first phase of the Salmonid Enhancement Program which has resulted in increased stocks. Now, in the name of progress, we should be moving on to phase two as quickly as possible.

Mr. Fulton: Mr. Speaker, my supplementary question is food for thought for the same Minister. Will the Minister explain what kind of Government would place one million cans of rancid tuna on the market and at the same time refuse to allow British Columbians the right to catch food for Canada and the world—some $20 million worth? Will he explain why it should be illegal to possess salmon—

[*Editor's Note: Where upon Mr. Fulton crossed the floor and placed a salmon on the Prime Minister's desk.*]

Some Hon. Members: Order, Order.

Mr. Andre: Kick him out!

Mr. La Salle: Very intelligent!

Some Hon. Members: Out, out.

Mr. Speaker: The Hon. Member should know better.

Some Hon. Members: Oh, oh!

Mr. Andre: Kick him out!

Mr. Speaker: Order, order. The Hon. Member should know better. He will now please rise in his place and apologize to the House.

Mr. Fulton: Mr. Speaker, I am certainly prepared to apologize.

Mr. Speaker: Thank you. That is that.

Mr. Fulton: I think that—

Some Hon. Members: Sit down!

An Hon. Member: Stupid!

Mr. Hnatyshyn: It is the only time a fish has more brains than a Member.

Mr. Speaker: The Hon. Member for Swift Current-Maple Creek.

* * *

ENVIRONMENTAL AFFAIRS

FUTURE OF PRAIRIE WILDLIFE INTERPRETATION CENTRE

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question concerns the environment and, specifically, the Prairie Wildlife Interpretation Centre in southwestern Saskatchewan. This centre was one of five which was subject to spending restraints last year. The centre operated last summer under the joint auspices of the Governments of Saskatchewan and Canada. Can the House be informed as to the future of the Prairie Wildlife Interpretation Centre?

• (1440)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member will be interested to know that the Minister of the Environment will have at his disposal within two weeks an assessment of how the Wildlife Centre functioned last summer under the arrangements that were made for its temporary operation. He should also know that the Government intends to ensure that this Centre remains open and serves the public. We would like to thank the Hon. Member for his representations and his concern, and we hope he will take some encouragement from the

fact that similar centres across Canada, in British Columbia, Ontario, and Quebec, have remained open under similar circumstances.

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AGRICULTURE

SASKATCHEWAN FARMERS' LOSSES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture and concerns the rapidly deteriorating situation in western Canada. Last summer's drought and a wet harvest this fall are driving realized net farm incomes in Saskatchewan well below $5,000. Every night on television we see farms being auctioned off the RCMP escorting young farmers off their farms.

On September 10 the Minister said that he would have a report within two weeks. Can he give any hope to these young farmers who are losing their farms? Can he say if a decision has been made regarding an acreage payment to these farmers in western Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not sure whether the Hon. Member has been in the House in the last few days. I recall having this question posed by a member of the NDP. I indicated to him, I believe earlier this week, that the committee, under the leadership of my colleague, the Hon. Member for Assiniboia, had brought forth its recommendations with respect to Phase II, which included recommendations for compensation payments concerning crop losses. I also indicated that that submission was going to Cabinet, and that would be next Tuesday.

REQUEST FOR ASSISTANCE PAYMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, it was five weeks ago that the Minister indicated that report would be provided to him. Is he willing to stand in his place today and make a commitment that there will be a payment of up to $50 per seeded acre as recommended by the Leader of the Opposition, the western wheat pools and many responsible farm organizations in western Canada? Can he give any hope to these young farmers who will be losing their farms this fall?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I would have thought that the Hon. Member would have a greater knowledge and understanding of the problems of the agricultural industry. One of the prime reasons for holding back was the recommendation of the committee itself in view of the fact that deteriorating weather conditions developed again. Therefore, any decision made prior thereto would simply be inaccurate, insufficient, and premature.

ENERGY

PETROLEUM INCENTIVES INQUIRY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Finance. Last June he told the Independent Petroleum Association of Canada regarding the replacement of the Petroleum Incentives Program: "I should caution you, we are interested in moving very much to a market-oriented system, with a minimum of tax incentives." Why have the Minister and the Government taken a position of only minimum incentives? Why have they cancelled the PIP grants, refused to offer a replacement, and sabotaged thousands of jobs in Nova Scotia, Newfoundland, and the Beaufort?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, here we have another example of overblown rhetoric. No one has said that we refused to put in a replacement for the PIP grants. The Minister herself said quite recently that this is under active review between herself and myself and we hope to have a decision very soon. I would also say, in response to the first part of the overblown rhetoric in his question, that the proposal we will be putting forward will be world competitive.

REQUEST FOR NEW PROGRAM

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I was using the Minister's own words in that question. If he has changed his mind, will he stand in his place and confirm that he will put into effect a substantial replacement for the PIP grants and that it will be announced before November 1, as requested by the Premier of Nova Scotia and IPAC? Or is this just going to go on indefinitely and be yet another broken Tory election promise?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I could stand in my place here for the next two hours and talk about the election promises we have kept.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): That is another example of how the Hon. Member is way offside.

As I indicated in my previous answer, we are going to have a replacement for this program which will be competitive with other regimes in the world. If the Hon. Member would just have a little patience, he might not be too dissatisfied with what he sees.

* * *

THE ECONOMY

INTEREST RATES—SPREAD BETWEEN CREDIT CARD CHARGES AND BANK RATE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of Finance. The bank rate has made an encouraging decline since early September, but

the spread between that rate and the rate the banks charge the public has widened. The interest charges of most credit card companies in which banks take an active interest have not changed very much in the past two years. What moral suasion will the Minister consider to encourage these institutions to bring their lending rates more in line with what they are paying for money?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is correct. We have seen a substantial drop in interest rates, some 300 bases points over the past 12 months. We have the prime rate now at 10 per cent, the lowest level it has been since, I believe, 1978.

Mr. Riis: We are talking about spreads, Michael.

Mr. Wilson (Etobicoke Centre): I know the NDP are very pleased, judging by the response the Hon. Member is giving me now to that information.

We have watched as the spread between the prime rate and the Treasury Bill rate has widened and narrowed. This is something that will happen from time to time. Earlier this year the prime rate and the T-Bill rate were very close together. They have now widened, but I am sure that market forces will bring them together again and I know the banks are very conscious of that.

* * *

PRIME MINISTER'S OFFICE

LITIGATION INVOLVING POLICY ADVISER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. On October 2 a Statement of Claim was filed in the Supreme Court of Ontario against Mr. Fred Doucet, senior policy adviser to the Prime Minister. Given the Government's pending discussion of a replacement for the PIP grants and further offshore development, does the Minister not think it would be prudent for Mr. Doucet to step aside from his sensitive duties in the Prime Minister's Office while this suit is before the courts?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): What would be prudent and proper, Sir, is for Members not to ask questions which interfere in the judicial process when a matter is before the courts.

Mr. Turner (Vancouver Quadra): She was not talking about the merits.

Mr. Nielsen: That is where it is.

Mr. Andre: It is a civil suit.

Mr. Nielsen: To say nothing of the fact that the subject matter of her question has nothing to do with ministerial responsibility here.

SALE OF SHARES—PRIVATE OFFERING MEMORANDUM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, as I understand it, Mr. Doucet is not a Minister, he is a senior adviser in the Prime Minister's Office. In a private offering memorandum, when Mr. Fred Doucet was peddling East Coast Energy shares across Nova Scotia, he stated: "The company—"

Mr. Speaker: Order, please. Supplementary question, please.

Ms. Copps: My question relates to the Government because in the memorandum—I am asking the Minister, does he not think that there is a question in the minds of the public when a now senior adviser to the Prime Minister stated at that time that: "The company intends to conduct itself vis-à-vis Government so as to optimize benefits to the shareholders. The ownership of E.C.E.L. is structured so that every considered attempt can be made to obtain as many of the advantages as possible from these and other relevant—"

Mr. Speaker: Order.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I really am astonished that the Hon. Member—

An Hon. Member: What is the date of that memorandum?

Mr. Nielsen: —got as far as she did with that kind of question, which in itself explains the traditional rule against raising matters which are *sub judice*. Using her immunity she has made a statement just now which is the proper jurisdiction of a court and a judge to decide. The "blues" will show that the Hon. Member has accused one of the litigants of peddling shares in some company or other, which in itself is an accusation which she should not have made, and which should not been allowed to be made in the House under the guise of Question Period.

Some Hon. Members: Hear, hear!

• (1450)

Mr. Hnatyshyn: Maybe you want to rework your question.

Mr. Crosbie: Why don't you get a lawyer?

Mr. Speaker: Order. Order!

Mr. Crosbie: We want some order!

Mr. Young: Thank you, John.

Mr. Speaker: The Hon. Member for Winnipeg-Birds Hill.

[*Translation*]

TRANSPORT

RESTRUCTURING OF TRANSPORT CANADA—GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of Transport.

In view of rumours we have been hearing for some time that thousands of jobs are going to be cut at Transport Canada, that local activities will be consolidated and moved to regional offices, in Quebec that would mean they would be located in Quebec City, and considering the fact the House was expecting a statement by the Minister yesterday, when is the Minister going to announce his restructuration plan for Transport Canada, put an end to all these rumours, and reassure the workers of this Department?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, much of the innuendo, fear, and anxiety is being perpetuated by Members like the one who has just asked the question. I think it is very clear that in the November statement and in the Budget attempts were being made to reduce the overhead and, as much as possible, the cost of operations within the Department of Transport, and to ensure that we can provide adequate service to all regions of the country. A commitment was also made to ensure that there would be greater regional participation. I would be very pleased, Mr. Speaker, to elaborate further as I am appearing before the Standing Committee on Transport. If the Member attends there I will be very glad to give him a full explanation of all the details.

Mr. Blaikie: Mr. Speaker, I am not comforted by that answer. Every time the Minister of Transport tells me that I am paranoid, the next day exactly what I had feared would happen, happens.

Some Hon. Members: Oh, oh!

Mr. Mayer: Baloney.

An Hon. Member: So who's going to win the game tonight?

REQUEST FOR ANNOUNCEMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): I want to ask the Minister of Transport to answer the question and to make an announcement to clear up, for employees of Transport Canada and everyone else who is concerned about the reorganization of that Department, just exactly what is going on. When are we going to find out?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, if the Member would try to ascertain the facts and stop going around the country spreading fear, anxiety, and innuendo—

Mr. Blaikie: I generally have the facts.

Mr. Mazankowski: If he chooses to come to the standing committee tomorrow I will be very glad to answer in detail any questions that he has.

* * *

WAR MEASURES ACT

REASONS FOR INVOCATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, 15 years ago today, on one of the blackest nights for civil liberties in Canadian history, Pierre Trudeau and John Turner proclaimed the War Measures Act.

Mr. Hnatyshyn: The last time they spoke to each other.

Mr. Robinson: In view of the fact that the Act remains unchanged on the books today and the documentation underlying this shameful decision remains secret, when will the Government repeal this repressive legislation used against innocent Quebecers and Japanese Canadians? When, Mr. Speaker, will John Turner finally come clean with Canadians as to why this was imposed?

Mr. Speaker: Order, order! This practice of referring to Members by name must stop.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, in my view, subject as always to your correction of course, it does not lie within the ministerial responsibility of myself or the Government to account for the words or actions of the Right Hon. Leader of the Opposition.

Mr. Robinson: Mr. Speaker, my supplementary question is directed to the Minister of Justice and is, word for word, identical to a question asked by the present Secretary of State for External Affairs to the previous Minister of Justice. "Will the Minister of Justice reveal to Parliament the reasons that the Government introduced the War Measures Act in 1970 and make public the information kept secret by John Turner so that Canadians can—"

Some Hon. Members: Order.

Mr. Robinson: That was the question, Mr. Speaker.

Mr. Speaker: Order.

Mr. Robinson: I'm quoting the question.

Mr. Blaikie: It's a quote.

Mr. Speaker: Order!

Mr. Keeper: He can quote.

Mr. Speaker: Having asked the Member specifically to stop referring to Members by name, he persists. I must, therefore, go to the next Member. The Hon. Member for York West.

Oral Questions

EXTERNAL AFFAIRS

TAIWAN—CANADIAN POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister of State for External Affairs, my question is directed to the Deputy Prime Minister. The Minister of State for External Affairs has stated that the Government's policy is not officially diplomatically to recognize Taiwan. Yet the Minister of State for Multiculturalism said yesterday: "Any Cabinet Minister should be able to appear at events organized by supporters of Taiwan".

This represents an obvious and serious faux pas in the policy of the Government.

Mr. Crosbie: Never mind the speeches.

Mr. Marchi: How does the Deputy Prime Minister reconcile the official line, as articulated by the Secretary of State for External Affairs, with the attitude of the Minister of State for Multiculturalism who recently authorized the Minister of National Revenue to attend the celebration of Taiwan's National Day?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it seems to have been overlooked by the questioner that the Member for Glengarry-Prescott-Russell, the Member for Richmond Wolfe, and the Senator for De la Valliere are all members of his Party and all are participating in that trip to Taiwan.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Didn't he get invited?

Mr. Crosbie: Where is Boudria?

Mr. Marchi: Mr. Speaker, how the Government of Taiwan spends its money is none of my damn business.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, order.

Mr. Siddon: He said it.

Mr. Speaker: Order, please. The Member has a question, I am sure.

Mr. Marchi: I am concerned about the policy of this Government, not that of the Government of Taiwan.

GOVERNMENT POLICY

Mr. Sergio Marchi (York West): Mr. Speaker, how does the Deputy Prime Minister reconcile the difference in policy? Where does he draw the line with respect to ministerial discretion in a very important and delicate foreign policy issue? What is the policy, who is in charge, and where is the consistency?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the policy of the Government vis-à-vis the Chinese Government was very eloquently, ably, and fully stated by the Prime Minister in response to questions that were put to him at his press conference last Friday morning.

Mr. Hovdebo: Not in the House.

Mr. Nielsen: In the event that the Member did not view that press conference, or in the event that he is not up to date, I might point out to him that the policy being followed by this Government with respect to mainland China is the same as the policy of the Government which he supported when it was on this side of the House.

* * *

LABOUR CONDITIONS

GOVERNMENT ACTION TO REDUCE UNEMPLOYMENT

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. No doubt the Minister was enthusiastic about last Friday's announcement of the national unemployment rate dropping to 10.1 per cent, the lowest level in the last three years. Can the Minister tell us what steps the Government will be taking during the next few months in order to reduce the unemployment rate to an even lower level?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, indeed, as the Hon. Member has pointed out, the unemployment rate came down last Friday to 10.1 per cent, the lowest level since March of 1982. We are not satisfied with that, of course, and we will be working to ensure that the rate comes down lower. We know that there will be fluctuations in the rate. However, we are encouraged by the predictions of the Conference Board of Canada that the unemployment rate for next year will be down to 9.7 per cent. In the meantime, Mr. Speaker, we have undertaken a new Canadian Jobs Strategy which will provide employment and training for some 400,000 Canadians who would not otherwise have a chance for jobs.

* * *

HOUSING

FUTURE OF GREYMAC APARTMENT UNITS IN TORONTO

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of State for Finance responsible for the Canadian Deposit Insurance Corporation. In view of today's news about the Greymac properties, will the Minister assure this House that no sale of the 10,000-plus Greymac apartment units in Toronto will be permitted until the Minister has consulted Toronto City Council about a likely conflict with the stated policy against Toronto's by-law which restricts conversion of rental apartments to condominiums?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I sympathize with the Hon. Member's position with regard to the shortage of rental accommodation in Toronto. As he knows, this issue is before the courts and in the hands of the CDIC. I would be very happy to inquire into it for him.

• (1500)

REQUEST THAT TENANTS BE OFFERED PURCHASE OPTION

Mr. Dan Heap (Spadina): Mr. Speaker, if the Minister cannot give us that assurance, can she assure us that before the apartments are offered for condominiums the tenants will first be offered the option of buying the buildings as co-operatives or non-profit corporations at the low end of market price?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as the Hon. Member knows, it is the job of the liquidator and the CDIC to maximize the return. My understanding is that there have been a number of consultations with tenants in a variety of these buildings and I am sure that the solution will resolve some of these difficult issues.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, October 15, 1985, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. NIELSEN'S ANSWER DURING QUESTION PERIOD

Hon. Bob Kaplan (York Centre): Mr. Speaker, during Question Period the Deputy Prime Minister (Mr. Nielsen) attempted to plead the *sub judice* rule to avoid answering a very relevant question which you had accepted. I suggest that he was abusing that rule in order to avoid dealing with a difficult subject.

The *sub judice* convention is set out in Beauchesne's Fifth Edition and it very clearly does not apply to this situation. There is no criminal matter being discussed. There is a civil matter, but even in a civil matter the lawsuit is only at the stage of pleadings.

Mr. Speaker: Order, please. That is not a point of order. If the Hon. Member reads further in Beauchesne he will find that that practice is a convention of the House, not a rule of the House.

BUSINESS OF THE HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Government House Leader put on the record of the House the business for today and tomorrow? I know that it has been communicated to House Leaders through the usual channels but I think it would be helpful if it were on the record of the House.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the opportunity to announce publicly the business for today and tomorrow. Hon. Members will know that there is an item in Government Orders with respect to Bill C-79 concerning the CCB and Northland Banks and a Government motion with respect to time allocation. I had communicated earlier this week to determine whether a time at the beginning of the week would be convenient to proceed with this item. After discussions with the Opposition House Leaders, I have decided to have this matter come forward tomorrow morning as the first item of business.

I should also mention that there will be a Ways and Means Motion with respect to the Excise Tax Act on which I will want to move concurrence tomorrow after we have dealt with the matter of time allocation.

The sequence of the order of business in which we are now engaged will continue. In other words, it is my intention to carry on with discussion of the amendments to the Canada Shipping Act, followed by the legislation respecting employment equity and, as the third item in that trio, the Bill respecting Canagrex.

ROUTINE PROCEEDINGS

[*English*]

Mr. Speaker: Is the Hon. Minister of State for Finance rising under Tabling of Documents or Statements by Ministers?

Mrs. McDougall: I am sorry, Mr. Speaker. I want to rise under Notices of Motions.

Mr. Speaker: Petitions.

* * *

PETITIONS

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from a number of citizens, most of whom live in the Vancouver region, asking that family allowances by fully reindexed and that unfair tax increases, which will put a further burden on families, particularly low-income families, be rescinded.

Petitions

SETTLEMENT OF CASES AT FORT ALEXANDER

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition signed by a number of teachers from Manitoba. The undersigned wish to express their disappointment at the actions of the Department of Indian Affairs and Northern Development which prevented the settlement of the Fort Alexander situation by the Canadian Labour Relations Board and the Federal Court.

Wherefore the undersigned, your petitioners, humbly pray and call upon the Minister of Indian Affairs and Northern Development to intervene on behalf of their four colleagues who are obeying the law but are being penalized by an employer who continues to flout the law.

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Mr. Neil Young (Beaches): Mr. Speaker, I have the privilege to present a petition from a number of individuals from Brighton, Ontario. Those petitioners state that the deindexation of the universal family allowance is an unfair attack on women and families, and further state that the attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle income earners.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have the pleasure of presenting a petition on behalf of a large number of residents of the City of Kamloops, British Columbia, who are of the opinion that the deindexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single mothers, and call upon the Government to reinstate full indexation of the universal family allowance and rescind the unfair tax increases of the last Budget.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by many residents of Edmonton, Alberta. The petition protests the change to the Unemployment Insurance Act which would see pension income being used as earned income for unemployment insurance purposes. The petitioners call upon Parliament to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition signed by a number of residents of my riding in Ottawa and from the City of Hull, protesting the deindexation of the universal family allowance and stating that the poorest families will be worse off by 1990 with the measures that the Government has proposed.

My petitioners object to the inequities under which banks are bailed out to the tune of a billion dollars while family allowances are cut back. They call upon the House of Commons to reinstate full indexation of universal family allowance and rescind the unfair tax increases.

FREE VOTE ON CAPITAL PUNISHMENT

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I have the pleasure to present a petition today on behalf of those groups, associations and independent groups across Canada who are asking for a free vote in the House on capital punishment. There are 21,875 signatures, which makes a total of 190,125 Canadians who are asking that the House consider a free vote on capital punishment and that the issue be brought to the floor of the House as soon as possible.

DEINDEXATION OF FAMILY ALLOWANCES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my first petition concerns family allowances. The petitioners point out that the deindexation of family allowances will cost even the poorest families money following the year 1990. The deindexation of family allowances, along with tax changes, will hurt middle income Canadians.

INTERRUPTION IN POSTAL SERVICE

Mr. Cyril Keeper (Winnipeg North Centre): My second petition concerns the postal service. It comes from a number of residents of my riding, specifically the Laurence Apartments at 75 Yong Street who indicate that postal service was interrupted this summer for a number of days and, for a period of time, up to a week and a half and state that this is intolerable.

RESTORATION OF FULL INDEXATION TO FAMILY ALLOWANCES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of petitioners from the Province of Nova Scotia who call upon the Government to reinstate full indexation of universal family allowance and rescind the unfair tax increases.

CHANGES TO FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a number of petitions from the Toronto area as well as some from Saskatoon concerning family allowance. The petitioners point out that the family allowance deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990 and fall further and further behind.

These petitioners call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind unfair tax increases.

I have a similar set of petitions on family allowance, pointing out that the accelerating cut-backs in child benefits, on top of sales and excise tax increases, place an extraordinary burden on middle and low income households. These petitioners call upon the House of Commons to reinstate full indexation of the universal family allowance.

* * *

● (1510)

WAYS AND MEANS

TABLING OF NOTICES OF MOTIONS

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 65(1), I wish to table notices of Ways and Means motions to amend the Excise Tax Act and the Excise Act.

Pursuant to Standing Order 65(2) I ask that an Order of the Day be designated for the consideration of these motions.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the following questions will be answered today: Nos. 194 and 424.

[*Text*]

DND—PAMPHLETS FOR PUBLIC EDUCATION

Question No. 194—**Mr. Stackhouse:**

1. In (*a*) 1982 (*b*) 1983, how many pamphlets were published by the Department of National Defence for the purpose of public education?

2. How many were distributed and on what subjects?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. (*a*) 1982—31; (*b*) 1983—31.

2. See below.

1982

Subject Matter	Number of Pamphlets	Distribution
Medical Insurance Plans, Medical Benefits, Retirement Benefits	4	230,000
Search and Rescue, Air Safety, Survival	2	12,000
Teaching Opportunities in Europe, CANEX, Recruiting, Summer Employment Opportunities	19	1,017,000
Research Establishments, Scientific Information Services, Defence Procurement Process, Canadian Patrol Frigate, Research and Development Programs	6	14,250

Motions for Papers

1983

Medical Insurance Plans, Medical Benefits, Retirement Benefits	4	230,000
Cruise Missile Facts	1	27,000
CANEX, Teaching Opportunities in Europe, Recruiting, Summer Employment Opportunities	19	1,017,000
Research Establishments, Defence Procurement Process, Research and Development Programs, Scientific Information Services, Canadian Patrol Frigate	7	5,752

IMPACT OF GASOLINE PRICES ON TOURIST TRENDS

Question No. 424—**Mr. Robichaud:**

Were studies undertaken on the impact of gasoline prices upon tourist trends and (*a*) if so (i) what were they (ii) did they reveal a relationship between gasoline prices and tourist trends in Canada and, if so, by how many percentage points will the number of US tourists decrease when the federal tax on gasoline increases by 1 per cent and from what source are these figures derived (*b*) if not (i) for what reason (ii) on what date will the Department commission such a study?

Hon. Jack Murta (Minister of State (Tourism)): Tourism Canada did a study in 1984 isolating the impact of gasoline prices on automobile travel to and from Canada and the U.S., using the Tourism Canada forecasting model. The results indicated that a 1 per cent increase in Canadian gasoline prices, with U.S. prices held constant, would have little impact on overnight visitors, resulting in changes of only 0.2 per cent.

The 1 per cent price increase would have more impact on the relatively low spending same day automobile travel, with the price increase estimated to increase same day Canadian exits to the U.S. by 1 per cent and decrease same day U.S. automobile visits to Canada by 1 per cent.

A Tourism Industry Association of Canada study has come up with similar results.

Tourism Canada is not considering another such study at present.

[*English*]

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

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

Some Hon. Members: Agreed.

Motions

JUSTICE AND LEGAL AFFAIRS

ORDER OF REFERENCE OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as you know, I am a very popular Member of this House. When you called the item Motions, I was in full discussion with at least six or seven of my colleagues from around the House. May I ask the indulgence of the House to return to Motions because I have an Order that has met the approval of all Parties? I think you will find an inclination of the House to accept this motion by unanimous consent, without debate. May I have the concurrence of the House to revert to Motions, Mr. Speaker?

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to revert to Motions?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, the order is as follows:

That, notwithstanding its order of reference dated Tuesday, February 26, 1985, it be an instruction to the Standing Committee on Justice and Legal Affairs that it empower any subcommittee studying the status of equality rights under the Charter of Rights and Freedoms, to report its findings with respect thereto, directly to the House of Commons.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, just on a matter of clarification, I am sorry I did not ask before, but I was busy too—

Mr. Hnatyshyn: Talking to me.

Mr. Deans: I was talking to you, that is exactly right.

What is this significance of the words, "Empower any subcommittee"? It is "the subcommittee", is it not? There is one subcommittee?

Mr. Hnatyshyn: I take it back. Yes.

Mr. Deans: Thank you, Mr. Speaker.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Speaker: With that correction, the House has heard the terms of the motion. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Tuesday, October 15, consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act, be read the second time and referred to a legislative committee.

Mr. George Henderson (Egmont): Mr. Speaker, I rise today to make a few comments on Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof. This is a very large Bill, Sir. There is an awful lot in it and I must say some of it is long overdue. Some of the clauses in this Bill will improve our navigation systems. However, I am going to relate my comments specifically to Clause 4 of the Bill as it relates to the imposition, if you will, of user fees.

In the past six months, we have been involved in our Fisheries Committee with the fact that there is not enough money in the small craft harbours budget to repair the wharves, piers and the harbours in this great country of ours. Last night we were told by officials that after engineering costs were taken out by the Department of Public Works there was just a little over $50 million in that budget for all the wharves and harbours in Canada. That includes our marinas in Quebec and Ontario, the commercial fishery of the West Coast, the sports fishery and the pleasure craft in British Columbia, the commercial fishery in the Atlantic Canada as well as the recreational users in that area.

Here we are with a Bill before us today that says that if improvements are to be made to our wharves and harbours, then there is a provision for this Government to pass on those user fees, I suppose, to the user.

I mentioned briefly yesterday what effect that will have in one port in particular in my Province of Prince Edward Island, namely Summerside. We ship about 85 per cent of all potato production from Prince Edward Island through Summerside. Prince Edward Island is basically an exporter of seed potatoes. I say without qualification that we grow the best seed potatoes in the world, so it is a very important industry to PEI.

The harbour of Summerside gets sanded up periodically because there is sand up and down the coast. If a major storm occurs from either the southwest or the northwest, the harbour can be completely filled with sand at any given time. It does not happen very often, but right now we have dredging operations going on.

The previous Government okayed a deep water berth for Summerside. This project was approved after much arm-twisting by myself and others and the new Government has seen fit to carry on with the project.

We have another problem. Vessels that come to Summerside to take on a cargo of potatoes for Argentina, Portugal, Algeria or wherever have to be refrigerated vessels. While they may have 17 to 22 feet at high tide, at low tide there is a shortfall of seven to eight feet. All the piping for the refrigerated units is in the keel and along the hull of the ship. When the loaded vessels are tied up they cannot sit on the bottom or damage to the equipment will occur.

Every five to six years around the Queen's Wharf in Summerside, dredging has to take place. Sometimes it is okay to use cranes on the wharf itself but at other times you need have to have a suction of a clam dredge, a very expensive proposition. As a result, the users, and in this case the users would be the vessel owners, would have to charge a lot more for the use of their vessel to the shipper in order for them to maintain their costs and show a small profit.

● (1520)

I should like to refer to another issue of concern. In the winter-time, communities alongside the Gulf of St. Lawrence and along the Northumberland Straits, whether it be Summerside, Charlottetown, Georgetown or Surrey, are ice-bound. Normally by the middle of January we find that ice-breakers from the Department of Transport are required to clear a path for vessels either to enter or to exit from those harbours. Over the past six years I have had problems trying to obtain the services of an ice-breaker when a vessel has been loaded and is ready to leave port for its destination. I have always maintained that the Government does not have adequate ice-breaking facilities in Canada, certainly in Atlantic Canada and in northern Canada. Not only will we find ourselves with a scarcity of good ice-breaking services, we will have to pay the cost of those services if the Bill is passed.

What would happen if the Bill were passed into law today and the Government decided to charge a fee? We do not know how much that fee would be, if in fact it were to charge one. If it will not do so, why would it include that clause in the Bill? Whether it is done now, six months down the road or 10 years down the road, this particular provision would allow the Government to do that. This Government, this Minister or indeed any Government or Minister who may follow could at some point in time impose a fee under this legislation.

In any event, on Monday of this week, I was told that the price of potatoes in Prince Edward Island, f.o.b. at the farmgate, was 1.5 cents per pound and that the cost of production was at least 5 cents per pound. At this point in time producers are losing roughly 3.5 cents per pound on every pound of potatoes produced. What will be the effect of the costs resulting from this legislation as well as the inspection fees which the Government has placed upon potato producers as one of its main efforts to obtain more revenue? If this legislation is passed, in my province, at the very least, 50 per cent of the farmers would be driven into bankruptcy. That may be the case this year without this piece of legislation being on the books. Therefore, I have great difficulty with the Bill, certainly with this particular clause.

Other areas of the fishing industry will certainly be affected by moorage fees, wharfage fees and so on. I wonder how the users will be charged, in that many fishermen do not necessarily tie up alongside the wharf. They tie vessel to vessel to vessel because harbours are not large enough to permit every vessel to have its own moorage at its own dockside. Certainly that is true in my own province. I suspect that that is the case in many areas in the Provinces of Newfoundland, Nova Scotia and New Brunswick as well. If the Government goes ahead with the user-pay philosophy, how will it identify just exactly who is the user? I believe it was the Minister who suggested before the Standing Committee on Fisheries and Forestry, in reply to a question posed by the Hon. Member for Gander-Twillingate (Mr. Baker), that as long as a vessel came into the harbour it would be subject to moorage fees, even if there was nothing to tie up to. I stand to be corrected, but I think it was the version of the former Minister of Fisheries and Oceans. That presents another fear for the people whom I represent.

I am sure the situation would be the same for a number of other ports in Atlantic Canada, in British Columbia and in the North. Many similar situations will arise. In Newfoundland I suspect that probably 95 per cent of its ports would be or could be affected by this piece of legislation.

I have heard Hon. Members opposite say that they will not be imposing user fees. Perhaps the Minister will reply to that. However, my response to them would be: "If you are not going to do it, why include it in the legislation?" It may not be the Minister's intention to have user-fees, to charge for ice-breaking services, to charge for aids to navigation, to charge for vessel traffic services or to charge for escorting services. If it is not his intention, why is the Minister trying to bootleg the legislation through the House? If he decides on the issue, we could have an open debate on it in Parliament.

I propose to move, seconded by the Hon. Member for Gander-Twillingate, the following amendment:

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

"Bill C-75 not be read a second time but that it be read a second time this day six months hence".

I move that amendment because I want to find out from the Government what user fees or other fees for ice-breaking services could be charged under this legislation. As a Member of Parliament, I represent my province to the best of my ability. We are proud of our agricultural industry in Prince Edward Island, specifically the potato industry. Therefore, I require more answers than what I have received from the Government, from the Minister and from Hon. Members opposite up to this point in time.

Mr. Deputy Speaker: The House has heard the terms of the amendment. The debate will now be on the amendment.

Mr. Forrestall: Questions and comments?

Mr. Deputy Speaker: The Chair will recognize the Minister of Transport (Mr. Mazankowski) on questions and comments.

Mr. Mazankowski: Mr. Speaker, I listened with interest to the Hon. Member. I know that he is sincerely concerned about some of the difficulties to which he alluded in respect of potato producers and fishermen. I can assure him that the comments coming from that side of the House are not going unnoticed.

● (1530)

The Hon. Member indicated that he felt there was a need for more ice-breaking services and perhaps that is true. Currently, something in the order of $180 million is spent annually on ice-breaking services for which there is no cost recovery. Is the Hon. Member saying that these kinds of ice-breaking services should be provided absolutely free even to foreign vessels escorted by Canadian icebreakers? Is that really the position of the Hon. Member's Party?

Mr. Henderson: Mr. Speaker, I am pleased to respond to the question put by the Minister. I moved this amendment so I can get some clarification on what the Government is trying to do. What I am trying to say is that the potato industry on Prince Edward Island is in competition with the State of Maine which has ice-free harbours year round. Indeed, the Province of Prince Edward Island is in competition with the Province of New Brunswick, the producers of which can ship out of Saint John harbour because it is basically ice-free and does not need ice-breaking services. If we are to compete and maintain the industry, there must be some form of equalization. The Government must recognize the geographic realities of our country. Therefore, ice-breaking services in Labrador, the Gulf of St. Lawrence and the Northumberland Straits are imperative, even if they are for a foreign vessel which is picking up a product from Prince Edward Island, Newfoundland or New Brunswick. I think that the Government and this legislation does not recognize the uniqueness of certain parts of Atlantic Canada and certain parts of the North. That is all I am trying to say. This Bill puts the agricultural community of Prince Edward Island at a total disadvantage at a time when, heaven knows, it does not need to be at any further disadvantage.

Mr. Mazankowski: Mr. Speaker, with respect, the Hon. Member skated around the question. Is he saying that it is the position of his Party that ice-breaking services, in all cases, whether it be for a Canadian vessel or a foreign vessel, should be provided absolutely free of charge?

Mr. Henderson: Mr. Speaker, I did not skate around the question. I think the Minister is trying to throw a red herring in here. I tried to indicate to the Minister that not all foreign vessels in Canadian waters are there for the total benefit of that foreign country. The Minister knows that Canada has no merchant fleet and we have to rely on foreign vessels to take our product out of the country for export purposes. As well, some oil tankers are not registered in Canada but have to come into certain ports and harbours to bring in oil supplies. If these tankers had to pay for ice-breaking services, would that cost not be added on to the cost of the product? This Government is supposed to be a business-oriented Government. It would be foolhardy, I would think, for any Member of this House to decide that a foreign vessel should operate in Canadian waters at a deficit.

Mr. Mazankowski: Mr. Speaker, I am sorry to prolong this, but I think the Hon. Member knows that all forms of transportation are subsidized and have some measure of cost recovery. In the case of the marine sector, we are talking about something like $824 million being spent annually providing navigational, ice-breaking and other related services while cost recovery is something in the order of 2.5 per cent. Does the Hon. Member think that this is fair?

We are hearing from Members on the other side that we should treat all modes of transportation fairly. The air and rail modes are recovering a much larger percentage of their costs than the marine mode which literally recovers nothing whatsoever. It seems to me that that is somewhat unfair.

The Hon. Member should not try for one minute to suggest that this Bill is proposing 100 per cent cost recovery. I wish Hon. Members of the opposite side would not take this to the extreme. There is flexibility in this Bill. We are committed to discussing areas for which there could be some reasonable cost recovery, which may very well in turn generate some efficiencies within the system. To suggest that we are talking about 100 per cent cost recovery for the provision of these services is really exaggerating the point to the extreme.

Mr. Henderson: Mr. Speaker, this is the first little titbit of information I have received. At least we now know that there will not be 100 per cent cost recovery. Will the Minister rise in his place today to tell us just exactly what that cost recovery will be? We now know that it will not be 100 per cent. Will it be 99 per cent, 80 per cent, 60 per cent, 50 per cent or 5 per cent? These are the things we want to know. We are not buying a pig in a poke and we will not sign a blank cheque for this Minister or any other Minister. I do not think that the Hon. Minister would expect us to do so. We have to represent our constituents in a faithful manner. We have to be honest with them so we have to know, when people ask me what it will cost them to ship their potatoes next year, what the Government's intentions are.

Mr. Baker: Mr. Speaker, I rise to make an observation. It is incredible to listen to the Minister of Transport compare the charges contained in this Bill with charges for the air mode and other modes of transportation. I would like to point out to the Minister that we are not talking about transportation of people. We are not talking about ships that intend to ply their way down south for a winter vacation. We are talking about transportation that is a necessity, not a choice. The people to whom we are referring do not have any choice. Either they go by boat or they do not go. The Minister's analogy is absolutely ridiculous.

The Minister has stuck in this thing about foreigners. He has said that we should not let foreigners get away with anything. Do we see anything in this Bill that talks about foreigners? There is nothing there at all. If the Minister means

to charge only foreigners, then he should put it in the Bill. The Minister's original analogy which compared this mode with the air transportation mode certainly signals to me that the Minister of Transport (Mr. Mazankowski) really does not understand the icebreaker services in eastern Canada.

Mr. Brisco: Mr. Speaker, I would like to ask the Hon. Member for Gander-Twillingate (Mr. Baker) if he would not agree that the questions he has addressed and the other questions that have been raised must best be answered in a committee and that the faster we get the Bill into committee the better it will be?

Mr. Baker: Mr. Speaker, the Hon. Member who moved the motion is identified by this Party as the Hon. Member from Prince Edward Island. He represents that province ably in this Parliament. In this particular case, he is standing up for the people of Prince Edward Island and is making sure that the Government does not impose charges on the potato growers and primary producers of this country.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity on the Canada Shipping Act or, as it now happens, to speak on the hoist motion. One might think that a person from the middle of the Prairies would have little knowledge of or interest in shipping and the Shipping Act.

Mr. Mazankowski: Probably a lot more than what we heard from over there.

● (1540)

Mr. Hovdebo: All Canadians must be concerned about how goods are moved in Canada. Canada is a country dependent upon trade—some people would say too much so. We must be sure that regulations which control the movement of goods in and out of Canada do not impose a burden, making it more difficult for us to be involved in trade by forcing organizations such as transportation companies to pay more, thereby discouraging them to use the available facilities. The Bill seems to do just that. It decreases the possible use of facilities. In many ways the Bill proposes what is necessary to be done. It establishes regulations which will increase safety and encourage the use of facilities. However, there is one exception. I refer to the cost recovery clause in this particular Bill upon which I will comment later.

What I wish to comment on at the beginning is the Government's responsibility with regard to this type of situation. First, it is the responsibility of the Government to keep the shipping lanes open in order that they can be used by domestic or foreign shippers. The St. Lawrence Seaway is presently inoperable because of the collapse of part of the walls of the Welland Canal which is blocking Lock 7. This could be said to have been just an accident. However, it would be interesting to look into the reasons behind the closing of the Welland Canal. This blockage is costing shipping companies approximately $20 million a day. Who is responsible for the fact that the Welland Canal is not open to shipping? No doubt the cost of $20 million a day will be passed on in some form or another to the people using the canal. In this case a great deal of the cost will be passed on to the farmers who are shipping grain through the canal.

Over the years the Government has been collecting fees for the use of the Welland Canal and the St. Lawrence Seaway. In the case of the St. Lawrence Seaway it has put aside $30 million or more which is to be used for maintenance of the Seaway. The same has been done with respect to the Welland Canal. This means that the Department of Transport recognizes the need to have money in place for maintenance. Therefore, the Department must take some responsibility for the closure in that it has not done the type of maintenance which would have made it less likely.

To a question put to the Minister of Transport (Mr. Mazankowski) the other day one of my colleagues received an unsatisfactory answer in that the Minister did not indicate that the Government is willing to spend the money which is available for maintenance. It will not take the $30 million which it has taken out of capital from the Seaway and spend it on maintenance, which will prevent closings such as those which have taken place in the past. This is the key issue in the Bill. It is dealt with in Clause 4. The rest of the Bill establishes acceptable regulations for shipping and is needed legislation which should have been put in place quite some time ago, as I understand from my colleagues who know a little more about the subject. Clause 4 is enabling legislation which would allow the Department of Transport to recover the costs for what have been considered a national responsibility in the past.

It is the user-pay philosophy in the Bill which we in the Opposition challenge. When service becomes the responsibility of the user and ceases to be the responsibility of the nation, then we have to look at exactly how it will be paid for and who will be paying for it. The user-pay philosophy needs close scrutiny by the Government and by Parliament because its application can have a tremendous effect on the viability of many industries in Canada. If the user-pay philosophy is applied to all services which are now provided partially or in full by the Government, what effect will that have on the type of services which we have available in Canada? I am not speaking only of transportation in this case. The user-pay philosophy can be applied to all types of services. For instance, what type of services would we have if a user-pay philosophy were established for health care? Should only the sick pay for health care or should we all be concerned with respect to the health of the nation? What about sanitation? Should only those people who have need of water and sewer services pay for them? Should those services be recognized as a responsibility of the nation? What about roads and communication services? These are areas in which Canada has taken a national responsibility to provide the service and where user-pay has not been a factor.

Traditionally, transportation has been one of the areas in which the Government has provided the infrastructure and its use has been either free or partially free. Roads are generally paid for by taxes. Signs, markings for intersections and road lighting are usually paid for by municipalities which provide

the services. There are only a few cases in which tolls are applied to recover some of the costs. The railways were basically paid for and established by the Government. Freight has been almost continuously—and still is to some extent—subsidized by the Government. We continue to depend upon this type of structure although the Government has not given any indication that it will return to the Crow rate which it helped remove.

Mr. Mazankowski: Neither are you.

Mr. Hovdebo: Air travel is an area which has been traditionally paid for by Governments. Consequently, air transportation has developed in the country because the Government has taken that type of responsibility. Areas which have been traditionally paid for by the Government in the marine industry include navigational aids, dredging, ice-breakers, lock operations on canals and so on.

What will happen to these services and our country if we impose a user-pay philosophy on the transportation system? In looking at this subject perhaps we could consider when it would be possible for the Government to implement a user-pay philosophy. When does it become illogical to have a user-pay philosophy and who should make the decisions with respect to it? Had the user-fee philosophy been applied to transportation across Canada over the years, many parts of Canada would be inaccessible today. Our road, rail and air transportation system would not have been extended to many of our communities. Many of the Members in this House come from and represent those communities. Many of the industries in those communities would not be viable today if the user-pay philosophy in transportation had been in place. Mines and farms would not have been developed and operating today. It is particularly important to recognize that most of our North would still be the wilderness it was in 100 years ago if the Government had established a use-pay philosophy in 1885.

• (1550)

My predecessor from Prince Albert, the Right Hon. John Diefenbaker, during his time as Prime Minister, established a policy which was well received across northern Canada. It was called the Roads to Resources policy. It was very far-sighted, but the Liberal Opposition under Pearson at that time scoffed and called it a policy of highways from igloo to igloo. However, those highways are today the main routes to the development of much of northern Canada. That development would not have occurred had the Diefenbaker Government established a user-pay policy. Northern Canada is still reaping the benefits of that nationalistic policy of Mr. Diefenbaker. However, this Conservative Government is showing itself to be almost anti-nationalistic, anti-development, in its policy. It goes against what the Diefenbaker Government stood for and did in its term in office.

If the user-pay philosophy is put into place it will have the effect of turning back the clock. Even now the increases in freight rates imposed by the Liberal Government and maintained by this Government are making farming in certain areas of the Prairies, particularly grain farming, unviable. If this Bill is passed, the St. Lawrence Seaway may become unviable in the very near future. The Seaway has many requirements for which the Government has accepted responsibility in the past. If we were to increase Seaway tolls a great deal, the time would come when use of the Seaway would drop. Even now it has dropped considerably, that is, 27 per cent over the last year. This kind of an increase in tolls will affect not only the people who work on the Seaway, but the industries which depend on the Seaway to get their goods to market. Canadian ports may become less desirable for export use. And those costs to the already increasing freight costs, and farming, particularly grain and meat production, become less viable in many parts of the country. Canada is so dependent on trade, and the movement of our products so basic to the survival of many industries, that any increase in transportation costs, however slight, will make many Canadian products uncompetitive on world markets. In international markets the difference between getting and losing a contract is sometimes as little as one-half cent per tonne. It seems a small amount, but when millions of tonnes are involved it can make quite a difference to a bid price.

This Bill, Mr. Speaker, and particularly Clause 4, will have an impact which has not been properly weighed by this Government. It will have a social as well as an economic impact. If we start closing farms and sawmills across the country, this small clause will have a national emotional impact. Transportation has traditionally been a service which united Canada. The migration of people across this country was made possible by our transportation system. Therefore, this user-pay philosophy will affect the basic structure of this country to an extent we are unable to recognize at this point in time. Right now there is some semblance of equality between the regions of this country and their ability to produce and sell goods on the world market. Each time you increase the cost of transporting those goods you decrease their competitiveness. You decrease the viability of a particular industry.

Therefore, I appeal to the Government to accept the motion for a six-month hoist and take a good look at the effect this Bill, in particular Clause 4, will have. I appeal to the Government to change the Bill so that it is possible for Canadian industry to export as much as it possibly can and develop as many foreign markets as it possibly can. If they approach it in that way, Mr. Speaker, I am sure that the House will pass the Bill quickly and allow the good parts of it to be put in place so that shipping would be safer and better across Canada.

• (1600)

Mr. Mazankowski: Mr. Speaker, I know that there is a temptation for Members to try to associate the $30 million surplus in the St. Lawrence Seaway Authority account with the fact that it may have some impact upon the level of maintenance. I want to clarify that because I think the Member who just spoke clearly left that impression. I can assure him, as I have been assured by the management of the St. Lawrence Seaway Authority, that there has been no cutback in the level of maintenance and service that has been

required over the last number of years. As a matter of fact, the maintenance that was deemed necessary and appropriate has been carried out. I think Hon. Members should know that. They should not try to feast upon a misadventure for short-term political gain because I do not think it serves the best interests of the Seaway and it does very little to enhance credibility and confidence within the Seaway.

For the information of the Hon. Member, this year $26.6 million was appropriated for maintenance. Last year that amount was $33.8 million. It was a little higher due to the fact that some extensive repairs were done to the bridges as a result of the Valleyfield bridge breakdown and the repair of other bridges. In 1983-84 the expenditure for maintenance amounted to $24.1 million. In 1982-83 it was $19.9 million, in 1981-82 it was $19.3 million, and in 1980-81 it was $18.6 million.

The Hon. Member implied in his comments that maintenance expenditures were decreasing and that there was insufficient funding for maintenance. That is certainly not correct. As a matter of fact, the amount of money appropriated for maintenance has been increasing each year. Officials at the Seaway Authority have assured me that at no time have they spared expenditures in terms of maintaining the integrity and effectiveness of the Seaway system. I think it is important for all Members to know that and they should keep that in mind when commenting on this. No one like a breakdown; it is not good for the system and it is certainly not good for Canada.

I can assure Members that a contract has been awarded today to Canron to brace and stabilize the wall. Mr. O'Neil, the President of the Seaway Authority, is meeting with the other general contractors right now to determine who will be awarded the job for the repairs. It was not a collapsed wall, but a blow-out. Until such time as we can determine the cause accurately, I think it would be best to leave the speculation to someone who is more of an authority on that than I am.

I would like to ask the Hon. Member a question. He got so wrapped up in his words about user-pay that I gathered from his comments that he had come to the point of saying that all transportation services are a service and, therefore, should be provided free. I really do not understand the rationale. Surely in the marine sector, as in the other sectors of transportation, there is always an element of cost recovery. Is the Member suggesting that we should have a level of cost recovery for the air mode, the surface mode, the rail mode, and literally a policy of no cost recovery in the marine mode?

Mr. Hovdebo: Mr. Speaker, I accept the Minister's explanation of the maintenance since he is obviously more knowledgeable about it than I am, it being his responsibility. I would like to say, however, that I would much rather have that $30 million go to reduce the Seaway rates—or at least have them frozen for another couple of years—than to have it used to reduce the deficit. It was money paid in by the users and it should be given back to them.

With regard to the user-pay philosophy of the Government, as a westerner the Minister must recognize that if we do not have some equality of transportation costs we will eventually eliminate the viability of a portion of the industry operating in the West. Had we had equality of transportation costs across the country rather than this concentration—

Mr. Mazankowski: That's exactly what we are trying to do.

Mr. Hovdebo: If we had had equality of transportation costs across the country, we would not have a concentration of industry in the "golden triangle". That is what we had hoped to do. Many countries—Argentina for example—do not charge for the transportation of grain. Perhaps we could be a little more selective. There are certain things which require assistance in order to remain competitive on the world market, and agricultural products are among them. The main use of the railways and the Seaway is for transportation of those agricultural products. Agricultural products bring in more than half of our foreign exchange, which is a benefit to all Canadians. Therefore, it would seem quite logical to provide, if necessary, free transportation for grain to keep people involved in farming and producing.

I recognize that a certain amount of cost recovery has been going on for a long time, but is it necessary to increase it? Maybe we should be taking it off the others if they are increasing. Maybe transportation should be a free service. Maybe that would make it possible for parts of Canada, which are not going to survive under the present policy of the Government, to survive.

I know I am exaggerating the possibilities in this case, but I am doing that for a reason. If we are going to spread the population across the country in the next 100 years in order that the extremities can be populated and can survive, we must deal with the inequities in costs of transportation. Those costs are based on geography rather than on anything else. Why do we not start looking at the possibility of having lower instead of higher freight rates? Prince Edward Island could sell its potatoes at a profit if it did not have such high transportation costs. Maybe that is necessary in order to have a viable industry in many parts of this country.

• (1610)

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Hon. Member for Egmont (Mr. Henderson) explained the purpose of Clause 4 and introduced a motion that the Bill be read a second time six months hence. The way that he feels about Clause 4, I imagine that it should not be read a second time at all, even six years hence.

However, Clause 4 is quite clear and I do not believe it is necessary for the Minister of Transport (Mr. Mazankowski) to try to evade the issue. The clause clearly states that for the purpose of defraying the cost of navigational services provided by the Canadian Coast Guard, the Governor in Council—the Minister and the Cabinet—may make regulations respecting charges relating to those services provided by the Canadian Coast Guard. What services are we talking about? The clause goes on to state, "... without limiting the generality of the foregoing...". The Government is giving the broadest inter-

pretation, but these services include navigation, dredging, vessel traffic services, ice-breaking services and escorting services.

The second part of the clause goes on to say that even if the services were not actually performed, the Canadian Coast Guard probably could still charge for that service. The rationale behind that, of course, is that when the Coast Guard is called to perform a service it can still charge for that service even if it is no longer required.

The clause goes on to point out that interest will be charged on late payments. It gives the Government in Council—the Minister of Transport—the right to impose that charge with interest. Furthermore, the Government can go to court to collect that payment. It also gives the Government the right to enter into agreements with provincial administrations.

On the hand the Minister say that this clause does not really mean anything but, on the other hand, he asks why these people should not have to pay. That is absolute nonsense. Think of what you may be confronted with in your own riding, Mr. Speaker, if Hibernia came on stream in the future and they had to bring in oil to service the Petromont refineries. What about those who must pay for ice-breaking services out of the Quebec region?

The Minister of Transport is suggesting that he will balance costs on the basis of where Canadians live. For example, anyone who needs an ice-breaker for their port will have to pay for that. If you happen to live in northern Newfoundland, Labrador or on Prince Edward Island and your fish business, potato business or any other business requires an ice-breaker during the winter, you will have to pay for it. What is the function of the Government of Canada today, according to that logic? Why not pass all of these services on to private enterprise? The Minister is suggesting that everyone should move south. He is asking, why should they not have to pay to have the Coast Guard send an ice-breaker to dig out a ferry run for ferries that service islands? The Minister and the Government must realize that we live on islands. I have constituents who live on islands and they pay a price for living on islands. The price of living there is that transportation is in doubt at various times of the year.

However, the Government wants to turn around now and say that they will have to pay for breaking up that ice in their port. It is telling those who have a fish business and employ people during the winter that they should pay now to have an ice-breaker come in. There are certain ports that service pulp and paper mills, such as the Port of Botwood, that are open year round. According to this Bill, the Minister is saying that there should be a charge to keep that port open year round. If you use that logic, quite obviously it would be much cheaper for a shipper to move his entire operations to a port that never has any ice.

That is strange logic coming from a Government that promised so much prior to the election campaign. It promised better ice-breaking facilities for eastern Canada. It promised better ice-breakers. However, when it came to power, in its first financial statement, the Coast Guard was included in a cut of $51 million among other services such as aids to navigation. That was the first act that the President of the Treasury Board (Mr. de Cotret) imposed on the Minister of Transport. Now the Minister must attempt to show the Cabinet that he is attempting to recover costs by introducing user fees.

There is no question that this clause should not be included in the Bill. It will not be included in the Bill if the Hon. Member for Egmont has anything to do with it. The Hon. Member mentioned that this is a particularly bad Bill in which to include such a clause. He spoke about fishermen and farmers. It was not too long ago when the former Minister of Fisheries and Oceans stood in this Chamber and announced an increase in moorage fees, the fee to tie up a boat at a wharf that was built with government money. It was not long ago that the Government announced an increase in the cost of insurance on boats. First, it tried to eliminate that scheme and then it tried to privatize it. No private company in Canada would even consider this scheme. This insurance scheme was devised by the Government of Canada because no private insurance firm would ever offer the insurance. The Government turned around and tripled the rates.

However, not content with that, it took another look at its Crown corporation, Fisheries Products International—to which a lot of ice-breaking services have been provided on the north coast of Newfoundland—and made an announcement that would essentially get rid of 15 fish plants in Newfoundland. It did not mention the number of employees affected by this announcement, but it will sell these plants. It has not said what will happen to those fish plants if they are not sold.

There is a total of 2,775 employees involved in those fish plants. Fishermen and employees in those plants do not know what they will be doing two years from now.

Not content with that, the Government took further steps with respect to the Department of National Revenue. It has changed its policy so that there are no more third-party demands. What does that mean?

Mr. Forrestall: What does this have to do with the Bill?

Mr. Baker: The hon. gentleman asks me what this has to do with the Bill. Obviously, it deals with the amendment by the Hon. Member for Egmont to the clause dealing with charges to be levied. Will the Government charge the Government of Newfoundland, the Government of Prince Edward Island or the people who ordered the ice-breaker? Will it charge the boat owners? Will it charge the entire population of the province on a percentage basis? Obviously, the Government will charge those who need the ice-breaking services.

The people whom the Government will have to charge for navigational aids, ice-breaking services and dredging are those who need that service. Those people are primarily fishermen in Newfoundland. Who else needs to have a harbour dredged if it is not the very people who want to move goods and services through that port?

If dredging is required in Twillingate harbour in Newfoundland, whom will the Government charge? Is it going to charge the fish plant that uses the harbour? Is it going to charge the fishermen whose boats have to use the harbour? Is it going to charge the town council? There is no more free dredging under this Bill if the intent of the Bill is carried through, Mr. Speaker. There is no more free dredging by Transport Canada or by Public Works. Public Works cannot do the dredging because it has just sold or is selling its dredging machines for the sake of passing the work over to private enterprise.

● (1620)

Perhaps the most serious part of this Bill is the part we have not really dealt with, namely, aids to navigation. There will be a charge for aids to navigation. Now we will have a cost recovery on aids to navigation. That is a pretty serious matter, Mr. Speaker. As the Hon. Member for Egmont pointed out, with everything else coming down around everybody's ears, what a time to be saying we are now going to think about charging for ice-breaker services!

The fishery in Newfoundland is an absolute and total disaster. There are full-time fishermen going to the welfare office, yet, here we are telling them they have to pay for their phone calls to the weather office—I forgot that one. That is a good subject we have talked about in this Chamber—now that there will be a charge for navigational aids. Insurance on boats has just been upped. In some harbours the cost of tying up to a wharf has been upped three times. There has been an increase in the marine service centre fees. These people have been nailed through National Revenue. The fishery is an absolute disaster, and now the Government of Canada is bringing in a Bill to charge for dredging the harbour and for getting an ice-breaker to come in during the spring. Not only that, but if you have to be escorted or the company boat has to be escorted, there will be a charge for that as well. That is all in the same Bill. It is incredible to be telling fishermen of Newfoundland or the farmers of Prince Edward Island under which you are bringing a Bill into this Chamber that perhaps they will be charged for that service.

Just to drive this home to the Minister of Transport, does he know what most fishermen do now in the spring before they order an ice-breaker, Mr. Speaker? They get out their chain-saws. They dig out a channel with long chain-saws, the big ones, the three foot and two foot blades, and they dig away and cut big blocks around their boats. They lift up the blocks, and they use dynamite. Often Members in this Chamber get phone calls from fishermen asking whether there is any way to get the Government to pay for the dynamite. There is no way the Government will pay for the dynamite.

One time the Government of Newfoundland did pay for the dynamite. But that is after using the chain-saw to get the block of ice out. You work day and night until you get your boat a certain distance into the harbour. The rest of the boats are behind. I hear an Hon. Member on the other side. He is going to learn something if he will just listen. At that point out in the harbour they then call the Coast Guard to bring the ice-breaker. If they have to pay for the ice-breaker—

Mr. Foster: And the chain-saw.

Mr. Baker: —the Hon. Member said "and the chain-saw", that is right. The gas in the chain-saw is not cheap since this Government took over. I can assure you Sir, what the hon. gentleman is suggesting is that these fellows will be out there for six months cutting their way through the ice because there will be no ice-breaker. They cannot afford to pay for the cost of an ice-breaker to come in to their harbours and dig the harbours out.

Mr. Mazankowski: Can they afford to pay for the gas for the ice-breaker?

Mr. Baker: The hon. gentleman is asking me if they can pay for the gas in the ice-breaker. I know what the cost of an ice-breaker is. I can tell you that it is a pretty big cost. It is an incredible cost to operate a ice-breaker. There is no doubt about that.

Mr. Mazankowski: Can they pay for half of it?

Mr. Baker: The Government of Canada should pay the whole cost. These fishermen should not have to pay for the cost, neither should the companies have to pay for the cost of the ice-breakers. I doubt whether the Minister of Transport in outlining this Bill made reference to Clause 4.

Mr. Mazankowski: Yes, I did.

Mr. Baker: He is nodding that he did. He did not talk about how much they were going to charge. He did not say, "Well, we might charge them. We might or we might not". He simply outlined what was in this Bill. Later on during exchanges in the House he said, "Isn't it correct that people should have to pay for those services?"

The people of Canada pay for those services when they pay income tax. That is when they pay for these services. They should not have to pay for these services because of geography or where they live. They are paying enough now to the Government of Canada. They should not have to pay any more. Even to suggest in this Bill giving the Government of Canada the authority to levy a fee for such a thing is absolutely outrageous. It is just the same as when the former Minister of the Environment stood up and announced that she was going to charge people to phone the weather office.

All along we can see what the Government is doing to the fishermen. It is saying, "Look, hesitate before you phone the weather office because you have to pay. Hesitate before you phone the Coast Guard because you are going to have to pay. If you are out in a storm 100 miles off the coast, hesitate before you phone the Coast Guard because you may have to pay". You may have to pay; you may not have to pay.

By bringing in this Bill the possibility is there that people will have to pay. The Minister of Transport should realize that the Coast Guard in Canada today performs functions not

required to be performed in the regulations. It is not the Coast Guard's responsibility to go into harbours. It is not the Coast Guard's written responsibility. It is not the Coast Guard's written responsibility to provide back-up for ferry systems to islands off the coast of Canada and off the coast of Newfoundland, but the Coast Guard does it as a matter of course. With the restrictions being placed on the coast Guard by this Government and by the President of the Treasury Board and now by this Bill, a lot of these services will disappear.

Mr. Deputy Speaker: Are there any questions and comments? There being no questions and comments, we will resume debate. The Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to have a chance to speak briefly to the legislation before us. I have a particular interest whenever there is legislation relating to shipping because the Port of Vancouver is surrounded by my riding, that of Vancouver East. Many people in Vancouver East earn their livelihood in port, shipping or fishing related activities.

I want to concentrate on the aspects of this Bill that appear to have some real implications for the people of B.C. We have heard many speakers talking about the East and the Seaway area. I would like to concentrate on some of the aspects of the Bill that may, and I underline "may", have an implication for those in British Columbia. I say "may" because this Bill is pretty vague. It is heard to know exactly what the impact will be. It is enabling legislation which in some ways is good, but for some areas like the St. Lawrence Seaway, as my colleagues have pointed out, it could spell real disaster. Perhaps certain sections need to have more specifics and more teeth added.

Many aspects of the Bill, we feel, are a step in the right direction, although we would have liked to have seen policies spelled out in more detail.

● (1630)

It is a change from the deregulation policy of the Progressive Conservative Party and also of the Liberal Party. This Bill seems to provide opportunity for more regulation rather than for deregulation, which seems to be the transportation policy of the Government for all modes of transportation.

Mr. Forrestall: Better regulation.

Ms. Mitchell: We hope it will be better regulation, but not necessarily. That is one point we want clarified and made more specific. I am glad to see that it at least provides for some regulation regarding the impact of hazardous products carried by shipping vessels. However, we would have liked these measures spelled out more specifically.

I have a particular concern about this matter, as do people living around the Port of Vancouver. We live within an area which is faced with a very explosive situation on land, at sea and sometimes in the air where there are major transfers of goods, some of which are very dangerous products. We would have liked the safety measures spelled out in more detail. I appeal to the Minister to look at the matter and to give us more assurances that there will be a review of the safety provisions or the lack thereof, and that there will be changes to tighten up the protections.

The Bill enables the Governor in Council to make regulations to ensure public safety, but few details are spelled out. Safety in terms of the transportation of dangerous cargoes is a very major concern, as I have said, in the Port of Vancouver. I should like to mention one example of this. Two or three times a year there is a Japan-bound ship which goes quiety through the Port of Vancouver, with its hold full of liquid petroleum gas. It is a 40,000 tonne tanker and it carries highly explosive propane. It goes under the second narrowest bridge where there is a lot of shipping. When people take a good look at this situation, they realize that it is a very explosive and dangerous one, but it is only one of many vessels which carry dangerous goods.

Apparently there has been no consultation with concerned groups in the development of this piece of legislation. The Government spent most of last year talking about how it intended to consult with all affected groups before making changes and bringing in new legislation. Yet every time we look at a piece of legislation, it seems that there has been no consultation with the groups directly affected. We are sincere about wanting to know what people around the Port of Vancouver think about the Bill. We telephoned fishing vessel owners, and they had not heard that there was a Bill. They were very surprised, very concerned and wanted to know what was in it. Also we telephoned the fishermen's union, and we were told the same thing. We telephoned the ILWU, the longshoremen's union, and it had not heard about the Bill. Of course, many of its members are unemployed; approximately 2,000 of its casuals are unable to obtain work. It wanted to know immediately what impact the Bill would have upon shipping costs and its eventual impact on the jobs of its members. We also telephoned the office of the Mayor of Vancouver which has a special economic committee that is very concerned about shipping and shipping-related matters. They did not know anything about the Bill. In addition we telephoned the Vancouver Waterfront Coalition. I think this coalition is a good development. It includes most community groups representing neighbourhoods along the Vancouver side of the port. It also includes all maritime unions. It is a very strong coalition. It has been looking at all aspects of the port, particularly its impact upon surrounding communities and jobs. That coalition had not heard anything; it had not heard a word about the Bill. Why was it not consulted? Also we contacted the Pacific Coast Maritime Council, a council of all maritime unions concerned with all of British Columbia, not just the Vancouver area. It had not heard about it. Even some of the officials at the Port of Vancouver whom we contacted did not know that the Bill was being brought forward. What kind of consultation is this? Surely it is important to let these groups know that a Bill is coming forward. Hopefully it makes sense to have these groups involved in consultations both before the Bill is brought in and when it is before committee.

However, none of these groups had heard about it. We are disappointed in that.

I should like to talk a little about cost recovery for Coast Guard services, a part of the Bill which is of considerable concern to people right across Canada. I was very interested in the remarks of Hon. Members from the eastern coast and from the St. Lawrence Seaway area in this regard. Of course, we in British Columbia are very concerned as well. As I understand the Bill, the Conservatives are imposing a user-pay philosophy, a philosophy which was initiated by the Liberals. It is implicit in the Bill that shipping companies and vessel owners will have to pay for the cost of Coast Guard services. This seems to be ridiculous. The Clauses in the Bill are very vague, and it is difficult to predict the exact impact. However, my Party and I challenge very strongly the principle. My Party has always challenged user-pay policies relating to essential services for which all taxpayers should be paying because the services benefit all taxpayers. Clause 4 would require cost recovery for Coast Guard services. For example, this could have a serious impact upon people in the fishing industry, upon commercial shipping and subsequently upon the costs of activities in the Port of Vancouver and upon the costs of consumer goods.

Currently, the Coast Guard costs $824 million per year. Most of us would agree—certainly those of us from my part of Canada—that we need a vastly improved Coast Guard service. It needs to be improved; it needs to be expanded, particularly the inadequate search and rescue services along the coasts. Many Hon. Members will recall a very serious incident last spring wherein there was no adequate prediction of an approaching storm. There was some satellite information, but there was no accurate prediction of the storm. Off the Queen Charlotte Islands there was a major disaster. A number of vessels went down and there was a loss of lives. This happens all too often on that coast. We need improved weather services as well as Coast Guard services.

I think it is important to look again—and I would like the Minister's view on it—at having weather ships off the coast. I know weather ships cost money. If they are out there, they should be paid for by all of us through our taxes; it should not only be charged back to the boats using the weather information.

If there are increased costs for Coast Guard services, we know that the costs will be charged to the vessel owners, the shipping companies, the Port of Vancouver and so on. This ultimately will increase shipping costs. I should like to talk about it because it is a very real concern to those of us on the West Coast. It is really a desperate situation for the Port of Vancouver to remain competitive with American ports and in international trade. Of course this is basic to our whole trade in the Pacific Rim. We are very concerned about any added costs. It is very difficult to compete even now. The Port of Vancouver must have every advantage from the Government and from all of us in Canada, not just those people in British Columbia. This port serves all western Canada, and it must have every advantage if it is to be able to compete with the Port of Seattle and with the Port of Bellingham.

• (1640)

I would like to tell the House of a new development of which I just heard recently, a pretty threatening kind of development which again illustrates how very important it is to help the Port of Vancouver to be as competitive as possible. I learned through an article in Vancouver's *The Province* of last week that the Port of Bellingham has bought a 13.3 hectare property next to the Canadian border to serve traffic bypassing Vancouver. It is said that this land is near Sumas, and has been bought for $400,000 and is expected to be awarded foreign trade zone status by the U.S. Government by the spring of 1986. This facility would receive truck and trailer deliveries of cargo from both the U.S. and Canada. Of course, this foreign trade zone which would operate at reduced costs like a free trade zone would allow its trans-shipment centre to function as a free port.

Traffic sought by the Port of Bellingham for its new facility could include the transfer to a Canadian railway for onward delivery to eastern Canada, thus avoiding the Port of Vancouver all together, of Japanese goods coming into Canada. The people who are developing this port admitted that its chief aim will be to serve shippers who wish to avoid the Port of Vancouver.

Mr. Siddon: Why?

Ms. Mitchell: I see that one of the Ministers who happens to be from the Lower Mainland is present. I would be very interested to hear him comment on this matter. Perhaps he knows some more about it. I should think he would agree that this poses a tremendous threat to the Port of Vancouver. I raise this matter because competition is very tough. We in Vancouver need to have every advantage.

While speaking of the Port of Vancouver, I would like to remind the Minister of something. I must admit—and sometimes it is pretty hard to admit this—that we thought that the Government had a pretty good policy on shipping. As I recall, during the 1979 election campaign, Conservative Members were even talking about a merchant marine. Perhaps my friends across the way could substantiate that. We have not heard anything about it, however, since they have been in power. That is something about which I would like to hear more.

When the new structure, the Canada Ports Corporation, was established to replace the National Harbours Board and the system was changed through decentralization under local port corporations, we expected to have an efficient, decentralized and autonomous operation in Vancouver. That was particularly relevant for Vancouver because there is enough income to upgrade facilities without having to wait for six months for approval from Ottawa. We did not like the way the boards were appointed politically, and I notice that the Conservative Government has continued to make patronage appointments to the board of the corporation. However, we were pleased with the idea that ports would be decentralized, become relevant to the region and hopefully become more efficiently managed.

When members of my Party were making inquiries about this Bill, we heard some complaints indicating that the new Government has influenced the ports policy. I thought that the central Government was to have a hands-off policy, but apparently that is not so. In particular, the Conservative Government has changed leasing practices. As a result, there is considerable confusion and there have been delays. We of course had had enough of this under the old Liberal policy. I would ask the Minister to check into this matter and see that the Government will not leave the short-term subleasing to companies that are on the port rather than have them under the control of the port itself. Each company, of course, has a very special vested interest. We are particularly concerned that the use of all land around the port should be in the best interests of the entire community, including the residential communities surrounding the port.

The new board of the Port Corporation has been in place for some time now. It would seem to me that it is now time to review what is happening in the Port of Vancouver in view of these challenges from the South.

I would like to return to the question of dangerous goods. I would refer to a very significant report that was made in 1983 by a man called Joseph Marsten who was a federal public servant in marine planning and whose report entitled *Danger, Chemical Cargoes in Port*, illustrated many concerns that he had as a professional about the Port of Vancouver. I think that this report is relevant to this Bill which deals with hazardous products.

Mr. Marsten listed all of the very dangerous products that go through the Port of Vancouver including ethylene-dichloride which is a component of the plastics industry, chlorine which is used for the pulp and paper industry and is shipped up the coast, LPGs and propane exported to Japan for fuel and methanol which is used in the petrochemical and plastic industries and is also exported to Japan. He indicated that people do not realize the extent to which these products are present within the harbour and that assorted chemicals have come to Vancouver by rail and barge.

Because of Expo '86, we are pleased to see that there has been a recent move of the rail transfer of dangerous goods by land from downtown Vancouver to outside greater Vancouver itself. This is long overdue and my constituents are very grateful for this move.

I am sorry that I do not have more time to talk about its details, but the study to which I referred substantiates the fact that the standards in the Port of Vancouver are very low. Again, I would ask for an update on this report and I would ask for regulations in this Bill specifying in much greater detail the kind of safety measures that are needed. We need strong enforcement measures so that we are not living with the threat of dangerous cargo going through our ports.

Mr. Siddon: Mr. Speaker, I noted that the Hon. Member for Vancouver East (Ms. Mitchell) drew attention to the potential plight of the Port of Vancouver arising from the recently announced proposal to create a new port of entry at Bellingham just immediately south of the Canadian border which would presumably allow offshore shipping companies to gain access to Canadian markets not through the Port of Vancouver but through a nearby port operating under United States jurisdiction. The Hon. Member made reference to the fact that this proposed American port would operate as a free port or an economic free zone of some sort.

Perhaps I might ask the Hon. Member if she and other members of the New Democratic Party believe in the concept of a free port or an economic free zone. Second, perhaps the Hon. Member could explain why it is that this proposed U.S. port which I agree will represent a considerable threat to West Coast Shipping interests and the Port of Vancouver would indeed pose a threat. In other words, does she feel that it will operate at a lower cost per unit volume of commodities shipped than the Port of Vancouver? If so, why would the cost be so much lower in this nearby port? How does she feel the proposed Bill and the amendment to the Bill proposed by the Hon. Member for Egmont (Mr. Henderson) will affect this competitive situation?

Ms. Mitchell: Mr. Speaker, as the Minister knows only too well, I am a Member of Parliament from the riding of Vancouver East and the new Democratic critic for social policy and women's issues. The matter before us is not directly related to those areas for which I am my Party's critic.

• (1650)

If I may digress for a moment, I meant to say that the Bill has sexist language in it and we will have to change that. That is a Conservative approach to such matters.

Getting back to the field of shipping, in which I am not an expert, I know what the Minister is getting at. I also know that he supports the Social Credit Government of British Columbia which is why he asks this underhanded question.

Mr. Siddon: It is a fair question.

Ms. Mitchell: He wants the type of free econmic zones in British Columbia which would give the freedom to exploit workers and women and do away with unions. The high-tech field, which he is supposed to be in charge of, is one of the worst fields for doing that. If he is looking at this situation as a model for his Ministry, then I say that he is in for a great deal of trouble in British Columbia. I think that is really what he is aiming at.

Mr. Siddon: Mr. Speaker, I am sure the Hon. Member has either not heard my questions clearly or she has misunderstood them. I was not making any statement as to my own disposition with respect to the question of an economic free zone concept or the free port concept. However, I noted in the announcement of this new and potentially damaging initiative in Washington State that it was claimed that it would allow commodities to enter Canada on a much lower per unit cost basis and that these goods would be delivered to market areas, presumably in eastern Canada, by way of entry through Washington State. I asked the Hon. Member if she had some

comment with respect to the view of the NDP on free ports and the question of whether there is any good reason why a port operating in Washington State should be more price-competitive than the Port of Vancouver, part of which is encompassed in the Hon. Member's riding. I would expect that she would be somewhat knowledgeable with respect to the operations of the Port of Vancouver since part of it is encompassed within her riding.

Ms. Mitchell: Of course I am.

Mr. Siddon: I understand that the amendment before the House proposes to suspend the debate on this measure for six months. If that were to take place, then what will that do for the status of the Port of Vancouver in the eyes of offshore shippers?

I am also advised by way of the announcement dealing with the new port in Bellingham that, in fact, it is the frustration with the delays at the Port of Vancouver, as well as the fact of higher operating costs, which has encouraged the location of a port in the United States so close to our city and so close to the major and important Port of Vancouver.

Could the Hon. Member answer these questions? Is the NDP in favour of free ports? Why is it cheaper to bring products into Canada through a port in Washington State than through our own Port of Vancouver, part of which is in the Hon. Member's riding?

Ms. Mitchell: Mr. Speaker, as I said before, I do not have any profound specialization in this area. I do know that the Port of Vancouver has been struggling and that there are many, many reasons for those struggles. One of the reasons—and I wish my colleague from the Prairies were here to expound on it—is that there is sometimes a difficulty in transferring grains to ships. We have seen ships paying demurrage costs in the port. When I checked into the matter I found many complex reasons why this has taken place, not the least of which is the complex type of specialized grains which we have which have to go into different containers for transportation.

I mentioned earlier an administrative delay in some circumstances in the Port of Vancouver. I mentioned the method of contracting out leases which I understand is the new method in which this Government has had a hand.

There is also the matter of labour costs. There is no question about that. If the Minister is saying that we should not have trade unions—

Mr. Siddon: I did not say that.

Ms. Mitchell: —and that workers on the waterfront should not have decent wages, then let us hear him say that since that is what he is implying.

Some Hon. Members: No, no.

Ms. Mitchell: I do not know a great deal about free ports, as I have already mentioned. This is a proposal about which I heard just last week. I think that would be a major concern.

Mr. Siddon: Would you support it?

Ms. Mitchell: We are for fair trade and not free trade, as the Conservatives are. We are for fair ports and efficiently run, decentralized Canadian ports with a Canadian board supplying a great many Canadian jobs, especially in Vancouver East.

Mr. Mazankowski: Mr. Speaker, the Hon. Member spoke about her concern with respect to the movement of dangerous goods. If I understood her correctly, she left the House with the impression that there was nothing of substance in the Bill with respect to the movement of dangerous goods. I would ask the Hon. Member to examine the Bill again and look at Clauses 44 and 52. In looking at those clauses she will find that there are amendments contained therein which will in fact provide for more effective regulation of the movement of dangerous goods by sea. This is consistent with the Transportation of Dangerous Goods Act in the area of packaged commodities. Bulk cargoes will continue to be regulated under the Canada Shipping Act. I suggest that if the Hon. Member were to look again at the Bill she would find that there are some fairly effective amendments in it which I believe will achieve the purposes to which she has alluded.

I believe I heard the Hon. Member say that there was insufficient consultation with respect to this measure. If there ever was a Bill which involved long, drawn-out efforts to consult with all players, then this is clearly one of them. The trade unions were consulted, as were the ship owners, ship builders and ship repairers, the oil industry and the fishing industry. Because of the Bill's importance, its widespread implications and the fact that there are some 12 protocols and conventions to which Canada could not become a party, this Bill necessitated that type of dialogue. I can assure the Hon. Member that type of dialogue did take place.

Ms. Mitchell: Mr. Speaker, because I do not think the Minister was in the House when I mentioned this fact, I would like to point out to him that someone in my office called a number of groups in the Vancouver area, and I listed them. He will be able to read that in *Hansard* tomorrow. Not one of these groups knew about the Bill which is being debated today. I would be very happy to see the safety sections reviewed by some of these groups. I congratulate the Minister for taking up those measures. What I was saying is that we feel there could be more specifics in the Bill in other areas.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted to have a chance to speak on Bill C-75 because there is a great deal happening at the present time with shipping in the St. Lawrence Seaway system. The motion with respect to giving a six month hoist to the Bill concerns Clause 4 which would amend Section 3.1(1) of the Act. It would give the Government the power to charge user fees for the provision of navigational aids, dredging, vessel traffic services, ice-breaking

services and escorting services. As the Hon. Member for Egmont (Mr. Henderson) and the Hon. Member for Gander-Twillingate (Mr. Baker) mentioned, these are services which the federal Government, the Coast Guard and the Department of Transport have traditionally paid for. At a time when our potato producers in P.E.I. are receiving one cent or two cents a pound less than what it costs to produce them, for the Government to move in and charge for ice-breaking services in order to open those ports in P.E.I. is just incredible. The same can be said for ice-breaking services in Newfoundland so that fishing vessels can get an early start in the spring. It is just incredible that the Government is imposing fees for navigational aids and ice-breaking services. This winter we are facing not only the worst disaster for western agriculture since perhaps the 1930s because of the drought last summer and the damp weather this fall, but it comes at a time when crop prices are adequate. Adequate prices but poor yields. Now the Government wants to impose charges for ice-breaking in the St. Lawrence and on the Great Lakes, and that is unbelievable.

• (1700)

I point that out because not only is there a great likelihood that the Government will have to provide ice-breaking services later this fall and early in the winter, but also because of the seriousness of the crop situation. Not only are farmers losing their farms, they are applying for welfare. Every night we see on television farms being auctioned off and the RCMP hustling the farmers off their land. This is all being done by a Tory Government. The earnings of the Saskatchewan Wheat Pool for 1985-86 will be down as much as 50 per cent from 1984-85. The Alberta Wheat Pool expects that its 1985-86 earnings will be down as much as 74 per cent from 1984-85. Statistics Canada's most recent estimate, which was released in July of this year and certainly things have deteriorated since then, said that the 1985 realized net farm income in Manitoba was $299 million, down 15 per cent. In Saskatchewan it was $693 million, down 32 per cent. In Alberta it was $437 million, down 24 per cent. We are looking at an over-all decrease of 15 per cent in July. That will probably get worse because of the very wet harvest season which will result not only in many crops not being taken off, but those that are will have substantially reduced grades which cannot even be sold in international markets.

I would also point out that, in addition to this disaster in western Canada, we have had major damage to Lock 7, I believe, in the Welland Canal. A few days ago the Seaway Authority said it would take three weeks to fix, and I understand it will now be more than a month. There are 32 vessels backed up behind that lock and if that grain has to be shipped by rail, it will mean an additional cost of $10 to $15 a tonne for the producer. These vessels are sitting idle, laying off their crews and this Government is sitting on its hands and trying to impose new user fees for ice-breaking and navigational aids. If the provincial Governments can provide highways and signs and all the rest of it, then surely the Department of Transport should be able to provide navigational aids. What is going to happen if the Minister does not provide proper navigational aids for the Soo Locks? A lot of people do not realize that the Soo Locks handle more shipping than the Suez and Panama Canals put together. If the Coast Guard does not provide the proper navigational aids for the Soo Locks and out into Whitefish Bay and there is a marine disaster, what will the Minister do, throw up his hands and say that they did not pay for the aids so if they have a shipwreck it is their problem? Navigational aids are the responsibility of the federal Government and it is unthinkable for the Government not to provide them. This clause in the Act should be withdrawn.

Neither is it reasonable for the Government to charge the shipping industry for these services. If you look at the 330 Tory promises during the election campaign, you will see that one promise was to upgrade navigational aids and systems to ensure increased marine safety.

Mr. Mazankowski: Right.

Mr. Foster: I do not see any provision in there for charging for that service.

Some Hon. Members: Oh, oh!

Mr. Foster: Surely that is breaking faith with the Canadian people.

Mr. Mazankowski: You are unreal. You cannot even say that with a straight face.

Mr. Foster: There is no provision in the promise for charging for these services. I defy any of the Members opposite to say that they said they were going to charge for these services. They said only that they were going to provide upgraded navigational aids and systems to ensure increased marine safety. They said nothing about charging for it. They also talked about improved search and rescue. I have not heard the Minister get around to doing that. If he is going to provide increased search and rescue services, is he going to charge for it? Does the person who is in serious danger have to pay to be rescued? We are talking about $1,000 an hour for ice-breaking services so it is a very expensive business.

• (1710)

The 20 promises with regard to transportation include an undertaking to conduct a review of CN Marine ferry services to guarantee that they are equitable and not damaging to the competitiveness of local industries with particular reference to tourism. As I recall, Mr. Speaker, the provisions of black Thursday, November 8, 1984 when the Government lowered the boom on Atlantic Canada, were to increase the charges on marine transportation in Atlantic Canada. Now they not only want to increase those charges, as they did on black Thursday, but they want to charge for ice-breaking in those harbours in Atlantic Canada and to charge even for the navigational aids. It is unbelievable that this Bill provides for such horrendous charges on Canadian maritime activities.

I hope that the Minister will withdraw that section or give a commitment that he will not be charging. I think it is entirely possible that we may have to extend the navigation season

because I think it is going to take a lot longer than the Minister has been indicating to remedy the serious damage which has occurred in the Welland Canal. I think the Minister will have to make a commitment not to charge the people whose ships are delayed in getting through the Welland Canal for ice-breaking. Surely that would be most unfair. That may be the reason he is trying to rush this Bill through the House, but I certainly hope it is not.

Navigational aids are not only involved in commercial shipping but in recreational boating as well. The north channel of Lake Huron is one of the best recreational boating areas in the world. It rivals the British Virgin Islands in the Caribbean and the sailing and cruising areas in the Aegean Sea. Those navigational aids are not only important, but essential. I do not know who the Minister will charge for navigational aids in the north channel, but I do know that it will be very unfair.

We are already feeling the impact of the Tory Government. It has cut back on our mobile surveillance group under customs. We had a year round customs service for Manitoulin Island servicing the airport, harbours, and ports for north channel communities such as Blind River. In that way people were able to phone to clear customs, but that has been cut out. We see in this Bill that there will be a service charge for the provision of navigational aids.

This transportation manifesto of the Tory Party talks in terms of providing ferry and navigational services in an attempt to enhance tourism. We have not seen that because there has been no commitment to improving those harbours or navigational aids in the north channel of Lake Huron. I do not say that simply as an Opposition member. When the Minister of Fisheries and Oceans appeared before the Committee on Fisheries and Forestry last spring practically every Member of Parliament from the Lake Huron area pressed for improved harbour facilities for recreational boating because it is a multimillion dollar industry. I certainly hope that the Minister will withdraw the provision for charging for navigational aids, just as he should withdraw the provision with regard to dredging. We have to spend millions of dollars maintaining those main shipping lanes through the St. Marys River. It is inconceivable that the Minister is going to charge for dredging those channels or for providing ice-breaking services in those areas.

The Minister's area, just as every other area, has suffered tremendously due to the crop situation. There has been at least a $2 billion loss of revenue to western grain farmers. I hope the Minister will not impose extra charges for ice-breaking and navigational aids in the Seaway. If he really wants to help the grain industry and western agriculture he will give an indication almost immediately that he is going to withdraw these provisions from the Bill.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to talk a bit about this Bill, particularly in relation to the Province of Quebec. First, I would like to inform the House of the rather disturbing news that the Welland Canal blockage will continue for at least a week before we will learn to what extent the damage will continue to interfere with traffic. Apparently a contract has been let to Canron Incorporated to stabilize the lock walls. That must be done before the lock can be drained and then it will be possible to find out how long the Seaway will be closed and how much it will cost to fix the damage. The Seaway Authority does anticipate that the Seaway will open again before the end of the season which is about eight weeks away. Given this crisis, which obviously was not anticipated last spring, it seems to me that the Government's plan to take $30 million out of the coffers of the St. Lawrence Seaway Authority and to force it to come begging to Treasury Board for the expenditures which may be required to repair the Welland Canal, is a very short-sighted policy which should be resisted.

In addition, Mr. Speaker, the shipping companies and the producers whose products move via the Seaway, which is the major channel for navigation in eastern Canada, have been repeatedly warned of tool increases of 25 or 30 per cent next year. They are quaking in their boots at the suggestion in Bill C-75 that there may be further increases because of the proposal of the Minister that the costs of navigational aids, dredging and ice-breaking will be levied on a full recovery basis to ships traversing Canadian waterways, regardless of whether they make direct use of those particular services.

We really have not one Bill but two, Mr. Speaker. One Bill is extremely long and technical. As I am not a spokesperson on this particular area, I would not presume to speak too knowledgeably about all of the aspects of pollution regulations and that kind of thing. I hope that consultation has taken place but I was disturbed to learn that perhaps it has not. It is clear from the Minister's statement that this part of the Bill, which makes up about 99 per cent of its clauses, is apparently required in order to enable Canada to come into accordance with international pollution control and other international agreements.

• (1720)

The remainder of the Bill which has provoked members of my Party to express grave concern provides for cost recovery. Clause 4 provides enabling legislation to allow the Government to recover the cost of navigational services provided by the Coast Guard. This Clause concerns my Party and I because it amounts to a blank cheque which the industry is being asked to write for the Government. The cost recovery principle has been actively and almost ardently proposed by certain members of the Progressive Conservative Party. The industry does not know what this means except that it knows that the cost of Coast Guard services is estimated at between $130 million and $180 million a year.

One of the major concerns among shippers and the affected industries is that the allocation of those costs, if that is what the Government intends to do, will be done almost inevitably on a very arbitrary basis. My colleague, the Hon. Member for Thunder Bay-Atikokan (Mr. Epp), estimates that Seaway tolls may in fact double on grain ships moving down from Thunder Bay because of this particular measure. In addition, the Seaway itself has been talking about a 25 per cent increase in tolls for next year. The American Seaway Authority is

opposed to any such change, perhaps because it has reserves while the reserves are being taken away from the Canadian Seaway Authority.

The demand for Seaway services is in decline, as reflected in the cargo traffic which was down some 20 per cent last year and 20 per cent the year before. This is not particularly the fault of the Seaway but due to changing market conditions from when the Seaway was established in the 1950s. It does not take much wit or wisdom to realize that this is not a time to be rushing in with substantial increases in the cost of service. There is a very grave risk of having a downward spiral in which each increase in cost leads to a further decline in the demand. Therefore, costs must be spead over a smaller base of use which means that the cost continues to go up until the cost will be virtually infinite on the last remaining ship to use the Great Lakes waterway and the St. Lawrence Seaway.

I am sure that the Minister does not intend to go down in history as the Minister who killed ocean navigation and Great Lakes freight navigation but that in fact could be the ultimate consequence of a policy of full-cost recovery as it is being proposed by the Government.

Let me remind the House of a number of statements made by the Government when it was campaigning for office prior to the September 4 election. In its Prince Albert declaration of July 5, 1984, the present Government stated quite explicitly that it would immediately examine ways and means to provide improved services and equitable rates in consultation with grain producers who were discriminated against geographically. This would include those grain producers who use the Thunder Bay route.

The Government talked about the need for the federal Government and the railways to continued to provide a special low rate to assist producers who are competing with subsidized grain export nations. Again, it does not take a lot of perspicacity to recognize that this is the situation we are facing this year. It has been a difficulty year for grain exports. Countries like China which have been traditional buyers of Canadian grain are themselves beginning to export and we are facing a situation where there is cut-throat competition from the United States and other grain producing nations. Certainly, there is substantial suspicion that there are very major subsidies involved. Our grain industry, particularly the growing sector, has had little or no subsidy throughout its history.

In July, 1984, the Government stated that producers must be guaranteed an efficient cost-effective and reliable transportation system. While there may be two definitions for "cost-effective", the Government believes that it means full cost recovery. However, if full cost recovery means that the grain is simply bottled up in the Prairies and not shipped because it cannot compete on the world market, then it seems to be a damn fool idea, particularly in view of the desperate problems of world hunger in Asia and particularly on the Continent of Africa.

The Minister of Regional Industrial Expansion (Mr. Stevens) and those of his frame of mind within the Cabinet have adopted the theory invented by Milton Friedman. Will the Government simply apply this theory in the area of ocean navigation and navigational aids and thereby sharply cut Canada's shipments to the world of grain export which amount to $6 billion a year? Is that what the Government intended? Is that the legacy which the Minister wants to leave?

I strongly urge him to consider deleting Clause 4 which calls for cost recovery on navigational aids and other services provided by the Coast Guard. If he wishes to have that matter become the subject of consultation, let him do so and bring it back as a separate Bill if he is still convinced that something must be done. In other words, let us separate the technical and pollution control aspects of this Bill from the cost aspect of the Bill. Essentially, this measure is two bills in one package.

I question the Minister's comment that his Ministry has consulted widely with respect to this Bill. Too often the Government, like its predecessor, has gone through the semblance of consultation without bothering to listen to what people were telling it. According to the Hon. Member for Thunder Bay-Atikokan, the consultations he has had have demonstrated widespread concern about taking money away from the St. Lawrence Seaway Authority. There was widespread concern about the proposals to allocate all of the costs of the Coast Guard to navigation because of the impact that may be felt by the shipping industry, which is extremely important for us in Canada.

[*Translation*]

Mr. Speaker, I would like to comment on Bill C-75, and more particularly on the need for a strategy concerning the use of our maritime channels. I am referring specifically to eastern Canada because I represent a constituency along the Quebec border, through which runs one of Canada's canals, the Rideau Canal, which gives my constituents access to the whole world if their craft are small enough to ply the canal. It is not a commercial canal by any means, but still we are aware of the fact that there is a link between the world and the heart of my riding in downtown Ottawa.

Mr. Speaker, the Province of Quebec now has a secretariat for the development of the St. Lawrence. The Province of Ontario recently set up a royal commission on the St. Lawrence Seaway and shipping on the Great Lakes. Our country's two central provinces have begun to show concern over the fact that the resources of the Seaway as well as those of the St. Lawrence River and of the Great Lakes have been practically ignored in planning and regional and industrial development projects.

Mr. Speaker, I commend the Province of Quebec for giving serious consideration to the way it is going to use such a major resource as the St. Lawrence River. You have the port of Montreal and the port of Quebec City, two major Canadian ports, and all along the St. Lawrence River there are very important industrial sites which offer opportunities for the industrial development of the entire Province of Quebec, but it is indeed a resource which until now has been underexploited by the province and the country. As far as I know, to this day

the Canadian Government has never had an industrial transport strategy on the use of those resources.

● (1730)

Mr. Speaker, we Members of the New Democratic Party are fully aware of the fact that the City of Montreal is an international centre, a world centre of transport and communications. Because of its location on the North American continent, Montreal is the place where head offices of transport companies such as Air Canada, Canadian National Railways and Canadian Pacific are found. It is also the site of Canada's largest harbour because, traditionally, it has been the Canadian maritime trade gateway, besides being the turntable of our railways. Its airports—Mirabel and Dorval—make it a world communications centre as evidenced by the fact that several major communications companies like Bell Canada and Teleglobe Canada are located in Montreal, as is the International Air Transport Association.

So we have to wonder whether the Government is prepared to promote the development of Montreal through a municipal, regional, provincial and national strategy which would indeed make the city a world transportation and communications centre.

I would suggest that it is the kind of strategy we must implement, but what do we see? We see, for instance, that although the new Port of Montreal is autonomous in relation to the Canada Ports Corporation, it still depends entirely on the federal Government. There is no input on the executive board from the Province of Quebec, no real input from the people and municipalities that depend on the port, no concept of a strategy for using the resources, including buildings and other facilities, of the Port of Montreal for the industrial and strategic development of the City of Montreal and the general area.

Mr. Speaker, the same could be said as far as the province of Quebec is concerned. It is interesting to note that the PQ Government in Quebec has had very little to say about the fact that during the eight years the PQ has been in power, two of the major ports in the province of Quebec have remained under control of the federal Government, and also that nothing has been done by the PQ Government to provide for a partnership system, under which both Governments, the Quebec provincial Government and the Canadian Government, would share responsibility for these important resources in the St. Lawrence River.

Mr. Speaker, instead of seeing the St. Lawrence as a major national resource, this Government has decided to levy charges on navigation and shipping in the St. Lawrence River which may become very high and very costly. There is a serious risk that this may further reduce shipping, which is so important for the province of Quebec and Eastern Canada in general.

Mr. Speaker, because of the physical geography of our country, the cost of maintaining the Coast Guard in Eastern Canada is higher than it is in Western Canada, or rather, British Columbia. If we levy charges to cover the cost of maintaining the Coast Guard in Eastern Canada, for instance, this may well create even greater disadvantages than the problems we already have now and which we are experiencing, for instance, with the Seaway.

I think the Minister should explain how we can expect shipping to develop on the St. Lawrence Seaway if we increase the charges for the Seaway by 25 to 30 per cent and introduce a full cost-recovery system which is apparently being proposed by the Government in Clause 4 of this Bill.

Mr. Speaker, I think we have an abundance of examples to show it does not make sense to recover the total cost from users of our transportation facilities. Furthermore, we must consider the history of this country, and the fact that the location of our cities and towns, our regions and industries, has often been an accident of history. It is a fact of life and we cannot get around it. For instance, are we going to say that in future, we can no longer provide ferry services for the residents of Prince Edward Island because costs have become too high and the Government wants to recover the full cost? I do not think the last passenger to use the lighthouse and ferry services between Prince Edward Island and New Brunswick should be forced to pay the entire cost of navigational aids, and so forth.

Is that the Government's position? Well, they will say: Maybe not, because we do have a constitutional obligation. In any case, the same problems exist in the rest of Canada, and especially in the province of Quebec and perhaps also in Ontario.

My colleague from Northern Ontario pointed out that if navigation charges were levied on small pleasure boats in the northern canal near Lake Superior, these boats would be doomed to extinction because nobody would be able to pay the requisite fee. If we apply the same principle to the Rideau Canal, the result could well be the same. We might see a time when this canal, which is very important in recreational terms, would be hardly used because of the charges levied by the Government, thanks to the principles of Mr. Stevens and the Minister of Transport, of Economics, who want all costs to be borne by users.

[*English*]

This principle which is to put forward full cost recovery ignores a great deal of history. It ignores that initially in the development of our country the St. Lawrence was the only highway we had. Settlements along the St. Lawrence in Quebec, dating back to 1642 or thereabouts, were located there because the only way one could get around was by boat, coasting from one location to another. I do not think that in 1640 people anticipated the current Minister of Transport (Mr. Mazankowski) would be coming along with Clause 4 of Bill C-75 requiring that the full cost of those navigational aids of ice-breaker services and that kind of thing should be imposed—

Mr. Forrestall: It doesn't require it.

Mr. Cassidy: The Hon. Member says it does not require it but the Hon. Member should know perfectly well—and I hope he rises during the opportunity for comments—that we are giving an open door to the ministry to apply these charges. What about a port on which a fish packing plant in a small Gaspé village depended? It could cost $100,000 a year, according to the Ministry's allocation of costs, to send ice-breakers up and down the coast of that village in the winter-time. It could happen that boats never come into the village and the winter-time but they would during the spring, the summer and the fall. They would nevertheless be charged an allocated cost for ice-breaking service which they never used, which is permitted in Clause 4 as it is written here. That is why I and my Party are suggesting at the very least that that section be taken out, that the premise be referred to a standing committee of the House of Commons. We changed the rules to look at situations like that to see whether there is not a better way of accomplishing what the Government wants. Alternatively, in order to establish, as I suspect, the idea is a bum idea in the first place and it should not be proceeded with in its current form.

I would hate to see this Government go down in history as the Government that closed up ports in Newfoundland because of the full cost recovery principle, as the Government that closed down villages in the Gaspé because of the full cost recovery principle, as the Government that closed down villages, ports and services in the Prime Minister's (Mr. Mulroney) riding of Manicouagan because of the full cost recovery principle. That is what is under-way right here, Mr. Speaker.

My colleagues have pointed out the very substantial link—

Mr. Forrestall: It is your imagination.

Mr. Cassidy: —between the Port of Thunder Bay and the grain elevators in the Prime Minister's riding of Manicouagan. They have pointed out that the full cost recovery principle, which jeopardizes grain shipments and jobs in Thunder Bay also jeopardizes jobs in the Prime Minister's riding. Everybody knows there are not enough jobs to go around in that area because of the number of other industries which the Prime Minister himself has shut down or have been shut down since he went into politics on an elected basis.

Perhaps I can appeal to Government Members on the basis of "Don't do it Brian". Do not put the Prime Minister in a situation where he has to make special pleadings to the Minister of Transport in order to keep the industries in his riding from being shut down because the Minister of Transport, aided by the Minister of Regional Industrial Expansion wants to apply the full cost recovery principle. Take this clause out of the Bill. Allow us to think about it separately and then the technical parts of these amendments to the Canada Shipping Act can go forward.

• (1740)

My time is almost up, but I want to make a final comment to reiterate what I said in French. The St. Lawrence and the Great Lakes are an extraordinary national asset for Canadians. They have not been seen in that way in the past. They should be in the future. It is time that the Government of Canada took the lead which has now been demonstrated by the secretariat for la mise en valeur du St-Laurent in the Province of Quebec, and looked at this resource as an opportunity, not as a problem. I regret very much that the Government is looking on navigational areas of Canada not as an opportunity but simply as a milk cow to be milked until navigation is brought to a grinding halt.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am pleased to speak on Bill C-75. I should first like to make a comment on a point which the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) already touched upon. He mentioned in his speech that the Bill does not include drilling rigs in Hibernia, in Venture or off the coasts of Nova Scotia and Newfoundland. It may well be that this was not intended, and I say that understanding the particular point. It may not be that this is the place for comprehensive rules and regulations dealing with drilling rigs. However, it is a matter at which the Minister must look very soon.

Hon. Members on all sides of the House were saddened by the tragedy of the *Ocean Ranger*. Some of us realize that the recommendations of the commission were very good ones. Of course most of them cannot be implemented overnight, but we must keep in mind the importance of this particular tragedy. We must be absolutely certain that it does not happen again. I hope we will have before the House something more substantial regarding drilling rigs and safety precautions than we have seen in the past. Hopefully it will be coming very shortly.

The Hon. Member for Egmont (Mr. Henderson) moved a motion, and I must say that we agree with him. He stated his reasons, and I have reasons of great concern to me and to the area which I represent. The Minister knows my area. He is familiar with the transportation, shipping and unemployment problems of that area. I must say, in fairness to him, that he has not been unsympathetic to many of the things I discussed with him. As we are discussing the Bill and the motion of the Hon. Member for Egmont at this point in time, I should like to mention some points. Clause 4 indicates that there will be charges for aids to navigation, dredging, vessel traffic services, ice-breaking services and escort services. I will not touch that last one. The Minister can explain exactly what is meant in the Bill by "escort services". However, I feel that it will be very difficult for shippers on the Atlantic Coast to meet these charges. I do not know whether the Department has thought out exactly how it will work these charges, upon whom they will be laid or exactly where the burden will fall. As the House knows, the fishing industry in Atlantic Canada has been faced with some difficulties. The difficulty faced by the shipping industry was mentioned by the Hon. Member for Ottawa Centre (Mr. Cassidy). Where will this burden fall? If it falls in the wrong way, if it falls on shippers, fishermen and people

who can least afford to bear this burden, it will have a very severe impact upon Atlantic Canada. Atlantic Canada will have one of the most difficult winters it has ever experienced this year. This section will not do much for the morale of that region.

Clause 4 of the Bill refers to Section 3.1. In particular, the new Section 3.1(2) reads as follows:

Charges may be imposed pursuant to subsection (1) in relation to any ship or vessel, regardless of whether the Canadian Coast Guard actually provides a navigational service to that particular ship or vessel.

That is a very arbitrary provision. What exactly will it mean? Can charges be laid arbitrarily, regardless of any service provided? Who will be adjudicating this? Who will say who will pay? If I seem skeptical, I think I have a reason for it. Hon. Members of the House have a reason to be skeptical. We have seen what VIA Rail has had to endure at the hands of Canadian National. It was charged for things which Canadian National wrote off and had no right to charge. It made charges and retroactive charges for whatever it wanted to charge. One would think, in this day and age, that these things could not occur. This subsection is very volatile and dangerous. We do not really know what in fact it will mean or what the ramifications will be.

Also the new Section 3.1(3) indicates that interest can be charged on outstanding accounts. The parties to be charged, unless this can be clarified to my satisfaction, will be the ones who may not be able to afford it. They are being told that if they do not pay on time, if their catches are not sufficient that they can pay it or if their shipping company is in jeopardy and they cannot bear the charges, they will not only be taken to court but will have interest placed on top of it. Not only will companies be put in jeopardy; they will also be told that they will be charged interest and taken to court.

Will there be any phasing of these charges? Will there be no charges one day, followed by charges the next day? I think these questions are very important ones. Fishermen and shippers should know the answers to these questions. Is there an appeal procedure? Is there an arbitration procedure? Is there someone in the Department who can hear grievances in this regard and perhaps give rulings without having to go to court? Will things be made easier for people who have to withstand these charges?

Mr. Mazankowski: Fairness above all else.

Mr. MacLellan: I appreciate the Minister's comment in that regard. If it were left up to him, that probably would be the case.

Mr. Siddon: He is the Minister.

Mr. MacLellan: A Minister does not always know what is going on in his Department.

Some Hon. Members: Oh, oh!

Mr. MacLellan: Let me say that he will be the first one. If he has to spend time calculating whose charges are justified and whose charges are not, he will be a very, very busy man, doing that along with everything else for which he is responsible.

I should like to refer to a ferry service which is very important to my area, that of CN Marine. It is a major employer, and there have been severe reductions in employment over recent years. When the new vessel comes into service—

Mr. Mazankowski: There were 1,200 before I came on the scene.

Mr. MacLellan: —there will be further reductions. What will the imposition of costs for aids to navigation, dredging and vessel traffic services do to CN Marine? Granted, this is a Crown corporation. Is the Government going to impose costs for these services on CN Marine? CN Marine is already paid a large subsidy to maintain the service it provides. On top of this, will the Government now charge CN Marine the costs for what it is providing under Clause 4 of this Bill? If so, that will help to literally bury the CN ferry service. On the one hand, imposing the cost of the services provided on top of the subsidy that already exists and on the other hand through user-pay theories that are running rampant throughout the Government at the present time to increase charges for the use of the service will drive everyone to direct water transportation from Halifax and Montreal.

• (1750)

Let us look at the situation as it exists right now. Direct water transportation from Montreal to St. John's is provided by a private company but it is subsidized. The private company receives the subsidy and the subsidy it receives helps it to provide the service between Montreal and St. John's which takes business away from CN Marine, the Government's own Crown corporation. This means that CN Marine will make less money and it will have to receive a higher subsidy.

We have not seen anything come from the Government on shipping as it applies to Atlantic Canada that is reasonable. Why should we believe anything reasonable will come out of this Bill? We have not received any indication that anything reasonable will come out out of it. From history and from this Act, we have not seen that there will be a reasonable interpretation placed upon the shipping problmes of Atlantic Canada.

Until we get some indication of reasonableness, how can we support this particular clause? It has been said by others that there are a great many good provisions in this Bill. That is true. However, there are a great many questions and concerns about this Bill.

I have a concern regarding ice-breaking. In Sydney Harbour, there is a problem with ice-breaking in the spring of the year. If a ferry going from North Sydney to Newfoundland gets stuck, as has happened in the past, the ice-breakers have to free that vessel. Are charges then going to be imposed upon the CN Marine service? If the ice-breakers are stationed in Sydney Harbour for weeks in anticipation of vessels being stuck in the ice, is that cause to charge CN Marine? There can

be no arbitration. The Coast Guard can charge whomsoever it pleases, whether it helps them or not. The Coast Guard can be on standby for weeks and the standby charges are actually attributed to the vessels which may or may not be caught in the ice. This is a loaded gun pointed at the Government's own Crown corporation, and this concerns me greatly. It is unfair.

We in Atlantic Canada were just beginning to rediscover shipping. In the early days before Confederation, Atlantic Canada was one of the most successful parts of British North America. After Confederation, the banks that began in Nova Scotia invested 19 out of every 20 Nova Scotian dollars they received in central Canada. At that time, it was the shipping industry to the West Indies and the northeastern United States that was the bread and butter of Atlantic Canada. We are now beginning to realize that and are hoping to get back into shipping in a bigger way. However, we are going to be stumped by the provisions of this Bill.

If we are going to develop any kind of industry in Atlantic Canada, we have to utilize the cheaper means of shipping. Atlantic Canada is in tide water and shipping goods is much cheaper than sending them by truck or train. However, this Bill will be a real kick in the teeth not only to the shipping and transportation industries but to the entire concept of regional development in Atlantic Canada.

What is the next step? Is the Government going to charge truckers for the use of snow-ploughs on the highways? That may sound ridiculous to some Hon. Members. It is no more ridiculous than charging the ships in Atlantic Canada for ice-breaking.

Mr. Forrestall: But it recovers 85 per cent of its cost.

Mr. MacLellan: If this were to be applied equally, provinces would charge trucking companies for snow-plough services. Fair is fair.

We are not only talking about the industry, we are talking about people. The Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) has been very concerned about people in the transportation industry in his own region who have lost their jobs. The Hon. Member knows what it is like when someone employed by CN Marine or CN Rail loses his job. I am not talking about young people who have been employed by CN for only two months. I am talking about people who have 10, 15 or 20 years of seniority and have worked for these Crown corporations for a long time. These people still have mortgages on their homes and their children have grown up and are attending university, a very expensive proposition. Not only that, these people have lived in the same communities all their lives. If a person has worked and lived in North Sydney for 20 years and is phased out of his job, and if he is offered another job in Moose Jaw, Montreal or Moncton, that person should be excused if he does not jump up and down in glee. There must be an understanding of that kind of a situation.

This reflex action of laying people off from the CN system has to stop. Often they are laid off without any benefits. In some cases there are pre-retirement leave plans but in most cases there are not and often some employees do not even have pension plans. This is a very serious situation about which I am very concerned.

We are not talking about wealth shippers when dealing with the Canada Ports Corporation. We are talking about shippers who may have financial difficulties. We are talking about fishermen and we are talking about anyone who uses the water, according to this Bill. It is an alarming Bill and one that must be studied in much greater depth before we do something very damaging, the repercussions of which will be very severe in Atlantic Canada for many years to come.

Mr. Deputy Speaker: It is one minute to six. May I call it six o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, October 17, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-79

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I move, seconded by Mr. Lanthier:

That, in relation to Bill C-79, An Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

That fifteen minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Gauthier: Mr. Speaker, I rise on a point of order to seek your advice. Is it appropriate for the Minister to move this motion without having another Minister second it? Is it appropriate, for example, for the Parliamentary Secretary to do that?

Mr. Speaker: The practice is to have two Ministers move and second a motion when there are two Ministers in the House. There is nothing inappropriate about another Member seconding the motion.

Mr. Hnatyshyn: Mr. Speaker, I wish to say a few words to begin this debate to underline a couple of points that Members can reaffirm while debating this motion.

Essentially, this motion concerns this second reading stage of the Bill with respect to reimbursement of uninsured depositors. This is not a time allocation to conclude the consideration of this legislation by any means. Indeed, at second reading we have had essentially a week of debate on the floor of the House of Commons. We are now at the stage in our procedures when the rules have reduced speeches to 10 minute interventions as opposed to the normal interventions of 20 minutes plus time for questions. Therefore, there has been a full and ample opportunity for Members to make known their positions on the principle of the Bill.

I only want to make a couple of points with respect to the matter of this legislation going forward to a committee. We have heard much about committee consideration of this legislation and related matters concerning banking in Canada. This is a specific proposal put forward by the Government of Canada with respect to reimbursement of uninsured depositors. At this point, after a full day of debate at second reading, the legislative committee will have an opportunity to examine the clauses of the Bill.

The Minister of State for Finance (Mrs. McDougall) has in fact provided and given an undertaking to provide the fullest information possible with respect to the nature of the payments that will be made. I believe she has already tabled a list of the various categories of persons and corporations that will be subject to this legislation and eligible to apply for reimbursement.

As Hon. Members will know and as the general public will understand, there are different stages for legislation proceeding through the House. One involves a discussion which I believe has taken place for a good and sufficient time on the floor of the House, concerning the principle of the Bill. We then move to the legislative committee where there is clause by clause consideration of that legislation by Members who are interested. They have then a full opportunity to examine the provisions of the Bill. Following that, there is what is known as the report stage, and ultimately third reading of the legislation on the floor of the House of Commons.

Nothing could be more reasonable than to provide a reasonable opportunity for debate on the floor of the House of Commons, to have this matter go forward for full consideration in the legislative committee, and then to have the Bill come back to the floor of the House of Commons.

I remind you that we have other items of legislation waiting to come to the floor of the House of Commons. These include the initiative of the Government with respect to employment equity which will, for the first time in Canadian history, move toward bringing a sense of equity in this country for such people as women and the disabled. The time in the House of Commons could be spent debating other important pieces of legislation such as the Canada Shipping Act, Canagrex and Bills arising from the Budget.

I believe that we have had a good debate and have heard the representations made by members of the Opposition. It is most certainly a fact that there has been ample opportunity for members of the Opposition in particular to put their point of view forward. The Government has demonstrated a sense of fairness by its action and it is time for us to move forward to the next step.

I suggest that this is an eminently sensible motion which I am sure will receive the support, if there is a vote at the end of this debate, of all Members of the House, including members of the Opposition.

• (1110)

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I do not know whether the Leader of the Government was serious about the comments he was making, but it is a dark day for the Canadian parliamentary system when we have before the House a Bill that will swallow nearly one billion dollars of taxpayers' money, and the House and its Members have only the few days they are allowed to take part in the debate. I think we can safely conclude this is a wholesale attack against parliamentary democracy, and it is shameful!

The Government is going to use its crushing majority to gag the Opposition and keep it from continuing debate on a Bill which, as I just said, will involve spending millions of dollars—in fact, nearly one billion dollars. This fiasco, which is going to cost Canadian taxpayers a lot of money, is due to the almost puerile incompetence of the Minister of Finance (Mr. Wilson), the Minister of State (Finance) (Mrs. McDougall) and, especially, of the Prime Minister (Mr. Mulroney), since he made the final decision last March which resulted in the fiasco we are seeing today.

With this motion of closure, parliamentarians are being forced to vote on a Bill without having the minimum of information they require.

As a result of this motion, the House of Commons will be asked to vote on a Bill that will reimburse all depositors with deposits of $60,000 or more at the Northland Bank or the Canadian Commercial Bank. And we will have to do that and ask taxpayers to pay for this Government fiasco, without having Judge Estey's report.

Mr. Speaker, in this House we have been asking and urging the Government to set up a parliamentary committee to investigate who was particularly responsible for this fiasco. This request was denied. The Government appointed Mr. Justice Estey to hold an inquiry and behold, we are being asked to vote on a Bill without even having received the report of the Commission of Inquiry chaired by Judge Estey.

Furthermore, we are being asked to approve a Bill, and the Government is choking off debate to force a vote, when we do not even know to whom these sums of money will be paid. Is it normal to ask the people's elected representatives to vote on Bill C-79, which will provide compensation to six people in Canada, six individuals, not companies, six people in Canada who are going to share the sum of $3.8 billion—

Mr. Bernier: Give us their names!

Mr. Garneau: —that is exactly . . . I don't know who said: Give us their names. Maybe that shining light, the Hon. Member for Beauce. Well, that is exactly what we want to know. It is up to you to name them, not us. You have the information.

Mr. Speaker, six people are going to share approximately three billion 700 million dollars, and Members are being asked to vote blindly? At the Northland Bank, Mr. Speaker, nine people in Canada are going to share four million 900 thousand dollars. Why? It is the Government's responsibility to inform Members who these people are. These are not the people who invest small amounts. These are people who know what they are doing and who have a million dollars? Why should we ask mothers and workers in factories in Sherbrooke to pay more taxes to reimburse these people, whose names we don't even know?

And so we are being gagged. We will have to vote on this Bill without getting any specific and official information tabled in this House on the Northland Bank. I dare my colleagues, I dare those who are going to raise both hands to kill the Northland Bank, to say whether they have had any official information on the Northland Bank. Do we know the amount of bad loans? Do we know what minimum reserves were necessary for this bank to continue its operations? We have none of this information, and yet we are being asked to vote in a couple of hours and are being obliged to do so as a result of this motion of closure, which is an outrage to our parliamentary democracy. In fact, the reason closure is being imposed today, putting an end to a debate that lasted only a few days, is to cover up the fact the Government's incompetence will cost taxpayers nearly one billion dollars.

Mr. Speaker, without this closure motion to put an end to the second reading debate on Bill C-79, the Opposition could have shown that the taxpayers will have to pay $1 billion because the Government, and especially the Prime Minister, the Minister of Finance and the Minister of State for Finance, waited three months, from March 25 to June 25, before appointing someone to investigate the value of the assets of the Canadian Commercial Bank. This morning, the *Globe and Mail* carried an interview with the president of the Royal Bank, who is also president of the Canadian Payments Association, and if I may, I would like to quote part of his comments:

• (1115)

[*English*]

Mr. Taylor said that on more than one or two occasions after the March 25 bail-out the chartered banks had conversations with either Finance Minister Michael Wilson or Minister of State for Finance Barbara McDougall, or both, requesting that a comprehensive audit of the CCB's entire loan portfolio be carried out.

"There were references and discussion about the fact that this inspection did not take place," Mr. Taylor said in noting that it was not until June 25 that a comprehensive examination of the CCB assets began.

[*Translation*]

Mr. Speaker, the bankers had advised the Government. However, Mr. Hitchman was asked to prepare a report only on June 25. He got to work with two other people and presented a preliminary report less than a month later. What did this preliminary report say? It told the Minister that a task force should be appointed to administer the bank and make the major decisions because Mr. Hitchman had of course noted that the doubtful loan practices were being continued. What happened to the Hitchman preliminary report? It was put in a drawer and nothing was done about it. This shows the incompetence and the lack of concern of a Minister who spent part of the summer in Paris and who, on her return, wrote letters to the shareholders telling them that it was all right to keep their money in the bank. Those letters are dated August 9, 1985. On August 14, a report said that the bank was no longer viable, or rather this happened as early as August 12, but two days went by before the Minister read this report since, according to her, she saw it on August 14.

Mr. Speaker, this shows an unparalleled incompetence and lack of concern. Why is it that a Minister who authorized the selling of a few cans of tainted tuna has resigned, that another Minister who had problems with his electoral expenditures has resigned, while a Minister who will cost $1 billion to the Canadian taxpayers is still sitting comfortably in her seat, as is the Minister of Finance? In addition, we are being muzzled to prevent us from discussing this Bill and telling the Canadian people that the incompetence of the Government has not only killed the Canadian Commercial Bank, but also caused the Northland Bank to close its doors, its employees to lose their jobs and an important financial institution in Western Canada to disappear in spite of all the work that was done to establish regional banks in the West.

In an earlier speech, I had suggested a four-point plan to save the Northland Bank. If closure had not been imposed, we might have succeeded in convincing the Government to accept this plan. If need be, we would have attached a small blue card to the document and sent it to the Cabinet, as, apparently, such a card shows that a document has been checked by a Conservative. When it has not been checked by a Conservative, there is no little blue card. So, perhaps someone on the Conservative side could have been found and asked to put his little blue card on, and this might have saved the Northland Bank which did not deserve to close down. And certainly if it has come down to this, it is because of the Government's incompetence and indifference.

Mr. Speaker, in this matter—

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

The Acting Speaker (Mr. Charest): The Hon. Member for Louis-Hébert (Mrs. Duplessis) on a point of order.

Mrs. Duplessis: Mr. Speaker, when the Hon. Member refers to blue cards, this is irrelevant. I would ask him to stick to the rule of relevance.

Mr. Garneau: Would the Hon. Member for Louis-Hébert (Mrs. Duplessis) be ready to use her little blue card, and give her OLC to the possibility for the Government to withdraw its closure motion in order to allow for a more detailed examination of the Northland Bank situation? Of course, she is only a backbencher. Maybe she does not know about the little blue cards. But Cabinet Ministers know about those little blue cards.

Mr. Speaker, in this legislation we see double standards being used. The foreign banks are reimbursed, but the chartered banks which were involved in the bail-out attempt are not. Mr. Speaker, this is grossly unfair, as we could have shown, if such a democracy-wise contemptible motion of closure had not been introduced. They have the gall to suggest this is in order to put forth other prices of legislation. Mr. Speaker, we are not the ones responsible for this CCB and Northland Bank fiasco. This Government is responsible. It should take the blame and table action accordingly. They sent two banks down the drain, and now they tell us: "Hurry up, clean up that mess! Get it out of this House, so the Canadian people will not see it on their television screens, so they will not see how incompetent we are. Let us try and cover that up in future tax increases." Mr. Speaker, I submit this is utterly unacceptable, undemocratic for a Government to use its majority to force a motion of closure through only a few days after the second reading of the Bill has been moved, in order to hide its incompetence.

• (1120)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the members of the New Democratic Party are going to vote against this time allocation motion. We oppose this motion, as we oppose Bill C-79. We oppose a gag on the debate, Mr. Speaker, because the full reasons for this bail-out are not yet known. They are not forthcoming from this Government. We know little about who will be reimbursed, notwithstanding that some of the individuals and companies involved will be receiving very large amounts of money.

We know very little about the reason the Northland Bank is being treated in the same way as the Canadian Commercial Bank. We now have a great deal of information about the Canadian Commercial Bank. Indeed, Mr. Speaker, based on the information received as a result of the hearings of the Finance Committee held in May and June, we believe that the Government should have acted then and not waited until September.

Mr. Speaker, the passage of this motion would ensure that the debate on this Bill in the House will cease very quickly. It has been suggested that the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) have been hiding behind the skirt of the Minister of State for Finance (Mrs.

McDougall). That is not so, Mr. Speaker. The Minister of State for Finance is now hiding behind Mr. Justice Estey's robes. That is no improvement. In fact, it is a good deal worse in terms of parliamentary accountability and the responsibility of a Minister for the field for which that Minister is responsible.

Mr. Speaker, since I last spoke on Bill C-79 a number of suspicions of mine have been made dramatically clear. The tabling of the Hitchman Report has laid bare the deficiencies—and, in fact, the total inability—of our inspection system, our monitoring system in ensuring a sound banking system.

Mr. Speaker, there is now very little truth to the claim that Canada has one of the best banking systems in the world, a claim which has been made repeatedly by the Ministers of this Government and by the Governor of the Bank of Canada.

The Hitchman Report has highlighted many of the failures and deficiencies in our system of inspection. It is little wonder that the Government was reluctant to release it.

Members of the House will know that I sat on the Finance Committee throughout its examination of the Canadian Commercial Bank in May and June of this year. The committee heard from all of the principals at that time: the President of the Canadian Commercial Bank, the auditors of the Canadian Commercial Bank, the Inspector General of Banks, and the Governor of the Bank of Canada.

It is obvious from a reading of the Hitchman Report how dishonest, how deceitful, and how shallow so much of the testimony and the advice the committee got at that time was.

Mr. Speaker, the scrutiny which we and all Canadians thought was inherent in our monitoring of the banking system turned out to be simply second and third-hand assurances on the part of the Inspector General of Banks and the Governor of the Bank of Canada, two individuals who essentially took the word of management. What the Hitchman Report shows is that the Canadian Commercial Bank management acted foolishly in its lending practices and continued to act foolishly even after the bank was bailed out last June. This happened even though we had every right to expect that after the bail-out in March, the Inspector General would inaugurate the kind of inspection system which he ought to have had in place all along.

● (1125)

I suggest to Hon. Members that they could read no more scathing an indictment of our financial system and its monitoring than that provided by an editorial which appeared in the *Financial Times* of October 14. If I might be permitted to quote from that assessment, the editorial reads in part:

> The findings of the 71-year-old ex-deputy chairman of the Bank of Nova Scotia as he delved into the chaotic mess of loan files at the CCB were in turn profound, startling and devastating.
>
> Above all, they indicated that Hitchman seemed to be alone among countless bank officers, directors, external auditors and federal regulators in having the right nose for the job.
>
> If there was any doubt before the release of Hitchman's report as to the inadequacy of the Inspector General's office in policing the CCB case, there is not a shred of doubt now.
>
> Nor was the performance of the CCB's external auditors anything to rave about. Hitchman's testimony raised grave questions about the role and judgment of the auditors who seemed as ready as the Inspector General's office to accept, lap-dog fashion, management's word on almost everything.

That editorial refers to a pretty comprehensive list of those with responsibility. It is very similar to the list that the Hon. Member for Kamloops-Shuswap (Mr. Riis) and I compiled when we issued an NDP addendum to the Finance Committee's report. Here is what we said on June 12:

> If the CCB experience points out anything it is the deficiencies of the present system in which persons with direct responsibilities including bank officers, bank directors, bank auditors, external auditors, bank investment underwriters and government monitors, including the Inspector General of Banks and the Governor of the Bank of Canada, all failed to locate serious difficulties in CCB operations so as to expose and correct them before that bank virtually drifted into bankruptcy. Independent of anything else in the Green Paper discussion paper, there must be an immediate and comprehensive updating and revitalization of this sytem if the savings of Canadians are to be protected as they must be against mismanagement and conflicts of interest by officials of financial institutions.

That is what we said in June, Mr. Speaker. The advice we gave and the conclusions the Minister of State for Finance should have drawn from the hearings which were held by the Finance Committee in May and June were not heeded. Despite the Minister's hands-on direction of the CCB, we got the same old stuff. Here is how the *Financial Times* describes the new CCB in operation after the $250-million bail-out which was supposed to make the bank a viable operation again:

> In mid-July, after CCB president Gerald McLaughlan had assured Hitchman the bank was devoting its energy to collecting on old loans instead of pursuing new business, the CCB loan committee recommended two new loans of $15 million each.
>
> Both loans were to be made to brand new companies whose capital value was—

Get this, Mr. Speaker:

> —$1 each. One of the $15-million loans was for a 10-year term, to bear interest at 10% or prime plus a half. Yet CCB would have had to pay 12% to raise the funds to be lent out—costing the bank an additional $5 million. The real estate which the loan would purchase had been valued at $9 million.

● (1130)

Where was the Inspector General of Banks? Where was the Governor of the Bank of Canada who, on a number of occasions, said that the CCB was a viable operation? It is quite clear that those with the ultimate responsibility for protecting the people of Canada were remiss. The Minister of Finance, the Minister of State for Finance, the Inspector General of Banks, the Governor of the Bank of Canada and all the Ministers concerned must take full responsibility. Their failure to act when they should have acted and their failure to require the Inspector General of Banks to perform the job he was supposed to perform will cost the people of Canada billions of dollars.

The failure of the Canadian Commercial Bank has contributed to the failure of the Northland Bank and has placed a number of other regional and smaller banks under extreme pressure. This failure has made the people of Canada question

the soundness of the Canadian banking system, which is something the country simply cannot afford. Because we believe the Government has failed miserably in its duty we propose to vote against this Bill.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, earlier today the Hon. Member for Laval-des-Rapides (Mr. Garneau) expressed astonishment about our parliamentary leader's lack of seriousness. Well, I too am astonished that the Hon. Member for Laval-des-Rapides—who is aware of his reputation as a former banker and who at one time was a heavyweight in another Government—would continue to play on the nerves of Canadians and accuse the banks of being short of cash. The Member for Laval-des-Rapides must know, because he was once in the limelight, that his attitude can only create more problems for the banking community. Has he become incompetent, or did he lie to the people when he stated that the British Columbia bank had a serious cash flow problem which could also have an impact on the Continental Bank of Canada? The ultimate result was that the various bank branch managers had to explain to their major depositors that everything was just fine. Senior management like the vice presidents of the two banks had to tell the Canadian public that it was not true, that neither bank was beset by cash flow problems.

It would seem that the Member for Laval-des-Rapides and his colleagues have one goal in mind—make it look like the Canadian banking system is on the ropes. Of course! Then they can blame the Government. That is why they want to keep the pot boiling and push the panic button so that Canadians will have no idea which way to turn. We know they may still be reeling, but this is right up their alley and they probably would not hesitate to sink right along with our banking system and ruin Canada's economy because they simply cannot get over the fact that they were turfed out of office on September 4, 1984.

I am sorry to see that one Member is not here this morning—the Hon. Member for Saint-Maurice (Mr. Chrétien) is probably in his Bay Street office—but I would have liked him to take part in this debate, considering the fact that he had a hand in creating the problem we are facing today.

The number of Canadian banks went up to 70 under the previous administration, and some of those institutions are also experiencing difficulties. The Liberals did not bother to introduce appropriate legislation to avoid the problems with which we must come to grips.

Let it be said that most of those problems can be traced back to the National Energy Program, of which one of the main architects was the Hon. Member for Saint-Maurice. That is how the Liberals created a Canada-wide paper empire, a house of cards which was bound to collapse because it was structured on the basis of negotiated oil prices which did not take the law of supply and demand into account. That is how the ensuing policy led to a climate on confrontation with the provinces. The cash-starved Liberals sought to impose daily taxes on our entire oil industry. Their eyes, Mr. Speaker, were bigger than their belly. They defied the economic rules. And today those same Liberals are telling us that we are going to spend . . . they suggest $1 billion to compensate some depositors for the funds on deposit with the Northland and the Commercial Bank of Canada. The Liberals know that the amount involved does not come to $875 million. They know that businesses which make deposits . . . there is an economic factor to be taken into consideration. They pay taxes on that amount and they know quite well that the net cost is going to $470 million which is quite a difference from $1 billion.

The Liberals have incurred such costs, that they raised the deficit to $200 billion during the last decades and always for the sake of economic costs.

Mr. Speaker, it must be noted that if we decide to compensate depositors, it is because there are among them community, religious, and charitable organizations, savings funds, unions, school boards, small and medium-sized businesses, individuals, cities and municipalities. We do not know what could be the consequences of our not taking action with respect to those banks. The Liberals must think that they took the decisive step a few years ago but, unfortunately, we now have to face the problems.

We are also told that foreign banks will be reimbursed. An amount of $113 million has been mentioned. We know that the two banks involved have assets which amount to one per cent of all assets in the Canadian banking system. All of the figures are not available, Mr. Speaker, but we can easily make a very conservative projection with a small "c". If $113 million equal one per cent of the assets, then 11.3 billion will equal the entire assets. This probably means that foreign banks have deposits for at least $11.3 billion in Canadian banks. If we do not solve the problem of our $113 million, foreign banks could very well withdraw their $11.3 billion due to a lack of confidence in our banking system and in our Government. We cannot accept that, because if we figure out 10 per cent revenue on $11.3 billion, it would come up to $1 billion.

Finally, those foreign banks are investors in our small and medium-sized businesses. Their investments represent the operating capital of thousands of Canadian businesses which, should these foreign deposits be withdrawn, would have to look elsewhere for their cash flow.

The Liberals keep repeating this $1 billion figure. We say $470 million. Mr. Speaker, I should like to remind Liberal members of the mistakes they made before the Canadian people figured them out. For instance, the $125 million they invested in Consolidated Computer with no return whatsoever. Also, the $15 million which they invested in the small CCM business without any accountability. Also, the $32 million they wasted in the Maislin mess. Not to mention the $125 million they wasted on Massey Fergusson.

Mr. Speaker, I should like to point out to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that I did not interrupt the Hon. Member for Laval-des-Rapides (Mr. Garneau) during his speech and ask him to show me the same courtesy. Hon. Members should show their consideration for their colleagues by not interrupting them. Liberal members should teach that lesson of elementary courtesy to each other and to their backbenchers.

I should like to mention also the $1 billion they wasted in the de Havilland fiasco. And finally, the biggest waste of them all, the $2.1 billion they invested in Canadair. This means that the Liberals wasted altogether a total of $3.5 billion during the last few years they were in power. Their past record is so lousy that they are not in a position to tell us what to do, Mr. Speaker.

Our Government is proposing a solution for our Western banks. The Liberals proposed nothing when the Caisse d'entraide économique were faced with similar problems in the province of Quebec. Just as so many ostriches, Mr. Speaker, they buried their heads in the sand. They prefered not to see the problem. They ignored it. I am well aware that the Caisses were under provincial jurisdiction, but the Liberals could have tried to help them just as we are trying to help these Western banks, for we feel that this country extends from the Atlantic to the Pacific. They will be responsible for any delay in adopting this legislation. The House is going to adopt it in spite of them and I want them to stop all these innuendoes about the so-called failure of the Canadian banking system.

I urge the NDP, if it wants to maintain its footing in Western Canada, to support this legislation.

• (1140)

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, this House is being asked to agree to a motion which will choke off debate on second reading of one of the most important Bills which will ever come before this House under this Government or any other Government. Yet we have had only four days of debate, less than 11 hours, to discuss this Bill which asks Parliament on behalf of the Canadian taxpayer to approve the expenditures of $827 million—almost $1 billion.

The Government House Leader did not give any persuasive reasons why the House should accept this motion to gag Members of Parliament and to cut off debate on this Bill.

[*Translation*]

And certainly the Conservative Member who just finished his speech did not provide any arguments to support the situation and convince us to adopt this motion. He referred to the National Energy Program, but the Hitchman Report has pointed out that the National Energy Program had no connection with the problems of the Canadian Commercial Bank, none at all! The Hitchman Report clearly indicates that the banks' problems were related to bad management by the banks and not at all to the National Energy Program.

The Conservative Member was complaining about the deficit but wants the House to support a measure that would add one billion dollars to that deficit. The total bill for this bank fiasco will add not just one but three billion dollars to the deficit, and the Conservative Member wants the House to support this motion and this Bill? The Hon. Member also referred to measures to help certain Canadian companies survive, but these Canadian companies were known to the public. They were known to Canadian taxpayers. And now, the Hon. Member and his colleagues want to keep secret the identity of those who will be saved by the legislation being provided by the Conservatives!

[*English*]

The principle of this Bill is that almost $1 billion of the taxpayers' money should be spent to reimburse people whose identities will be kept secret. That is so contrary to a basic principle of parliamentary Government that we must oppose this motion and we must oppose this Bill. A few days ago, Mr. Speaker, the House of Commons published a book entitled *House of Commons Précis of Procedure*, under the authority of the Clerk of the House of Commons. On page 61 is found the following, and I quote:

> Second reading is the most important stage in the passage of a bill. It is then that the principle and object of the bill are debated and either accepted or rejected.

The Conservatives want to choke off debate after less than four days or 11 hours of debate on what is understood to be the most important stage in the passage of the Bill. This Bill is shocking. It is contrary to the basic concept of a parliamentary Government that money should not be voted unless we know for what and for whom this money is to be spent.

It is obvious, and not just from this motion, that the Government wants to hustle its problem away from the spotlight of Parliament as quickly and as fully as possible. At the beginning of September when the Government announced the failure of the Canadian Commercial Bank—the first failure of a bank in 63 years, and it happened under a Conservative Government—it said it was going to set up a joint committee of the House and Senate to look into the matter. The Prime Minister (Mr. Mulroney) said that we are not only going to do that, but we are going to televise the proceedings. However, as soon as the dimensions of the fiasco which was brought about by the Conservatives, became clear, and as soon as the dimensions of the responsibility of the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) and the Prime Minister himself became more and more evident, the Conservatives suddenly began to cool off, saying, "Perhaps we should not have a joint committee. Perhaps a committee of the House would be important enough". And when we began to try to ensure that the committee would work so that we would have the information we require, the Conservatives backed off again and in one day, all of a sudden, a royal commission of inquiry was set up. A royal commission

can certainly be very useful but it is not going to be proceeded with under the lights of the television cameras. Radio reporters will not be there and there will not be the scrutiny of the elected representatives of the people. So it is obvious the Conservatives have something they want to hide from the scrutiny of the elected representatives of the Canadian people.

This motion to choke off debate on this Bill is further evidence of the Government's desire to move away from the platform of Parliament so that we cannot debate this incredible fiasco involving the failure of two banks within a month, and the resulting expenditure of close to $1 billion—actually $3 billion altogether. The Government wants to have this Bill passed without Canadians knowing for whom and to whom almost $1 billion of their money is going. The Government has given no convincing or persuasive arguments either in law, morality or in fact as to why this money should be spent without the elected representatives of the Canadian people knowing to whom this money will be paid. After all, we are not dealing with the ordinary situation in which when a bank is operating such that its depositors are entitled to have confidentiality in the ordinary course of business. These banks have failed. They are not under the Bank Act. One can say that there are no such banks in existence. We are dealing with claims in a bankruptcy and when there are claims in a bankruptcy the people who want to be reimbursed for moneys owing to them have to come forward and make their names public.

The principle of this Bill is that the money should be spent without this information being given to the elected representatives of the Canadian people. I ask in this House, as I have asked before, what are the Conservatives hiding? Who are they trying to protect? Why are they afraid of giving these names? The Government has not given any answers. It cannot give the answers without further confirming its own incompetence and its own responsibility for this incredible fiasco. Therefore, Mr. Speaker, I say, in the interests of parliamentary Government but, more important, in the interests of the sound expenditure of almost $1 billion of taxpayers' money and, in general, in the interests of sound management of our financial system, that this motion must be defeated. Then we must go on to defeat this Bill. If we do not do that, we will damage parliamentary Government, we will damage the pocketbooks of 25 million Canadians and we will leave a stain on the whole concept of parliamentary Government and on the basic principle that if the taxpayers' money is to be spent, we must know who is going to receive that money.

This motion must be defeated and then we must go on to defeat this thoroughly bad Bill.

• (1150)

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, as a Canadian concerned about the recent problems involving the CCB and the Northland Bank, I rise in this House today to lend my support to Bill C-79, an Act respecting provision of compensation to depositors in those institutions and the CCB Mortgage Investment Corporation.

What we are proposing is simply to compensate uninsured depositors in these institutions, nothing more and nothing less. Many of those who have been criticizing this action seem to lack a complete understanding of the devasting effort governmental inaction would have. As the Member for Sarnia-Lambton I have seen the problems this situation has caused. It has affected my community as well as many others, small and large. I refuse to stand by the wayside and do absolutely nothing for the municipalities, small business owners, colleges, and credit unions in my riding. To do so would be a grave error.

The Minister has stated clearly and emphaticaly, Mr. Speaker, that in taking this action it is not the Government's intent to set a precedent. This is a unique and isolated case. Nothing like it has happened in the past 66 years. What is more important, these are financial institutions which supported western Canada's economy. However, the fact that nothing like this has ever happened in the past is not to say that problems did not exist. Last week on the CBC a former Liberal Chairman of the Standing Committee on Finance, Trade and Economic Affairs in the last Government, admitted that his Government was well aware of the problems concerning the regulation of financial institutions, yet what did it do? Absolutely nothing. That Government stood by for 16 years and watched. It did not act to try to strengthen the financial climate of this country. It had 16 years in which to do something while we had only six months, and we have already done more in that time than the Liberals ever did. Certainly the circumstances of the past few months amply demonstrate the need for reform in this area. This Government is committed to regulatory reform and we so indicated in the Throne Speech, the Budget, the Wyman Committee, and in the discussion paper on financial institutions. We have acted in four very concise and distinct areas, and this is a record to be proud of.

We in this House have had more than ample debate on this Bill and the entire issue surrounding it. Yet there are some who will cry that we are stifling them, not allowing Members enough time to speak out. I would like to offer some facts which will disprove those allegations. We have had four full days of debate. During this time 51 Members have addressed this issue. What is more important, over 80 per cent of those Members were in the Opposition. It is obvious that this indicates there has been more than a fair chance for all sides in the House to participate in this debate. Each day of delay means financial hardship and uncertainty, not for those of us in the House but for many Canadians who want only to have their fears alleviated.

What has been somehow forgotten or ignored by the Opposition in the debate on this issue is the depositors we are attempting to help. We are trying to help the municipalities who have over $41 million on deposit in these institutions, small businesses, charitable organizations, credit unions, labour unions, hospitals, colleges and, in particular, ordinary individual Canadians. I am somewhat concerned to hear Opposition Members whose ridings contain credit unions, speaking against this Bill. It seems odd to hear the Leader of

the Opposition and the NDP make an issue of wealthy foreign banks who, it would seem from what they have said, are the only ones to benefit from this Bill. I say it is time they stopped fooling the Canadian public and started being concerned, as we are, with the backbone of these banks, the small depositors. It also seems very odd that the Opposition wants a list of depositors made public, a list which would name the municipalities and credit unions in their ridings. Those Members do not seem to be too concerned about the plight of those depositors.

Bill C-79 responds to a very particular set of circumstances. We are doing this because we recognized in March, as we recognize now, the importance of these banks to that economy. The western economy was flourishing as a result of the energy boom. Real estate values increased tremendously. Oil and gas prices were stable. That economy was particularly vibrant and booming, it seemed nothing could go wrong. However, such was not the case. In the early 1980s, westerners witnessed the creation of the National Energy Program, a "gift" of the previous Liberal Government. They watched the NEP burst this bubble of economic prosperity. It had a devastating effect on employment, housing, and investment in the energy sector, all of which are critical elements of the western economy. World energy prices bottomed out and the economy of Alberta rapidly declined.

Intricately entwined in this situation were these two financial institutions, as well as others. They suffered just as other sectors of the economy suffered over the last five years due to inept Liberal economic policies. This Bill, Mr. Speaker, is the product of such policies. We are attempting to alleviate the serious economic impact which would result if we did nothing, thus forcing municipalities, credit unions, charities and small businesses to absorb the loss of their deposits in excess of $60,000. I am sure all Members are aware of the impact on these organizations and the people we serve if we were to do nothing. It is a sure thing that many of them would be in serious financial difficulties. We are speaking of a domino effect involving lay-offs, permanent job loss and business and bank failures. We have a responsibility to these people because they participated with us in an attempt to save these institutions back in March.

In conclusion, Mr. Speaker, we bear an onerous responsibility. The easy way out would be to say no to these municipalities and tell them to raise their taxes. It would be easy to say no to the credit union members and tell them to go work for another five years and save again what they have lost. But we do not believe that is what should be done. We believe what we are doing is right and that we should support those Canadians who need support in this time of need.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Hon. Member for Sarnia-Lambton (Mr. James) said that there were four days, 11 hours of debate on second reading of Bill C-79. Indeed, there were 51 Members who spoke during second reading of Bill C-79. He said that the vast majority of those were from the Opposition. The purpose of second reading is to debate the Bill in principle. I do not believe that we have been given the reasons behind Bill C-79, which is to bail out uninsured depositors over $60,000. The Member rose to make a 10 minute speech on a time allocation motion.

● (1200)

The fact that 51 Members out of 282 Members in this Chamber have spoken means that less than 20 per cent of Members of Parliament have spoken on the question of putting up a billion dollars of taxpayers' money to bail out people who took a risk.

They put their money in the Canadian Commercial Bank and Northland Bank because of their belief in that Conservative-honoured principle of risk taking. They deposited their money there because they could get a little more interest than they could from the other five banks. The very basis of Conservative ideology is risk taking. The Conservatives preach that the free market and free enterprise system is what will make this country work. However, in one fell swoop, they swallowed themselves whole like an anaconda. One of the Hon. Members on the Government side suddenly found tongue to lend his voice and rose to speak on this closure motion. He said that the Liberals bailed out de Havilland, Canadair and Massey-Ferguson. Why are the Conservatives following in the footsteps of the Liberals? The answer is that they are exactly the same. There is really no difference between them. The Bobbsey Twins from Bay Street strike again. I will call them the "Siamese Twins of Bay Street".

The other argument I heard today is that we must save these small depositors in order to prevent a domino effect. I suggest that the Conservatives should apply the same principle that they attempted to apply earlier this year with respect to old age pensions and other social security systems. Why does it not use a means test on those who are seeking bail-out relief? If it can be proved that an operation will go down the tubes without this bail-out from the Government, the Government could apply that means test and reimburse these depositors on the basis of their needs. Furthermore, depending on their need, this reimbursement could vary up to 100 per cent beyond the $60,000.

When the Conservatives were in opposition and the Liberals introduced closure motions from time to time, they were the ones whose voices were raised the loudest. They complained that the Liberal Government was trying to choke debate and smother free speech in the House of Commons by denying the rights of Members of Parliament to participate in debate.

Now that the Conservatives are in Government, the shoe is on the other foot. I believe this is the third or fourth time since September 4 that a closure motion has been introduced in the House. Although the Government has a massive majority of 211 Members, with 70 Members sitting in the Opposition, it is using a sledge hammer to open a peanut. What fear forces the Government to bring this great might of 211 Members to bear on 70 opposition Members? Why is the Government so suspicious and furtive? Not only does it want to deny opposition Members of the House an opportunity to speak, I suspect that it had a muzzle on its own Members when Bill C-79 was

before the House for debate in principle. I suspect that the Minister of State, "billion dollar Barbara", and the Minister of Finance (Mr. Wilson) put a muzzle on them. Now that we are debating a time allocation motion, those Members will find voice, stand up and make 10 minute maiden speeches.

The Government is afraid because there are certain questions being raised. It has established the Estey Commission. After thoroughly investigating the collapse of the Canadian Commercial Bank and the Northland Bank, Mr. Justice Estey will make a report to Parliament. Why must we quickly pass Bill C-79 to provide a bail-out of up to a billion dollars when we do not know all the facts or have a report which clearly indicates where the responsibilities lie in this whole fiasco? Serious questions remain unanswered. Who will get the bail-out? The Government has named certain categories of those eligible for a bail-out. Among them are foreign banks and their Canadian subsidiaries, which will get some $147 million. Another poor little group that will receive a bail-out is the lottery corporations. They have $34 million invested in the Canadian Commercial Bank. That is a group that should understand risk and what it means to take a gamble. They will get back all of their $34 million.

I believe that the odds were against the Canadian taxpayers when the Government stepped in to bail out foreign banks, the Canadian subsidiaries and lottery corporations. I seriously suggest that the principle of a means test ought to be applied in this case. No one wants to hurt the little credit union that is in jeopardy. If such companies can prove that they have a need, let them get paid. That principle was established for the old age pension program. However, I believe that the Chase Manhattan Bank, Citicorp, the Bank of Hong Kong and the Bank of Japan would have to go a long way to prove need in order to have the Canadian taxpayers bail them out.

Closure motions present a dangerous precedent and it is beginning to be used on a regular basis by a majority Government in the House of Commons. It is a dangerous principle to use this measure to cut off the opposition Parties. It seems to me that the Government has something to hide.

Conservative Members should oppose such a time allocation motion on this Bill. It strikes at the very heart of democracy. The Government is asking taxpayers to pay money, yet their representation in the House is being denied as a result of this closure motion. I appeal to all true Tories not to let their House Leader lead them to believe that they must use might and force to crush the Opposition. There is no haste required to bail out these uninsured depositors. I think we would be wise to defeat this motion for closure and continue debate on Bill C-79. It may mean that we must hoist the Bill until we receive the Estey Commission Report so that we can then decide what to do. That is the way we should proceed, Mr. Speaker. We should not bow to the pressure from these 211 Tories. Might or right, Mr. Speaker, not might is right.

● (1210)

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I join this debate in opposition to a motion put forward by the Government House Leader which will choke off the debate on the bail-out of the Canadian Commercial Bank and the Northland Bank.

It is a pretty sad day for Parliament when the Government chooses to limit debate on the question of approving close to $1 billion to be paid to the uninsured of those banks. We, in Parliament, have an obligation to our constituents and to the population generally to review all the various proposals and monetary expenditures of the Government of Canada.

I believe very strongly it is implicit that when moneys are spent by the national Government, whether they be spent on a provincial or joint federal-provincial project, spent pursuant to an item of a Crown corporation, spent in the form of a direct grant or transfer to an individual or a particular organization, Parliament ought to know where the money is going. It is not sufficient, in my view, for the Government to refuse to tell Parliament who will be receiving the money as a result of the passage of this legislation.

The Government has been less than candid, Mr. Speaker. It has provided categories of individuals who may or may not receive money, but the Government has not told us which individuals or foreign corporations, nor has the Government told us the amount they will receive. The Government has not given us the reasons either.

The Government has not disclosed the documentation, the memorandum of understanding, if you will, between the various individuals who borrowed money and who are now seeking to be bailed out. I think it is wrong to be bailing out these banks, Mr. Speaker.

The money could be better spent helping Canadians. It could be used to increase job opportunities, to provide a host of services requested of this Parliament and of previous Parliaments. I think of money for the maritime feed freight assistance and moneys for job creation in my own constituency and in other less fortunate regions of the country. I think of substantial moneys that could be made available for small craft harbours, ensuring a viable fishing industry as well as ensuring jobs for thousands of Canadians. I think of the forestry industry in British Columbia. I think of the drought in western Canada. I think of financial assistance to individuals for daycare facilities. There are many areas where money is needed.

Surely there is a better way that the national Government can spend in excess of $800 million. Surely the Government does not want to sign a blank cheque for two banks. There has to be an obligation, and a fundamental obligation on behalf of the Government, before it makes those payments, that the names of the individuals be laid before Parliament.

This request is not to abuse those who will eventually receive moneys from the Government, but Parliament and the people should know where the money is going.

It is very peculiar after only 11 hours of debate that approximately only 22 per cent of the Members of this Parliament have spoken in this debate. Now the Government has chosen to cut off debate and to cut it off completely.

This is the first time in about 62 or 63 years that a bank has gone under. That in itself would suggest to me that the importance of the subject matter is deserving of careful scrutiny, not only by opposition Members but by Government Members. I do not wish to impute motives to members of the Government, but it is rather strange that many, if not most, have been extremely silent, silent with regard to the entire substance of the issue, particularly with the naming of the uninsured depositors and those who will receive moneys.

Let us look at what has taken place. Early in the process the Government said we would have a special joint committee of both Houses of Parliament. We started out being told that the hearing would be televised. Then we were told we would have a parliamentary committee of the House of Commons. Finally, on a weekend, upon returning from our constituencies, we learned that the Prime Minister (Mr. Mulroney) had made a decision to appoint a very prominent Canadian to head a judicial inquiry concerning the collapse of the two banks.

What do we have now? There will be no televised hearing. There will be no parliamentary scrutiny of the facts surrounding the collapse of the banks. Why the change, Mr. Speaker? What has the Government got to hide? Why the cover-up? Those are questions Canadians are asking parliamentarians. Those are the questions being talked about on a regular basis by Canadians. If we are to provide $875 million, why is Parliament being denied the right and the opportunity to peruse in great detail the individuals and the corporations who will receive that money?

It is not right, and it is not in the best interests of parliamentary democracy to terminate debate on a money Bill of the magnitude of this one, of approximately $1 billion. Information is being withheld, and I suggest it is being withheld wrongly from Parliament.

The Minister of State for Finance (Mrs. McDougall), can stand in her place and say she has a legal opinion that perhaps it is not in the best interests to release that information. I do not have to inform you, Mr. Speaker, that the rock of democracy in this country is the Parliament of Canada. Parliament ought to know and ought to be given information directly from the Minister of State for Finance. The Minister of Finance is not here for this debate, probably with good justification. He is hiding. He does not want to participate.

Mr. Clinch: Order.

Mr. Beatty: He is out looking for John Turner.

Mr. Dingwall: The Minister of Finance does not want to participate in this debate. He knows that his incompetence has been demonstrated on numerous occasions. He is not here to defend nor to lead the Government—

Mr. Clinch: Order.

Mr. Dingwall: —with regard to this particular issue.

Mr. Clinch: Mr. Speaker, I rise on a point of order. Reference to Members' absence or presence in the House is not parliamentary. The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), I am sure, is well aware of that.

Mr. Beatty: Particularly when benches on his side are empty.

The Acting Speaker (Mr. Charest): The Hon. Member for Gloucester (Mr. Clinch) is quite right and the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) knows that also.

Mr. Dingwall: Mr. Speaker, I appreciate the suggestion of my hon. colleague. The Minister's absence has been noted by other Members in this Chamber. We know he is not here, but I indicated that there might be good justification for that.

● (1220)

The Acting Speaker (Mr. Charest): Order, please. The period of 10 minutes is now over, one way or another, and this may settle the issue.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I am pleased to speak on the motion before the House today, both as a westerner and as a businessman who dealt with the Canadian Commercial Bank and the Northland Bank in Saskatoon. I would be interested in giving the House of Commons the national perspective with regard to this motion.

I dealt with these two banks because they offered excellent service. They were aggressive banks and, in particular, began to demonstrate that western capital formation would benefit the region of Canada in which I lived. I do not think anyone in the House can disagree with that.

Many people are asking, including many of my constituents, why these two banks collapsed in western Canada. The two banks appeared to be well on their way to success and to taking a firm hold in our western economy. It seems to me that banks do not fall overnight; there has to be good reason. Recent evidence suggested that there was bad management in the bank. That is possible. I do not think the Minister of State for Finance (Mrs. McDougall) can look over the shoulders of these people all the time. However, there is another point which caused those banks to collapse. When the western economy was prospering, individuals, corporations, large and small companies, were making investment decisions based upon a current buoyant economy in western Canada. People were buying homes and automobiles, people were building office buildings and warehouses, based upon the rules which they had before them from the former Liberal Government. When the national energy policy was introduced, it was the death-knell not only for western Canada and those businesses, but for many businesses right across the country.

Many of the things which happen in western Canada, as we all know, are good for eastern Canada, particularly in the automotive sector. In order to get my point across, I should like to make a comparison. Can we imagine what would happen if our national Government were suddenly to pull the rug out from under the automotive industry? Not only would there be regional bank collapses, but chances are that there

would be some major bank collapses. That is precisely what happened in western Canada—the very source of the drive behind our economy was suddenly stopped.

What about those people who say that something should have been done about the banks earlier? I remind the Liberal Party that in 1980 it allowed the banks to expand seven times, from 11 banks to 70 banks, but it forgot to make adjustments to the regulations and regulatory agencies which controlled the banks. That is something the Minister of State for Finance is coming to grips with in our new Government.

In accordance with the provisions of Standing Order 9(4)(*a*), I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the House continue to sit between one o'clock p.m. and two o'clock p.m. this day, for the purpose of continuing consideration of the motion of Mr. Hnatyshyn.

If I could carry on with my remarks to complete my 10-minute presentation—

Mr. Deans: Wait a minute.

The Acting Speaker (Mr. Charest): The motion of the Hon. Member for Saskatoon East (Mr. Ravis) is made according to the provisions of Standing Order 9(4)(*a*) and Standing Order 9(4)(*b*), which provides:

In putting the question on such motion, the Speaker shall ask those Members who object to rise in their places. If twenty-five or more Members then rise, the motion shall be deemed to have been withdrawn, otherwise, the motion shall have been adopted.

I find the motion to be in order. Those Members who object will please rise in their places.

And fewer than 25 Members having risen:

The Acting Speaker (Mr. Charest): The motion is therefore deemed adopted.

Motion (Mr. Ravis) agreed to.

The Acting Speaker (Mr. Charest): Continuing debate, the Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the motion before the House is of course to cut off debate on second reading of this particular Bill. The official position of opposition Members is that in tabling the Bill in the House, the Government of Canada should at least say who will receive the money; in other words, those people who have deposits of more than $60,000. I do not know why—and I suppose no one in Canada apart from the Conservative Government knows why—the Government will not make public those names.

Mr. Dingwall: Cover-up.

Mr. Baker: That is exactly what it is. I should like to go back to the previous statements of the Government. For example, the Minister of Finance (Mr. Wilson), who is in charge of this particular piece of legislation, through the Minister of State for Finance (Mrs. McDougall), indicated the following in the Budget:

And it challenges Canadians by rewarding success, not subsidizing effort.

In another portion of the Budget, he said:

—incentive that allows individual Canadians to decide where to put their money . . . This is central to our philosophy. The decisions should and will be made by individuals across Canada, not by politicians or public servants here in Ottawa.

In another part of the Budget, he said:

In keeping with the philosophy of greater reliance on market incentives, the Government is moving to reduce the use of grants and other subsidies.

Prior to the election, Members of the so-called great Conservative Government were quoted as saying:

It will be a Government open to public scrutiny—

They went on to say:

We will run an open, honest and accountable national Government. We will rebuild Canadians' trust in the federal Government by ensuring parliamentary accountability.

As if that were not bad enough, we have a closure motion before the House. What did the Conservatives say prior to the election? They said the following about Liberals: "They have no respect for our institutions; measures are rammed through Parliament by closure on debate". Mr. Speaker, what a contradiction by a political Party after taking office!

● (1230)

Of paramount importance in this debate is the fact that we have over $800 million being paid out to depositors in the Canadian Commercial Bank in the position of having more than $60,000 in deposits, and those depositors will not be identified. I repeat, over $800 million!

Mr. Speaker, that is quite something given the fact that we have today fishermen in my Province of Newfoundland without sufficient stamps to collect unemployment insurance benefits for the winter and farmers in western Canada who have been driven to the welfare office. The average farm family income in most sections of central and western Canada stands at about $5,000.

With all of these natural disasters occurring in this country, with people for the first time in their lives turning to the welfare system, the Government of Canada introduces a Bill in this Chamber to reimburse deposits over the $60,000 CDIC ceiling, and it is proposed that those moneys be reimbursed without naming the individuals and companies involved.

Mr. Speaker, what kind of Government is that? What kind of Government would allow 20,000 to 30,000 primary producers in eastern Canada, our fishermen and fish plant workers, to go on this year without sufficient earnings to qualify for unemployment insurance benefits for the winter?

Mr. Rodriguez: A Tory Government.

Mr. Baker: What kind of Government would introduce such a Bill and then turn around and say that it is going to wait until Christmas before it decides whether or not to do anything to help our fishermen and farmers?

Mr. Speaker, the obvious answer to that question is that only a truly Tory Government could carry through on that kind of philosophy and that kind of contradiction.

The Government recently announced in this Chamber that it would no longer guarantee fisheries improvement loans with the banks. Those loans were taken out in the late 1970s and early 1980s. It will no longer guarantee those loans to individual fishermen, and our fishermen are now being taken to court and having their possessions seized. It will no longer support those guarantees. Yet that same Government comes along with a Bill to reimburse those with deposits in the Canadian Commercial Bank in excess of $60,000. We are talking about rich people here. Some of those who will benefit from this Bill are millionaires.

Of course, the Canada Deposit Insurance Corporation guarantees deposits of up to $60,000. But now the Government of Canada turns around and says that while it is not going to name any of those who will benefit, it will reimburse those individuals and companies which had deposits in the Canadian Commercial Bank in excess of $60,000, together with any interest that would have been earned up to a certain point in time.

Mr. Rodriguez: A money-back guarantee.

Mr. Baker: A money-back guarantee, yes. Mr. Speaker, that certainly is not acceptable to the Canadian people. We have, on the one hand, a Government that refuses to guarantee the loans of fishermen because the banks went over a certain limit and, on the other, a Government that is willing to reimburse those who had over $60,000 in deposits, and they are willing to give all that money back to these individuals and companies without even telling the Canadian public who they are.

Just imagine how a fisherman with nothing at all in the bank feels! When the farmer in western Canada or the fisherman in Newfoundland goes to the welfare office to apply for benefits, one of the first questions asked relates to how much money that individual has in the bank, and if there is any money in the bank, that money has to be spent before that individual can qualify for benefits. A farmer or fisherman applying for welfare cannot even have money in a child's bank account, money earmarked for that child's education.

The Government is saying to our fishermen that it will no longer guarantee their loans with the banks; that because the loans have gone over a certain limit, the courts will now be permitted to seize their property. It is saying that it can no longer support a guarantee that it put in writing seven years ago. And yet that same Government is now proposing to pay off millionaires in respect of a situation where there was no guarantee. There was no guarantee to reimburse those people for potential losses as there was in the case of loans under the Fisheries Improvement Program. Yet here we have the Government of Canada proposing to spend over $800 million to reimburse the depositors in the Canadian Commercial Bank. And we hear: "What's $800 million?"

In giving an account of the problems of the banking sector in this Chamber, the Government Members toss around figures. We hear: "Oh, it's only a billion." They never come clean; they never say how much everything costs.

The Canada Deposit Insurance Corporation is broke, and has been since the PCs took office. It is about $900 million in the red.

An Hon. Member: You are treading on delicate ground.

Mr. Baker: The hon. gentleman says that I am treading on delicate ground. Let me tell the hon. gentleman that the Canada Deposit Insurance Corporation will have to borrow from the Bank of Canada and as a result of that borrowing rates on deposit insurance will increase.

But there is still money, Mr. Speaker, coming from the Government of Canada. A billion dollars here or there does not really matter. But only for a certain class of people. For the poor farmer, the poor fisherman, the poor logger, the people who keep this country going—much more so, Mr. Speaker, than do Members of Parliament or a great many other professions—there is no money. Mr. Speaker, we want to know to whom this money is being given. Once we have that information, we will decide whether or not they should get it.

Some Hon. Members: Hear, hear!

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am very concerned about the bank bail-out Bill, and I am particularly concerned with the fact that the Government is now proposing that there be a limit to the debate on this measure, thereby not allowing for adequate discussion of the subject.

Canadians are increasingly concerned about the security of their banking institutions. We have had in the news word of the possible failure of the Mercantile Bank, with talk of a merger or buy-out of it in order to save it from difficulties. The failure of the Northland Bank followed, in rapid succession, the failure of the Canadian Commercial Bank.

We are very concerned about some of the implications of these failures, and particularly that of the Canadian Commercial Bank, the biggest bank failure we have had to date. Canadians have cause to ponder how their institutions are being run.

For a year preceding the failure of the Canadian Commercial Bank, the president of that bank was an American who was resident in California. We have to wonder who is tending the shop.

We have been presented with an appalling list of erroneous, inadequate, and imprudent banking practices, including lending practices and decisions about the areas in which loans would be made by that bank, and that situation prevailed for a considerable period of time.

For the last entire year of that bank's history, it did not have a president who was at home guarding the interests of Canadian depositors and shareholders.

It is the Canadian taxpayer who is now going to have to pay as a result of the imprudent decisions taken by these people. And we do not have the answers yet. We do not know who it is that we are being asked to spend all of this bail-out money for. We do not know yet the extent to which the California operations of the Canadian Commercial Bank led to its overall failure. We do know that a lot of money went from the Canadian Commercial Bank to its supposed branch plant, its bought-out bank in California; but it is not clear which was the head office and which was the branch plant. To what extent was the Canadian Commercial Bank, in effect, acting as the branch plant and taking the losses for a bank in California?

We have a Progressive Conservative Government that acted far too hastily in making the original decision for a bail-out. It did not have adequate information in March, when it made this decision. It simply hoped that the figures given it about the long-term viability of that bank would be accurate. However, it became painfully obvious this past summer that the problems of the Canadian Commercial Bank were far more fundamental than had been revealed up to that point. Certainly it was up to the Government at the time of the bank bail-out to look into the long-term viability of the bank and not simply to indulge in wishful thinking which led it to believe that the bank could be turned around and made profitable and solvent again.

● (1240)

We have to wonder why a merger with one of the chartered banks was not considered at that time rather than rushing into a bail-out which turned out to be extremely costly to the Canadian taxpayers. We have to wonder what kind of personality problems on the part of the Prime Minister (Mr. Mulroney) might play a part in this. Perhaps the loss of face involved in a bank failure under a new Conservative Government when banking institutions had been sound for many years is something the Prime Minister did not want. Perhaps he did not want to have a bank failure appear as a blot on his record. Perhaps that is why a hasty bail-out was carried out rather than taking more time to look at the options and come up with a solution that might have worked in the long term. We do not know if such a solution would have worked, but we do know that the decision was taken prematurely.

We still have questions about the discussions the Minister of Finance (Mr. Wilson) had with the heads of the large chartered banks. We have heard reports indicating that the banks were getting information which made them take their money out of the bank. Certainly we do have information indicating that it was largely the banks that did take their deposits out of the Canadian Commercial Bank after the bail-out when they began to realize that the bail-out had been an unwise, stop-gap measure and that eventually the music would have to be faced.

When looking at the deposits of the Canadian Commercial Bank, we see that at the end of January before the bail-out, the Government of Canada had $15.5 million on deposit. After the bail-out it still had roughly the same amount of money, $14.4 million, on deposit at the bank. The provinces had $45 million on deposit before the bail-out and $45 million on deposit after the bail-out. However, the banks had $641.8 million on deposit before the bail-out, but by the end of June, they had $267.2 million on deposit. There was a very substantial reduction in deposits on the part of other banks. They began to see the writing on the wall and to understand that the bail-out had been a short-term measure and was not going to solve the problem of the bank.

Before the bail-out, individuals had $410.1 million on deposit and after the bail-out they had $308.5 million on deposit. Certainly some individuals knew or had the wisdom to assess the situation correctly in time to get their money out of the bank.

Who is going to benefit from this massive bail-out? It will be the uninsured depositors who have uninsured deposits above the limit of $60,000. Let us take a look at precisely who these people are. We do not have their names although we would like to. However, we can look at the categories of individuals and corporations involved. Since that is the best information we have, that is what we have to examine. Banks had $200 million left on deposit with the CCB. Corporations had $140 million, credit unions had $130 million, investment dealers had $110 million, and the provinces had $165 million. Municipalities had $82 million on deposit and individuals had $27 million on deposit. Regarding the latter two categories, there is much more cause for concern.

Members of the New Democratic Party have recommended that there should be compensation for those who have been badly hurt by this failure and were not in a position to know better. Less sophisticated investors would have been innocent in this kind of situation and unable to protect their own interests. However, in the case of the chartered banks, major corporations, investment dealers and indeed the provinces, this kind of excuse simply does not hold. We consider it absolutely unconscionable for there to be a blanket bail-out, and indeed a bail-out without names attached. We find it unconscionable that taxpayers' money should be used in this wholly unaccountable way.

As well, we have some concerns about the role played by the Bank of Canada in this procedure. Part of the arrangement made at the time of the bail-out last March was for the Bank of Canada to infuse funds into the Canadian Commercial Bank. It was to lend the Canadian Commercial Bank any amount of money that was needed to make up for short-term losses in deposits. Of course, as word began to get around and people began to figure out the situation, there was a short-term loss in deposits, particularly because of the chartered banks and some investment corporations.

The money that was lent to the Canadian Commercial Bank by the Bank of Canada amounted to $1.3 billion. This money was supposed to have been secured against the assets of the bank, but it is not clear what security this entails. If the assets are not worth very much, that is not very good security. At this point, it is possible that the assets of the bank are going to be worth only half of their book value at the time these advances were made. Thus, it is possible that the bail-out, which

amounts to $875 million at the moment, could go well over the billion-dollar mark. That is a very substantial amount of money.

What is $1 billion worth to this Government? I think that that is a question that members of my Party have been asking a great deal. It is shocking that the Conservative Government could easily find $1 billion, and perhaps even more if necessary, for a bank bail-out while it has not been able to find that kind of money for old age pensioners, family allowance recipients, the users of child tax credits and those who benefit from social programs. The amount of money the Government proposes to save on its child support programs this year is one-fifth of $1 billion. In other words, the Government can find five times as much money for a bank bail-out as it can for supporting Canadian children. We know that one in five Canadian children lives under the poverty line.

An amount of $1 billion spent on arts and culture would be an enormous infusion of funds to that area. This year, there were cut-backs of $100 million in arts and culture, yet the Government can find $1 billion for the banks. In short, the bail-out amounts to 10 times as much money as the Government decided to cut out of the area of arts and culture, an area which could do so much to build our country and bring good jobs to Canadians.

In conclusion, I am very concerned about the amount of money involved in this bail-out and about the fact that we are not receiving the names of those involved. There is no accountability to the public and this is money that could be so much better spent in so many other priority areas.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am pleased to have this opportunity to speak in this debate. I and many of my colleagues did not speak during the original debate in order to give a full opportunity to members of the Opposition to put their points on the record. Therefore, within the context of this debate on time allocation, I would like to put a few points on the record with respect to the Bill that is before us.

I think it is important that we have on the record some remarks made by Conservative Members of Parliament from the Province of Ontario.

Mr. Parry: Otto, take him out to the ball game.

Mr. Lewis: I am sorry, Mr. Speaker. There is some babble from across the way. Perhaps the Hon. Member could put that in writing. It is a real shame to see members of the NDP, who should be supporting pension funds, universities and small credit unions, reacting in this way. One would have thought that members of the NDP, particularly with their strong western representation—

Mr. Rodriguez: Let's have a means test.

Mr. Cassidy: Let's hear it for foreign banks.

Mr. Lewis: I thought they wanted to support western Canadians.

Mr. Cassidy: Those poor, benighted orphans of capitalism.

Mr. Lewis: I think it is a shame to hear members of the NDP shouting against what we are trying to do, which is to support first, the Province of Alberta and the people of Alberta who invested in these banks and, second—

Mr. Rodriguez: Like Peter Pocklington.

Mr. Lewis: —the regional banking system. I wish to refer specifically to the recession and what it, propagated, promulgated and assisted by the NDP and the Liberal Party, did to the Province of Alberta. We know that in Canada as a whole we had problems. However, the recession in the West was heightened by the efforts of the Liberal Party and heightened by the implementation of the national energy policy supported by the NDP. Everyone in this House knows, and it should go on the record, that the NDP and the Liberals heightened the depression out west. We in Ontario are fortunate. Our economy has rebounded. We have a resilient economy, despite the fact that we now have an accord between the socialists and the Liberals in Ontario.

• (1250)

What the Conservative Party is doing is to support the bank and trying to strengthen the economy of the West. It is a shame that western members of the New Democratic Party are against the economy of the West. It is a shame that the western members of the New Democratic Party are against strengthening the economy of the West.

Mr. Cassidy: Your Government is giving money to the foreign banks.

Mr. Lewis: Let us talk about the foreign banks. The credibility of the Hon. Member—

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

Mr. Cassidy: These people are being paid from taxpayers' money.

Mr. Rodriguez: Poor westerners.

The Acting Speaker (Mr. Charest): I hate to interrupt the Hon. Members. It seems that I keep hearing things.

Mr. Fulton: Not Mackenzie King voices!

The Acting Speaker (Mr. Charest): It could be from the same source. However, I would appreciate it if Members from all sides of the House would keep the tone down and let the Hon. Parliamentary Secretary finish his speech.

Mr. Cassidy: On a point of order, Mr. Speaker. Did I hear you correctly suggesting that it was the spirits which surrounded Mackenzie King which led the Government to bring in this bail-out Bill?

The Acting Speaker (Mr. Charest): No. From what I keep hearing from a certain part of the House, I am under the

impression that sometimes Hon. Members from a certain part of the House may be under the influence of spirits of either one kind or the other.

The point I am trying to make is that I think all Members of the House would appreciate it if the Hon. Member were allowed to finish his speech. We have a certain number of problems hearing him because of all the noise.

Mr. Beatty: Because of the spirit of exchange.

Mr. Lewis: Mr. Speaker, I am sorry that I woke up Hon. Members opposite. However, I think you, Sir, may have put them at ease.

I wish to talk about the regional banking system and what it means to the country. In the 1970s, the Liberal Party and the Conservative Party supported an extension of the banking system to give regional banks an opportunity. We know that the socialists would like to nationalize the banks; but at least we in the two stronger Parties in the country want to give the regional banks an opportunity. Thus, we gave them that opportunity and they invested out west. They invested in the energy industry and all matters connected with it, despite the problems which they faced.

Mr. Rodriguez: How can you say that with a straight face?

Mr. Lewis: When these regional banks went out and attracted deposits, they attracted them from municipalities, colleges, universities and pension funds. In supporting the concept of regional banks and in paying back those depositors we are simply supporting the concept of a regional banking system. It is an absolute shame that members of the New Democratic Party—and I appreciate there are not too many Liberals out west—purport to represent the West.

Mr. Gauthier: There are plenty of Liberals out west.

Mr. Lewis: It is a shame that the members of the New Democratic Party are against the regional banking system and want to squash that system.

Mr. Orlikow: We are for an honest banking system.

Mr. Cassidy: You won't bail out farmers!

Mr. Lewis: Mr. Speaker, the Hon. Member for Ottawa Centre (Mr. Cassidy) would not know a farmer if he saw one.

Mr. Cassidy: I have them in my riding.

Mr. Lewis: The farmers would laugh at the Hon. Member for Ottawa Centre. They laughed at the Hon. Member when he was leader of the New Democratic Party in Ontario. He got laughed out of the provincial Legislature, and he is fast working at being laughed out of this House.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: You're being laughed at right now.

Mr. Lewis: What the whole matter boils down to is the fact that we as a federal Government have supported, in the past, the transfer of billions of dollars to the Atlantic provinces because we believe in strengthening the entire country. We have invested $1 billion in the aircraft industry in Quebec to help that particular area of Quebec. We have assisted the eastern banks with the Dome refinancing. We built the St. Lawrence Seaway. In this country we believe in regionalization and in helping those areas which need help the most. I am sorry that the New Democratic Party does not believe in that type of thing.

Some Hon. Members: Oh, oh!

Mr. Lewis: I am sorry that the New Democratic Party, with all its western representation, with all its members from Saskatchewan—

Mr. Rodriguez: Whose Bill is this?

Mr. Lewis: —and Manitoba, does not believe in regional banks.

Mr. Rodriguez: You killed the banks.

Mr. Lewis: I notice that there are not too many of those Members in the House today. Perhaps Hon. Members opposite should ask them how they feel about the big five. Maybe Hon. Members in the House should ask their colleagues who are not here today—

Mr. Rodriguez: You ask Barbara, you killed the banks.

Mr. Lewis: —how they feel about the big five and what sort of support they have for them.

I wish to close by saying that we believe our banking system in Canada is sound and stable. The steps we are taking in repaying the depositors are being taken to support the banking system. The members of the New Democratic Party and the Liberals are fighting the paying back of deposits made by hospitals, municipalities—

Mr. Gauthier: Uninsured depositors.

Mr. Lewis: —pension funds and universities. I think Hon. Members opposite should go and ask those universities—

Mr. Gauthier: Cover-up, that is what we are opposing.

Mr. Lewis: —how they feel about the delay. Every day the passage of this Bill is delayed, interest which would be paid to those hospitals and pension funds is delayed.

Mr. Gauthier: Tell us who they are.

Mr. Rodriguez: Who are they?

Mr. Lewis: Hon. Members opposite can have that on their consciences if they like. They can go out and campaign the next time around and say: "Yes. I delayed passage of the Bill because I did not want you to get your interest payments". If Hon. Members opposite wish to do that, then I invite them to

go ahead. I notice there are no western Members here making those type of speeches. They are leaving it to their fellow Members from Ontario. Where are the western Members? I ask Hon. Members opposite, where are their western colleagues? How come they are not in the House? They are embarrassed by what their colleagues from Ontario are doing to them.

Mr. Rodriguez: Where are the risk-takers?

Mr. Lewis: Mr. Speaker, mine was a very carefully prepared speech—

Some Hon. Members: Oh, oh!

Mr. Lewis: I became somewhat excited by the complete lack of responsibility shown by my colleagues across the way. I appreciate having had the opportunity to contribute to this debate.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, there seems to be some confusion with respect to what the Bill before us is all about.

An Hon. Member: You are confused.

Mr. Hopkins: I would like to set Hon. Members straight. Bill C-79 is an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, as my hon. friend from Ottawa-Vanier pointed out to the previous speaker.

The previous speaker said that he had a well prepared speech. I would hate to hear one that is not prepared.

I would like to straighten out another matter as well. The Hon. Member for Lévis (Mr. Fontaine) also spoke in this debate. He said: "We Conservatives are talking about $470 million while the Opposition is talking about a $1 billion bail-out." I think it behooves the Conservative Government at least to have its members read a Bill before they get up in the House to speak about it. Clause 16 of the Government's Bill reads as follows:

> There is hereby appropriated, for the purposes of this Act eight hundred and seventy-five million dollars to be paid out of the Consolidated Revenue Fund from time to time as required.

Yet, the Hon. Member stands up and says: "We Conservatives are talking about $470 million." How phoney can one get?

I would like to put another fact on the record. No list of depositors has been granted to the Members of this House before the Bill came before it for discussion. Indeed, no list was granted before the time allocation motion was moved.

We have no information with respect to the Northland Bank. I would remind all Hon. Members of the House that we as Members of Parliament sit here because we must be accountable to the taxpayers of the country. We do not sit in the House to vote blindly for something which is not explained in principle nor, indeed, spelled out as being a Bill with respect to uninsured depositors in these banks.

I would also remind the Government that it was a Bill of the Liberal Government presented approximately five years ago which raised the limit on insured loans in the banks of Canada from $20,000 to $60,000. This Government now comes in and, holus-bolus, takes in everyone. All of us must be accountable to the taxpayers of this country and I hope that Hon. Members of this Government are prepared to go out into their own constituencies and explain to the senior citizens and those families with children why their tax deductibility was taken away from them. I hope those Hon. Members can explain why they are bailing out the rich and the wealthy.

● (1300)

Where is that great theory of Tory individual enterprise? We heard all of those speeches in the previous Parliament about investment and about the need to give people the chance to invest and take their risks.

Mr. Gauthier: Open Government.

Mr. Hopkins: Open Government. There is no risk here whatsoever. The Government's buddies get into trouble, and what does it do? It bails them out using the tax dollars taken out of the pockets of the little people. We are in the midst of debating one of the most difficult issues to hit the banking system in Canadian history, probably since the time of the railway scandal back in the 1870s.

The Government has tried to cut the senior citizens back in the name of economy, and it is going to be reminded of that day in and day out. The Government lifted $170 million out of one of the best high-tech industries we have in Canada, namely, Atomic Energy of Canada Limited. For what? Where is the money, Mr. Speaker? Is that $170 million now being used to bail out the friends of the Tory Party of Canada?

I was quite interested during this debate to listen to Hon. Members of the Conservative Party talk about the terrible Opposition which is trying to drag out this debate and that they had to bring in closure. I remember, as I am sure other Hon. Members do, that in previous years when previous Governments would bring in limitation on debate, there would be the biggest screaming on earth from the Opposition. Is it not strange how the Tory philosophy changes now that those Hon. Members sit on the Government side of the House? It now becomes very worth while to bring in closure on debate. I remember sitting in one of those fine seats on the government side a few years ago when we, as a Government, brought in limitation on debate. The Opposition at that time stood up and sang "O Canada". They were not in very good voice but they sang it. I suppose they think that if we were really a responsible Opposition, we would stand up and sing "O Canada" hoping that we can save Canada from this Tory Government.

Mr. Lewis: Spare us.

Mr. Hopkins: Hon. Members on the Government side are trying their best to drive home the fact that this is a western

Canadian issue. This is a Canadian issue which affects every Canadian from coast to coast. When the Government tries to regionalize issues such as this, what it is trying to do is to balkanize Canada.

Mr. Gauthier: That's right.

Mr. Hopkins: That is what it is trying to do with this financial situation today. We heard all kinds of promises, Mr. Speaker, in the last election campaign. We were told about the wonderful things this Government was going to do. Now the Government says it cannot do these things because there is no money. Yet we have enough money to bail out a bank at the rate of $1 billion. There is nothing to it, Mr. Speaker, even though some of the Government's own Members do not even know the amount of money which is involved in this Bill. The Conservative Government is trying to blame the Liberals for the regulatory system which is in place in Canada today. If the regulatory system is so bad in the banking industry in Canada, why then did the Minister of State for Finance (Mrs. McDougall), the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) tell people to invest their money in the Canadian Commercial Bank because it was one of the greatest things since sliced bread? What it is doing here today in this Bill—

The Acting Speaker (Mr. Charest): Order.

Mr. Hopkins: —is not only bailing out its rich friends but it is bailing out the Minister of Finance—

The Acting Speaker (Mr. Charest): Order.

Mr. Hopkins: —the Minister of State for Finance and the Prime Minister.

The Acting Speaker (Mr. Charest): Order.

Mr. Gauthier: Good speech.

The Acting Speaker (Mr. Charest): I am happy to know that from the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

It being 1.05 o'clock p.m., the two hours provided for the consideration of the motion now before the House, under the provisions of Standing Order 84, have expired. Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea?

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

During the ringing of the bells:

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order in connection with the vote. This vote is being taken after the House accepted the request of the Government for extended hours. I question whether the bells, under the circumstances, should ring for only 15 minutes rather than, in accordance with, the usual practice, ring until both the Government and Opposition Whips are ready to come in.

I say this because we are not dealing with a situation within the fixed time provided for by the rules. We are under extended hours and, therefore, I submit to you, Sir, that the bells should not cease ringing automatically 15 minutes after the call of the vote.

Mr. Hnatyshyn: Mr. Speaker, I appreciate very much receiving some forwarning from the Opposition House Leader of his intention to raise this question. If I can refer you to Standing Order 9.(4), Mr. Speaker, with respect to extending hours, this motion is intended to extend:

—a sitting through a lunch or dinner hour or beyond the ordinary hour of daily adjournment for the purpose of considering a specified item of business or a stage or stages thereof—

We are not entering into a new stage or into a new consideration of the debate by any means but we are simply continuing on with respect to the debate which is presently before the House. It does not introduce any new dimension with respect to the debate; it is only to conclude the debate. Therefore, it is my submission to you, Sir, that the provision with respect to the limited bell of 15 minutes does apply in this instance and it would apply in the course of the debate under normal circumstances, a new element not having been introduced into this matter.

Mr. Deans: Mr. Speaker, my point of order is related but somewhat different. I do not understand how we can be debating a point of order while the bells are ringing. It is quite clear that all business in the House ceases when the bells start to ring.

Mr. Fulton: Then you had better sit down.

Mr. Deans: As my colleague says, I should not even be standing. But while I am on my feet, let me make one point. I believe that the extension of the hours takes us beyond the normal hour, that the rule for the debate of two hours is that normally it was considered to be a debate during the ordinary sitting hours of the House. Therefore, the length of the bell is at the discretion of the party Whips rather than a 15 minute

bell as set out in the Standing Orders under normal circumstances.

[*Translation*]

Mr. Gauthier: Mr. Speaker, on the same point of order, I would like to point out to the Chair that the amount of time taken for this debate should not in any way affect your decision with respect to the fifteen-minute rule.

● (1310)

[*English*]

The Acting Speaker (Mr. Charest): Section 84 of the Standing Orders seems to clearly indicate that the bell rings for a period of 15 minutes, and although I can understand the point made by the Hon. Member for Windsor West (Mr. Gray), it may be a question he would like to bring up with the Chairman of the Standing Committee on Procedures and Organization.

The House divided on the motion (Mr. Hnatyshyn), which was agreed to on the following division:

(Division No. 118)

YEAS

Members

Beatty
Belsher
Bernier
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Brisco
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clark (Brandon-Souris)
Collins
Cook
Cooper
Corbett
Cossitt
Côté (Langelier)
Crosby (Halifax West)
Crouse
Darling
Della Noce
Desrosiers
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gormley
Gravel
Greenaway
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Howie
Hudon
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Jourdenais
Kelleher
Kindy
King
Ladouceur
Landry
Lanthier
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacKay
Malone
Mantha
Mazankowski
McCain
McDougall (St. Paul's)
McInnes
McKenzie
Merrithew
Minaker
Nicholson (Niagara Falls)
Nielsen
Oostrom
Pietz
Porter
Price
Ravis
Redway
Reid
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Sparrow
Stewart
Suluk
Tardif (Charlesbourg)
Taylor
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Wenman
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—116.

NAYS

Members

Angus
Baker
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Chrétien
Deans
de Corneille
Finestone
Foster
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Hopkins
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
Malépart
Marchi
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Rodriguez
Turner (Vancouver Quadra)
Young—37.

Mr. Speaker: I declare the motion carried.

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

At 1.33 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

EDUCATION

FUNDING OF UNIVERSITY RESEARCH

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, the universities of the country are absolutely vital to Canada's social, cultural, and economic development. The development of an educated citizenry, the provision of highly qualified manpower and the advancement and application of knowledge through research and development activities, are but some of the crucial services which the universities provide to Canada and to Canadians. Yet the Prime Minister (Mr. Mulroney) and his Ministers seem to be doing almost everything in their power to destabilize the university system.

The "Nielsen task force" is conducting a secret inquiry that may be used to condone future cut-backs in federal support for post-secondary education. The federal granting councils have not been given the funds which are essential to the maintenance of the research infrastructure in the universities. The Minister of Finance (Mr. Wilson) wants to cut transfers to the provinces. When, by how much, and from which program, he won't say. Yet this is the Government which supposedly ushered in the era of openness and co-operation with the provinces.

It is time for the federal Government to come clean with the universities. The future of our nation depends on it.

CHARITABLE ORGANIZATIONS

DEPENDENCY OF POOR PEOPLE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, most Canadians have come to believe that because of the improvement and extension of our social welfare programs, Canadians in need, those who are hungry or do not have clothing, have their needs met by one of the federal, provincial or municipal programs. Unfortunately, that has not happened in recent years. An increasing number of people are finding that to obtain food and clothing, they now have to depend upon charitable organizations.

Recently the Anglican Church issued a report showing that 200,000 people in Vancouver depend upon charitable food banks. A recent report on the National News on CBC reported a similar situation for farm families in Saskatchewan.

I call upon the Minister of National Health and Welfare (Mr. Epp) to meet with his provincial colleagues to establish a task force to see what is the situation, how many people are in need, and how many people are not having their basic necessities met through Government programs, and to plan to meet those needs through Government support rather than through charitable sources.

* * *

[*Translation*]

TOURISM

IMPORTANCE TO THE ECONOMY

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, there is a sector in Canada which deserves our particular attention because of its economic impact and the jobs it generates.

This particular sector injects nearly $20 billion in our economy, it employs over 600,000 people and it covers 60,000 businesses located across Canada.

Mr. Speaker, I am referring to our tourist industry, a sector which should be given the status it deserves, in addition to our recognition of its dynamic role in our economy.

Last week, I had the pleasure of attending the National Conference on Tourism Tomorrow, with more than 300 participants from the tourist industry, including the private sector and the various levels of government. The conference reflected this Government's commitment to co-operation, consultation, research and consensus, and more specifically, its commitment to preparing consistent policies for the development of this industry. Once again, the conference came across as tangible proof of our Government's will to demonstrate to all Canadians the importance of sensible participation in developing reality-oriented policies.

S.O. 22

[*English*]

CO-OPERATIVES

FIRST MEETING OF FEDERAL AND PROVINCIAL MINISTERS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, this is National Co-op Week in Canada. It is a significant week for Canadians when one considers that 43 per cent of all Canadians over 18 years of age belong to at least one co-op. In my home Province of Saskatchewan, 78 per cent of the adult population belongs to at least one co-op. Therefore it is appropriate that the highlight of National Co-op Week, an historic, first-ever meeting of federal and provincial Ministers responsible for co-operatives will take place tomorrow in Regina.

Co-ops are a mainstay of Canada's economy and society. In effect they form a third sector of the economy. There are financial, agricultural, housing, consumer, retail, energy, artistic, and manufacturing co-ops, to name just a few. Co-operatives are active in local, domestic, and international markets. Co-operative management education is a new and rapidly expanding field in many universities across Canada, including the University of Saskatchewan in my own riding of Saskatoon East.

My hon. colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), who is also responsible for Canadian co-operatives, has developed an excellent rapport with co-ops from coast to coast. They know that our Government recognizes, appreciates, and wholeheartedly supports the essential jobs and services which co-ops contribute to our economy. I wish my hon. colleague every success in the meeting with his provincial counterparts.

* * *

PETRO-CANADA

OPPOSITION TO ACQUISITION OF GULF

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the dishes are flying in the Tory kitchen, and Canadians are justifiably upset with the Government.

I should like to read a letter which I just received from a person living in Calgary who, by mistake, thought that I was a Tory Member of Parliament. Heaven forbid that that would ever happen. It reads:

> I am returning my sustaining membership card in the PC Party, suitably mutilated in the form of a double cross to protest the hypocritical action recently taken by the Government to further expand commercial activities by approving Petro Can's purchase of Gulf's marketing department.
>
> Despite trying to mask your actions in a cloak of Canadianism, the issue is simple. The Government or its Crown corporations has no more business selling gasoline than it does selling groceries—
>
> You have broken faith with those who voted for and supported the PCs as a party of free enterprise. The question now is: Are you honest enough to admit making a mistake, and are you courageous enough to reverse the action?—

S.O. 22

Have you any political principle besides getting elected and holding power?—
Sincerely,

C.R. Guest.

* * *

SPORTS

"THE BLUE JAYS HAVE STRUCK OUT!"

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, I read the following with my deepest apology to Ernest Lawrence Thayer, wherever he may be:

It looked extremely rocky for the Blue Jay nine that day;
The score stood three to three with one game left to play.
So, when Barfield died at second, and Johnston did the same,
A pallor wreathed the features of the patrons of the game.

A straggling few got up to go, leaving there the rest,
With that hope which springs eternal within the human breast.
For they thought: "If only the Blue Jays could get a whack at that",
They'd put even money now, with the Blue Jays at the bat.

Then from the gladdened multitude went up a joyous yell—
It rumbled in the mountaintops, it rattled in the dell;
It struck upon the hillside and rebounded on the flat;
The Blue Jays, the mighty Blue Jays, were advancing to the bat.

But they left their men on second; and also first and third;
Bobby stood a-watching, to see what had occurred,
And there they stayed for time and time again;
Bobby's face grew stern and cold; his muscles began to strain.

Oh somewhere in this favoured land the sun is shining bright;
The band is playing somewhere, and somewhere hearts are light;
And somewhere men are laughing, and somewhere children shout,
But there is no joy in Hog Town: The Blue Jays have struck out.

* * *

[*Translation*]

THE ECONOMY

VITALITY OF ECONOMY IN RIDING OF ARGENTEUIL-PAPINEAU

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, our friends opposite must have been very disappointed upon reading in the papers this morning that our Government has maintained its popularity ratings and still has the confidence of the majority of Canadians.

Some Hon. Members: Hear, hear!

Mrs. Bourgault: This kind of success is not achieved by scandal-mongering or verbal fireworks. It is based on the facts of our Canadian economy today, and that is what the people wanted on September 4, 1984.

Mr. Speaker, in Argenteuil-Papineau, in my riding, three new industries will be opening very shortly, creating over 160 permanent jobs. Boverre and Faro Dentaire, of Italian origin, will create 58 and 54 permanent jobs, respectively, and invest over $17 million. Nora, a mineral water bottling plant, will create 48 permanent jobs with $8 million invested.

Mr. Speaker, these are only a few examples of the economic vitality of my riding, and I am sure that the new employment programs introduced by our Government will help give hundreds of Canadian unemployed workers, especially youth and women, an opportunity to acquire experience and find permanent and satifsying employment.

Mr. Speaker, the people judge a Government by its acts and intentions, not by the partisan critique exercised by my friends opposite.

* * *

● (1410)

[*English*]

MEMBERS OF PARLIAMENT

TRIP BY LIBERAL MEMBERS TO TAIWAN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, Conservative Party MPs have a long tradition of accepting freebee trips to countries such as South Korea, South Africa, and Taiwan. But what about the Liberals? On Tuesday—

Ms. Copps: What about Soviet Union? What about Ed Broadbent's visit to the Soviet Union? What about Ed?

Mr. Rodriguez: On Tuesday night, two Liberal MPs, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) and the Hon. Member for Richmond-Wolfe (Mr. Tardif), returned from their own all-expenses-paid junket to Taiwan. Mr. Speaker, while it may not have cost those two MPs a cent to spend ten days in Taiwan, there is indeed a price to pay. In the last two years Canadian wheat sales to the China that Canada recognizes were valued at $1.3 billion. Was it worth risking the future of Canadian wheat exports to China for ten days in Taiwan?

What kind of signal is the Liberal Party sending to the Government of China when it authorizes its MPs to accept freebee low-road-to-Formosa junkets?

Is the Liberal Party prepared to endorse the view of the Hon. Member for Glengarry-Prescott-Russell that the Taiwanese Government, a Government which does not allow opposition Parties to campaign in elections, is, and I quote, "a very good, very progressive, very open government"?

And finally, Mr. Speaker, what about the textile workers who live in the riding of the Liberal MP for Richmond-Wolfe? What price will they pay when their own MP would rather accept an all-expenses-paid trip to Taiwan than to stand up and defend Canadian jobs against sweatshop textile imports from countries like Taiwan?

Mr. Speaker, the Rat Pack is not dead; it is on sabbatical in Taiwan.

Some Hon. Members: Hear, hear!

[*Translation*]

FINANCE

RHOSP—QUEBEC DECISION—GOVERNMENT POSITION

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, last May 23 the Minister of Finance (Mr. Wilson) announced that contributions to a registered home ownership savings plan (RHOSP) would no longer qualify for preferential tax treatment. Contributors were thus able to withdraw their accumulated funds and spend them as they saw fit without any tax liability.

Over $2 billion could and still can be freed for injection into new activities likely to create jobs and stimulate home construction and consumption.

Unfortunately, Mr. Speaker, the Government of Quebec has yet to make its regulations consistent with those of the federal Government, as the other provinces did. It goes without saying that the Quebec decision prevents people from spending funds accumulated under the plan, creates a prejudice, and deprives Quebecers of a potential $300 million purchasing power, whereas the rest of the country stands to benefit from the injection of available funds into the economy.

Mr. Speaker, I urge the Minister of Finance to review the matter and put pressure to bear on his provincial colleague, or to take steps to enable the residents of Quebec, and particularly those of the riding of Lotbinière, to take full advantage of the initiative of our Government.

* * *

EMPLOYMENT

GOVERNMENT'S INDECISION—CONSEQUENCES FOR MONTREAL EAST

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is saddening to see some Conservative Members gloat over their popularity while 5,000 Montreal East workers are on the verge of losing their jobs because of the indecision of the Mulroney Government.

Mr. Speaker, it is saddening to note that their first decision—they were concerned over the image of the Prime Minister (Mr. Mulroney) whose priority was to save face—was to waste $56 million of the taxpayers' money to change the colour of our military uniforms.

Mr. Speaker, I plead with all Members to put pressure on the Conservative Government and find solutions to avoid the Canadian Vickers shutdown. The solution is quite simple: let the Prime Minister assume his responsibilities, grab the phone and tell the president of the company to stick to the provisions of the previous contract.

With respect to the Gulf refinery, Mr. Speaker, again the issue is quite simple: the Prime Minister ought to ask the Minister of Finance (Mr. Wilson) to give any prospective buyer of the Montreal East Gulf refinery the full benefit of the kind of credit the Reichman brothers had when they bought the whole Gulf refinery complex.

Mr. Speaker, in the case of Bombardier, Laforge and other Montreal East industries, again the Prime Minister need only ask his VIA Rail and CN pal to award contracts for 25 to 40 locomotives to be manufactured in Montreal East, and this way we—

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

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

GULF TAKEOVER TAX RULING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister.

For a number of weeks my colleague, the Hon. Member for Saint-Henri-Westmount, and I have been trying to get to the root of the $1 billion tax largesse to participants in the Gulf Canada deal.

This morning in an interview published in *The Globe and Mail*, the former Deputy Minister of Finance, Marshall Cohen, had the following to say about that deal:

> A couple of times it came up in . . . Priorities and Planning—

And as you know, Mr. Speaker, the Prime Minister presides over that committee.

However, at his press conference last Friday the Prime Minister of Canada said about this $1 billion tax ruling, and I quote his words:

> I can only assume, because there was no involvement by me or anyone else nor would there be in a revenue ruling, that the officers of the Department of Revenue passed judgment—

My question for the Deputy Prime Minister is: Did the Prime Minister and the senior Ministers of the Government who participate in the Priorities and Planning Committee discuss and review the whole Gulf Canada deal, including the tax ruling that now appears to be a part of that deal? And what was the Prime Minister referring to last Friday when he said that neither he nor any of his senior Ministers knew anything about the deal; that it was only the Minister of National Revenue?

Could the Deputy Prime Minister try to reconcile those two statements?

An Hon. Member: They are irreconcilable.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is the responsibility of the Right Hon. Leader of the Opposition to reconcile the preamble to his question and the question itself.

As a former Cabinet Minister he knows that there is a process under law whereby these tax rulings are made; that they are made by the Department of National Revenue. Certainly, if he wishes to direct questions to the Minister of National Revenue, I am sure that that Minister can explain the process to him—a process which I am sure he understands—in more detail. But he knows, or should know, that there is no consideration or review of those tax rulings in any Cabinet process.

Mr. Turner (Vancouver Quadra): The Deputy Prime Minister is telling me that this matter was not discussed in the Priorities and Planning Committee. Yet the former Deputy Minister of Finance has said it was and that he left the room so as not to participate in the discussion.

STATEMENT ATTRIBUTED TO FORMER DEPUTY MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Let me direct a question to the Minister of Finance. The Prime Minister also made it clear in his press conference last Friday that neither he or any senior Minister—presumably the Minister of Finance—knew anything about that $1 billion tax ruling.

Mr. Cohen is quoted in *The Globe and Mail* this morning as saying that the Minister of Finance relieved him of that specific situation because of a potential conflict of interest and that the Minister of Finance dealt with it, to use Mr. Cohen's words, on a "hands-on, day in day out" basis.

My question for the Minister of Finance is: Didn't he deal with that particular tax ruling? Didn't he instruct the Minister of National Revenue, after a Priorities and Planning Committee decision, that that was part of the Gulf assets purchase?

An Hon. Member: Come on!

Mr. Turner (Vancouver Quadra): What is the real story here? Don't be funny about this, because I can tell you that this is a very serious matter.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would ask the Right Hon. Leader of the Opposition to read the article very carefully. Mr. Cohen was talking about the Gulf-O&Y deal. The matter of the acquisition of Gulf Canada by O&Y was discussed, and was discussed at some length because of the importance of that deal.

REQUEST FOR COMMITTEE REVIEW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we have been stonewalled by the Prime Minister and the Minister of Finance for weeks. I am going to put a question, within the rules, to the Chairman of the Finance Committee, the Hon. Member for Mississauga South.

I want to ask the Chairman of the Finance Committee whether he would agree to convene that committee for the purpose of reviewing this whole matter of the Gulf Canada acquisition by O&Y and call before that committee all the participants in the deal. Those participants can then produce their own tax rulings. It would not go against the Income Tax Act. They could produce their respective rulings. The committee could then call before it the Minister of Finance, the Minister of National Revenue, the Minister of Energy, Mines and Resources, and the Prime Minister.

Would he do that?

Some Hon. Members: Hear, hear!

An Hon. Member: And don't look to Mike for the answer.

Mr. Speaker: I have a little difficulty with the question. The Right Hon. Leader of the Opposition knows that questions to committee chairmen are supposed to be about matters before the committee.

An Hon. Member: Oh, come on!

Mr. Speaker: Questions are supposed to be about matters that are before the committee. That is the limit.

I suggest, in the circumstances, that the Right Hon. Leader of the Opposition may wish to rephrase his question.

Mr. Turner (Vancouver Quadra): I have made my point to the chairman of that committee. He knows what he can do.

• (1420)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Right Hon. Member will know that the matter has been answered more than adequately by the Minister of Finance and the Deputy Prime Minister.

We in this Government have gone overboard to make sure that parliamentarians have a full opportunity to debate important and real issues, not the phony issues the Leader of the Opposition is raising with respect to this deal.

ROLE OF ASSISTANT DEPUTY MINISTER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in light of Mr. Cohen's revelations, I did not think that the Minister of Finance would stonewall us. In response to what the Minister just said, Mr. Cohen has said that the Minister was advised that the Gulf takeover was handled by the Minister of Finance and David Weyman, the Assistant Deputy Minister responsible for tax policy. Is the Minister telling us that the Assistant Deputy Minister responsible for tax policy was not concerned with a tax ruling made by the Government of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if there was any tax ruling, that tax ruling was handled by the

Department of National Revenue, the Department which has responsibility for this matter under the law. The Hon. Member knows the nature of that law because he himself is a tax lawyer.

[*Translation*]

Mr. Johnston: That is irrelevant to the question, Mr. Speaker.

SALE OF GULF—ROLE PLAYED BY CABINET PRIORITIES COMMITTEE

Hon. Donald J. Johnston (Saint-Henri-Westmount): I would like to continue with a very simple question. Did the Priorities and Planning Committee consider the tax ruling given in the Gulf transaction? Yes or no?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Some Hon. Members: Stonewall!

Mr. Foster: Check with the PMO.

Ms. Copps: Check with Barbara.

Mr. Nielsen: Essentially that is the same question that was put by the Right Hon. Leader of the Opposition. The hon. gentleman asked if the tax ruling was considered in P and P and I have answered that question.

Ms. Copps: What's the answer?

Mr. Nielsen: The Hon. Member, as a former Cabinet Minister, should know that questions of that nature are subject to a process under law which is administered—

Mr. Gauthier: Cover up.

Mr. Nielsen: —by the Department of National Revenue. Perhaps it would be a bit more fruitful if Hon. Members would direct questions regarding that process, if they are in doubt about it, to the Minister of National Revenue.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ROLE OF PROVINCES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister for International Trade who is telling the provinces that they will have to surrender some of their power to free trade negotiators. Does the Minister not understand that there is a federal system of Government in this country? Will he commit the Government to respect fully the rights of the provinces as these negotiations go forward?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to advise the House and the Hon. Member that the Minister is well aware of the rights of the provinces and their exclusive jurisdiction in certain areas. If the provinces wish it, and only with their consent, would the chief negotiator act on their behalf. There has never been nor will there ever be any suggestion of coercion on the part of this Government with respect to those rights which lie exclusively with the provinces.

AGRICULTURAL SUPPORT PROGRAMS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in fact the Minister seems to be pushing the provinces rather than persuading them. Will the Minister agree that no provincial agricultural loans and price-support programs, to use those as an example, will be given up in negotiations without the provinces being able to veto any such concession on the part of the federal negotiators?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, it is very difficult at this time to defend a position or a negotiating stance when we have not as yet even commenced negotiations. In any event, even if it is the exclusive jurisdiction of the federal Government, the provinces will be fully involved and fully consulted before any decision whatsoever will be made.

REQUEST FOR PROVINCIAL VETO

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the Minister is avoiding the question as he avoided it last week at the provincial Trade Ministers' Conference. I put the question to him again. Last week the provincial Ministers told the Minister that they did not want the agricultural sector to be included in the bargaining. Will the Minister give a clear and precise commitment that there will be no concessions given by the federal Government without the provinces having the right to veto those concessions where they affect provincial rights and responsibilities?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, let me make it quite clear that in those areas of exclusive provincial jurisdiction, obviously the provinces have, in effect, a right of veto. In those areas where the federal Government has exclusive jurisdiction, before taking any position or negotiating anything with the United States, the provinces will be fully consulted and heard.

[*Translation*]

EMPLOYMENT

VULNERABILITY OF MONTREAL REGION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

For some time now, we have been trying to make the Minister aware of the fact that Montreal's industrial base is being eroded beyond the point of no return. The Minister has been saying that 51,000 jobs were created in Montreal during the past year. Today, however, we are informed by Statistics Canada that it was only 39,000 jobs, Mr. Speaker, and that the number of unemployed has increased by more than 1,000.

I therefore want to ask the Minister to do the honourable thing and, first of all, correct her statement on the number of jobs created in Montreal, and above all, to explain how she intends to prevent the impending disaster, in other words, the 5,000 jobs that will be lost very shortly unless the Government overcomes its inertia and does something about it.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in September 1982, the unemployment rate in Montreal was over 13 per cent. Today, it has dropped to 11 per cent. There has, therefore, been a drop in the unemployment rate.

Mr. Speaker, I would ask the Hon. Member whether he was asking questions in the House in 1982, when the unemployment rate was so high. The answer is no. He remained silent.

Mr. Speaker, we will be investing $200 million this year in Montreal, to create jobs for the men and women of that city.

SITUATION IN MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister can twist and turn the statistics any way she likes. She can ignore the fact that the jobs that were created are part-time jobs. However, there is one question she has been constantly evading and that is, whether she could inform the House what her specific plan is to prevent the impending disaster in Montreal. Two hundred thousand dollars is not enough to save 5,000 jobs that will be lost unless the Government wakes up and does something about it.

Hon. Flora MacDonald (Minister of Employment and Immigration): Excuse me, Mr. Speaker. It is not $200,000 but $200 million.

Mr. Speaker, between 1980 and 1984, more than 225 companies closed their doors in Canada, and 50,000 Canadians lost their jobs during that period. This was a tragedy.

• (1430)

[*English*]

It is for that reason that we have changed the *ad hoc* measures which the former Government took. When it saw 225 companies closing their doors what did it do? Nothing. We have changed in order to prepare long-term—

Mr. Speaker: The Minister may want to complete this under Statements by Ministers.

* * *

ST. LAWRENCE SEAWAY

WELLAND CANAL LOCK BLOCKAGE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is for the Minister of Transport. It concerns the Seaway blockage. Given that the reputation of Canada as a shipper which can be counted upon for the supply of a number of bulk commodities in the world market is precarious, to say the least, and given the second major mishap in less than 13 months—so serious in fact that some American authorities are calling for a takeover of the operation of the Seaway—will the Minister advise the House what action his Government is prepared to take to prevent future mishaps which can bring the Seaway to its knees?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member is aware that the St. Lawrence Seaway Authority is acting with all due dispatch to get the Seaway operational again. A contract has been awarded to Canron for the stabilizing of the wall. Another contract has been awarded to Pitts Engineering Construction. A contract has been awarded to Acres International Limited, a firm of consulting engineers in Niagara Falls to determine the cause of the blow-out.

I think it is rather interesting to note that both the Shipping Federation of Canada and the Dominion Marine Association, which are major users of the Seaway, said that they were satisfied that neither the accident last year nor this year could have been prevented.

FUTURE VIABILITY

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my supplementary question is basically the same question. What exactly is the Government prepared to do on the rest of the Seaway to ensure that in future years it remains viable and that there will not be accidents due to the deterioration of the walls or the locks?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first, we are not sure at this point in time whether the walls are in a deteriorated condition. This was a blow-out. I think the Hon. Member would expect me to ascertain the facts, which is precisely why we have appointed a consulting

engineer to determine the specific cause of the accident. We will take action thereafter.

* * *

[*Translation*]

TEXTILE INDUSTRY

GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, I direct my question to the Minister for International Trade.

Last November 29 the Government told the House it would announce its textile policy in the coming months. On May 1, 1985 Government spokesmen again told us about a major plan to restructure the textile industry. Eleven months later, no plan has yet been announced, hundreds of jobs are being lost, and what I want to know from the Minister is this: Is the Government waiting for the textile industry to disappear before announcing its plan?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to reassure the hon. gentleman that this Government has every intention of doing everything it can for the textile industry so that it will be able to survive. I can tell the Hon. Member that a group of Ministers are presently working on this program. We hope to be able to discuss the matter in the next short while in Cabinet and announce a textile policy which will be of benefit not only to the industry but to all of Canada.

[*Translation*]

INQUIRY WHETHER MINISTER INTENDS TO STOP GRANT TO TEXTILE PLANTS

Hon. Jean Lapierre (Shefford): In the meantime, Mr. Speaker, plants are closing down and 755 textile workers will apply for unemployment insurance in the next two months.

Here is what I want to know from the Minister: Does he intend to stop the $6 million grant to Dominion Textile to upgrade two plants scheduled to close down in June? Will he spend taxpayers' money on plants which will no longer be in operation in a few months?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I will have to take that particular question under advisement. I am not familiar with the payment to Dominion Textile. That is a matter under the purview of the Minister of Regional Industrial Expansion. I will have the matter brought to his attention and we will see that a reply is made.

Oral Questions

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

MINISTER'S ANNOUNCEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Finance. Last month in Halifax he announced to a closed meeting his decision to reduce the amount which the provinces would receive under present legislation with regard to transfer payments. The Minister knows that that is money used for medicare, post-secondary education and other provincial programs. Will the Minister confirm to Canadians that that indeed was his announcement?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know from where the Hon. Member would have obtained that information. However, what I would say to him is that there were no specific amounts mentioned. In the Budget speech of last May I mentioned that the growth rate would be reduced so that there could be savings of $2 billion from what would have been the case had the previous growth rate continued. The amounts which will be paid to the provinces will bear the same percentage of program spending in 1990-91 as they bear in the current fiscal year. Thus, the provincial share of federal government spending will remain the same.

IMPACT ON PROVINCES

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is for the same Minister. He has not answered my question.

There was no indication in the Budget that there would be a cut next year with respect to the transfer payments. Will he admit that that indeed is the case? Will he finally give the public the amounts which are involved? It is a serious matter. Why not come clean?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I indicated in the announcement I made with respect to the $2 billion saving that it would start in the next fiscal year.

Mr. Murphy: That is not in your Budget. Your Budget has nothing.

Mr. Wilson (Etobicoke Centre): Will the Hon. Member let me answer his question? He says it is an important one. I would like him to listen to the answer.

The savings will commence next year. However, there was no discussion at the meeting in Halifax with respect to the amounts which will be saved. Another meeting will be held within the next few weeks. At that time I would expect to have some agreement with the provinces in regard to what the amount will be.

Oral Questions

CANADA POST CORPORATION

HOME DELIVERY GUIDELINES

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and Canada Post. My question pertains to the subject of home delivery. Many people who live in newly constructed homes have found to their dismay that they do not qualify for home delivery under the new guidelines set down by Canada Post. Is the Minister willing to reconsider the position of the Post Office in this regard?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I understand the Hon. Member's concern. I would like to tell him that last June Canada Post announced its intention to expand its services to the Canadian people. As the Hon. Member knows, the Marchment Commission is examining the benefit of expanding this type of service. As soon as we have its recommendations, which should be sometime in November, we will deal with them.

* * *

[*Translation*]

FEDERAL-PROVINCIAL AFFAIRS

POSSIBILITY OF AGREEMENT WITH QUEBEC ON TRANSFER OF JURISDICTION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Deputy Prime Minister.

Could the Deputy Prime Minister tell this House whether the Prime Minister (Mr. Mulroney) asked the Premier of Quebec, Mr. Johnson, when he met him last week, to transfer the jurisdiction over certain economic areas to the Federal Government, in order to be able to reach an agreement with the Government of the United States?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, Mr. Speaker.

[*Translation*]

SUMMONING OF CONSTITUTIONAL ASSEMBLY—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, could the Deputy Prime Minister assure this House that such a request will not be made to the Provinces before a constitutional assembly is called, in order for the provincial powers to be transferred to the Canadian Government in a legal way?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can give no such assurance to the hon. gentleman.

Mr. Gauthier: You should.

Mr. Nielsen: The Whip of the Official Opposition says I should. Of course I should not. In view of the absence of any urgency the question would be more appropriately put when the Prime Minister is back in the House.

Mr. Gauthier: The official zipper!

* * *

PETRO-CANADA

ISSUANCE OF AUDITING CONTRACT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance in the absence of the Prime Minister. It concerns the fact that Petro-Canada is switching its auditing account to a large American-based accounting firm. This is an account reportedly worth up to approximately $2 million annually. In the interests of keeping jobs in Canada will the Minister assure the House that all major accounting firms in Canada were first approached by Petro-Canada? Can he tell the House why the decision was made to give this rather lucrative contract to an American-based firm?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am at a bit of a loss as to why the question was put to me. However, I will bring it to the attention of the Minister of Energy, Mines and Resources and she will get back to the Hon. Member.

● (1440)

Mr. Nystrom: Mr. Speaker, the Minister is, obviously, the Minister of Finance, and these things go through an NOC.

ELECTION CONTRIBUTION INQUIRY

Mr. Lorne Nystrom (Yorkton-Melville): My supplementary question is directed to the same Minister. Can the Minister confirm that the real reason the Arthur Anderson Company received this contract is that it reportedly contributed over $100,000 to the Conservative election campaign last year? Is that the real reason this contract did not go to some major Canadian-based accounting firm?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is grovelling in the gutter.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): There is no basis upon which he should make that allegation. However, as I said in my previous response, I will bring the substance of the Hon. Member's question to the attention of the Minister of Energy, Mines and Resources and she will get back to him.

SCIENCE AND TECHNOLOGY

ISSUANCE OF CONTRACT TO RICHMOND INDIVIDUAL

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Science and Technology. *The Bulletin of Business Opportunities* of September 12 revealed that the Department of Science and Technology entered into a contract with a certain J. P. White of Richmond in the amount of $176,500. The contract has since been cancelled and the individual has been hired by the Minister on his exempt staff. Would the Minister tell the House if public tenders were called when the contract was originally awarded? And why was the contract subsequently cancelled?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I believe the ultimate question would be more appropriately placed with the Minister who is responsible for contracting, that is, the Minister of Supply and Services. However, it is my understanding that the contract was entered into by the Deputy in my Ministry. It has now been terminated and, as the Hon. Member correctly states, Mr. White has been employed on my personal staff.

Mr. Berger: Mr. Speaker, what we obviously have is a case of political patronage.

Mr. Hnatyshyn: Question.

Mr. Berger: And the Minister backtracked when he feared the consequences.

Mr. Crosbie: Question.

Mr. Berger: The Government always seems able to justify spending more money—

Some Hon. Members: Order.

Mr. Berger: —on public relations.

FUNDING OF SCIENCE COUNCIL OF CANADA

Mr. David Berger (Laurier): My supplementary question is directed to the same Minister. Rather than spend this money on public relations, will he agree to give the exact amount of $176,500 to the Science Council of Canada so that it can, among other things, rehire two librarians whom it had to lay off when the Minister cut its budget in half?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I would like to tell the Hon. Member that the Science Council of Canada is doing some outstanding work for this Government—

Mr. Gauthier: We know that.

Mr. Orlikow: No thanks to you.

Mr. Siddon: —in response to specific questions which have been addressed to it in recent months, and in fact no such amount of money is to be expended in any event. So the Hon. Member obviously does not have a legitimate grievance.

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DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

REDUCTION IN STAFFING

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Is the Minister aware of a departmental memo in her Department which indicates that 325 person years are to be cut from the staff of Canada Employment and Immigration across Canada? And can she explain how the pledge of the Minister of Finance of minimum disruption to the public will be achieved when there are 325 fewer CEIC employees to provide service to unemployed Canadians?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the service to unemployed Canadians by the staff of CEIC continues to be at the very high level. I can assure the Hon. Member that that will continue to be so. Any reduction in the staff will largely be taken care of through attrition and through recycling within the Department, and I can assure the Hon. Member that he and those persons employed in the Department do not have a great deal of cause for concern.

PROVISION OF SERVICES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister not aware that for the last several years Hon. Members of this Party have had complaints from CEIC employees about the pressure put upon them, and complaints from the unemployed about receiving service from Canada Employment Centres? How can the necessary improvements in those centres be achieved when the Ministry is cutting 325 jobs because of Wilson's cut-backs?

Mr. Crosbie: Order.

Some Hon. Members: Order.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that the staff of the CEIC is indeed concerned about the services which it offers to those who are unemployed. That is why they make such a very real effort—one which every one in this House should recognize—in order to provide those services.

Yes, the operations in the Department are being streamlined, but as I said, this is being done in such a way as to cause the least possible dislocation and disruption in services.

Oral Questions

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—AMERICAN CHEMICAL WASTE DUMPS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of the Environment and it concerns his meeting this morning with the administrator of the United States Environmental Protection Agency, and their discussions relating to the chemical waste dumps along the American side of the Niagara River. Would the Minister advise the House if the proposals put to him today included a provision for the actual removal and destruction of the toxic wastes in those dumps, or whether it included just retaining the toxic wastes in their present location?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is correct. I met this morning with the head of the United States Environmental Protection Agency, Mr. Lee Thomas, whom I am happy to welcome to the House this afternoon.

Mr. Turner (Vancouver Quadra): Order.

Mr. McMillan: He tabled for the Department of the Environment and for myself, in particular, the most extensive proposed action plan from the U.S. Government to the Canadian Government on any specific environmental issue in the recollection of any of my officials. The plan, which I have only now received and have yet to have a chance to read in detail, covers every facet of the clean-up of the pollutants to which the Hon. Member referred—

Mr. Turner (Vancouver Quadra): Order.

Mr. McMillan: —including the possibility of extraction and elimination.

Mr. Speaker: Order.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

TRANSFER PAYMENTS TO PROVINCES

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Minister of Finance. Next week during National Universities Week across this country, instead of celebrating, professors and students will be racked with uncertainty. At the recent meeting of federal and provincial Ministers of Finance, this Government announced that not only will it stand by its unilateral budget decision to reduce $2 billion from expected federal transfer payments to the provinces, but that these cuts to the transfer payments will begin next year instead of in 1990.

Does this not mean that this Government, instead of taking away $2 billion from the provinces by 1990, is really taking away up to $6 billion by starting right away in 1986?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it very clear to the Hon. Member that these are not cuts. They are reductions in the growth rate.

Ms. Jewett: Oh, what a euphemism.

Mr. Wilson (Etobicoke Centre): The growth rate will still be substantial. There will still be billions of dollars which will be transferred to the provinces for the very worth-while programs in health and post-secondary education.

Ms. Jewett: You are just muddying the waters.

Mr. Wilson (Etobicoke Centre): As I indicated in response to a previous question, the per cent of federal Government spending which is transferred to the provinces will not be changed. It will stay at the current level throughout this whole period. So I caution the Hon. Member not to misinterpret this matter and cast doubts in the minds of the people who are interested in these programs.

Mr. de Corneille: Mr. Speaker, obviously the $6 billion figure has not been denied.

SIZE OF PAYMENTS—EFFECT ON PROGRAMS

Mr. Roland de Corneille (Eglinton-Lawrence): If the Minister is not going to confirm what the provincial Ministers of Finance heard, and what his own Department said, perhaps he can at least tell us whether the provincial losses of $6 billion caused by the Government will be spread across the whole system, across the board, or will there be targets of either medicare, post-secondary education or welfare? Which one is going to get the axe?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there will be no program which will get the axe. That is the point I am making. The amounts which will be transferred by the federal Government to all of these programs will be increasing year after year in accordance with the directions which I set out in the Budget. The growth rate will fall but there will still be substantial amounts of money. No decisions have been taken as to what programs would be affected. That will be the subject of further discussions between the federal and provincial Ministers of Finance.

* * *

● (1450)

ENVIRONMENTAL AFFAIRS

AMERICAN CHEMICAL DUMPS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment and concerns whether or not a clean-up of the four worst dumps is involved in the action plan presented by Mr. Thomas to the Minister today.

Given the reluctance expressed by Mr. Thomas when asked direct questions about whether or not the extraction and destruction of the chemicals in those four dumps would be forthcoming, can the Minister indicate, if that is the American position, whether he finds that acceptable? Does the Government find it acceptable that the Americans are not willing to proceed directly to dig up and destroy the toxic chemicals in those dumps?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I have no particular brief to carry for the U.S. Environmental Protection Agency. They can pretty well defend themselves. My interest, which is the same as that of the Hon. Member, is to clean up the Niagara River. I received a voluminous action plan from the head of the EPA which covers everything from enforcement, to compliance, to tightening up standards for toxic chemicals, to monitoring and surveillance. I have not had a chance to pass final judgment on the American position. I will do so with equal measures of criticism and fairness and I hope that the Hon. Member will be equally open-minded in his assessment.

GOVERNMENT'S POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, it is a fact that when Mr. Thomas was questioned about extraction and destruction he said that is something they were considering, but they were also considering alternatives. I am asking the Minister if that possible position by the Americans is acceptable to him or is he going to hold to the view, one which I am sure all Canadians take when it comes to our drinking water supply, that these dumps need to be cleaned right out and the toxic chemicals destroyed?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, there can be no doubt about the position of the Department of the Environment and the Government of Canada. Our preferred option is for extraction and elimination of the offending toxins. It is not simply to contain. We recognize this approach is going to cost billions of dollars. We as a Government are committed to linking arms with the Americans, the State of New York, the U.S. Government, and the Province of Ontario toward that end. The Hon. Member can be assured that our position on this subject will not change.

* * *

ST. LAWRENCE RIVER SEAWAY

WELLAND CANAL BLOCKAGE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Transport. He is aware that we have suffered the most disastrous crop in many, many years in western Canada, driving farm incomes well below the poverty line in many cases. Now we have the Welland Canal blocked and over 70 ships, many carrying grain to our customers overseas, are backed up in the system.

Is the Minister willing to make a commitment today that the Seaway will remain open until our contractual obligations are discharged as soon as the lock is repaired, or conversely, to pay the cost of shipping this grain by rail from Thunder Bay to the lower St. Lawrence ports, which I understand will cost something like $15 a tonne extra? I ask this because of the large Russian order of 3.5 million tonnes which have to be—

Mr. Speaker: Order. This question is very long.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I certainly share the Hon. Member's concern. However, I think he would agree that it would be premature to make that sort of a decision at this time. We have no way of determining with any degree of accuracy how long the Seaway will be tied up. I ask the Member to be patient for three or four more days so we can do the initial assessment, and then we will be in a position to determine the time it will take to get the Seaway operational again. If there are any contingency arrangements which have to be made, we will consider them at that time.

Mr. Foster: Mr. Speaker, I just pointed out that this is an urgent matter for the western farmers. They have to know whether the Government is going to stand behind them in this disastrous situation.

Last May the Government took $30 million away from the Seaway Authority. This—

Mr. Speaker: Order, please. The Hon. Member had a very long first question. Does he have a supplementary?

Mr. Foster: As I indicated, the Government took some $30 million. I wonder if—

Mr. Speaker: Order, please. Order, please. The Hon. Member for Hamilton Mountain.

* * *

NATIONAL REVENUE

GULF TAKEOVER—TAX RULING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance. Is it his position that during the several times the question of the Gulf-O&Y-PetroCan deal was discussed by the P and P Committee, the decision on the tax ruling was never brought to that committee's attention?

Some Hon. Members: Oh!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there seems to be a lack of understanding on the part of some Members who are surprised that I would be answering this question. I do so as vice-chairman of that committee of Cabinet. I can tell the Hon. Member, as he knows, that it would be totally inappropriate for me to be telling the House, or anyone else, what discussions

go on in that or any other Cabinet committee. If he is interested in the process, with respect to the making of tax rulings, there is a Minister responsible for that in the House to whom he can direct his questions.

ROLE OF ASSISTANT DEPUTY MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is also directed to the Minister of Finance who probably is the only one of the two who might know the answer. Did David Wyman, the Assistant Deputy Minister responsible for tax policy, bring to his attention that there was a request for a pre-tax ruling regarding the Gulf-O&Y-PetroCan transaction?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is aware, as my colleague, the Minister of National Revenue, has mentioned, that I cannot, and neither can he nor any member of the Government, discuss any particular tax ruling.

Mr. Deans: I am asking if you were told.

Mr. Wilson (Etobicoke Centre): That is a matter which must be dealt with between the taxpayer and the Department of National Revenue.

* * *

ENVIRONMENTAL AFFAIRS

PROPOSED PRAIRIE AND NORTHERN RIVER RESEARCH CENTRE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of the Environment and concerns the recently released report of the inquiry on federal water policy. The report recommends that the National Hydrology Institute, currently in the final stages of construction in Saskatoon, become a Prairie and Northern River Research Centre. Could the Minister assure the House that this recommendation will be given serious consideration to ensure adequate provision for agricultural and fresh water research in western Canada?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, Dr. Pearse and his fellow commissioners made a very strong case for the centre of excellence to which the Hon. Member referred. I am looking at the recommendation with considerable sympathy. For that purpose, and others, I have established an inter-departmental task force to look at the report in its total context. In that connection I will be reviewing the recommendation to which the Hon. Member has made reference.

[*Translation*]

TRANSPORT

NEED TO ESTABLISH "BUY CANADIAN" POLICY

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Transport.

Is the Minister aware that 130 workers in the CSW ironworks, in the East End of Montreal, have been laid off over the last few days? Moreover, does he realize that such layoffs will go on as long as his Government has no 'Buy Canadian" policy in the transportation industry?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I met with the president of the union very recently, last week that is, and we are looking at the situation very closely. Indeed, the company over the last few years has been significantly reducing its labour force, but there is still hope for the coming months, and we are looking at all company orders to see whether in fact there is substitution from Canadian production in Montreal to production abroad, namely in Australia, as has indeed been said.

PURCHASE OF ROLLING STOCK WHEELS IN CANADA

Hon. André Ouellet (Papineau): Mr. Speaker, I appreciate the fact that the Minister has finally accepted to meet those workers, who had been asking for a meeting for well over three months.

Will the Minister contact the Canadian railways to ensure that they buy rolling stock wheels made in Canada rather than in Brazil?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, that matter also was examined with the union president, and I must state I myself did not wait three months before meeting him. I met him immediately, that is during the week he came to my constituency office.

As far as Brazilian-made wheels are concerned, this is an item I am examining, to find out exactly how pertinent that matter could be.

[*English*]

Mr. Speaker: The Hon. Member for Broadview-Greenwood, one question, with respect.

* * *

SOCIAL SECURITY

CHILD TAX CREDIT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It concerns his contention in the House yesterday that the child tax credit is not going to be deindexed. Has the Minister had a chance to look at the Budget papers where it

clearly states that in 1989 the child tax credit will be deindexed? Or is he announcing something which will be very welcome indeed, a new policy that since the Budget the Government has had a change of heart and will not be deindexing the child tax credit?

● (1500)

Hon. Jake Epp (Minister of National Health and Welfare): If the Member recalls her question and my answer yesterday, I did not refer to the deindexation at all. I said in my answer to her that the child tax credit would go up and in fact does in the first two years.

Mr. Speaker: A short supplementary.

SITUATION IN 1994

Ms. Lynn McDonald (Broadview-Greenwood): Yes, it is going up, but will the Minister confirm that it will be going down and will be deindexed so that by 1994 the child tax credit will be worth less in constant dollars than it is today?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I repeat my answer from yesterday and today. It is going up for the first two years, as I pointed out to her.

Ms. McDonald: Tell us when it is going down.

Mr. Epp (Provencher): I will report to her, if she comes to committee—where we will welcome her—that as the economy improves, and the indications are that the economy is improving under the leadership of the Prime Minister and the Minister of Finance—

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I am sure that she welcomes those developments. As the Government looks at those trends and a new social policy obviously comes forward, I am sure she would want to support that.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, October 16, 1985, meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, what business does the Government House Leader intend to call for tomorrow and next week?

Mr. Prud'homme: He will change it.

Committee Reports

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the distinguished Member, who intervenes, knows that when I make changes, I usually do so at the request of the opposition Parties in order to accommodate them because of their attendance in the House.

Today we will be dealing with motions for concurrence with respect to the excise tax Ways and Means motions. The sequence of Bills will be the same as this week. I hope that we will make progress on Bill C-75 with respect to the Canada Shipping Act. Following that, there is Bill C-62, the legislation concerning employment equity, and Bill C-42 respecting Canagrex. It is my intention to follow that sequence through the rest of today and tomorrow.

Next week we will continue with that sequence, although I would indicate to the House that on Tuesday next it is my intention to call Bill C-79 for the final day of debate with respect to second reading and any motions associated with the second reading of that legislation so that that matter may go to committee.

Other Bills will be forthcoming. Legislation will be introduced with respect to amendments to the Criminal Code concerning lotteries. Obviously, there will also be a Bill concerning the Excise Tax Act. These Bills will be brought forward and I will consult further with the opposition Parties in that respect, depending on the progress we make. Hopefully we will make good prgress on the items we are considering now. I only want to reserve the option of beginning to discuss the Excise Tax Act sometime next week, possibly Monday. However, I will give the earliest possible notice concerning the House business, after consultations with my colleagues, the opposition House Leaders. If there is any alteration to that sequence, first there will be consultation with Opposition House. Leaders and an announcement on the floor of the House at the first opportunity.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—THIRD AND FOURTH REPORTS OF STANDING COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour to present the third report, Statutory Instruments No. 30, and the fourth report, Statutory Instruments No. 31, of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

STRIKING COMMITTEE—EIGHTH REPORT OF STANDING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour to present the eighth report of the Striking Committee in both official languages.

Order Paper Questions

CANADA DEVELOPMENT CORPORATION REORGANIZATION ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-66, an Act respecting the Reorganization of the Canada Development Corporation, without amendment, in both official languages.

[*Editor's Note: For above-mentioned reports, see today's Votes and Proceedings.*]

* * *

PETITIONS

CHANGES TO LEGISLATION IN BILLS C-67 AND C-68

Mr. Jim Fulton (Skeena): Mr. Speaker, I have the honour to table a petition regarding concerns raised in relation to Bill C-67 and Bill C-68. The bulk of the petition comes from inmates at the Saskatchewan penitentiary who are particularly concerned that the laws under which they were sentenced be those maintained during their sentences.

ESTABLISHMENT OF EMERGENCY FEED SEED GRAIN QUOTA

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition signed by several dozen soft white wheat producers in southern Alberta. They call on the Government to have the Canadian Wheat Board establish a direct emergency feed seed grain quota for their crops so they can be delivered.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to advise the House that the following questions will be answered today: Nos. 193 and 420.

[*Text*]

ABORTIONS REPORTED BY HOSPITALS IN CANADA

Question No. 193—**Mr. Stackhouse:**

In (*a*) 1980 (*b*) 1981 (*c*) 1982 (*d*) 1983, how many abortions were reported by hospitals in Canada?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Health and Welfare and National Defence as follows:

The number of therapeutic abortions reported by non-military hospitals in Canada is as follows:

Year	Number of Abortions
(a) 1980	65,855
(b) 1981	65,127
(c) 1982	66,319
(d) 1983	61,800

For the years 1980 to 1983 inclusive, there were no abortions performed in DND hospitals.

AIRPORT TAX

Question No. 420—**Mr. Robichaud:**

1. Did the Government increase the airport tax by 1 per cent in November, 1984 and, if so (*a*) what income accrued to the Government between November and December 31, 1984 (*b*) what income is forecasted for 1985?

2. How many persons travelled by aircraft in Canada between January 1 and March 31 (*a*) 1983 (*b*) 1984 (*c*) 1985?

Hon. Don Mazankowski (Minister of Transport): 1. The 1 per cent increase in the Air Transportation Tax that went into effect April 1, 1985 was announced in the November 8, 1984 federal economic statement. The additional revenues expected to be generated in the fiscal year 1985/86 by these measures amount to $34.6 million.

2. (*a*) Between January 1 and March 31, 1983 there were 9,562,700 passengers enplaned and deplaned at the top 30 Canadian airports. (*b*) For the same period in 1984, based on preliminary information, there were 10,594,300 passengers. (*c*) 1985 statistics are not yet available.

[*English*]

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

Mr. Nunziata: Mr. Speaker, it has now been over a year since the secret meeting between the former Solicitor General and Premier Hatfield of New Brunswick. Over seven months ago I put a series of questions on the Order Paper, specifically Question No. 296. I have asked on a number of occasions when I might be receiving a reply to those questions.

I want to put the question again to the Parliamentary Secretary or to the Solicitor General. Will they advise me and the House when answers might be forthcoming to those questions on the Order Paper? Will they provide a status report? As I indicated, it has been over seven months. Surely that is sufficient time to answer the questions.

Mr. Lewis: Mr. Speaker, I can assure the Hon. Member that those questions are being given the attention they deserve and will be answered soon.

Mr. Nunziata: Mr. Speaker—

Mr. Speaker: This is not the Question Period. There is no supplementary.

Mr. Nunziata: On a point of order, Mr. Speaker.

Mr. Speaker: What is the Hon. Member's point of order?

Mr. Nunziata: On a number of occasions I have asked the Parliamentary Secretary when I might receive answers to those questions and he has risen repeatedly and said, "Soon, soon". With the greatest of respect, Mr. Speaker, at least he could have the common courtesy of indicating precisely when we might get answers.

Mr. Speaker: Order. The Hon. Member knows that the practice is to allow a question and an answer, and that is the end of it.

Mr. Gauthier: Mr. Speaker, I have Question No. 386 on the Order Paper, dated May 31, 1985, dealing with the important question of pensions in the Public Service of Canada. I think it is imperative that Members of Parliament be given the information as soon as possible. It has been six months now. I am sure that the Government has that information because it is dealing with the unions. Why can he not get the information?

Mr. Lewis: Mr. Speaker, I can assure the Hon. Member that this matter is indeed the subject of discussions between the various unions and the Government and his question wil be answered soon.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT (1)

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Tax Act laid upon the Table on Wednesday, October 16, 1985, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour, please say yea?

Some Hon. Members: Yea.

Mr. Speaker: All those opposed, please say nay?

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 119*)

YEAS

Members

Andre
Beatty
Belsher
Bernier
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Brisco
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clinch
Collins
Cook
Cooper
Corbett
Cossitt
Côté (Langelier)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Daubney
Della Noce
Desrosiers
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gormley
Greenaway
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Hockin
Howie
Hudon
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Jourdenais
Kilgour
Kindy
King
Ladouceur
Landry
Lanthier
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacKay
Malone
Mantha
Mazankowski
McCain
McDougall (St. Paul's)
McGrath
McInnes
McKenzie
McKnight
Merrithew
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oostrom
Pietz
Porter
Ravis
Reid
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stewart
Suluk
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—123.

NAYS

Members

Allmand
Angus
Baker
Berger
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Foster
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Jewett
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Malépart
Marchi
McDonald (Broadview-Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Rodriguez
Rossi
Turner (Vancouver Quadra)
Young—42.

Mr. Speaker: I declare the motion carried.

Motion agreed to.

EXCISE TAX ACT (2)

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Tax Act (2), laid upon the Table on Wednesday, October 16, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to.

EXCISE ACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Act, laid upon the Table on Wednesday, October 16, be concurred in.

Mr. Speaker: It is the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to.

* * *

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Wednesday, October 16, consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act, be read the second time and referred to a legislative committee, and the amendment of Mr. Henderson (p. 7687).

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I am pleased to rise today to speak on Bill C-75 and to deal with some of the questions of impact on not only the ridings which directly border the Seaway but also the inland ridings. Perhaps some of the Members who represent these inland ridings do not realize the impact that the proposed amendments will have on them.

Primarily, as has been mentioned, the Bill addresses the question of marine transportation and pollution. There are several amendments in the Bill which are necessary to bring the Act and Canada's shipping practices into line with international procedures, some of which are imposed by agreement to which Canada subscribes. Most of the Bill deals with such matters as licensing and certification of personnel. There are new regulations contained in the Bill, which I am sure all Members of the House would welcome given the disastrous impacts of maritime pollution, with respect to such matters as the transportation of hazardous cargoes and the prevention and clean-up of pollution among which, of course, the principal fear is oil spills.

The Bill provides new regulatory powers, something which we can only look at with a little puzzlement since we have heard the Government's declared intention to abandon regulation of the transportation industries to a large degree. Yet, the Bill proposes some instruments which will enable further regulations. Indeed, the Bill goes a lot further in that respect. In it there are some rather insidious clauses which I believe run counter to the very notion of responsibility in a Crown corporation and which, indeed, run counter to some sound commercial practices which should otherwise be applied.

Clause 4 of the Bill constitutes enabling legislation to allow the Government to recover the costs of navigational services provided by the Coast Guard. This is a development at which the House should look very carefully. I hope it will receive a great deal of study in committee since it would place powers in the hands of the Government which I believe could well be detrimental to the entire Seaway system and, indeed, to the entire system of bulk goods transportation in Canada.

Under this legislation the Government would have the right to recover costs involved with such services as setting and maintaining marker buoys, providing radar and Loran-C, vessel traffic services, ice-breaking, escorting services and dredging. According to the latest Estimates the cost of providing these services is in the range of $136 million to $191 million. The amount to be recovered is not indicated anywhere in the Bill which is before us. Indeed, the sort of recovery which might be imposed could go from the sublime to the ridiculous.

I remember when I was younger I read a book on an American adventurer of the 1920s and 1930s, Mr. Richard Halliday. One of his stunts, shall we say, in those days was that he would swim the entire length of the Panama Canal. He did so and recorded that at one lock he was charged a fee of a 36 cents to swim through it. That was the lockage charge for a swimmer through the Panama Canal. One would hope that the Government does not intend to go to that level of detail. However, there is nothing in the Act which would prevent it from doing so. As the Act presently provides, costs could be imposed on any nature of vessels which could run the gamut from canoes right up to the largest vessels capable of using the Seaway system.

Over the past few years we have seen some of the dissension, confusion and resistance which has been generated within the aviation community as the Government has moved to impose all manner of tariffs and user charges upon members of the general aviation community. During those same years there has been a marked decrease in the amount of pleasure flying and in the amount of general aviation carried on in Canada. That is not something which can be merely blamed upon the recessionary trends of the period since we have no way of disaggregating those trends from the trend of these nuisance fees which raise the cost of operations and which impose

considerations upon users of smaller craft which could well lead to them abandoning the use of such systems.

What about fishing boats? What about when a fishing boat ties up on the East Coast at one of our docks to unload the catch which is becoming increasingly uneconomic to bring home to port? Will the vessel be visited by a government collector at that time? Will we see disputes over tying up and retying when someone brings a boat into dock and then for some reason or another moves it, not for a fishing voyage, and brings it back again? What sort of costs will be imposed as a result of this Bill? Regrettably, the Bill is silent as to the nature of the costs which could be imposed under it.

We realize that the bulk of charges would fall on commercial shipping. I point out the potential problems with respect to pleasure boats and fishing boats by way of a supplement to the main argument which is based on the impact on commercial shipping on the Seaway system, within Canada and from Canadian ports generally. If we were to see a cost recovery factor of any significant degree imposed by way of increases to Seaway tolls and tariffs, then there would be a readjustment within Canada's freight system. In this way we would see a realignment of freight movements. There would be a tendency for freight movements to move west rather than east. There may be Hon. Members in the House from the West who would say that this is not such a bad thing. However, I point out to them that there are some significant problems with western routes in Canada. Also, the act of realignment could produce as many negative results for these Members' ridings and their constituents as could the positive benefits which would flow therefrom.

The costs which could be imposed as a result of this legislation could easily make the St. Lawrence Seaway nonviable. We could see an increase in tolls leading to a loss of revenue as shipping freight moves through other routes significantly, of course, in a westerly direction. We could see a reduction in traffic on top of the reduction which has already occurred. Something which surprised me, Mr. Speaker, when I first read it, is that cargo traffic on the Seaway last year was down 27 per cent from the previous year, which was itself down 20 per cent from the high in 1977. What that tells us, Mr. Speaker, is that we have a major national transport infrastructure resource which is being under-utilized to a very significant degree.

● (1600)

For example, even if we postulate that the Seaway was running at 85 per cent of capacity in 1977—which, I for one, feel is hardly likely—that would mean that today it is running at somewhere around 50 per cent of capacity. Surely, with the national investment in the Seaway, we should be looking not to reduce utilization but to increase utilization in order to amatorize those costs over a greater number of users.

With respect to the amendments to the Canada Shipping Act, I believe it will come as no surprise to you, Mr. Speaker, if I raise again the question of the Budget raid which was carried out on the Seaway's contingency fund, and the indignation this drew from the industry at the time. The Government, of course, does have powers over Crown corporations and over the cash reserves and balances of Crown corporations. However, looking at that raid from a purely business point of view, we have to say that it was carried out in a most ill-advised fashion. As we have seen from the events of recent weeks, there is a very definite need for a contingency fund in the St. Lawrence Seaway because contingency type occurrences arise. Things happen like collapses at docks, dock breakages and bank slippage on canal portions of the Seaway.

It seems to me that the way in which the Government has announced to the public of Canada these measures leaves a lot to be desired. I hold in my hand the press release of the Minister of Transport (Mr. Mazankowski) concerning the amendments to the Canada Shipping Act. I, for one, can find no reference in that press release to the fact that the Canada Shipping Act amendments empower the Government to proceed much as it would like by regulation to collect whatever fees in the St. Lawrence Seaway it felt it needed for other purposes, or that it felt the traffic would bear. What the traffic will bear in reality is not very much in the way of an increase.

That money was earmarked for capital improvements on the Seaway, particularly on the Welland Canal, and now it has gone back into the Consolidated Revenue Fund. The Government is using it, of course, for such worthy, noble and laudable purposes—and I hope no Hon. Member of this House misses the sarcasm—as bailing out banks in a way in which outrages business sense far more, even, than the initial scoop of the $30 million.

I would like us to examine for a few minutes the theoretical basis under which transport infrastructure is funded. We fund transport infrastructure from general revenues for several reasons. There is the reason of public benefit; and the belief that a transportation system offers benefits to a country over and above the simple economic benefits of easier routes which are cheaper to travel and service. There is the role of the transportation system in ensuring the circulation of dollars within a country and of enabling the buyers and sellers to get together and the goods to flow and the services to move. This must be done in the most efficient fashion possible in order that the economic imperatives of production, sourcing and demand can be met.

There is, of course, the straight economic development theory which states that the more goods which flow between two given points, the more wealth is created and the more employment will result. We also fund infrastructural transportation services from general revenues from motives of efficiency of collection because it is not worth sending out a bill which costs $1.50 in order to collect a service charge of $1.30. Those figures, of course, refer to the take-off and landing of a light aircraft but there are parallels and equivalent situations which could well arise in the charging of fees at docks and wharves and fees for lockage, and so on.

I feel there is something seriously lacking in the arguments of the Government in its attempt to show the economic basis of the disire to recover considerably more revenue from the St.

Lawrence Seaway. We have not had any information which tells us the St. Lawrence Seaway is subsidized to a greater per cent than other forms of transportation networks. We have not seen anything to indicate that there will be, as a result of this legislation, any form of mode neutrality in the allocation of transport infrastructural subsidies. We have not seen any cost benefit analysis of raising the tariffs and fees by 10 per cent, 15 per cent or 25 per cent or whatever the Government has in mind. We do not know what the Government has in mind and, indeed, it seems to me that the Government does not know what the Government has in mind.

We have not seen any economic modelling to show what will happen to the transportation flows of bulk commodities if these costs are imposed on the Seaway. There are sophisticated tools which are available to the Government. There are people who are expert in the use and application of these tools, but we have not seen anything to suggest that the Government has applied these tools to any form of analysis of the sort of charges which could be envisaged under the Act.

Every ledger, after all, Mr. Speaker, has two sides. The Government is looking at the imposition of charges and we have not been presented with any information as to how the increase of those charges might affect revenues. We also have not been given any indication as to what the Government plans to do with the $30 million it lifted. We have had no indication as to whether it is being used to reduce taxes which, of course, was something the Budget did for those of us who have the good fortune to be wealthy. We have no indication as to whether it was applied to reduce the deficit or put into a policy reserve to be used for such purposes as the bank bail-out which is going to cost so much to Canadian taxpayers and which is going to have such a harmful effect on job creation in this country from coast to coast. We have no indication as to what the Government plans to do with the money either definitely taken or notionally generated.

I would like to say, Mr. Speaker, that the powers which this legislation allows the Government are the sort of powers which Government policy makers love to have. Government policy makers love to have the sort of flexibility, as they term it—that sweet and innocuous word—so they might be able to impose the charges where and when they felt was appropriate.

There was a statement made by an aide to the Minister of Transport who said, "We are going to make Crown corporations stand on their own two feet". That sort of imagery and language, Mr. Speaker, surely is both outdated and inappropriate in terms of a national utility like the St. Lawrence Seaway. It is not a question of making Crown corporations stand on their own two feet. It is surely more a question of giving Crown corporations the legislative and regulatory environment, the framework and the regulations which can enable them to make intelligent and economical decisions in the national interests. That would give them the opportunity to stand on their own two feet which this legislation manifestly does not do.

Heaven only knows how the Government is going to track who uses navigational aids and to what degree. These services are as fundamental to the operation of the maritime transportation network as the salting, ploughing, and repairing of roads is to our highway network. Let the Government not be seen to be taking steps which are going to unfairly penalize one mode of transportation with economic consequences which will result in dislocation, unemployment and a great reduction in the utilization of that national utility, the St. Lawrence Seaway system.

• (1610)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Public Service—(a) Career planning for employees facing lay-offs. (b) Job security; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Social security—Request for clarification of child tax credit.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act, be read the second time and referred to a legislative committee, and the amendment of Mr. Henderson (p. 7687).

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

Mr. Mazankowski: Mr. Speaker, I wonder if the Hon. Member believes that users should pay some portion of the cost of a transportation service? If so, does he have any figures in mind?

Mr. Parry: Mr. Speaker, I find it difficult to believe that the Minister of Transport believes he can find a Member in this Chamber who does not believe that users should pay some portion of the cost of the transportation system. The answer to his question is, of course, yes. The answer to his second question is that I did not have a specific figure in mind. My

belief is that in the allocation of the cost of a transportation network there should be a degree of mode neutrality; i.e. whether one looks at the infrastructure which supports an air transportation network or the road transportation network or, in this case, the Seaway transportation network, or indeed a rail transportation network, there should be a degree of commonality in the level to which these are subsidized, bearing in mind of course the degree to which they are used. My belief, based on previous experience and, indeed, on previous meetings with the Minister, although many years ago, is that it is probably the railroad which recovers the largest percentage of its costs at present.

I simply say to the Minister that the question of a targeted percentage is really something that I should be asking him to put before this House so that we can make a judgment. By way of a comment, I would certainly welcome hearing from him if there are such figures.

Mr. Mazankowski: Mr. Speaker, I appreciate the Hon. Member's answer. I think he answered it honestly. Yesterday, one of his colleagues suggested that these transportation services should be free. There should not be a user fee. So we have a contradiction within the NDP.

The Hon. Member alluded to the fact that the rail sector probably recovers the greatest percentage of its costs. Currently, in the marine mode, the recovery is somewhere from 2.5 per cent to 4 per cent. Would he consider that to be fair?

Mr. Parry: Mr. Speaker, first the Minister will permit me to doubt whether a Member on this side made a specific statement that the provision of service should be absolutely free. Second, I am sure that he would accept as my answer that I would be very interested indeed to see any figures which suggest that the cost recovery of any service was as low as 2.5 per cent to 4 per cent.

Mr. Mazankowski: It is.

Mr. Parry: One thing that I am aware of from my own experience, and I appreciate that this may not fall under the Minister's responsibility, is that of small craft harbours, of which there are a number in my riding, and I would be very surprised if that facet of the marine mode was recovering such a low percentage—

Mr. Mazankowski: It is.

Mr. Parry: —of the cost of operation because my own observations have indeed been quite the contrary.

Mr. Mazankowski: Mr. Speaker, if the Hon. Member checks he will find that the range of figures I quoted is correct. Furthermore, if he doubts my word about the interpretation of what one of my colleagues said, he might want to read *Hansard* at page 7691 where the Hon. Member for Prince Albert (Mr. Hovdebo) said:

> I recognize that a certain amount of cost recovery has been going on for a long time, but is it necessary to increase it? Maybe we should be taking it off the others if they are increasing. Maybe transportation should be a free service.

Mr. Parry: Mr. Speaker, without getting into a question of nickels and dimes—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: You are involved in more than nickels and dimes.

Mr. Parry: —the use of the term "maybe" surely indicates the presentation of an argument on an entirely hypothetical basis. Maybe the Minister should examine whether transportation services should be—

Mr. McKnight: Now it is Party policy.

Mr. Parry: —provided free. Maybe the Minister should ignore representations from people like myself who suggest it is a good idea to recover some portion of the cost. Indeed, if the recovery is only in the order of 2.5 per cent, maybe it would be a worthwhile question to ask whether that recovery was worth the cost of collecting it. I point out that any statement that contains the word "maybe" cannot be treated as a categorical enunciation of policy.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I want to take this opportunity to speak to the amendment moved by my colleague, the Hon. Member for Egmont (Mr. Henderson). The Hon. Member moved an amendment to Bill C-75, requesting that consideration of this Bill be postponed six months to give the Minister more time to reconsider certain aspects of Bill C-75 which had aroused considerable concern among many people in the Maritime Provinces, who are faced with major problems in the fisheries and potato-growing industries.

The House is aware that some of my colleagues from the Maritimes have spoken to point out that some aspects of Bill C-75 seem to infringe seriously on the agreement concluded by the Government of Canada and the Province of Newfoundland. This particular aspect was raised by the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

I have not heard the Minister clarify this particular issue. According to my hon. friend from Newfoundland, when the people of Newfoundland voted in favour of entering Confederation, commitments were made by the federal authorities on behalf of Canada to provide a certain number of services free of charge to the people of Newfoundland. However, Bill C-75 provides certain transportation fees for the people of Newfoundland.

I do not know whether the Minister has had time to examine the speech or comments made by my hon. friend in the House earlier this week, but I believe that the matter of the agreements—

Mr. Speaker, the Minister tells me that he listened very carefully to the comments of my colleague from Humber-Port au Port-St. Barbe. I think that the point made about the

possibility of betraying this part of the union agreement is a major one which should be clarified as soon as possible.

● (1620)

I also think it is important that the Minister consider the remarks made by my hon. friend from Davenport (Mr. Caccia), who mentioned quite a number of concerns shared by those who are concerned about environmental protection in Canada. I think we must ensure that the environment is protected, especially in the remote areas of Canada's North. Our country, and we cannot say it often enough, borders not only on the Pacific and the Atlantic but also on the Arctic Ocean. Clearly, since navigation in Canada's North is becoming increasingly important, we must ensure that every possible precaution is taken to prevent ecological and environmental disasters.

I think that my colleague from the Maritimes, the Hon. Member for Gander-Twillingate (Mr. Baker), spoke very eloquently about the difficulties facing the marine industry and its ever growing responsibility for an ever larger share of the operating costs. My colleague from Gander-Twillingate explained in no uncertain terms that, at the very moment the industry is in the doldrums, the Conservative Government is just about to charge for services which might be provided by the Department of Transport and levy fees whose impact might be serious enough to push the industry into bankruptcy. As my colleague from Gander-Twillingate pointed out, this is hardly the time to levy an additional surtax on an industry which is already in a bind.

I am therefore in favour of the six-month hoist motion with respect to this Bill, just so the Minister will have time to reconsider the issue and enlighten us on the dire consequences the adoption of this measure might have on the Maritimes.

I would suggest there is another factor which we ought to take into consideration and which I think would justify the six-month hoist. All Hon. Members know that as a result of an investigation on the tragic *Ocean Ranger* incident, a commission of inquiry has examined the consequences of this tragedy and made a number of recommendations. The recommendations were made public last July. By mid-summer the Minister and his officials had been made aware of those recommendations.

Here we are, in early October, some three months later, and the Minister has just introduced this very important measure. Just by looking at the thickness of Bill C-75 one can readily see that it has to be an important measure. It amends the Canada Shipping Act as well as the Arctic Waters Pollution Prevention Act, the Maritime Code Act, and the Gas Production and Conservation Act. Now I think we could justifiably expect the Minister of Transport (Mr. Mazankowski) to implement with that Bill the recommendations put forth as a result of the *Ocean Ranger* tragedy.

Indeed, my colleague from Humber-Port au Port-St. Barbe has said how sorry he was that the main recommendation put forth by that board of inquiry was not to be found in the Bill, namely that the provisions of the Canada Shipping Act be amended so that they apply to drilling rigs located more than 200 miles offshore. The Minister has told us of course that he will come back in a few months with further amendments to the legislation which would take into account the entire recommendations made by the board.

I also take to witness the transport Minister's colleague, the Minister of Justice (Mr. Crosbie), another representative from Newfoundland, who intervened in that debate to say that he wanted to assure the people of Newfoundland that the recommendations put forth in connection with the *Ocean Ranger* would be implemented, that as a Minister in the cabinet and a representative of Newfoundland, he would see that all those recommendations are approved. He recalled that the board of inquiry chaired by Chief Justice Hickman of Newfoundland had submitted its final report which several departments, among them the Department of Transport, were now considering, in order to decide how many would be implemented. The Minister of Justice stated in concluding that as a representative of Newfoundland, the matter was of great interest to him.

Now, Mr. Speaker, I think that the Minister of Justice is right. The report of Mr. Justice Hickman is very important and should be the subject matter of Bill C-75. That is why the proposal made by my colleague from Egmont (Mr. Henderson) to defer for six months the discussion of this legislation is quite relevant. It would allow the Minister and his Cabinet colleagues to study in depth all the recommendations of the Hickman Report, and to come back with a comprehensive legislation that would deal with all the items that should be examined and considered by the Government concerning such a tragedy that should not be allowed to repeat itself. I think that Members on both sides of the House will agree with me that that kind of tragedy should not be allowed to recur, and the Government has a responsibility to take, within the shortest time frame possible, the steps needed to prevent such future tragedies.

I would like briefly to recall that my colleagues from the Maritimes are especially concerned with the impact of the legislation on their constituents. What is of particular concern to them is Clause 4. If you will allow me to quote one paragraph from Clause 4, I think you will understand how important it would be for the Minister to take another six months to review its terms. Clause 4 gives the Government authority to impose charges relating to navigational services upon any users of aids to navigation, dredging, vessel traffic services, ice breaking services and escorting services.

But where I do not understand the implications of the legislation, is this: if the Government wants to collect money from those who use such services, that is a decision it can take and for which it can endorse full responsibility.

However, Paragraph 3(2), Clause 4, provides, and I quote:

(2) Charges may be imposed pursuant to sub-section (1) in relation to any ship or vessel, regardless of whether the Canadian Coast Guard actually provides a navigational service to that particular ship or vessel.

● (1630)

I wonder if the Minister or his Parliamentary Secretary who is listening closely to my comments has grasped the full implications of that section. In other terms, the Government through this Bill not only wants to impose user fees for a service on people who would use the help and support of the Department of Transport but even where they do not use the service or the Department's help. Simply by reason of their sailing in Canadian waters would those people also have to pay those fees.

In my opinion, this clause is quite unfair, if not totally absurd. It is one thing to charge people for using a service, but quite another to want to charge people for not using it.

I therefore believe that this aspect of Clause 4 must be changed.

Another point, Mr. Speaker, that I want to call to your attention concerns the next paragraph in the bill, which can be found on page 5. This provision is totally unacceptable and I think that the Minister should take his responsibilities. Indeed, Subsection 3 of Clause 4 states the following:

Where a charge imposed pursuant to this section is not paid as provided in the regulations made under subsection (1), interest may be charged on the amount from time to time outstanding, at a rate fixed by the Governor in Council on the recommendation of the Minister of Finance.

Mr. Speaker, I believe that the users of aids to navigation, dredging, vessel traffic services, ice-breaking services and escorting services would feel much better if the Minister of Transport himself made his own recommendations to the Governor in Council.

Why would the Minister of Transport, who is in the House at this time listening to me, not take this responsibility himself? The shipping industry would feel much more comfortable if these charges were imposed by himself rather than by the Minister of Finance. I believe that the Minister should think about this.

We all know, Mr. Speaker, that there have been major cutbacks in the Department of Transport. It has to make its own contribution to the reduction of the national debt. I know that the Minister of Transport is not alone to be bled white and that many of his colleagues in other Departments also have to cut back on their expenditures.

However, I do not believe that it is wise, at a time when our shipping industry is in difficulty in Canada, to impose these additional charges notwithstanding the approval or decision of the Minister of Finance.

All these are good reasons why the bill should be hoisted for six months, Mr. Speaker.

[*English*]

Mr. Angus: Mr. Speaker, would the Hon. Member care to comment that Clause 4 of this Bill, while brought forward by a Conservative Government, is a continuation of long-standing policy by the former Liberal administration to impose user fees and cost recovery mandates on a number of services provided by the Government of Canada?

Mr. Ouellet: Mr. Speaker, I am happy to answer my hon. colleague. The concept of user pay has been the topic of a number of debates in the past, but it has never been the subject of legislation.

Some Hon. Members: Oh, oh!

Mr. Ouellet: I admit that it has been the target of much pushing by officials of the Department of Transport. I know that some of my former colleagues publicly advocated this concept. I can assure you, Mr. Speaker, that it was never, although it was known to be a preferred option by some of my colleagues in Cabinet, implemented as Government policy. Therefore I regret sincerely—

Mr. Mazankowski: You have difficulty saying that with a straight face.

Mr. Ouellet: —that the new Government with a new Minister of Transport has jumped so quickly on the band-wagon prevailing in some quarters and is now trying to impose such a heavy burden on the users of our very good Maritime system.

Mr. Mazankowski: Mr. Speaker, would the Hon. Member tell the House whether he believes that users should be charged any portion of the costs required to maintain the marine system and infrastructure in Canada? If so, what percentage?

Mr. Ouellet: Mr. Speaker, let me tell the Minister of Transport (Mr. Mazankowski) that if I were in his place the first thing I would insist upon is that whatever charges there may be would be presented by me, as the Minister of Transport, and they would not be imposed on me, my Department and the users by the Minister of Finance (Mr. Wilson). That is the first element of my answer. I hope the Minister will accept my suggestion and amend the Bill accordingly to make sure that he, as Minister of Transport, will do that. After discussing the matter with his clientele, he would be in a better position to arrive at appropriate fees that could be levied in some cases.

● (1640)

In answer to the Hon. Minister, I want to tell him that in some cases I would agree with some charges, but in other cases I think it is totally irresponsible and unacceptable to charge them. Some of my colleagues, in speaking previously in this debate, indicated that because of the regional aspect and the remote areas of our country some services are given by only one client under very difficult conditions. To charge these users additional fees would be to exploit the Canadian population. In some cases the users could pass on additional charges

to their customers. However, in many cases the additional burden cannot be passed on to customers and it becomes an impediment to continuing to give service.

Mr. Mazankowski: Mr. Speaker, I have a further question for the Hon. Member. I am sure he is aware that something in the order of $824 million is being spent in the provision of that service. The cost recovery is something in the order of 2.5 per cent. Does he consider that to be an example of exploitation?

Also the Hon. Member indicated that he was prepared to accept that there should be costs for some services which are rendered. One of the reasons that provision in the Bill is rather broad at this stage of the game is to allow the committee to examine it in detail and to hear what the users have to say. If the Hon. Member reads my speech, he would find that I indicated very clearly that there would be nothing imposed without the fullest of consultation with the users, as a matter of fact, in an attempt to try to explore an arrangement or mechanism for the collection of some fees. Hon. Members across the way have been talking in terms of 100 per cent cost recovery. There is no transportation system which functions on 100 per cent cost recovery, and the Hon. Member knows it. I appreciate his remarks in this regard, but I think it is an area at which the committee can look in some detail. Then perhaps we can tighten up that portion of the legislation in a way that charges could be levied with some degree of accuracy and perhaps more clearly defined.

Mr. Ouellet: Mr. Speaker, I welcome the comment of the Minister when he acknowledged that any charge would not be imposed without proper consultation. Also I welcome his willingness to have the committee look at the Bill clause by clause and to devote the necessary time to consult with users. Indeed, I look forward to reaching that stage in committee. Some of the people who will be affected by these new charges could appear and indeed indicate their fear and their requirement not to be strangulated.

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad to have an opportunity to comment on this Bill which will amend the Canada Shipping Act, in particular, and certain other related Acts as well.

There is a port in Toronto. I am not sure whether the Hon. Minister is that well acquainted with eastern Canada, but we do have a port in Toronto, and the port is in fact part of the Seaway. Of course the port was there before the Seaway. But, it is of concern to the City of Toronto whether that Seaway traffic declines or not, and a certain slice of the prosperity of the City of Toronto depends on the maintenance of the Seaway traffic. While the revenues go properly to the federal Government, there is all the indirect revenue that comes to the commerce and industry of the city.

We notice from the letter of the Minister of October 1, 1984, in response to correspondence that he had regarding this, he makes a pledge. This is October 1, 1984, and he says: "I have asked by officials to defer any increases in the Seaway tolls pending a complete analysis of the Seaway's future needs and its importance to Canada's economy". It seems as though, having made that pledge a year ago, and having that pledge in fact enthusiastically accepted by his correspondents in the Great Lakes Waterways Development Association who welcomed that kind of a challenge—it would appear that his conclusion must have been that the Seaway is of little importance in the economy of Canada. The actions that he is proposing appear to envisage the disappearance of the Seaway rather than its maintenance, and that is what gives us concern in Toronto.

Shipping has been decreasing over the past year or two, especially since the tolls were increased, and now the reserve is to be taken away. It is very interesting that just at the time the reserve is taken away, there is a collapse in the Welland Canal. In response to a question a couple of days ago, the Minister explained clearly that he could not tell us anything about what was going to be done about that collapse. In fact, the Seaway took over the obligations of the Welland Canal and has thereby provided a good deal of revenue to the federal Government that was not coming before. The Welland Canal was being subsidized by the federal Government to the tune of perhaps $30 million but, now that it is incorporated into the Seaway, the Government is free of that expense. But, the Government nevertheless decided not to allow the money that had been paid in by the shipping industries as a reserve against trouble to be any longer available in the accounts of the Seaway. It looks as if that may have been a very unwise decision.

Toronto is at present a considerable transportation centre not only for shipping, that is for water shipping, but for rail and for road and for air. There is a long-range danger—and I do not mean in hundreds of years; I mean in years, in a decade or so—a long-range danger of not only Toronto but a good many other cities on the Canadian side of the border losing out to the American systems of transportation which in some cases are very highly subsidized by the American Government.

The Hon. Minister said recently that there was no system which is 100 per cent subsidized. That may be true, but I am sure he is aware of the information given by the Great Lakes Waterways Development Association a year ago to the effect that the United States administration continues to support 100 per cent recovery of all operations and maintenance costs as well as capital expenditures. I understand, Mr. Speaker, that this applies, for example, to the Mississippi waterway. What we are faced with is the prospect of the $2.5 billion industry of shipping Canada's grains to the East through the Seaway being diverted—all or part—to the Mississippi waterway.

● (1650)

Of course, if our Prime Minister (Mr. Mulroney) can charm President Reagan sufficiently by singing "Irish Eyes are Smiling", perhaps he will be able to persuade President Reagan that that is unfair competition and, in the spirit of free trade, President Reagan will no longer allow the Mississippi waterway to be subsidized, no longer allow it to compete with the St. Lawrence Seaway. Perhaps. Before additional charges are laid

on the users of the St. Lawrence Seaway, I would hope that that proposition would become a treaty, would be signed by the President and approved by all of the states of the United States which may have a voice in the matter. Until then, I think it is unwise to add to the $25,000 or so that it costs to ship a load of grain from the Lakehead through the St. Lawrence system.

There have been a good many documented objections presented by the people most directly concerned, and I see nothing wrong with that. I wish to refer, in part, to a letter from one of my colleagues in which he points out one of the difficulties that appears to have been overlooked by the Hon. Minister. It is in the letter of my colleague, the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), at page 5 where he talks about the danger of the grain going to the south. What he points out here is that the St. Lawrence Seaway is the only inland water system in the world that has a cost recovery mandate. He refers to what has been mentioned already, the fact that the Mississippi River system and the 60-mile long Houston Canal system are 100 per cent subsidized by the American Government's Army Corps of Engineers.

There is a good deal of other documentation that has been presented to the Minister and which is before the committee to show that it is hazardous to try to claim 100 per cent recovery from this system, especially at a time of declining traffic and, therefore, declining revenue. It is particularly hazardous to apply discriminately—that is to say, to apply unevenly—the principle of cost recovery.

The Minister quotes the figure of 2 per cent to 4 per cent recovery at present. However, I believe it is a fact that in the cost he is including the amortization of the cost of the Seaway. Yet, the Minister represents a Party which, a century ago, was happy to have the Canadian Pacific Railroad built with no recovery of the cost. The Canadian Pacific Railroad has never been obliged to repay the capital cost, to repay the millions of acres of land, to repay all of the valuable mines, to repay all of the other valuable considerations which it received from the then Conservative Government and its successors in order to build a railroad across Canada. This was accepted by the Canadian people and paid by the Canadian people because our forebears believe we needed a railway to span this country.

I have not heard yet that it is seriously contended by the Government that it will reach back into history and recover the capital cost of building the Canadian Pacific Railroad. If we do hear that suggestion from this Government, we will be hearing a word or two from the CPR President, I am sure, and I am sure his donations to future election campaigns of the Progressive Conservative Party will be in jeopardy.

It is very unreasonable to sock the Seaway for the cost of building the Seaway when it is in competition with both Canadian carriers such as Canadian Pacific Railroad and American carriers such as the Mississippi River system which do not have to pay the capital costs. In the case of the Mississipi River system, not even the maintenance costs are paid.

If the United States considers it worthwhile to provide the Mississippi system as, in effect, a public utility, without charging full-recovery cost to individual users, then it seems a foolish piece of dogmatism, a foolish piece of doctrinaire capitalist dogmatism, to insist that this particular system, the Seaway, must pay full-recovery cost.

The city I represent, Toronto—I represent a good part of it, including a part that is right on the Seaway—has paid, directly and indirectly, a good deal of costs—the capital costs and the operating costs—of the Seaway. However, I do not think that there was sufficient consultation with places like the City of Toronto and the other ports on the Seaway before Clause 4 was slid into the Bill.

According to the press statement of the Hon. Minister of Transport (Mr. Mazankowski), the purpose of the Bill is simply to make improvements regarding pollution and things like that. The press statement neglected to mention the principle of cost recovery, full or partial, further cost recovery, but we have in fact Clause 4, which reads:

> The said Act is further amended by adding thereto, immediately after Section 3 thereof, the following section:
>
> "3.1 For the purpose of defraying the cost of navigational services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing, aids to navigation, dredging, vessel traffic services, ice breaking services and escorting services.

Mr. Speaker, that is wide open. Given the philosophy that has been reiterated this afternoon by the Hon. Minister, cities like Toronto and shippers such as the ones that have corresponded with us have good reason to worry about what will happen if this law takes effect, if this law is passed and put into force.

Rather than saying that we should trust the Minister and trust any committees that may be set up to do the suitable thing and not to overcharge where it would cause damage to the economy, I think those questions ought to be looked at first. I think the whole matter should be deferred until the Minister can bring forward much more realistic fears as to which costs he thinks ought to be recovered and which of the users he thinks can generally be expected to pay those costs.

If he simply slaps the charges on or delegates to some committee, some officials, the job of slapping charges on and companies go under because they cannot compete at the higher rates with the American routes and those companies then disappear from the scene, it will be very hard, if not impossible, to recover the shipping industry in Canada.

I think it would be a mistake for this Parliament to adopt this Bill in anything like its present form. There are some good things in the Bill, such as those advertised by the Minister in his press release. Certain regulations are introduced, notwithstanding the anti-regulation philosophy which the Minister exhibits in other areas, but the matter of these charges threatens the existence of the industry, Mr. Speaker. There will be no charges if there is no industry. I think the Hon. Minister ought to be willing to see a halt in the processing of this Bill until there has been much more careful investigation into the

costs that it is necessary to charge and into the users which are genuinely capable of paying those costs without going under.

Thank you very much, Mr. Speaker.

● (1700)

[*Translation*]

The Acting Speaker (Mr. Charest): It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

COMMUNICATIONS AND CULTURE

ADVISABILITY OF ESTABLISHING SUB-COMMITTEE ON CBC

Mr. Edouard Desrosiers (Hochelaga-Maisonneuve) moved that the Standing Committee on Communications and Culture establish a sub-committee for the purposes of reviewing the management of the Canadian Broadcasting Corporation and the matter of the Corporation's programming:

1. That the sub-committee be empowered to hire professional and support staff;

2. That the sub-committee be empowered to adjourn from place to place in Canada for the purpose of visiting the Corporation's facilities;

3. That the sub-committee report back to the House directly; and

4. That the sub-committee be granted all necessary powers to undertake a comprehensive review of CBC's management and programming.

He said: Mr. Speaker, the purpose of this motion is to deal with the problems at the CBC. Canadians across the country are all complaining about attitudes, management and programming at the CBC. I therefore think it is our duty to raise this matter today and to ask the Government to establish a sub-committee, first of all for the purpose of reviewing management and programming at the CBC. Of course, people will say this is political interference. Well, we have reached the point where our only choice is to take a hands-on approach.

The CBC costs Canadian taxpayers the astronomical sum of nearly one billion dollars annually. When will we have a Government with the courage and the will to change this state of affairs?

The House will recall that some years ago, even the Prime Minister at the time, the Right Hon. Mr. Trudeau, said that he was going to shut down the CBC. This problem has been around for a long time, and nobody does anything, says anything or changes anything. It is time we took charge, Mr. Speaker, that we set up a sub-committee of the people's democratically elected representatives, Canadian citizens who are here in the House, today, Mr. Speaker, representatives of the people who ask and insist that changes be made at the CBC. Something must be done.

You know, we have conservatories across the country where young musicians are trained for their future careers. At the CBC, whose prime objective is to promote Canadian culture . . . You watch television, Mr. Speaker, like the rest of us, like all Canadians, and we always see the same people, the same faces, the same group. There is a small clique there . . . Mr. Juneau has completely lost control. He has no authority whatsoever. There is a small clique of friends who produce programs and travel all over the world. They work with their performers here and there, and on top of that they are paid by the CBC to do programming. Not bad, eh!

That is why we are always looking at the the same individuals, the same faces. What are we going to do with our young musicians, our young singers and our old artists who are practically starving?They always use the same people, the same individuals. When they need someone to play the part of an old man they give him a wig and tell him: "Here you go, you play old man Gamache because you belong to the gang, you are one of the boys".

So it is, Mr. Speaker, and the Auditor General of Canada himself said that the worst management can be found in the CBC. Even today's papers report Mr. Juneau as saying that the CBC is in a dramatic situation. Dramatic it is! I would not know who should be blamed for this dramatic situation, but he is right there, he is the man in charge.

Here is what I read in *Le Devoir* this morning: Former President Johnson really shocked members of the seminar when he explained how "the national dream, created fifty years ago when the Canadian broadcasting system was established, has become a national disgrace". Those are the words of former CBC President Johnson, as reported in *Le Devoir* this morning!

Mr. Speaker, the Conservatives can certainly not be held responsible for that mess. The Liberal regime lasted long enough, we know better.

Mr. Rossi: You have been there for a year and a half, Edouard, so what have you done?

Mr. Desrosiers: If anyone ought to be aware of those problems, it has to be the Hon. Member for Bourassa (Mr. Rossi).

Mr. Rossi: I am aware.

Mr. Desrosiers: You were in that Government. You supported all those policies. And when did you stand up to defend your Italian friends, the great Italian artists we have in Canada? When did you rise in the House to speak up for those people? They have every right to promote their culture in this country—

Mr. Rossi: We have not seen you for a month. Do not say anything, you are not in a position to speak up, you have not been in the House for a whole month!

Mr. Desrosiers: Yes, my dear, we know you. We know your kind . . . You have been here for quite a long time as the

member for Bourassa. As I said, seldom have you stood up in the House to fight for the Italian artists within your community. I challenge you to quote a single instance where you made representations on behalf of the great many Italian artists in this country.

Mr. Rossi: I rise in this House more often than you come to this place.

Mr. Desrosiers: Mr. Speaker, I suggest it is important for all Hon. Members to look into the CBC problem, a serious problem which, I feel, should not exist. Mr. Juneau who thinks he is the big boss is responsible for it. He is responsible for this situation. I wonder why he is clinging to power. He should resign. He has completely lost control over the CBC.

As recently as this morning, one could read in the *Le Devoir* newspaper:

Mr. Pierre Juneau, the President of the CBC, warned the Sauvageau-Caplan task force on radio-broadcasting in Canada not to try and draw a red herring the way previous commissions did over the past 30 years—

The Liberal party was in power 30 years ago. They have been in power for the past 100 years. For a whole century, Mr. Speaker! And now Mr. Juneau would like us to come up with "instant miracles" to cure the ills of the CBC. How could we deal seriously with a man who is in charge of CBC and who is seeking "instant miracles"? Do you not find him somewhat strange?

Anyway, I feel it is important:

1. That the sub-committee be empowered to hire professional and support staff;

2. That the sub-committee be empowered to adjourn from place to place in Canada for the purpose of visiting the Corporations' facilities;

3. That the sub-committee report back to the House directly; and

4. That the sub-committee be granted all necessary powers to undertake a comprehensive review of CBC's management and programming.

There are reasons for the cuts, Mr. Speaker. There was a shameful waste at the CBC. There are 19 stories too many in the CBC building. Five of them are completely empty. There is nothing in there.

I think it is about time the Government look into this responsibly, because it is the Canadian taxpayers who are footing the bill. This waste has to stop.

I now ask you to support my motion so that we may regain control of the CBC, develop serious guidelines for programming, really promote our true Canadian culture and let our various ethnic groups, such as the Italians, the Greeks, the Japanese, the Chinese, and so on, make their presence felt. We never see them on the CBC. Never! The Hon. Member for Bourassa (Mr. Rossi) knows this. We have very talented artists of Italian descent in Canada, but we never see them on the CBC.

One of my friends who is Black is an excellent singer. He has never been given a job by the CBC. He is Black and he has no right to belong to our culture! Yet, he was born here in Canada and is a good Canadian. However, he is never given a job. When did you ever see a Black man on the CBC? Everyone watches it!

Mr. Speaker, this is another proof that it is time for our Government to establish this subcommittee to review the management and programming of the Canadian Broadcasting Corporation.

• (1710)

[*English*]

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I have the privilege to address the motion proposed by the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers). I would like to call attention to the fact that in his motion he calls for the review of the management of the Canadian Broadcasting Corporation and the matter of the corporation's programming.

It was recently brought to my attention that the Hon. Member on March 29, 1985, brought a different motion to the attention of the House. In that motion he called for the House to dissolve the Canadian Broadcasting Corporation and to terminate the present mandate for all members of the corporation's Board of Directors. It was an even more sweeping decision which he asked us to make at that time. He asked that we completely eliminate the CBC.

In order to give the Hon. Member for Hochelaga-Maisonneuve the benefit of the doubt, perhaps he was unaware of the previous studies which have been made by commissions throughout the years with respect to monitoring the work of the Canadian Broadcasting Corporation and its budget. I cannot see how he could have been unaware of the commission appointed by the former Minister of Communications, the Hon. Member for Frontenac (Mr. Masse), since on May 8 of this year the former Minister set up a commission. In setting up the commission he had a number of interesting words to say. He said that in carrying out the review it would not duplicate what has already been done but will build on work carried out previously such as that of the federal cultural policy review committee, the Applebaum-Hébert Commission and other recent broadcasting policies and initiatives of his Department.

In his press release, the former Minister of Communications stated that he would be presenting the task force recommendations to Cabinet. He said that this would be followed by the tabling of a White Paper in the House of Commons. He said that the White Paper would be considered by a parliamentary committee where formal discussions will take place.

Again, to give the Hon. Member the benefit of the doubt, perhaps he drafted his motion before May 8, before his former Minister's press release which set out the creation of a new task force. As we all know that task force was to deal with a great many matters. I would like to bring to the attention of the House the mandate of the Caplan-Sauvageau task force which reads as follows:

—make recommendations to the Minister of Communications on an industrial and cultural strategy to govern the future evolution of the Canadian broadcasting system through the remainder of this century, recognizing the importance of broadcasting to Canadian life. The strategy will take full account of the overall social and economic goals of the government, of government policies and priorities, including the need for fiscal restraint, increased reliance on private

sector initiatives and federal-provincial co-operation, and of the policies of the government in other related economic and cultural sectors.

I would like to continue the quotation of the former Minister with respect to the appointment of the Caplan-Sauvageau task force which states:

It will also take full account of the challenges and opportunities in the increasingly competitive broadcasting environment presented by ongoing technological developments.

The long and short of the matter is that the rather wordy mandate of the task force is that it has to deal with the entire sphere of public broadcasting in Canada. Included in the terms of reference is consideration of the Canadian Broadcasting Corporation.

I would like to point out to Hon. Members that the motion before us is duplicative. It is a waste of time for this House to consider. It is unnecessary and pointless. Why? As I said at the outset, frequent commissions and reviews have been set up to which the former Minister paid tribute. I refer to the Applebaum-Hébert Report and many other reports prior to that. Also, the Hon. Member proposes a move which would duplicate the work of the committee which his former Minister established.

I would like to call the attention of the House to the fact that implementation of the Hon. Member's motion would cost real money. It would involve an excessive waste of taxpayers' money.

I would like to direct Hon. Members to what the Hon. Member proposes in his motion. It states:

That the sub-committee be empowered to hire professional and support staff;

I would suggest to Hon. Members that that would cost real money. Second, he proposes:

That the sub-committee be empowered to adjourn from place to place in Canada for the purpose of visiting the Corporation's facilities;

That is merely a euphemism for going on junkets across the country in order to obtain information which would cost real money. In this case I wonder why the former Minister would have appointed the Caplan-Sauvageau task force to do exactly what the Hon. Member proposes. I suggest this is a complete duplication of what his own Party is already doing. To hire a professional support staff, which was included by the mover of this motion, is something which reminds me—and I do not want him to think I am being purely partisan—that our Tory friends seem to have no shame about wasting public funds while they try to deindex seniors and family benefits, pay off bank loans which are not good and provide capital gains for the wealthy. The Government certainly knows how to suggest ideas for the wasting of the taxpayers' money, and here is more evidence of that.

● (1720)

One of the chief concerns I feel we should have about this motion is that the approach of the Tory surgeons is first to cut or amputate and then diagnose the patient. Last fall the CBC budget was cut and the survival of Canadian culture was at one and the same time threatened. The Government was clearly taking a chance that our air waves might be filled with American programming because the Budget cuts inevitably will affect Canadian content programming and our ability to reach rural and remote Canada. Our national identity depends on our cultural identity. Yet by these cuts, the national dream of the Canadian identity is under attack.

The CBC is an important factor in defending our culture. It is as important today as the railway was, and is, to keep our country united. Yet this Government saw fit to make the enormous cuts of $85 million and more. The outcry, of course, from Canadians was tremendous. They were indignant at these cuts because they know the cultural industry is one of the best job creation industries in Canada. Critics of the cut-backs which have been imposed on the CBC, and on other arts and cultural councils, have argued that Canada's cultural industries employ as many people as agriculture. In 1981 it had revenues of almost $8 billion and a payroll of $2.5 billion. Employment in cultural industries rose 74 per cent between 1971 and 1981 as compared to 39 per cent growth in the economy as a whole. It is six times more efficient, by the way, in job creation, than the manufacturing sector.

In stressing the impact of federal aid, critics point out that for every one dollar received from Ottawa, the cultural industry generates almost $5 from other sources. Yet while other industries were cut by 3 per cent, culture was cut by 5 per cent. At a time when Canadians are concerned about cultural sovereignty and unemployment is high, Government support for Canadian programming and for artists and performers is being reduced. For the half a century the CBC has been on the air waves, it has made it possible for Canadian writers, film makers and artists to make a living in this country rather than going south of the border. It has created a Canadian identity and has produced programs which commercial stations would not likely produce. Because of the recent cuts, the CBC may be seriously weakened as a national service. It may not be able to continue to broadcast in two languages, run two television and four radio networks, a northern service, an international service and a parliamentary channel.

I do not want to take away the right of my hon. friend to criticize the CBC for whatever reason he wishes. No doubt there are areas where improvements could be made following his suggestions and those of other people from across this country. I am sure that all of us want to monitor and express our personal opinions about the CBC, and how to improve the service, in any way we wish. The Hon. Member suggeted on March 29 that we eliminate the CBC. He now suggests that we have a duplicative committee to cross this country at the taxpayers' expense to "reinvent the wheel", to once again examine the CBC. That seems to me to be quite unrealistic.

We have to be concerned about the cuts which were made by this Government to the budgets of the CBC and other cultural organizations. It is interesting now to see that the former Minister of Communications, the Hon. Member for Frontenac has had a conversion on the road to Damascus. He speaks now of cultural sovereignty. He sets himself up to say he is going to be a champion of that cultural sovereignty, that he will defend it to the death. His successor has also indicated

his defence of our sovereignty. But we cannot defend the sovereignty unless we have a budget and if we cut the budget we are going to cut the sovereignty. It is as simple as that. We should not destroy the infrastructure of those organizations which have been the hallmark and the bulwark of our strength and solidity as a nation. If we are going to make sure we have cultural sovereignty, then we should not cut the CBC and we should not cut culture. Anything else is lip service and empty hypocrisy.

Let us hope, indeed, that it was a conversion on the road to Damascus. Let us hope that the Minister of Communications, in Cabinet and everywhere he can, will stand up and be counted. Let us hope he will face up to the Minister of Finance (Mr. Wilson) and to the Prime Minister (Mr. Mulroney) in order to ensure this country is defended in terms of its cultural sovereignty and in terms of developing jobs for Canadians in the area where more jobs can be created than in any other sector of this country.

The statement released by the President of the Treasury Board (Mr. de Cotret) on November 8, 1984, on the Government's expenditure and program review, contained a number of significant funding cuts for cultural agencies. Particularly hard hit is the CBC. The nature and degree of these cuts, and the subsequent statements by the Minister, indicate a substantially different approach to cultural policy than under the previous Government. The Applebaum-Hébert report on cultural policy recommended in 1982 the maintenance of an arm's length relationship between cultural industries and Government but continued Government consultation and funding.

During the 1984 election campaign, the Conservative Party indicated a commitment to the arm's length principle, as well as to maintaining funding for agencies and councils in line with inflation. That is what the Conservative Party said. However, in 1984 cuts were announced to the CBC, the Canada Council, the CRTC, the Department of Communications and the National Film Board. The former Minister of Communications, the Hon. Member for Frontenac, announced in a press release on November 15 of last year that three consultants were being assigned "to participate on my behalf" in the Budget restraint exercise at the CBC. At this time the Minister also indicated his plans to conduct "a fundamental review of the corporation's mandate, role and activities". In an interview which was published in *The Globe and Mail* he stated that his Government intends to question "the traditional arm's length relationship with cultural agencies as well as the primary role of the CBC".

● (1730)

He stressed the Department's responsibility to set cultural policy and he doubted whether the CBC should continue to account for two-thirds of all the money the federal Government spends to support cultural activities. It does seem, Mr. Speaker, as if they are a bit confused over there in the Tory benches. They are going to have cultural sovereignty and an arm's length relationship with the CBC, yet the Minister proceeded to put his commissars into the CBC and he was questioning whether there should be an arm's length policy. It seems as if the ship is going in every direction. It is this kind of confusion which of course leaves all of us a bit nervous because if there is that much confusion in these and so many other policies, then people cannot plan ahead. They cannot really rely upon this Government to defend our sovereignty. This even puts into grave question the ability of this Government to negotiate with the United States over matters which relate to books and publishing and communications and so on. If the Government cannot elucidate and elaborate on a policy and stick with it regarding the CBC, how can we assume that it will know where it is going when it comes to negotiating in areas where we cannot afford to make a mistake?

This member of the Conservative Party is also proposing a subcommittee with the aim of dangerously interfering as politicians with the long-standing Liberal Government policy of an arm's length relationship with the CBC. Indeed, the Consumer's Association of Canada said that limiting Cabinet power to issue directions to matters of broad public policy is what they wish. Rightly so. The Cabinet should not be able to interfere in the specific programming of the CBC. The Member moving this motion is from Quebec and he must certainly be aware of the special role that the CBC plays in providing French-language broadcasting not only in Quebec but in other areas of Canada where there is a demand, indeed a great need for it. Does the Hon. Member not realize that the CBC is vital to our national interests and must have the budget and freedom to program appropriately? Does he wish his committee to interfere with these national interests? How can he assure us that this interference by politicians which he is suggesting will not dangerously politicize the CBC so that it will no longer be able to provide its vital service to this country?

[*Translation*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I would like first to turn away completely from the irresponsible attack launched by the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) against the CBC. There are occasions and reasons for criticizing the Corporation. We must not be blind supporters of the CBC, and I will have negative comments to make, but we should use a balanced approach. We have to mention both the good and the bad points, because the CBC deserves to be commended even for some of its triumphs.

What are the facts? The Canadian Broadcasting Corporation is serving large section of the globe. There are two TV networks in both official languages, and four radio networks also in both official languages, and in AM and FM. There is the Northern service broadcasting programs in several native languages in addition to our two official languages, and there is a universally recognized international service.

The CBC costs less per program, per program hour than any other national network in the world. It is difficult to have comparisons made with private Canadian networks, because

they do not produce much of their programs. They buy programs mainly from the United States.

[*English*]

Therefore, the record of the CBC with regard to cost efficiency and with regard to serving this enormous country of ours is actually very, very good and we can be proud of that. We can be proud, too, of the quality of many of the programs and specials which the CBC produces. We think of *Chautauqua Girl, Charley Grant's War* and *The Nature of Things*, a program which is sold all over the world, and the lesson is very clear. When the CBC has adequate funds to do the job, it does it very, very well and we as Canadians can be very proud.

I do agree that a re-examination of the CBC is needed. This is precisely what is happening already with the task force on broadcast policy. Quite correctly, this task force is examining not only the CBC but the private broadcasters as well. We have a national broadcasting system which includes the public sector and the private sector, and the private sector broadcasting has been notoriously negligent in producing Canadian programs. If we want an improvement and we want to see a more vital Canadian culture, it is to the private sector that we have to look to make an enormous change to improve the development of Canadian programs. Canadian programming has come almost entirely from the public sector and because we are going to have to depend on that public sector, we need a strong CBC. But we also need a re-examination of both sectors and it is quite clear that for the kinds of improvements we need from the CBC, we have to spend more money. Where I think the CBC most deserves criticism, and I want to spend a little time on this because these facts are still not sufficiently well known, and it is a subject which the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) did not mention, is the exclusion of coverage of women's issues and events, and the relegation of women in the CBC to roles largely outside the production, direction, and management capacities. This is a subject about which the women's movement in Canada has been complaining, as well as articulating and documenting in great detail, for a large number of years.

The first intervention by the women's movement concerning the CBC came in 1974, more than 10 years ago, and the CBC ignored it. The second intervention, which was joined with an intervention on CTV, and many other groups joined in as well, came in 1978 at the CRTC hearings. At that time the corporation decided that it had to respond to the criticism and it invited representatives of women's organizations to meetings with senior management. These were extremely interesting meetings and at the end the Corporation came up with a so-called plan of action where it was going to reform its act. I have documentation from a 1978 CBC task force on the status of women, its recommendations and implementation. There is a list of concrete measures to improve coverage of women's issues and events, to include women in drama, news, public affairs, sports, children's programs, indeed all the programming on the CBC, to improve women's opportunities to get into non-traditional roles and to rise in the corporation. Unfortunately the CBC has not acted on these recommendations. This has not been a plan of action, it has been a plan of inaction. It has been a plan on paper, not one in reality. Therefore, we have women's organizations, including employees of the CBC itself, across the country in all of the networks complaining that they have been excluded, that they are not being given fair and adequate attention. Now that we have a Charter of Rights which guarantees equality to both sexes, this situation is not only reprehensible, it is indeed illegal. This is not just the privilege of a male management, old fashioned and traditional, which wishes to have the CBC remain a boys' club. This is illegal now. Women have legal equality with men and this exclusion from our major public network is totally reprehensible. Let me refer to what women within the Corporation are saying. This brief was prepared.

● (1740)

[*Translation*]

—a preliminary brief submitted to the Board of Inquiry on Employment Equality by the CBC's reporters union. This is a presentation to the Abella Commission, and at that time the CBC was one Crown Corporation that had a so-called action plan. But the results of that plan were something else, and I quote:

> We believe there is general discrimination against women within the CBC at all levels. For instance, there are very few, if any, women in managerial positions, or in traditionally male-dominated areas such as the sports department.
>
> We have found that women were systematically underpaid compared with their male colleagues for absolutely identical work. We also have found that the majority of women worked as researchers or research assistants, while the majority of men worked as reporters and interviewers, or M.C's, which are better-appreciated jobs within the CBC.
>
> We tried to learn whether those salary differentials were based on objective and rational considerations such as experience or education. Or whether, on the other hand, individual hiring negotiation practices and the absence of established criteria did not awaken old sexist discriminatory reflexes at the employer level.

[*English*]

This brief was brought out in 1983 but nothing has changed since then. I have a reply from the President of the Corporation to a representative of another women's organization about their so-called plan of action. Let me cite from this reply as well:

[*Translation*]

> The Corporation is proud of having launched one of the first, and also one of the most successful Equal Opportunity Programs for women in this country. However, you will certainly agree with me that, despite all that has been accomplished over the last 8 years, the situation of women generally has not advanced as it should have.

This is sheer hypocrisy, Mr. Speaker, on the part of the President of the CBC, Mr. Juneau, when he says such things, because he has done nothing to put that plan of action in effect. And he goes on:

> This is the reason why we have decided to launch as soon as the next financial year a revitalized affirmative action program. This program will be provided with specific targets which management will have to reach.

It is the same plan of action as developed in 1979. We had such a plan, but the CBC did not implement the basis of the plan set up six years ago.

It will include a complete review of our salary scales to guarantee the application of the principle of equal salary for work of an equal value throughout the Corporation.

And he goes on with the same nonsense about his plan of action.

[*English*]

This is yet another example.

What is the situation in terms of what we see on the air right now? The Corporation was required to monitor its own programming. There is monitoring from 1981 and 1982. Another study was conducted as a result of the CRTC Task Force on Sex Stereotyping in the Media and MediaWatch has also done some monitoring.

The results are well worth citing for consideration of the House. In television news, women are very seriously under-represented where 77 per cent of news readers and 79 per cent of reporters are men. In television news, 85 per cent of all interviewees are men; female experts were invisible as 91 per cent of experts were men; 70 per cent of the people in the street were men and 84 per cent were eyewitnesses. Even when interviewing ordinary citizens on the street, they cannot find any women because of the traditional view that men are important and only men constitute news or public affairs. The interviewers and the interviewees are men.

In radio news, 86 per cent of people interviewed were men; female experts were almost non-existent as 92 per cent of experts were men; 55 per cent of people in the street were men and 79 per cent of eyewitnesses were men. These are recent statistics and this situation is inexcusable. It shows that the Corporation has not mended its ways and still consists of a complacent group of very sexist men who are quite content to abide by the old club rules, despite the fact that we have a Charter of Rights and a commitment, I believe from all Parties in the House, to improve chances for women and admit women as equal partners with men in the political, economic and cultural life of this country.

The CBC has been scandalously deficient in addressing this. I could go on to comment on many other policies. For instance, it has a policy for the portrayal of women in programming. It also has policies on hiring in which there is an affirmative action program which states that in job areas where women are under-represented and two job candidates are equally qualified, the woman is given the advantage. That is nonsense because it never happens. When we follow up on a complaint that women are being discriminated against we are told that no qualified women applied. We are told that not one qualified woman applied in the 150 applications. That is hardly believable in areas where there are large numbers of well qualified women.

In fact, there is an affirmative action plan and the CBC has not shown that it is serious about applying that plan. We have legitimate reason to criticize the CBC but the question is how to address the problem. I do not believe that a parliamentary committee is the correct way to deal with this issue. The CBC should take this matter seriously because recommendations have been made to the task force on broadcasting about this issue and many others. The task force must be scrupulously careful to bring forward concrete measures that both the Corporation and private sector broadcasting can adopt to ensure that women are shown as the equal members of Canadian society that we are.

It is unnecessary to establish a new committee and incur the expenses for travelling across the country. The task force on broadcast policy just completed its tour of the country during the summer. I presented a brief to that task force along with other people and organizations. That task force will be presenting its recommendations and a report will go to the committee. That will provide another opportunity for input, using the means we already have at our disposal without the additional expense and energy to all of those organizations which would have to repeat what they said to that task force.

In conclusion, many of the problems facing the CBC today could be solved with more money. Additional Canadian programming, especially children's programming, drama and entertainment, require more money. It costs money in order to have Canadian content for prime time entertainment viewing.

It is obvious that it is more expensive to produce a program than to buy it from the United States. The American corporations can produce their high budget programs and sell them all over the world at a small fraction of their production costs. We are subject to this dumping, as it is called in any other sector of the economy. We cannot stop it by raising a curtain to prevent programs from coming in. We can only compete by producing our own programs, and that is expensive. However, if we care about Canadian culture we will ensure that measures are taken so that the programs are produced. That is the way to fight for the survival of our culture.

• (1750)

In concluding, I want to salute the work done by the partisans, the friends of the CBC, who are being constructive and enthusiastic critics representing the grass roots of Canada. After all, these were the people who demanded the CBC in the first place. If the CBC has grown distant from its roots, these people are speaking up now. That is welcome and we should be listening to the criticisms they and our citizens are making. These are constructive criticisms and are well within the concern that we all share, which is to have a strong Canadian culture.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, it is an honour to rise to address the motion put forward by my colleague, the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) about the establishment of a subcommittee of the Standing Committee on Communications and Culture for the purposes of reviewing the management of the Canadian Broadcasting Corporation and the matter of the Corporation's programming.

I must congratulate the Hon. Member for Hochelaga-Maisonneuve for the uncanny timeliness of his private Members' motion. Even as we speak, Mr. Speaker, several Members of the Progressive Conservative Government are meeting with the special task force to review Canadian Broadcasting policy. The Hon. Member will know that Mr. Gerald Caplan and his co-chairman, Mr. Florian Sauvageau, along with a distinguished group of communicators, are spending nine months crossing the country, consulting with all sectors of the Canadian economy and discussing with a wide range of interested groups and individuals matters relating to the future of Canada's broadcasting system, which will bring about the first fundamental review of Canadian broadcasting in 15 years. My hon. friend can see how this debate can only contribute to the information gathering process of the task force on broadcasting. In that regard, I would like to thank the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) and the Hon. Member for Broadview-Greenwood (Ms. McDonald) for some of their very timely and constructive remarks. Although I cannot agree with everything that was said, I do appreciate their contributions.

That being said, I can say on behalf of the acting Minister of Communications that he is interested in the proposal of my colleague.

The process for the recent revision to the Broadcast Program Development Fund and for the review of French language television services was undertaken in December, 1984. This clearly illustrates that the ministry is always interested in contributions to the ongoing dialogue in the evaluation and development of broadcasting policy. It is in this light that I see the motion placed before us.

To suggest that the affairs of the "Holy Mother Corporation" have most Members of this House writhing in an earthly hell from time to time is something of an understatement, Mr. Speaker. Indeed, Members on this side frequently get apoplectic about the CBCs daily programming and management practices, and so it is not surprising to see motions, such as this one, recommending the implementation of extreme and extraordinary measures to examine the CBC.

There are two immediate responses that I would offer the Hon. Member in connection with his motion. The first is that whatever our concerns and complaints, no matter how much we castigate, slam and damn the CBC, I am one Member of Parliament who fervently believes in the viability and continued existence of the Canadian Broadcasting Corporation. It was after all, a Progressive Conservative Government which created the CBC in the 1930s. It will not be under a Progressive Conservative Government that we will see the CBC dismantled or put up for sale. Second, I would say to my hon. friend that this is a time for fiscal and economic restraint.

The acting Minister of Communications, following the lead of his immediate predecessor, the Hon. Member for Frontenac (Mr. Masse) is working on the Government's review of the communication portfolio and the future of broadcasting in particular. If we were not undertaking such a complete review, and if the special task force on broadcasting was not at this very moment carefully examining the future role of the Canadian Broadcasting Corporation in the over-all context of this country's broadcasting system, then the need perceived by the Hon. Member to establish a subcommittee, such as the one he described, could easily be confirmed. In such a case, it might well be useful for it to have a broader mandate such as to suggest ways and means to determine the optimum support and allocation of resources to cultural activities in the communications portfolio, while paying special attention to the role and activities of the private sector and provincial Government in the cultural development of the country.

I must oppose this motion, Mr. Speaker. Our Government, whose first goal is the reduction of the deficit, would probably find the establishment of such a committee, as described by my colleague, too onerous. It would also be duplication of work done by the Auditor General of Canada, who performed a comprehensive audit of the CBC in 1982-83, and by work that will be done by the task force on broadcasting policy whose establishment the former Minister of Communications had announced before the Hon. Member brought this motion forward for debate at this time.

May I remind this House of the size of the CBC? The CBC English-language division is made up of 31 AM radio station, 15 FM stations and 18 television stations. In addition, 15 AM radio stations and 26 television stations are under an affiliation contract with the CBC. The French-language service groups, 15 AM radio stations, six FM radio stations and 13 television stations, while seven AM radio stations and five private television stations are in affiliation. Simply put, the CBC has over 150 broadcasting facilities. To this we must add the CBC northern services, CBC international, this parliamentary channel and all other related activities.

How expensive would it be, I ask the Hon. Member, to visit the large number of CBC facilities spread throughout the country, especially if a group of persons were involved? Would it be prudent to hire additional experts and knowledgeable support staff when the Government is trying right now to control its own expenditures of personnel and already has people in place to study relevant issues in the entire broadcasting industry? Would it not be easier for the Standing Committee to request from the CBC the numerous studies it has commissioned itself?

I could go on, Mr. Speaker, but what I want to make clear is that expenditures such as these must be clearly justified. Is it really the case with this proposal? Can we believe, I ask the Hon. Member for Hochelaga-Maisonneuve, that we really need another committee to scrutinize the operations of the CBC? Frankly, there are other ways to satisfy the Member's need for current information about the CBC. What immediately comes to mind is the CBC's parliamentary services. This service was instituted to answer the questions Members could have regarding the activities of the CBC. Any Member can use it for his or her benefit.

As for visiting CBC facilities, I suggest that Members of this House might wish to visit CBC facilities located in their

constituencies. If there are no studios in their areas, I am sure that a visit could be arranged to the Ottawa studios.

What I want to emphasize is that there does exist simpler and less onerous ways than the creation of another committee to review the CBC's activities. It is not as though the CBC operates by itself year after year without reporting to Parliament. Every year the Minister tables the CBC's annual report, to which is attached a financial report certified by the Auditor General of Canada.

Furthermore, officials of the Department of Communications are in constant contact with the CBC on all aspects of its activities as they relate to public inquiries directed to the Minister as well as to the development of communications and culture for Canada in both the domestic and international spheres.

May I remind this House that CBC reports to Parliament through the Minister of Communications and that the Minister of Communications exerts control over expenditure levels of the CBC by making recommendations to the Treasury Board on proposed program expenditure levels of the Corporation? The Minister also makes recommendations to the Governor in Council regarding remuneration and pension benefits, and must approve all CBC by-laws concerning such matters.

● (1800)

As well, the corporation's capital budget is approved by the Governor in Council upon recommendation of the Minister of Communications, the Minister of Finance and the President of the Treasury Board.

In addition, every year the President of the CBC appears before the Standing Committee on Communications and Culture and provides the members with the opportunity to question the CBC's achievement of its objectives as well as its operations. As for the review of the CBC programming service, it is normally done on a regular basis—

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Parliamentary Secretary.

[*Translation*]

The time allotted for Members' Private Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

Adjournment Debate

PUBLIC SERVICE (A) CAREER PLANNING FOR EMPLOYEES FACING LAYOFFS. (B) JOB SECURITY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the question I wish to raise this evening in the adjournment debate is further to a question put in the House on October 8, 1985, reported at page 7455 of *Hansard*, which deals with an important and timely subject, namely, jobs in the Public Service of Canada and the burning issue of job cuts in the public service.

For some time now, Mr. Speaker, both in the media and here in the House, there has been constant talk of the many cuts made by the Conservative Government in the Public Service of Canada. For instance, a few weeks ago we were informed of 3,000 layoffs at Canada Post, 5,000 at Transport Canada, 1,150 at Customs and most recently, in referring to the 1,500 jobs cut within his own department, the Minister of Indian Affairs and Northern Development (Mr. Crombie) stated in this House on October 3, as reported at page 7297 of *Hansard*, and I quote:

> We want the 1,500 jobs and more for Indian people, not federal bureaucrats.

On October 8, I asked the President of the Treasury Board (Mr. de Cotret) what kind of career planning he had in mind for public servants affected by these arbitrary cutbacks, cutbacks based on certain percentages and involving numbers as high as 15,000 jobs over 15 years, a decision we find absolutely cruel and hard to accept. I asked him whether he had a plan to help these public servants retrain and find other jobs within the Public Service of Canada. The Minister answered, as reported at page 7455 of *Hansard* of October 8, 1985, and I quote again:

> Regarding workforce adjustment policies as well as most of the other commitments we have undertaken vis-à-vis the unions, we have worked out a policy that provides for the kind of pre-notice, retraining and recycling within the Public Service that will minimize the adjustment of these workers to an obviously difficult situation.

Mr. Speaker, the House will also recall that not so long ago, it was October 8, hardly a week ago, I asked the President of the Treasury Board whether those same public servants laid off in accordance with his program of employee cutbacks, a program which, and I say it again, was arbitrary, would be put on a priority list and whether they would get the support and help of the Public Service Commission in finding a job within the Government's departments and agencies.

The Minister gave me the assurance that everything was being done to help them find jobs within the public service, that notice periods had been negotiated with the unions to provide for the most complete retraining available, and that, and these are the Minister's own words, out of 3,000 public servants laid off since November 1984, only 130 had not yet been recycled.

Mr. Speaker, this matter seemed to me to be important because it affects a great many civil servants who are concerned about their future in the Federal Civil Service. I was

somewhat skeptical when the Minister said in the House that all but 130-odd employees out of about 3,000 had been recycled within the Public Service. I believe the Minister realized that he had made a mistake, because he rose on a point of order in the House three days later, specifically on October 11, and indicated he wanted to correct some misinformation he had provided to the House on October 8 in reply to a question from the Hon. Member from Ottawa-Vanier (Mr. Gauthier), and I quote:

> Last November a decision was made to reduce the growth planned by the previous Government for 1985-86 by some 1,300 person years. Because of vacancies and attrition, only 725 indeterminate employees were directly affected. Almost 700 of them were dereployed within the Public Service. Approximately 30 were actually laid off and all of them were entitled to a priority for placement for one year.

On a Point of Order which was not really one, the Minister corrected a statement which he had made in the House on October 8.

● (1805)

[*English*]

Because the Minister answered in that way on October 8 last I made inquiries of the Public Service Commission in respect of these employees who were declared surplus. I requested the statistics in connection with this matter, and I was provided with a document dated October 10, 1985 from the Staffing Priorities and Complaints Centre.

This document states that 1,972 employees were declared surplus during the period September 1, 1984 to September 30, 1985. Of that number, 766 were removed from the system for a number of reasons, including priority status of one year expired, resignations, retirement, death, status rescinded or reappointments.

Of those who are still on the priority list, 296 were laid off and 910 were considered surplus, bringing us to the 1,206 employees who still are on the priority list and who have to find jobs. Of those, 253 have chosen not to exercise their priority entitlement. This is in the document dated October 10, 1985. The total number of reappointments being 673, that means that only 34 per cent of the employees who were either laid off or declared surplus were redeployed.

Those are the actual figures to September 30, 1985. They do not include the 1,500 employees of the Department of Indian Affairs and Northern Development or the 300 maintenance workers under the Department of Public Works—and these are mainly women—who have been told that they will get their pink slips on April 1, 1986. Nor does it include the numerous public servants who have been laid off or declared surplus since October 1, 1985.

When the Minister said in the House on October 11, 1985 that he had been provided with the figures and wanted to set the record straight, I believe he did not have the record straight. I believe his Parliamentary Secretary should now set the record straight once and for all. Give us the complete facts with reference to this lay-off program of the Government.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I know my hon. colleague is concerned for his constituents, the public servants, and I know, too, that he does not want to indulge in any scare tactics. He has applauded our efforts in handling this matter in the most professional, responsible and fair method possible. I want to thank my hon. friend for putting the facts in connection with this program on the record.

There are some 1,972 employees affected. However, we have done our best to redeploy as many of these people as possible. I only received the figures as he read them out. It seems to me that we still have a lot of time to realize positive results on the efforts we are making.

When we announced in the May 23 Budget that we were going to reduce Treasury Board controlled person-years, we put the emphasis on the word "attrition". We said in the Budget papers that efforts will be made to achieve these reductions through attrition wherever possible. We have a reasonable record in redeploying these people through attrition. The Hon. Member indicated that some 1,000 people had retired. That was the whole idea of the attrition policy. We realize that people retire, decide for one reason or other that they want to go on to other things, or die unexpectedly. That is why we have been focusing on attrition and redeployment as a fair and responsible way to handle what everyone knows is a problem for the Government, the deficit.

● (1810)

The Hon. Member will know that prior to declaring any employee surplus all Departments are expected to redeploy as many as possible of the affected employees within the Department including retraining where this is necessary. When a surplus is declared, employees are usually given six-months' notice. I would point out that the official minimum notice period is four months but the Government has decided to give six months' notice to people who are being laid off. On being declared surplus, these employees are immediately entitled to a priority for placement in vacant positions in the Public Service for which they are qualified or could become qualified through retraining. If surplus employees accept a lower paying job, their salaries are protected for a year.

We appreciate that this is a delicate matter but there does not appear to be long lines of people pounding at our doors saying that they have been mistreated. I think that in itself speaks to the treatment they have received. If my hon. colleague can show any instances of us not being fair, I request that he bring them to my personal attention.

SOCIAL SECURITY—REQUEST FOR CLARIFICATION OF CHILD TAX CREDIT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, on October 16 I raised a very important question regarding family allowances and the child tax credit. The Government has been feeding us the line that its increase in the child tax credit will make up for the unfortunate decrease in the family allowances.

On October 16, I asked the Minister of National Health and Welfare (Mr. Epp) if he was aware that the child tax credit itself was to be deindexed so that the so-called replacement would be a very temporary one indeed. In reply, I received a denial of the problem, and a rather rude denial at that. Let me quote from the Minister's response:

Mr. Speaker, if the Hon. Member has read the Budget and Bill C-70 she will have seen that the child tax credit will be increased. I suggest she look at those figures.

This rather smug put-down is totally unwarranted. Bill C-70 has nothing to do with the child tax credit. It deals with the deindexation of the family allowances. The child tax credit is not even mentioned in it. I did look at the Budget papers and I will quote from them:

The child tax credit will be indexed to increase in the CPI in excess of three percentage points.

This is found under the section entitled "Taxation Year 1989 and Subsequent Years". This is a polite, euphemistic way of saying that from 1989 on there will be a deindexation of the child tax credit. That is, the indexing for the cost of living will only be in excess of 3 per cent, so that every year from 1989 on the child tax credit will lose 3 per cent of its value, just like the family allowances.

[*Translation*]

The sad truth is that the Government will reduce those three child assistance social programs. First to go will be the family allowances, as of January 1, 1986. Next will be the child tax exemption, and this cutback will take effect the following year. Finally it will be the child tax credit. It is true that the child tax credit will be increased, but only on a temporary basis. The child tax credit is now worth $384 a year for each child. It will go up for a while, but in the case of families eligible for the full tax credit, meaning low income families, in nine years the tax credit will be worth less than it is worth now.

If we add up family allowances and the child tax credit we find out that, beginning in 1991, those families will be getting less Government assistance than they do now, including the poorest families in Canada, where one child out of five lives under the threshold of poverty, yet even those families are under attack by the Conservative Government. I am ashamed to say this is the situation in a country as wealthy as Canada!

What does deindexing mean? It means a loss in value. Families will receive a check because the Government does not dare eliminate the child assistance program just like that. Unfortunately, the monthly family allowance check will not buy much. Its value will have been cut nearly by half within 20 years. In current dollars, it would represent about $17.50 a month per child.

The child tax credit will be worth the equivalent of $276 in 20 years compared with the present amount of $384.

[*English*]

The Government of Canada, the Prime Minister (Mr. Mulroney) and the Minister of National Health and Welfare are not being honest with the people of Canada when they say that the family allowance reductions will be replaced and that the poorest families will be better off with its programs. It is simply not true. All families are being attacked. Even the poorest families will be worse off with the deindexation measures. There will be a decline year after year in the value of our social programs. Fewer families will be eligible for receipt of the child tax credit, which is another point the Government is reluctant to make. Fewer families will qualify for whole or partial aid, thanks to deindexation. This is a serious matter. It is important for the people of Canada to speak up now to oppose this drastic Draconian government measure of attack on the families of Canada.

● (1815)

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it gives me pleasure to reply to the noble question asked to the Hon. Minister of National Health and Welfare (Mr. Epp) last October 16 and repeated this evening by the Hon. Member for Broadview-Greenwood (Ms. McDonald), who wondered whether the minister of family and welfare was aware of the fact that the child tax credit would be reduced by so-called deindexing.

First, I wish to repeat that the first objective of the restructuring of family tax benefits undertaken by the Government as announced by the Minister of Finance (Mr. Wilson) in our Budget last May is to ensure that these benefits and any benefit increases will be directed at those who really need them. Under the restructuring or readjustment of family tax benefits which will be phased in over the next three years, the child tax credit will effectively increase from $384 in 1985 to $524 in 1988.

Indeed, in 1986, the tax credit will be increased by $70 and it will then increase by $35 a year during the next two years. Consequently, to insure that these very necessary increases will be directed towards the most needy families, the annual income level above which the tax credit will begin to decrease will be lowered from $26,330 to $23,500 for the 1986 fiscal year.

However, in cases where the inflation rate would be too high, the effective value of that tax benefit might decrease, as a result of a limited indexation. It is very important at this point to remind all Hon. Members that when tabling his budget last May, our able Minister of Finance (Mr. Wilson) stated, and I quote:

[*English*]

The Government will review the inadequacy of payments in light of future circumstances and will increase them as resources will permit

[*Translation*]

Mr. Speaker, if and when those increased opportunities materialize, I am confident, as I am aware of the Minister of Finance's social concerns, that available funds will be ade-

quately channeled through a system of family tax benefits, based on an improved principle that will take into account not only the level of income but the social objective of providing more effective assistance, on the basis of actual need, to the families that are the most in need.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.21 p.m.

HOUSE OF COMMONS

Friday, October 18, 1985

The House met at 11 a.m.

● (1105)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

EMPLOYMENT

IMPORTANCE OF SMALL- AND MEDIUM-SIZED BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I rejoice over the Canadian Federation of Independent Business announcement that 250,000 jobs will be created by Canadian small businesses in 1985.

The announcement is related to several factors. The number of new jobs might be three times as high had the Conservative Government completely abolished the capital gains tax, provided such gains would be invested in small- and medium-sized businesses.

The $500,000 exemption advocated by the Conservative Government will not channel investments towards job-creating small- and medium-sized businesses. The new owner of an apartment building does not create a single job, yet the seller is entitled to a tax exemption.

The odd job this Conservative measure might create will not be an adequate substitute for the thousands of other jobs we lose every day as a result of the Conservative Government's lack of leadership.

Montreal East is a telling example—5,000 jobs lost within a few days.

* * *

[*English*]

THE LEADER OF THE OPPOSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I think I should draw the attention of the House to a wonderful letter that has come to me. The letter goes on for three pages about the terrible things which the Conservative Government has done, and, by golly, it is all true. Right here, you can see the letter has been signed by the Hon. Member for Vancouver Quadra (Mr. Turner), the Leader of the Opposition. He is inviting me to join the Liberals. One of the reasons he said I should join is because the Tories have "saddled Canadians with a hodge-podge of backward sales taxes and surcharges likely to cost the typical Canadian family thousands of dollars over the years ahead".

But, wait a minute. Does my memory fail me, or was it the Liberals who brought in that sales tax increase in the first place? Indeed, Mr. Speaker, it was in Marc Lalonde's 1983 Budget that the Minister of Finance announced a "special recovery tax". The major effect of that 1 per cent sales tax increase, which the Conservatives opposed and then introduced last year, was to take a billion dollars out of the economy and slow down any recovery which might have provided jobs for Canadians.

Well, it seems the Liberals have seen a light on the road to Damascus, and are now writing to thousands of Canadians calling the sales tax increases backward.

The Leader of the Opposition writes a great letter. But perhaps, just perhaps, the next time he writes to Canadians he will be honest enough to point out that the programs he was criticizing were introduced first by Liberals.

Mr. Speaker: I must tell the Hon. Member that his time has expired. The Hon. Member for Beauce (Mr. Bernier).

* * *

[*Translation*]

THE ECONOMY

IMPROVEMENT SINCE GENERAL ELECTION

Mr. Gilles Bernier (Beauce): Mr. Speaker, over the 12-month period ended in September 1985, 304,000 more Canadians found gainful employment, and the unemployment rate dropped from 11.6 to 10.1 per cent during that time. The New Democratic Party does not even mention it.

The Bank of Canada prime rate decreased by 3.53 per cent since the election and now stands at 8.85 per cent, a seven-year low. Mortgage rates are down 2.5 per cent to the current level of 11.75 per cent. The Grits are tight-lipped about it.

Over the first seven months of 1985 the value of building permits rose by 17 per cent over the same period the year before. The New Democratic Party has nothing to say about that.

The 4 per cent inflation rate has remained practically unchanged for over a year. The Liberals are silent.

Over the first eight months of 1985 there were 13 per cent fewer bankruptcies as compared with the same period the year before. The Liberals have nothing to say.

S.O. 22

Last month's construction starts were 29 per cent higher than in September 1984. The New Democratic Party will not even acknowledge it.

Mr. Speaker, investors have regained confidence, consumer spending is up, prices have levelled off, manufacturers' orders are on the rise, and the performance of our economy puts us ahead of our American neighbours.

We will continue to work because we were elected to improve the living conditions of Canadians. We will let the Opposition talk about phoney scandals and patronage abuse, for that is their negative approach and they should know better.

* * *

[*English*]

STATUS OF WOMEN

RECIPIENTS OF PERSONS AWARDS

Mrs. Mary Collins (Capilano): Mr. Speaker, today, on the occasion of Persons Day, tribute is said to the five Alberta women who led the fight for women's recognition as persons in 1929.

Last night six contemporary Canadian women, who have dedicated their lives to the ideals espoused by the Alberta five, were honoured at Rideau Hall as the recipients of this year's Persons Awards.

They are: Grace Hartman, a founding member of the National Action Committee on the Status of Women—Grace became the first woman president of a major Canadian union; Marguerite Bergeron-Tremblay, whose long-standing involvement in Le Cercle Des Fermières, La Fédération des Femmes du Québec, MATCH, and Amnesty International is evidence of her commitment to the betterment of women in Canada and around the world; Nazla Dane, a guiding force behind the Canadian Federation of Business and Professional Women's Clubs and its former president—Nazla was an early proponent of equal pay for work of equal value and of non-traditional careers for women; Gemma Pelletier Caron, long active in promoting the interests of Francophone women in New Brunswick, she founded La Fédération des Dames d'Acadie; Pearl Steen, who combined her involvement in the Vancouver community with 30 years of activity with the National Council of Women, including its national presidency; and Evelyn O'Bomaswin-Lamirance, a founding member and president of L'Association des Femmes Autochtones du Québec, who has worked tirelessly to promote the rights of native women.

These six remarkable Canadian women are worhty successors to the standard of strength and commitment set by Emily Murphy—

Mr. Speaker: I must advise the Member that her time has expired. The Hon. Member for Outremont.

[*Translation*]

SOCIAL SECURITY

DEINDEXATION OF FAMILY ALLOWANCES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, today on the anniversary of the Person Case, I would like to draw the attention of the House to the unconscionable manoeuvring by the Progressive Conservative Government against groups that are fighting de-indexation of family allowances.

Hearings by the Legislative Committee on Bill C-70 were to be held until November 22, but that has now been moved up to November 5. This is an obvious attempt to gag pressure groups by preventing them from coming or by limiting their preparation time.

Furthermore, Mr. Speaker, the Legislative Committee is refusing to hear comments by a pan-Canadian coalition against de-indexation of family allowances, which has now been established. This coalition consists of more than 80 groups including women's groups, unions, catholic parents, people working in daycare centres, and so forth. The Legislative Committee is ignoring the coalition and trying to give it as little hearing as possible. It is true that the Progressive Conservative Government was put in a difficult position by the de-indexing of Old Age Security pensions, and the parallel with family allowances is so obvious that my hon. colleagues opposite are running scared.

Let there be no mistake: Canadian men and women are not at all pleased with the Conservative Government's social policies. Neither the elderly nor women nor families appreciate them.

* * *

• (1110)

WOMEN

STATUS OF WOMEN—SEARCH FOR EQUALITY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, 56 years ago, the Privy Council of Great Britain recognized Canadian women as persons. However, women have yet to achieve equality in Canada. There are still laws to be amended and programs to be set up before full equality of both sexes is achieved in our economy, in politics and the arts.

The courts have a role to play. Unfortunately, some judges are following the example of the Supreme Court of Canada which in 1929 decided that Canadian women were not persons. I am thinking of the discrimination against Justine Blainey, who was excluded from a hockey team, despite the support of her teammates and her coach, because an Ontario court decided that discrimination in sports was acceptable.

We are also seeing this year a loss of economic rights by women as a result of de-indexation of family allowances and the child tax credit. Equal sharing in pension benefits has yet to be achieved by women.

[*English*]

In short, for women to be fully and genuinely equal persons in Canada, we have much work yet to accomplish, and the work of this House must be a good part of it.

* * *

THE ECONOMY

GROWTH IN STRENGTH

Mr. Alex Kindy (Calgary East): Mr. Speaker, the Economic Council of Canada sees good times ahead. The Canadian economy has been showing growing signs of strength since the election of the Progressive Conservative Government in September, 1984. Employment is up—304,000 new jobs have been created. Interest rates are down. Investor confidence is strengthening. Consumer spending is rising. Prices are stable. Bankruptcies are down. The Canadian economy is outperforming the American economy. Our Gross National Product is up 4.1 per cent. Unemployment is the lowest in many years; it is down to 10.1 per cent. Youth unemployment has fallen to 16.1 per cent. The Bank of Canada rate is down to 8.7 per cent. At the time of the election it was 12.7 per cent. It is at its lowest level in many years. Housing starts are up.

In general, the Government has created a climate of confidence in Canada because of such achievements as the Western Accord and the Atlantic Accord.

Mr. Skelly: What about the weather?

An Hon. Member: It is sunny.

Mr. Kindy: We in the Conservative Party have confidence in Canada.

* * *

[*Translation*]

WOMEN

FIGHT FOR EQUALITY—ROLE PLAYED BY CERTAIN CANADIAN WOMEN

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, on October 18, 1929, after a lengthy legal battle Canadian women were granted the status of "person". On the fifty-sixth anniversary of this event which marks a milestone in the struggle of women for equal rights and opportunities, we honour the memory of five Alberta women who presented a petition requesting those rights.

In the Person Case, they asked that Section 24 of the British North America Act be interpreted in such a way that the words "qualified Persons" would also apply to women. The implications of the decision were immense. In fact, without a favourable interpretation, women could not be called to the Senate and were thus prevented from participating fully in our parliamentary system of government.

The "famous five"—Emily Murphy, Nellie McClung, Louise McKinney, Irene Parlby and Henrietta Muir Edwards—took their case to the Supreme Court of Canada, expecting a favourable decision. Nine months later, the Supreme Court ruled against their petition, thus dashing their hopes.

However, the "famous five" were stubborn and decided to appeal to the Judicial Committee of the Privy Council in London, the court of last resort for Canada at the time.

October 18, 1929 was a red-letter day for Canadian women. On that date, after four days of deliberations, the British Chancellor, Lord Sankey, declared that Section 24 included members of the male and female sex—

Mr. Speaker: Order, please. I am sorry to interrupt the Hon. Member, but her time has expired.

* * *

• (1115)

[*English*]

THE PRESS

ARTICLE'S DESCRIPTION OF EDMONTON CONDEMNED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on behalf of all eastern Canadians to apologize to the people of Edmonton for the untrue, intemperate, and uncalled for description of their fair city as a "used building lot" in *The New York Times*.

As a new Member of Parliament I saw Edmonton for the first time last fall and was incredibly impressed, not only with the natural beauty of the city but also with the cosmopolitan flavour of a city that has managed a graceful combination of old and new.

As a Hamiltonian who often faces disparaging comments about my city from outsiders who have never taken up the challenge of visiting Hamilton, I want to say to the people of Edmonton that Mordecai Richler does not speak for eastern Canada.

Your city is a beautiful one and one that deserves applause, not derision.

This kind of internecine squabbling in *The New York Times* does nothing to enhance the interests of our great country as a whole, nor of beautiful cities like Edmonton.

Mayor Decore, hold your head high. As for *The New York Times*, we want equal time to tell the Americans "like it really is".

Oral Questions

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

GULF TAKEOVER TAX RULING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. I reflected on his replies to my questions about the Gulf Canada deal yesterday, and I am far from being convinced.

I ask him again to respond to my question, and it is this. The former Deputy Minister of Finance, Marshall Cohen, has said that the whole Gulf deal was discussed by the Priorities and Planning Committee, a committee presided over by the Prime Minister of Canada.

An integral part of that deal must have been the tax exemption of up to $1 billion. Obviously, that matter must have been discussed at the same time.

Is the Deputy Prime Minister of Canada really sticking to his position yesterday that the Prime Minister of this country, who presides over that committee, a committee which discussed the Gulf deal on several occasions, did not know of this $1 billion tax exemption?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, my response has to be the same as that given yesterday.

The right hon. gentleman used two phrases in his question which obviously constitute conclusions, and I am speaking of his use of the phrase "he must have known" and the phrase "it must have been a part of the discussions".

Those are conclusions that he reaches on the basis of a newspaper article. My answer of yesterday remains valid. In addition to that, he has the Prime Minister's own words at a press conference held last Friday.

[*Translation*]

REPORTED ALLEGATIONS OF FORMER DEPUTY MINISTER OF FINANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we also have the words of the former Deputy Minister of Finance.

It was not a matter of routine, as alleged by the Minister of Finance and the Deputy Prime Minister. It was an exemption, it was a tax ruling for one billion dollars. It is obvious from the comments of the former Deputy Minister of Finance—it was not an article but a special interview—that the matter was discussed in the Canadian Cabinet, presided over by the Prime Minister.

Is the Deputy Minister . . . the Deputy Prime Minister, repeating that neither the Minister of Finance, who is responsible for the country's tax system, nor the Prime Minister of Canada were aware of this one-billion-dollar exemption?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered the question yesterday as well, and I shall do so again.

The Right Hon. Leader of the Opposition knows full well that it is totally improper for me to be discussing, in the House, discussions that take place in Cabinet, even to the extent of discussing what items may or may not be on the agenda. He knows that that is the practice.

He also knows that there is a process that is applicable within the Department of National Revenue with respect to the tax treatment of individuals, or firms, or corporations in situations such as this. He knows that there is a process by which advance rulings are given, and the appropriate Minister to report to the House with respect to that process is the Minister of National Revenue.

PREPARATION OF BUDGET—RETENTION OF FORMER DEPUTY MINISTER OF FINANCE

Right Hon. John N. Turner (Leader of the Opposition): The Deputy Prime Minister is straining my faith in his words by suggesting to me that a $1 billion tax exemption was a routine matter, handled by the Department of National Revenue. That goes right beyond what the former Deputy Minister of Finance has said quite clearly in that article.

The question that I have for the Deputy Prime Minister, in the absence of the Minister of Finance, is: once the former Deputy Minister of Finance had approached the Prime Minister and the Minister of Finance to tell them that he had received a job offer from a major Canadian company in the month of February, why was that—

Mr. Gormley: Is there a question here?

Mr. Turner (Vancouver Quadra): Yes, there is. If you will hold on, you will get it.

An Hon. Member: We are waiting.

Mr. Gauthier: The $1 billion question.

Mr. Turner (Vancouver Quadra): Why did the Minister of Finance and the Prime Minister retain that Deputy Minister for the preparation of a Budget, and for the preparation of a lot of tax measures affecting the oil and gas industry and other measures relating to that company? Why was that Deputy Minister retained for the preparation of a Budget after that information was given to the Prime Minister and the Minister of Finance?

• (1120)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the question is in two parts and I will answer both. With respect to the first part of the question concerning the allegation which the Right Hon. Leader of the Opposition insists upon making, the press conference of last Friday given by the Prime Minister put it in

these words, and I am reading from a transcript of that press conference:

> I can only assume, because there was no involvement by me or anyone else nor would there be in a revenue ruling, that the officers of the Department of Revenue passed judgment on a given situation pursuant to legislation and regulations that have passed the House of Commons.

Even that transcripted verbatim record of the Prime Minister's words has not found its way accurately into the press accounts upon which the Right Hon. Leader of the Opposition is basing his questions. He should take, his questions to the appropriate Department. He knows that as does his colleague who is here today and is interested in the matter.

With respect to the last part of the question concerning Mr. Cohen's continuation as Deputy Minister of Finance, the Right Hon. Leader of the Opposition has press accounts of Mr. Cohen's explanation with respect to how he treated his offer of employment. I would suggest that if the right hon. gentleman has any charge to make against Mr. Cohen with respect to conflict of interest, he knows the process through which he should proceed in order to give any effect to that kind of charge.

STATEMENT MADE BY MINISTER OF FINANCE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I think we are beginning to flush the truth out of hiding bit by bit.

Mr. Gormley: You deserve so much credit.

Mr. Johnston: Thank you. My question is directed to the Deputy Prime Minister. Yesterday the Minister of Finance told the House, as reported at page 7726 of *Hansard*, that the matter of the acquisition of Gulf Canada by O&Y was discussed, and was discussed at some length because of the importance of that deal. Judging from his earlier response, is the Deputy Prime Minister telling us that it was inappropriate for the Minister of Finance to be that forthcoming with the House yesterday? Is he saying that it was not discussed in P and P at all?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am simply telling the hon. gentleman, as he well knows, and as he would answer if he were answering questions on behalf of the Ministry of which he was at one time the Minister, that it is improper for a Minister of the Crown to discuss, in response to questions in or outside the House of Commons, the subject matter of discussions that occur in Cabinet committee or in Cabinet. The Hon. Member knows that.

AUTHORIZATION FOR ISSUING TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would take it from that that the Deputy Prime Minister is telling us that the Minister of Finance was off base yesterday when he told us what was discussed in P and P. Quite beyond that, since the Deputy Prime Minister has quoted the Prime Minister's press conference, is he telling us that the management of the financial affairs of Canada have deteriorated to a point where the Minister of National Revenue can authorize a tax expenditure of $1 billion without any Cabinet input and without any input from P and P?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is simply trying to establish what he and the Leader of his Party failed to establish yesterday, and what the Leader of his Party has tried to establish again today. They are trying to get a member of the Government to (*a*), say there was a ruling, and (*b*), discuss the details of that ruling. As he knows, that is against the law. The law prevents that information from being disclosed. They both know that. There is a process which can be explored with the Minister of National Revenue. The reason they did not explore it yesterday or today is because they know full well what that process is, as they know full well that it is improper for me to answer in detail.

• (1125)

REVIEW OF TAX LEGISLATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of State for Finance. It concerns the latest boondoggle give-away to Gulf Oil. Once the ruling was made by the tax Department did the Minister of State for Finance or the Minister of Finance instruct their officials to look at the appropriateness of this specific tax legislation which allowed $1 billion to slip into the pockets of wealthy Canadians?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have indicated in the House many times that tax policy is always under review. We have produced a paper on corporate tax reform. We have changed the arrangements surrounding the SRDTs. It is an ongoing process.

REQUEST FOR AMENDMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is for the same Minister. In view of the fact that it was the Liberals who set this sumptuous table and the Tories who have served up this gourmet meal for Gulf Canada, can the Government tell ordinary Canadians, who would like to know, when this rip-off will come to an end?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think what the Hon. Member is ignoring in his whole line of questioning is what has been happening to the economy of Canada as a result of this Government's policies. The role of my colleague, the Minister of Finance, has led to the lowest inflation rate and the greatest increase in the number of jobs we have seen in the country in years.

Some Hon. Members: Hear, hear!

Oral Questions

CONTINUATION OF PRACTICE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the same Minister. In view of the fact that Canadians and Parliament have no knowledge of how this deal was worked, can the Minister tell us whether this type of billion dollar give-away is going to go on and on and on?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is going to go on and on and on, just as will the improvement in Canadian economic conditions.

REQUEST FOR COMMITTEE HEARINGS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Chairman of the Finance Committee with respect to the current business of his committee. Will he schedule meetings immediately to hear the Minister of Finance and other relevant Ministers and officials on the Olympia & York-Gulf tax deal in the context of studying the many documents tabled in the House and, therefore, permanently referred to his committee for consideration? I ask this question in view of the fact that he expressed his interest in holding such hearings in a television interview yesterday.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I thank the Hon. Member for his question. I would be delighted to call a meeting of the steering committee of the Finance Committee after we complete our current concerns with the Green Paper.

I might say in passing that it would be good to have the finance critic of the Liberal Party at a steering committee meeting.

Mr. Hnatyshyn: Once in a while.

Mr. Blenkarn: Indeed, it would be good to have Liberal Party members in attendance at meetings more often.

I would be delighted to look into the matter along with the other many matters which are permanently referred to the committee.

Mr. Gray (Windsor West): Mr. Speaker, I thank the Chairman for his forthright answer. His ministerial colleagues could learn something from him.

Some Hon. Members: Hear, hear!

REQUEST THAT STEERING COMMITTEE BE CONVENED

Hon. Herb Gray (Windsor West): Mr. Speaker, I wish to ask the Chairman of the Finance Committee if he will undertake to call a steering committee meeting next week in order to schedule the hearings in question to take place within the next 10 days. I can assure him that if he does that there will be Liberals at the steering committee meeting, and certainly at the committee hearings.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I would be delighted to do that. Indeed, I will be meeting with the Finance Committee on Tuesday for a meeting which has been called for 9.30, again at 3.30, and again at 8.00 p.m. It will probably meet on Wednesday afternoon for the whole afternoon, and Wednesday evening, perhaps for the whole evening. We will get together. I am sure that the Liberal finance critic and the New Democratic Party finance critic can get together with the other members of the steering committee and myself and we can come up with a new proposal—

Mr. Speaker: Order, please.

Mr. Blenkarn: I would certainly hope that I will have the—

Mr. Speaker: Order, please. I was afraid that answer might go on as long as the meetings.

• (1130)

REQUEST THAT LEGISLATION BE AMENDED

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of State for Finance. It is not her responsibility that we have a tax system which is riddled with loopholes for large corporations to make these rip-offs of the ordinary taxpayer. But is the Minister prepared here in the House today to make a commitment to the Canadian people that this kind of escape hatch for large corporations and wealthy people will be closed, in order to prevent this kind of thing in the future?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think I have answered this question before. The commitment of this Government is to create jobs in this country and to create growth in future economic conditions. If my friend had read the report today of the Economic Council of Canada, he would have seen that the projections under this Government over the next two or three years are better than they have been in a decade.

Mr. Langdon: Mr. Speaker, clearly the Minister has had too much practice in not answering questions in the bank debate.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex-Windsor): Let me ask the Minister again if she really believes that the continued existence of this kind of law, which permits $1 billion in tax revenue to escape from the Canadian people, makes sense to the ordinary person in this country? Or is it not simply a rip-off for the corporate sector which is impossible to justify?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, what I believe is that this Government is committed to creating jobs. We have done that and will continue to do so throughout the economic and financial policies we have introduced. I think that that is what the Canadian people want from us. They want jobs and they want growth.

[*Translation*]

EMPLOYMENT

LOSS OF JOBS IN MONTREAL EAST—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It is becoming increasingly obvious that the Minister has no specific plans for stopping the massive loss of jobs in Montreal. Two days ago, she misled the House about the unemployment statistics for Montreal, and yesterday, she tried to reassure Montreal workers by claiming that her temporary job creation and retraining programs, which were announced in June, would be sufficient to stop the massive loss of jobs in their city.

Mr. Speaker, I would like to ask the Minister to be perfectly frank and admit to the House that the amounts to which she referred yesterday will be utterly useless in preventing the massive loss of jobs in Montreal East, a subject that has been raised in the House for many days.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, our concern is for the people who are unemployed or who are threatened with job loss. I mentioned yesterday that we would be spending some $200 million in the region of Montreal to provide people with training and with job opportunities so that they can be at work in the future. That amount is an increase over the amount which was spent last year. Whether or not it will be sufficient, we will see as the year goes on. Certainly, under the new Canadian Jobs Strategy there is a flexibility to look at the projects as they come forward to see whether or not they are sufficient, and to adjust them accordingly. That is what we will be doing, Mr. Speaker, so that the individuals concerned are given every possible opportunity.

[*Translation*]

NEED FOR CREATION OF FULL-TIME JOBS IN MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a supplementary.

This clever verbiage is all very interesting, but the Minister is refraining from any confirmation of what we would like to hear, namely that these programs will contain some specific mechanisms to prevent the loss of jobs at Bombardier, 1,000 jobs at Vickers and losses at several other companies that are part of the industrial base of Montreal and which we have mentioned.

Why does the Minister keep on proposing temporary jobs, which will only reinforce the trend we see in the statistics and which are utterly useless to the thousands of people who are going to lose their jobs very shortly unless this Government wakes up?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in the last five years there were some 225 plant closings in Canada. That is a tragedy because it affected thousands of people who lost jobs. We don't want to see that continue. No matter where it is, in Montreal, in Newfoundland, in British Columbia or in northern Ontario, we don't want to see that continue. As a result, the training and job creation programs we have introduced are training people, not for further employment but for continuing employment. That applies to all of those people who live in the area of Montreal East, as it applies to people in other parts of the country. That is our concern, and that is what we will be devoting our time and attention to achieve.

* * *

STATUS OF WOMEN

APPOINTEE TO ADVISORY COUNCIL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister responsible for the status of women. Recently the Minister appointed the Vice-President of Public Relations of the Toronto Dominion Bank to the Board of the Canadian Advisory Council on the Status of Women. In view of the fact that banks are among the worst employers of women in Canada and are denying women their right under the Canada Labour Code to collective bargaining, what possible justification can the Minister have for appointing a senior member of the banking fraternity to be an advocate for women's rights on the Advisory Council?

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, I want to assure the Hon. Member that appointees to the Advisory Council not only come from backgrounds which are of concern to women—and access in this area, as the Hon. Member rightly points out, is a matter of concern—but the Advisory Council, as the Hon. Member knows, is made up of people with a wide section of career backgrounds across the country. The background and experience of that mix will be valuable. I believe it will be a two-way experience within the Advisory Council.

Ms. Mitchell: Mr. Speaker, I don't really think the Advisory Council needs to have people who will require treatment experience.

BANK'S TREATMENT OF FEMALE EMPLOYEES

Ms. Margaret Mitchell (Vancouver East): Is the Minister aware that the Canadian Imperial Bank of Commerce in a labour dispute at the VISA Centre has offered women bank workers no wage increases, reduced hours of work, no part-time benefits, no protection from technological change, and no grievance procedures? Will the Minister undertake to meet

with these VISA workers as soon as possible so that they may pass on their concerns?

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, I would like to indicate, as the Hon. Member knows, that one of the reasons we have introduced the employment equity package, for which we are seeking support from all sides of the House, is for the very reason she raises. I will look forward to the Hon. Member's support to ensure that we bring this important legislation before the House.

* * *

[*Translation*]

PATENTS

IMPORTANCE OF UNIVERSITIES' CONTRIBUTION TO PHARMACEUTICAL DISCOVERIES

Mr. Jim Edwards (Edmonton South): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

The recommendations contained in the report of the Eastman Commission on the pharmaceutical industry failed to deal with the role of our universities in the manufacture of products.

Could the Minister assure the House that the present review of the Patent Act will recognize the fundamental contribution of the universities in the area of pharmaceutical discoveries?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, since the tabling of the Eastman report, we have received of course many representations from various universities and our officials are compiling their concerns and views on a continuing basis.

I can assure my colleague that those views will be taken into consideration when we start drawing up our policy for the review of the Patent Act, especially as far as the pharmaceutical industry is concerned.

* * *

● (1140)

MINORITIES

REQUEST THAT GOVERNMENT PRESENT REPORT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I had a question for the Secretary of State, but in his absence I will direct it to the Acting Minister.

A few years ago the Secretary of State sponsored a study on the situation of linguistic minorities in Canada—at my request, I might add. People in every Canadian province were asked about the situation of minority groups with respect to education as well as access to the courts and Government services. In a speech delivered last May 10 the then Secretary of State announced or stated that the study of Professor Pierre Boucher was complete.

Considering the priority of the case of minorities and the fact that the capital city of Ottawa is today the site of a conference on the theme "Minorities, the time for solutions", can the Minister comment on this and even table the report for everyone to read?

Hon. Andrée Champagne (Minister of State (Youth)): Indeed, Mr. Speaker, the Secretary of State is absent and I should think he is attending the conference mentioned by the Hon. Member. I take note of the question and I am sure he will provide a complete answer upon his return. I know he is extremely interested in this matter and that the report is under active consideration by the Secretary of State.

BUDGET INCREASES FOR OFFICIAL LANGUAGES GROUPS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): A supplementary question, Mr. Speaker.

Given the priority of the matter and the Minister's interest, would she confirm that the Foucher report recommends an increase in the budget of official languages minority groups so they will be in a better position to defend their rights in the provinces?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I did not have an opportunity to delve into this file. I take note of the question and I am sure the Secretary of State will answer the Hon. Member as soon as possible.

* * *

NATIONAL DEFENCE

PROMOTION OF PEACE—GOVERNMENT POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, I have a question for the Minister of National Defence.

As the Minister is aware, many thousands of Quebecers will walk Saturday through the streets of Quebec City, Montreal, Rimouski, Baie Comeau, Rouyn, Hull, Sherbrooke, Trois-Rivières and Chicoutimi, and will ask that the Government of Canada allocate the cost of one F-18 fighter, or $62 million, to the Peace Movement in order to further the cause of peace through international aid and reconversion projects.

Can the Minister today assure this House that he will be sympathetic to such a daring project in favour of peace?

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Department of National Defence

is charged with maintaining sufficient military forces and equipment to meet our obligations to NATO and NORAD. We are fulfilling that responsibility to the best of our abilities, and will continue to do so.

* * *

YOUNG OFFENDERS ACT

AMENDMENTS REQUESTED

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Solicitor General. The Young Offenders Act was a major change in the juvenile justice system but, inevitably, the need for some legislative amendments has arisen. Will the Minister bring forward the necessary amendments to make that law effective, or is he content to allow it to become a political football by not responding to the changes that are needed?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I may have missed something, but was the hon. gentleman who posed the question not the Solicitor General? If he thought there were problems with the Act, why did he not amend the Act while he was Solicitor General?

The answer to his question is certainly yes, where there are problems in the Act I intend to amend it. In the meantime I intend to hold full consultations with professionals who are involved in the field and with the provinces to ensure that when we bring a package forward it will be a comprehensive one which meets the needs of Canadians.

REQUEST FOR EARLY INTRODUCTION

Hon. Bob Kaplan (York Centre): Mr. Speaker, while I agree that it might be desirable to have discussions that lead to comprehensive amendments being brought forward, some of the changes that are required are now the subject of a consensus among Attorneys General of the provinces and the Ministers knows that. Why will he not at least bring forward—

Mr. Crosbie: You didn't listen to them.

Mr. Kaplan: —the minimum number of changes which have emerged as being necessary now that the law is in effect, in order to make that law work and avoid it becoming the political football which it seems it is becoming due to his inaction and failure to bring in amendments?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, if there is a Solicitor General who is starting to listen to the provinces, that is certainly something new since the retirement of the hon. gentleman who has posed the question.

Some Hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, I fully intend to have consultations with the provinces and with people in the private sector who are involved in the treatment field for young offenders, and with the police and others. I think it would be worth while to ensure that when we bring a package forward it is comprehensive and deals with all of the problems in order to ensure that we do not nickel and dime the Act to death with a series of ill thought out amendments. One commitment that I certainly do make is that, unlike the hon. gentleman during his tenure as Solicitor General, I intend to listen and to consult.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PEACE

REQUEST THAT MINISTER MEET MOVEMENT FOR PEACE REPRESENTATIVES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, since both our Ministers responsible for External Affairs are on duty elsewhere, and since I have a supplementary to the question put by the Hon. Member for Spadina, perhaps I could direct mine to the Deputy Prime Minister.

In view of the obvious importance of promoting peace through all possible means, will he recommend to his colleague, the Secretary of State for External Affairs, to at least meet with the representatives of the Peace Movement, Mrs. Claire Bonenfant, Mrs. Francine Fournier and Bishop Adolphe Proulx?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will certainly bring the suggestion made by the Hon. Member to the attention of the Secretary of State for External Affairs when he returns. I would draw his attention, however, to the fact that was only very recently that the Prime Minister met personally with members of the peace movement here in Ottawa.

* * *

LABOUR CONDITIONS

PLIGHT OF UNEMPLOYED

Mr. Rod Murphy (Churchill): Mr. Speaker, I had originally planned to ask a question about the unemployment problems faced by the fishermen in Newfoundland who have not worked enough this year. However, I will direct my question to the Minister of State for Finance. In answer to the Member for Essex-Windsor she said that she can find more billions of dollars as the economy improves. Why can the Government not find more billions of dollars for workers who are unemployed? Why can those fishermen not get jobs? Why are there bank bail-outs, tax write-offs, et cetera? Why are there not jobs?

Mr. Crosbie: Sit down, you nitwit.

Miss MacDonald: Why don't you ask me about that?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am truly amazed that members of the Official Opposition and the NDP are not joining the Economic Council of Canada in congratulating the Minister of Finance on his Budget, and are not telling the people of this country about the growth predictions of the Economic Council of Canada which call for consistent growth over the next decade, which means jobs for Canadians. The Economic Council of Canada is looking for a lower unemployment rate than we have had in years—well below what it is now. That is its forecast, not mine. Aren't you listening?

GOVERNMENT PRIORITIES

Mr. Rod Murphy (Churchill): Mr. Speaker, I would rather listen to the workers in Thompson who were told yesterday that they will be losing jobs. I would rather listen to the fishermen who cannot get money from the Government.

Mr. Crosbie: Order.

Mr. Hnatyshyn: Order.

Mr. Murphy: Where are the Government's priorities? Why is it not looking after those people instead of bailing out the banks and giving tax write-offs, costing $1 billion, to corporations?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the jobs that have been created have been created consistently by this Government over the past year by working with the private sector and taking fiscal responsibility. Read the report of the Economic Council of Canada. The rate of job growth is going to continue, Mr. Speaker.

* * *

ST. LAWRENCE SEAWAY

REQUEST FOR PROGRAM TO UPGRADE LOCKS

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of State for Transport. The failure of Lock 7 on the Welland Canal in the City of Thorold in my riding of Welland has caused substantial financial loss to the Seaway and the users of it. Would the Minister consider an early implementation of a program of upgrading the lock system, such as the super lock proposal of 1973, for which land has already been expropriated or, as an alternative, the construction of the twinning of Lock 7 in the City of Thorold and Lock 1 in the City of St. Catharines?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I would like to thank the Hon. Member for his question. He will surely appreciate the fact that it is important for us to determine the cause of the blow-out problem that we have in the St. Lawrence Seaway, and only then to take the appropriate measures. We are obviously very concerned about the present situation. We want our system to remain as efficient as possible in order that we may continue to enjoy the high quality of service we have had in the St. Lawrence Seaway for 25 years.

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister and is with regard to political patronage.

Some Hon. Members: Oh, oh!

Mr. Boudria: In its first year in office the Government has appointed one person every three hours, 24 hours a day.

Mr. Gormley: Which flight are you on this week?

Mr. Boudria: The same flight as Bob Coates. Can the Deputy Prime Minister tell us when he intends to reform the institution of patronage as was announced by the Prime Minister on September 9? In the last 10 days there have been 145 appointments, which is one appointment every two hours instead of one every three hours. Where is the reform from the Government?

Mr. Rodriguez: Look who's talking.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would like to welcome the Hon. Member back—

Mr. Boudria: I'm glad to be back. I missed you.

Mr. Nielsen: —to Canada after his exotic journeys. I would like to draw his attention to the fact that, if my recollection is correct, there are some 2,600 GIC appointments made every year. It is a simple matter of mathematics to figure out how many appointments were made in the 20 years that the Party which he supports was in Government.

• (1150)

Half of the population are probably Conservative, and the other half have other political allegiances. If the Hon. Member were doing his job properly, instead of whining about appointments that are made he would be making recommendations to the Government with respect to those whom he would like to see appointed to these various agencies.

Some Hon. Members: Hear, hear!

[*Translation*]

ESTABLISHMENT OF COMMITTEE TO EXAMINE CERTAIN APPOINTMENTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): I have a supplementary, Mr. Speaker.

The Prime Minister said in his statement of September 9 that he would immediately choose, through the Government Leader in the House, to establish a scrutiny committee for Governor in Council appointments. One and a half months have elapsed since he said that. Could he tell us when the committee will be appointed to scrutinize those Conservative nominations?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, may I be permitted to answer the Hon. Member? As he knows, only last week I made the response on behalf of the Government with respect to the whole question of scrutiny of appointments made by the Government. It was a rather exciting and dramatic initiative as well.

I want to tell the Hon. Member that we have gone further than the recommendations on reform made by the distinguished committee of the House of Commons. We will allow for the provision for scrutiny of all Order in Council appointments. There is no restriction. If only we had this provision during the Liberal years, just imagine what fun we could have had in the Opposition.

* * *

COPYRIGHT

INTRODUCTION OF LEGISLATION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Communications. He will know that the arts community is anxiously awaiting implementation of a large number of recommendations in the report on copyright revision. Will the Parliamentary Secretary give the Government's assurance that there will be legislation before the House by February, as promised?

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I thank the hon. lady for her question. The report on copyright, which reflects the recommendations made by the Subcommittee on Revision of Copyright, of which the hon. lady was a member, will be made available to the Government.

The Government will give those 137 recommendations its consideration. At the appropriate time the Government will introduce legislation. I hope that legislation could be introduced in the House of Commons, subject to negotiations with the House Leaders of other Parties, at the earliest possible moment.

ARTS FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, would the Parliamentary Secretary give the assurance that there will be a restoration in the cut-backs to art funding before there will be any new outflow of funds as a result of the recommendations of the Subcommittee on Revision of Copyright?

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I think the hon. lady will realize that this is a matter of Government policy. The Acting Minister of Communications will be in the House next week and I will be happy to draw his attention to the Hon. Member's question.

* * *

[*Translation*]

STATUS OF WOMEN

METHODS OF CONTRACEPTION—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Minister of State for the Status of Women. Last September, we learned that CIDA was providing half a million dollars to the International Federation for Family Life Promotion. The purpose of this organization is to provide services in natural family planning to developing countries. Why did the Government choose to support the least effective method of contraception for the women of the Third World? Does this reflect an ideological preference of the Government for natural contraception rather than for other means of contraception?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, as the Hon. Member will know, one of the priorities of the Government and CIDA is women in development projects. My colleague, the Minister for External Relations, who has the responsibility for CIDA, is not in the House. However, I will take notice of the Hon. Member's question and see that she gets a response.

[*Translation*]

INQUIRY WHY GOVERNMENT DOES NOT LEAVE CHOICE TO WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my supplementary was going to be addressed to the Minister of National Health and Welfare, but I shall also ask it to the Minister responsible for the Status of Women. I would like to know why the Minister and the Government have reduced the budgets of organizations which promote all methods of contraception in Canada, such as Planned Parenthood, and why they have increased the amounts allocated to organizations which favour natural means of contraception. Why does the Conservative Government not leave it up to women to choose their own methods of contraception and why does it subsidize mostly the organizations which favour natural methods?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to thank the Hon. Member and indicate that this matter has been brought to my attention. I have raised the matter with the Minister of National Health and Welfare, including the concerns expressed by women's groups

and other concerned citizens across the country. Once again, I will see that the Hon. Member's question is brought to the attention of my colleague, the Minister of National Health and Welfare.

* * *

NATIONAL REVENUE

USE MADE OF SCIENTIFIC RESEARCH TAX CREDIT

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of National Revenue. Last spring the Deputy Minister of National Revenue confirmed the scandalous abuse of the Scientific Research Tax Credit initiated by the previous Government. I have been advised that this $200 million program may now cost the taxpayers of Canada $3 billion.

Will the Minister advise the House if $2.8 billion overspending estimate is accurate? Furthermore, what is the status of the investigation of one of the largest Liberal scandals in the history of that Government?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, as my colleague has pointed out, this Scientific Research Tax Credit was introduced by the previous Government. We acted to put an end to this particular drain on the Treasury. The losses have been substantial, but it is premature at this stage to give an exact amount.

I can assure the House and the Hon. Member that my officials are closely monitoring the Scientific Research Tax Credit program and its aftermath. In due course the results will be reported to the appropriate committee.

* * *

SCIENCE AND TECHNOLOGY

SIZE OF DEPARTMENTAL BUDGET

Mr. David Berger (Laurier): Mr. Speaker, in the absence of the Minister of State for Science and Technology and of the President of the Treasury Board, I will direct my question to the Deputy Prime Minister. Much important work of the Science Council of Canada was cancelled when its budget was cut in half by the Government. The Treasury Board has refused to confirm that the budget of the Ministry of State for Science and Technology has been increased by the same amount that was cut from the Science Council of Canada—some $2.5 million, or 38 person years. Will the Minister confirm whether such an increase, or indeed any increase, in the budget of the Ministry of State for Science and Technology has been approved by the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that kind of specific and detailed information is normally requested on the Order Paper. However, I seem to recall that the Minister of State for Science and Technology has answered that question in the House before. If it is not satisfactory to the Hon. Member, he could raise it in the Adjournment Debate.

In the meantime, I will take notice of his question and ensure that the Minister is made aware of it when he returns.

INQUIRY OF THE MINISTRY

Mr. David Berger (Laurier): Mr. Speaker, how can the Deputy Prime Minister justify raping a consultative body like the Science Council of Canada while bloating the Government's bureaucracy at a time of restraint? How can he justify such a power grab by the Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the question is designed on a basic assumption that is false. The short answer is that I cannot condone his use of the term "rape" in any way, shape, or form.

* * *

FINANCE

REFORM OF TAX SYSTEM

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of State for Finance. Given the large holes in the tax system that permitted nearly $3 billion in research and development tax avoidance in the previous Liberal Budget, and given the $1 billion tax that has been avoided during the Gulf takeover, why has the Government not given higher priority to reform of the Canadian tax system?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this is the first Government in years that has made any real commitment to tax reform. This is the Government that brought the SRTC'S under control; this is the Government that is producing a minimum tax, and this is the Government that is undertaking corporate tax reform. Considering what we have done in a year, what has been happening for the last 25 years?

CORPORATE TAX REFORM

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I could point out to the Minister that something over $4 billion has been lost in the last year and a half, during the period that the Government was in charge. Why has the reform on corporate tax not come much quicker? Why were there not stop-gap measures put in place?

• (1200)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this Government has moved consistently on tax policy, and we have made a number of changes. We will continue to do this, as I have indicated to prior questioners.

Mr. Althouse: Such as?

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by Hon. Members on Thursday, October 17, 1985 meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

WOMEN'S ACHIEVEMENTS—STATEMENT OF MINISTER OF STATE (IMMIGRATION)

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I rise today to join with Members of the House on behalf of the Government to pay tribute to five Canadian women, Nellie McClung, Emily Murphy, Louise McKinney, Irene Parlby and Henrietta Muir Edwards.

It was through their strength of will in challenging an interpretation of the British North America Act that 56 years ago today Canadian women were recognized as persons.

Some Hon. Members: Hear, hear!

Mr. McLean: As a result, women gained the right to be appointed to the Senate and thus to participate fully in our parliamentary system of Government.

[*Translation*]

Today, eleven women sit in the Senate, twenty-seven are Members of the House, including six Ministers, and our Head of State is a woman.

[*English*]

But women's representation in Government is only one measure of what Canadian women have achieved, Mr. Speaker.

Women have proven their ability, commitment and stamina in every field of endeavour, in industry, the professions, the public sector, the arts, academia, in community work and the voluntary sector.

In business, women are making significant inroads. Women now make up 30 per cent of business owners in Canada, a growth of more than 20 per cent since the mid-1960s. I was particularly heartened by the results of a recent Canadian Federation of Independent Business survey, which showed that 42.6 per cent of women employed by Canadian small businesses hold management positions.

But women's struggle for equality is far from over. Women cannot be truly equal if the employer they approach for a job, or the bank manager they ask for a loan, or the coach of their child's hockey team possesses outdated notions of what women can do or, what is worse, what women should or should not do. Women cannot be equal while their career potential is hindered by the lack of affordable quality daycare and if in their older years they are dogged by the insecurity of an inadequate pension system. They cannot aspire to equality if they are left by men to battle for their rights by themselves.

My Government will not leave women to struggle alone. We have made a commitment to integrate women's concerns in all aspects of our policy formulation. We need only look to the two major economic conferences held earlier this year—the First Minister's Conference in February and the National Economic Summit in March—to see evidence of this commitment. For the first time ever, the special concerns of women received full prominence at the discussion table.

Since then, Mr. Speaker, we have undertaken an active program of legislative and policy changes. Our employment equity legislation is leading the way to improve the status of women in the workplace. We have focused on the needs of women in the redesign of our job creation and training programs. We have improved pensions for women to make them more equitable. We have outlawed the discriminatory aspects of the Indian Act, making it possible for 16,000 native women to regain band membership and status.

[*Translation*]

In the coming months we will deal with other problems of direct interest to women, among them the need to continue our concerted efforts to help women who are victims of family violence.

[*English*]

In these and many other areas, we are showing strong evidence of our commitment to the goal of full equality for women. This year marks the culmination of the United Nations Decade For Women dedicated to equality, development and peace. As a result of the activities of the last 10 years, there is now a much greater awareness of women's situations, greater advocacy of their rights and greater understanding of their contributions and concerns in Canada and in the rest of the world. The decade has firmly demonstrated that the integration of women in all aspects of society is essential, both for the advancement of women themselves and for the development of society as a whole.

We are now about to embark on the implementation of one of the most significant legacies of the decade for women, the forward-looking strategies that came out of that decade. These strategies, as Members of the House will know, were adopted at the United Nations World Conference on Women in Nairobi three months ago by an unprecedented consensus, a consensus that had eluded the two previous conferences in Mexico City and Copenhagen.

With the forward-looking strategies, all member states of the United Nations have, for the first time in history, pledged themselves to implement a set of strategies designed to enable women to participate fully in all aspects of society. They are, in effect, a blueprint for progress on women's issues for the rest of this century. The strategies are a tool women can use to encourage and indeed, I would suggest, demand Government action on their behalf.

It was my honour, Mr. Speaker, to lead the Canadian delegation at the World Conference on Women in Nairobi last July. I was pleased to have on the delegation representatives from a broad range of groups involved in the status of women, federal, provincial and territorial Ministers, Members of this House from all Parties, representatives of non-governmental women's groups and federal Government officials. I believe Canada played a key role both at the Nairobi Conference and in the crucial preparatory period preceding it. I think we can take credit as a nation, as a Parliament and as Canadians because, in addition to being heavily involved in drafting strategies, Canada proposed several key resolutions, including a precedent-setting resolution supporting the rights of indigenous women.

As well, Canada was the lead country in calling for a precedent-setting meeting of Commonwealth Ministers for women's affairs. This meeting took place just prior to the Nairobi Conference. It was once again an opportunity for preparatory work for the present meetings going on between heads of Commonwealth Governments.

Now as we begin to implement the forward-looking strategies within Canada, we must continue to increase the efforts we have already begun in a number of areas. As a first step, I am working with my Cabinet colleagues to discuss how the strategies can be implemented within each of their areas of responsibility. As well, yesterday I convened a special meeting of provincial and territorial Ministers responsible for the Status of Women. Our discussions focused on ways in which the forward looking strategies apply within each of the jurisdictions within our nation. I will distribute this document widely, especially to women's groups. Indeed, I would suggest that the Nairobi strategies are required reading for all women and men who believe in Canada's future.

These forward-looking strategies need some interpretation. They comprise over 370 paragraphs divided into five broad sections dealing with equality, development, peace, areas of concerns and international and regional co-operation. Each section identifies obstacles to progress, basic strategies to overcome those obstacles and a range of measures for the implementation of basic strategies, many in areas not traditionally considered as women's issues. For example, in areas of energy, environment and transportation.

● (1210)

Some of the concrete measures proposed in this broad, global, forward-looking strategy, in the document from the World Government meeting to Governments, call for things which are close to home to Canadians. For example, I think of the resolution for an assessment of the impact of economic development policies on women, of the elimination of sexual harassment in the workplace, of the measures to reduce negative effects of technological change on women, of the health care which is accessible and available to women, of the increased attention to the need for girls and women to receive education in science and technology, of the integration of women's needs and views in the design and planning of homes and communities, and of the promotion of women's roles as owners and operators of transportation. The list goes on. Far from being some kind of esoteric, international statement, it comes directly into the lives of Canadians and of Canadian women.

My Government is firmly convinced that women's concerns must be integrated in all of our ongoing policy work in order to remove or reduce any impact on men and women before decisions are made. In putting the forward-looking strategies into practice in Canada, our initial emphasis will be on the continuation of our economic integration strategy for women.

[*Translation*]

This strategy was the mainstay of the commitments we made in the Speech from the Throne. Through legislation and by setting an example we have already begun to meet these commitments.

[*English*]

Last night, we honoured six Canadian women at the seventh annual Persons Awards Ceremony—Grace Hartman, Marguerite Bergeron-Tremblay, Nazla Dane, Evelyn O'Bomsawin-Lamirande, Gemma Pelletier Caron and Pearl Steen. All these women have had long histories of involvement in activities to improve the status of women within their own communities and across Canada. Their actions echo Nellie McClung's vision of women's role, as she expressed it in 1910, when she said:

> Women set the standards for the world, and it is for the women of Canada to set the standards high.

As elected representatives, we have a responsibility to create the conditions which will enable Canadian women, on an equal basis with men, to pursue their ambitions, realize their potential and discharge their full responsibilities in all spheres of society. I invite colleagues in the House to join with us in this high purpose.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I welcome this opportunity today to pay tribute to some of the winners of the Persons Awards for 1985. After 50 years of oblivion, this award is now being given in recognition of extraordinary contributions to the quality of life of women in Canada.

Marguerite Bergeron-Tremblay and Evelyn O'Bomsawin-Lamirande are honouring us today with their presence in the gallery.

Some Hon. Members: Hear, hear!

Mrs. Pépin: Mrs. Bergeron-Tremblay is a militant of long standing and has been active in the Lac-Saint-Jean area. She has worked with the Cercle des Fermières and the Fédération des Femmes du Québec, to name just a few.

Mrs. O'Bomsawin-Lamirande has worked unstintingly for the cause of native women. She was among those who fought for the repeal of discriminatory provisions in the Indian Act.

An award also went to Grace Harman, who has worked for women in the labour movement, not a traditional area for women to be active in! Mrs. Hartman has been President of the Canadian Union of Public Employees.

Emma Pelletier-Caron, who also received an award, has been involved in many community actions in Acadia and collaborated on a collection of biographical sketches of 100 exceptional Acadian women.

Finally, Pearl Steen took up the cause of pushing for legislative change to improve the status of women. Mrs. Steen has been President of the Council of Women, among other duties.

Mr. Speaker, I find it significant that a decision was made to give the Persons Award to five women instead of just one. We must remember that in the twenties, five women protested the fact that they were not persons before the law. As was said earlier by the Minister responsible for the Status of Women (Mr. McLean), that meant they could not become lawyers or judges or sit in the Senate.

Today, 50 years later, we should not only take a lesson from the courage and perseverance of Emily Murphy and her four companions, but we should also realize the importance of joint action in the struggle for women's rights.

The women of the Eighties have understood this very well. The women's movement has made great progress in 15 years, and although today's movement is not as noisy as the movement of the Sixties and Seventies, the fact remains that it is very effective. The progress made by the movement is irreversible, and those who see it only as a passing fad should think again.

Today I would like to point out some of the causes being championed by the women's movement. Despite the good faith expressed a few minutes ago by the Minister responsible for the Status of Women, I believe the Conservative Government should not be too quick to brag about being on the side of women. The employment equity legislation introduced by the government does not satisfy Canadian women at all. As a matter of fact, it does not satisfy either the handicapped, the natives and the visible minorities, the other three target groups which it was meant to help.

Bill C-62 does not provide for any employment equity program which would be compulsory, although all similar programs on a voluntary basis have proven ineffective time and again. Only compulsory programs are likely to succeed, something of which Canadians women are wearing themselves out trying to convince a Government which will not listen.

Canadian women are also waiting anxiously for the Katie Cooke Task Force's report on day care centers. I am aware that the Prime Minister promised quite recently to set up another task force to study the day care center situation. But why reinvent the wheel? Why not use instead Mrs. Cooke's report, her findings, the many briefs which were submitted to her as well as the many research papers on which the report was based.

As for prostitution, all the Government could introduce was tiny Bill C-49, dealing with soliciting, when what women really needed was a complete reform. I am not the only one to say so, Mr. Speaker, for the Fraser Commission has concluded likewise.

On September 25, the Conservative Government announced a new and expanded litigant assistance program to help people who want to institute proceedings under Sections 15, 28 and 29 of the Canadian Charter of Rights and Freedoms. But instead of distributing the funds among the various organizations representing Canadian women, the native, the handicapped and the visible minorities, it gave all the money to the Canadian Council on Social Development.

Mr. Speaker, I have nothing against the Canadian Social Development Council, but we have to be realistic. Funds are allocated on a case by case basis and the same battles will be fought twice, which will mean a waste of money and energies, and this is not what women wanted. If the Conservative Government had put aside part of this amount for the women's legal action and education fund, some kind of action plan could have been developed for women, but perhaps the Government is somewhat afraid of organized women's movements.

Today, the Minister responsible for the Status of Women has lauded the organized action of women 50 years ago, but it is different when comes the time to recognize in practice the organized action of women today and provide assistance for the battles they are fighting now.

I would like to speak about the fight of Canadian women against the deindexing of family allowances, Mr. Speaker. The Government is attacking family allowances and we have to realize that this is the only check received by a great many Canadian women, namely all those who stay at home to take care of their children. Is this the message of the Conservative Government to Canadian families, that it wants to make the task of raising children even more difficult than it is?

I hope that the Conservative Government will realize in time the mistake it is making by cancelling the full indexation of family allowances in the years to come.

In closing, I would like to point out that today's women have different objectives than those of their sisters of the twenties, but that their battles are just as urgent.

Women in the eighties must effect a major restructuring of the labour market and the family. This must be done on a collective, not an individual basis.

The real battles to be fought are those which will guarantee the economic survival of women and which concern daycare services, part-time work and parental leave.

I invite the Conservative Government and all the Members of this House to reflect on this and to support this fight as it will make the lives of each one of us better.

● (1220)

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, we in the New Demoratic Party join in the tribute to the outstanding Canadian women who pioneered the fight for equality and who won the right for us to be recognized as persons 56 years ago.

We warmly congratulate the women who received Persons Awards last night on behalf of many Canadian women. In particular, we congratulate Grace Hartman, Marguerite Bergeron-Tremblay, Nazla Dane, Evelyn O'Bomsawin-Lamirande, Gemma Pelletier-Caron and Pearl Steen.

Women continue to struggle for a better life for themselves, for their sisters, and for their daughters. We have learned that change will not come as a gift. We must continue to speak out against injustices, demand equal opportunities, and organize so that many voices will be heard.

Canada did play an important role at the UN Decade of Women Conference held in Nairobi, where forward-looking strategies were adopted to guide us to the year 2000.

Women in Canada cannot achieve equality in a vacuum. We must join with our sisters and brothers around the world to achieve equality, peace, and development.

But the starting place to achieve these goals is right here at home. We have now achieved a Charter of Rights and Freedoms, but now text cases must be litigated. Women are disappointed that the Government has ignored their requests for direct financing for Charter litigation cases. This funding is essential to ensure independent selection and timing and to win these test cases on behalf of women generally.

Economic equality is basic to the resolution of all inequalities facing women. Feminization of poverty has escalated; older women are destitute. And the Government's answer is to cut the indexation of social benefits, and in particular the indexation of family allowances.

Some Hon. Members: Shameful; shameful!

Ms. Mitchell: Canadian women still earn only 60 per cent of the salaries of men. They carry double burdens at home and in the workplace. They work primarily in underpaid job ghettos and are now being forced more and more into part-time jobs.

Regrettably, the Government has ignored many of the recommendations of the Abella Commission, which proposed mandatory employment equity in the federal sector. Voluntary programs with no enforcement mechanisms will not achieve the reforms which women demand as their right.

To achieve equal opportunities in the workplace, women also must have accessible and affordable daycare. We look forward to early and positive action in this area, as was promised by the Progressive Conservative Government.

Mr. Speaker, the Nairobi experience reminded us that practical development programs operated by and for women are essential, both here at home and in developing countries. Poor women, immigrant women, farm women, northern women and battered women must have access to resources and mutual help if they are to overcome the difficult burdens that they carry.

Madam Margaretta Papandreou, who headed the Greek delegation in Nairobi, moved us all when she said:

> We women are a rising force in society. We must fill the ranks of the worldwide mass peace movement and we must at the same time move into the centres of decision-making where our voices, where our insticts for protecting life, where our concern for human rights can become the dominant forces in affecting the future of the planet and the future of humanity.

Mr. Speaker, the women of Canada are not merely persons. We are people with passion, pride and increasing power to work for a better world.

Some Hon. Members: Hear, hear!

* * *

PETITIONS

CHANGES TO FAMILY ALLOWANCE PROGRAM

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a petition which follows appropriately on the comments just made by my colleague, the Hon. Member for Vancouver East (Ms. Mitchell). It is the petition of 306 people in Essex county and Windsor, from the following communities: Windsor, Amherstburg, Oldcastle, Tecumseh, Essex, Woodslee, Cottam, Belle River, Kingsville, Maidstone, Leamington, Emeryville, Lasalle, Puce, McGregor, Ruthven, St. Clair Beach, and Harrow.

In each case, the petitioners are conveying their stern sense of opposition to the changes being undertaken by this Government to the Family Allowance Program. They are putting in a call for tax fairness as an alternative.

FULL INDEXATION OF FAMILY ALLOWANCE PROGRAM

Mr. Rod Murphy (Churchill): Mr. Speaker, my petition is also very appropriate on this day, Persons Day. it relates to family allowances. In their petition the people say that the cut-back in family allowances and the tax increases are inequitable and unbearable in the face of budget hand-outs such as a half a million dollars in tax-free capital gains, greater RRSP deductions for high-income recipients, billions of dollars in hand-outs to the oil companies, and a $1 billion bail-out of the banks.

Mr. Speaker, the people presenting this petition humbly pray and call upon the House of Commons to reinstate the full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Speaker, this is obviously something that should be done on Persons Day.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a petition from Canadians in the Vancouver area calling on the Government to rescind the deindexation proposals for family allowances. They call for the cut-back in family allowance and other benefits, which will amount to some $600 million by 1990, to be reversed.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a petition from a number of people in Vancouver and Burnaby in respect of the deindexation of family allowance benefits. The deindexation proposal, combined with tax increases, places an extraordinary burden on families.

The petition calls upon the House of Commons of Canada to reinstate the full indexation of family allowances and rescind the unfair tax increases that are hurting families.

An Hon. Member: Do it now!

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I, too, rise to present a petition submitted by residents of Vancouver, Burnaby and North Vancouver, calling upon the Government to turn back on its measures to grant bail-outs and to provide incentives and loopholes through the tax system and to concentrate, instead, on the needs of Canadian children and families by reinstating full indexation in respect of the universal Family Allowance Program.

* * *

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Finance) moved to introduce Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to Minister of External Relations): Mr. Speaker, the following questions will be answered today: Nos. 234 and 309.

Order Paper Questions

[*Text*]

SURVIVOR BENEFITS

Question No. 234—**Mr. Howie:**

From January 1, 1984, to date, how many women are receiving survivor benefits as widows of (*a*) war veterans (*b*) retired armed forces personnel (*c*) retired members of the Royal Canadian Mounted Police (*d*) retired public servants?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Defence, Solicitor General, Treasury Board and Veterans Affairs as follows:

(*a*) The statistics maintained on survivor benefits do not differentiate between widows and widowers. As a result, the Department of Veterans Affairs cannot answer the question as formulated.

However, they can ascertain that most recipients of survivor benefits are women (the vast majority of veterans being men) and that the total number of recipients as of January 1985 was as follows:

War Veterans Allowance/Civilian War Allowance	34,719
War Disability Pension—Canadian Pension Commission	42,037
Persons receiving both	2,845

(*b*) There are two accounts maintained for surviving spouses eligible for benefits under the Defence Services Pension Continuation Act (DSPCA) or under the Canadian Forces Superannuation Act (CFSA).

As of February 1, 1985 they were as follows:

Defence Services Pension Continuation Act (DSPCA)	827
Canadian Forces Superannuation Act (CFSA)	8667

(*c*) In so far as the Royal Canadian Mounted Police is concerned, as of January 31, 1985 the following widows pensions were in payment:

RCMP Superannuation Act	334
RCMP Pension Continuation Act	105
RCMP Pension Continuation Act—Part IV	134

There are, in addition, 43 widows pensions in payment under the Pension Act. It is quite probable that in most, but not necessarily all of these cases that an RCMP Superannuation Act pension is also in payment.

Supplementary Benefit Income Plan for survivors of members of the RCMP killed on duty 7

(*d*) 36,103.

SERVICES AND SUBSIDIES TO BUSINESS STUDY TEAM

Question No. 309—**Mr. Gagliano:**

Are Mr. John Wynne of the Plumbers and Pipefitters Unions, Local 170, Burnaby, B.C. and Mr. Tom O'Sullivan of the PCO., members of the Deputy Prime Minister's mixed study team on Services and Subsidies to Business and, if so, what are their qualifications?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Team has completed its work and has been disbanded however, Mr. Wynne and Mr. O'Sullivan were indeed members of this Team. Mr. Wynne has had experience in chairing and participating in negotiating committees for

major contracts, investment of union funds, and the maintenance and operation of a budget in excess of $1 million per year. Mr. O'Sullivan was an exchange officer with the Australian Department of the Prime Minister and Cabinet, with the Canadian Privy Council Office. He has a wide range of experience in the economic and policy areas.

The disclosure of specific personal information is governed by the Privacy Act.

[*Translation*]

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

[*English*]

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I rise again to ask about Question No. 296 which appears on the Order Paper. As I indicated yesterday, it has been over a year since the secret meeting between Premier Hatfield and the former Solicitor General took place. I also indicated yesterday that my particular question was put on the Order Paper some seven months ago.

I would like to ask the Parliamentary Secretary whether it is the intention of the Government to withhold the answering of those questions until after the provincial election in the Province of New Brunswick to avoid any possible embarrassment to Premier Hatfield.

● (1230)

Mr. Kilgour: Mr. Speaker, that is certainly not the intention of the Government. I happened to be here yesterday when the Hon. Member asked exactly the same question. I assure the Hon. Member that the answer will be given as soon as it is available.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Thursday, October 17, consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Henderson (p. 7687).

Mr. Speaker: Order, please. I understand that there were a few minutes left in the question and comment period following the remarks of the previous speaker. Are there any questions or comments?

Prior to resuming debate, may I inform the House that because of the ministerial Statement, consideration of Government Orders will be extended by 24 minutes this day. Therefore, Private Members' hour will begin at 4.24 p.m.

Mr. Penner: Mr. Speaker, I rise on a point of order. I understand that the Hon. Member for Winnipeg North (Mr. Orlikow) would like to speak on this Bill and that he must speak before one o'clock in order to meet other commitments. I would be prepared to yield to him if I could be recognized as the first speaker from my Party at two o'clock.

Mr. Speaker: I am sure the House is happy with that arrangement without in any way admitting to setting a precedent in an American concept called yielding.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as a Member from the Province of Manitoba which has a very substantial interest in the movement of grain which is produced in Manitoba and as a Member from the City of Winnipeg which plays such an important role in the rail system of this country by which many residents of my constituency are employed, I feel that I ought to make a few comments about this Bill. Bill C-75 amends several Acts having to do with marine transportation and pollution caused by shipping. Primarily, however, it amends the Canada Shipping Act.

We can support some of the provisions of this Bill. The licensing and certification of personnel aboard vessels, an up-dated inspection procedure, new regulations governing the transport of hazardous cargoes and the prevention and cleaning up of pollution and particularly oil spills caused by ships are all provisions which we can support. Some of these provisions, and particularly the ones dealing with oil spills and transportation of hazardous cargoes, are long overdue. However, there is one clause of the Bill, and we believe it to be the most important clause in the Bill, which we much oppose, that is, the clause dealing with cost recovery.

According to the latest estimates, the cost of providing the services to which the clause refers is anywhere from $136 million to close to $200 million. As it now stands, these costs could be imposed generally on all vessels regardless of whether or not they use these services. This could include everything from pleasure boats to super tankers, but it is pretty obvious to us that it is most likely that most of the costs, if not all of them, will be imposed upon commercial shippers. This would have very significant ramifications in a number of areas.

I am sure Hon. Members will realize, if they think about the history of the St. Lawrence Seaway, that the Seaway was conceived and promoted by Canadians and the Canadian Government and was for many years opposed by very important interests in the United States including the railways. It

took many years for the American Government to agree to co-operate in the establishment of the St. Lawrence Seaway.

The Seaway was built with the idea that it would make possible the movement of grain from Canadian and American mid-western producing provinces and states to world markets at reduced rates and would make possible the movement of iron ore from Quebec to the industrial heartland of Canada and the United States where at that time the steel industry was in operation. From the time when the Seaway was established in the 1950s until the early 1980s, that concept worked very well. However, the situation has changed dramatically.

Hon. Members know that the production and sale of iron ore from Quebec has come to a virtual stop. Certainly it has been reduced dramatically. As well, Hon. Members know that the shipment of grain from western Canada through Thunder Bay and other ports along the St. Lawrence Seaway has, for a variety of reasons, decreased substantially. As a result, if we proceed with this cost-recovery program, the costs will not be absorbed by the shippers but will be transferred to the producers and therefore to the consumers. This would naturally affect the price and competitiveness of Canadian exports and particularly the price which would be received by Canadian producers of grain.

Additional shipping costs from Canada would encourage Canadian shippers to make more use of American ports. Because U.S. cargo movement through the St. Lawrence Seaway must go through Canadian waters, this would also be a deterrent not only to Canadian shippers but to American shippers. I will try to deal with another aspect of that problem in a few moments.

This last year, cargo traffic on the St. Lawrence Seaway was down by 27 per cent from the previous year and shipments that year were down by 20 per cent from 1977's high. Grain traffic is also down substantially. As of the middle of September, it was down by 41 per cent from the corresponding period last year. To a large extent, that is due to the drought which occurred and, more recently, as a result of the rain and snow which has brought harvesting in many parts of western Canada to a virtual standstill.

This drop in traffic has resulted in much of the Canadian merchant fleet having to remain tied up. In July and August about 40 per cent of our merchant fleet was not operating. The Seafarers International Union estimated at that time that about 2,500 of its members were laid off and there were major lay-offs for grain handlers, particularly at Thunder Bay. Thus, about 51 per cent of the grain handling and transportation industries on and about the seaways were adversely affected. According to a study done for the Port of Duluth, for every job in the grain industry there were 2.5 spin-off jobs in the community. If this projection is used for Canada, we are looking at the possible long-term loss of about 14,000 jobs, at time when we have 1.25 million unemployed Canadian workers.

• (1240)

The point I am making is that the workers in shipping companies operating on the Great Lakes seaway system and the Seaway itself are already at the breaking point. They simply cannot absorb more reduction in traffic. Nor can they absorb the increased costs which the Minister of Transport (Mr. Mazankowski) is proposing and which will come into effect if this Bill is passed.

The mandate of the St. Lawrence Seaway as was originally spelled out insisted upon full cost recovery. Over the past years the Seaway was able to build up a contingency fund of approximately $30 million. When the fund was set up it was intended that it be used in those years when the Seaway lost money in order to meet the cost recovery mandate. However, in this spring's Budget the Minister of Finance (Mr. Wilson), who has been able to find billions of dollars for big business and corporations through various tax give-aways and loopholes, decided he would take that $30 million surplus. He absconded with the money in order to help reduce the deficit. As a result, the Seaway must look elsewhere for funds to allow it to fully recover the costs of its operations. This means in all likelihood that the Seaway will have to increase its tolls next year. The tolls have been frozen for the past two years in order to help shippers survive with declining revenues. As a result it is felt that once the tolls are removed the increase will be substantial. Given that no improvement in the situation on the Seaway is projected for the next year, a substantial increase in tolls will have a severe and adverse effect. As a result of reduced traffic and, therefore, reduced revenues, the St. Lawrence Seaway, as well as the workers, shipping companies and communities who depend on transportation will be in serious trouble.

The case which I have been making is not merely a case which is being made by members of the New Democratic Party for partisan political reasons. The case I have been making has received support from the Dominion Marine Association, which represents most of the vessel owners on the Great Lakes seaway; the Great Lakes Waterways Development Association, which represents many of the shippers, users and communities along the seaway, including companies such as Stelco, Ontario Hydro, Cargill, the three prairie wheat pools, Dofasco, Iron Ore Company; the Seafarers International Union, which represents those workers on ships of whom so many are unemployed; the Brotherhood of Railway, Airline & Steamship Clerks, who represent the grain handlers of Thunder Bay, many of whom are unemployed and have been for some considerable time; and the Public Service Alliance of Canada which represents grain inspectors.

We say that what the Government is proposing will affect not just Thunder Bay but a whole series of cities and towns from Thunder Bay to the Province of Quebec. Apart from Thunder Bay in which 60 per cent of the grain handlers are unemployed, and apart from the seamen, of whom 50 per cent are now unemployed, there is Port-Cartier, in which 50 per cent of the people who work in the grain trade are now unemployed. In Baie-Comeau, 45 per cent of the workers are

unemployed; in Manicouagan, 93 per cent of the workers are unemployed; in Halifax, 25 per cent of the workers are unemployed; in Saint John, 35 per cent of the workers are unemployed; in Quebec City, 31 per cent of the workers are unemployed; and in Sorel, 26 per cent of the workers are unemployed. That is the situation as it stands, which points out how serious it is for so many of the communities from Thunder Bay right through to the eastern part of Quebec.

It seems to us that what the Government is proposing is, in fact, contrary to the promises made by the Prime Minister (Mr. Mulroney). In July of 1984 the present Prime Minister, in the Prince Albert declaration, made a number of commitments as to what a Progressive Conservative Government would do in respect of this type of question. I would like to put on the record some of the words which the Prime Minister said when he was the Leader of the Opposition. He said:

> A Progressive Conservative government will immediately examine ways and means to provide improved services and equitable rates in consultation with grain producers who are discriminated against geographically.

Grain companies, both private and co-operative, have expressed their opposition to what is proposed in the Bill which is before us. The former Leader of the Opposition also said:

> The federal government and the railways must continue to provide a special low rate . . . to assist producers competing with subsidized grain export nations.

What has happened to that commitment? We know, for example—and I mention it now because my allotted time may expire before I come to the point where I wish to deal with this matter separately—that in the United States, through the Corps of Army Engineers, the American Government has spent hundreds of millions of dollars—indeed, billions of dollars—in making the Mississippi River and the Houston Canal capable of moving grain and other products from Minneapolis right down to the Gulf of Mexico. It did that virtually no user charges at all.

Thus, if we increase the costs of shipping on the St. Lawrence Seaway, more and more grain from the mid-western United States which previously moved through Duluth and the St. Lawrence Seaway to the Atlantic Ocean will obviously move down the Mississippi River because it is so highly subsidized. Indeed, I remind Hon. Members that when we were discussing this matter at the time when the Liberal Government brought in its legislation to wipe out the special transportation subsidizies provided for the shipment of grain through the Crow Rate agreement, we warned that not only would the American grain move increasingly down the Mississippi but that with deregulation we will see a time in the not too distant future when Canadian grain will be shipped to Minneapolis and then down the Mississippi with its highly subsidized rates.

● (1250)

The producers were promised by the Prime Minister in the Prince Albert declaration that there would be an efficient, cost effective and reliable grain transportation system. But if we are going to have increasing users' fees apply to the shipments on the St. Lawrence Seaway, there will not be a cost effective transportation system on the St. Lawrence for western grain.

In August of 1984 the Prime Minister addressed the Empire and Canadian Clubs in Toronto in which he said, and I quote:

> A Progressive Conservative Government will freeze existing freight rates paid by producers from any further increase pending the results of the legislation's review mechanism into producers' ability to pay.

What has happened to that promise, Mr. Speaker? If the cost of shipping through the St. Lawrence Seaway is raised dramatically as, obviously, it will be, and since the price we ask for Canadian grain must be competitive with the price charged by other producers, those increased costs will again be passed on to the producers of grain. It seems obvious to us that in this legislation the Government has forgotten or intends to ignore the promise made by the Prime Minister.

It is the intention of our Party to oppose this Bill and to vote against it. We would urge the Government to consider cancelling all tolls or fee increases initiated or planned during the 1985-86 fiscal year, and to cancel the transference of $30 million from the St. Lawrence Seaway Authority to the Consolidated Revenue Fund in the 1986-87 fiscal year. That is what we propose for the immediate presence.

The Acting Speaker (Mr. Paproski): Are there questions or comments? Resuming debate.

Mr. Penner: Mr. Speaker, since it is almost the time at which we adjourn for lunch, would the House agree that we call it one o'clock?

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being one o'clock, I shall now leave the chair until two o'clock this afternoon.

At 12.54 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, while nowhere in Bill C-75, which we are debating today, does not specifically say, it nevertheless signals, as I think Members who read it carefully will agree, that there will be a growing volume of oil tanker shipping on a year-round basis in Arctic waters. Of course that is built on a policy statement that was made in the House on September 10 by the Secretary of State for External Affairs (Mr. Clark) who said, as reported on page 6463 of *Hansard*, the following:

> The policy of the Government is also to encourage the development of the navigation in Canadian Arctic waters. Our goal is to make the Northwest Passage a reality for Canadians and foreign shipping as a Canadian waterway.

That is the policy statement and it is quite true that the Minister went on to talk about concern for the preservation of

the environment and the welfare of the Inuit and other inhabitants. It is on those two points, Mr. Speaker, that I would like to make some observations and express some concerns about Bill C-75.

The main route for this oil tanker traffic in the Arctic will be the Northwest Passage. Members will be aware that this is an environmentally sensitive region. In January of 1982 a Green Paper on Lancaster Sound was issued. Members will know that this is an area on the shores of the Northwest Passage inhabited by a community of Inuit. That Green Paper, produced by the Department, said as follows:

> There are a number of particularly important or biologically sensitive suites within the Lancaster Sound region, which are unprotected at this time . . . If the shipment of oil through the Northwest Passage takes place, then the potential for oil spills will exist: The environmental consequences of a large spill could be catastrophic.

I want to admit that the Government has shown some modest awareness and concern for this reality. In February of 1985, for example, the then Minister of Supply and Services, who is now the Associate Minister of National Defence (Mr. Andre) issued a press release announcing that $1.2 million was going to be spent to conduct a hydrographic survey in Arnott Strait. The Minister indicated:

> The over-the-ice survey will map a safe shipping lane for possible tanker traffic in an area close to the North Magnetic Pole—the Arnott Strait lies between Cameron Island and Ile Vanier in the high Arctic.

The Minister went on to say:

> The Government recognizes the possible danger to the ecology caused by tanker traffic navigation in high Arctic water.

He said:

> I'm convinced that this survey will help avert shipping accidents, which lead to costly spillage cleanup and threats to the ecology. As well it will build confidence in the feasibility of moving crude oil southward from northern Arctic regions.

I think members of the Government know that with any means at all at our disposal we cannot prevent an oil spill from taking place. If there is going to be an increased volume of oil tanker traffic through the Northwest Passage, we can be almost certain that at this time, with the technology that we have and without considerably more research and development, there is a very good likelihood of an environmental disaster taking place.

Bill C-75 is telling us that oil tankers will be utilizing the waterways at an accelerated pace. The Bill informs us that the Arctic Waters Pollution Prevention Act is going to take second place to other provisions of the Canada Shipping Act. It says that where a convention ship is involved—and I will explain in a moment what a convention ship is—other parts of the Canada Shipping Act will prevail over the Arctic Waters Pollution Prevention Act. In the terms of the Bill itself a convention ship means:

> a sea-going ship, wherever registered, carrying, in bulk as cargo, crude oil, fuel oil, heavy diesel oil, lubricating oil, whale oil or any other persistent oil;

I believe that this major decision which has been taken very recently by the Government to use oil tankers in the high Arctic ought to have been much more fully debated than it has been until now. I believe that the most careful and cautious concern has to be given to the people for whom this region is home. I am talking, Sir, about the Inuit people of Canada. I wonder how serious the Government really is about opening up Arctic routes to year-round oil tanker shipping and about protecting that sensitive ecology and delicate environment. In September, 1985, the Minister of Energy, Mines and Resources (Miss Carney) sent a letter of congratulations to Panarctic Oils on the first commercial shipment of crude oil from Canada's Arctic. She said:

● (1410)

> After 17 years in the north, you and your company have proven that it is possible to ship crude oil from above the Arctic Circle with the maximum regard for the environment, and to the protection of the northern ecology.
>
> More than that, however, the Bent Horn shipment by both the M.V. Arctic and the Imperial Bedford has helped to confirm Canada's jurisdiction over the Northwest Passage.

There were some observers of that particular shipment who had other views and concerns. Some were Members of the House and others were journalists who specialize in this area. One of them, Marian Stinson, writing in *The Globe and Mail*, made this comment:

> The federal Government has relaxed the regulations for environmental protection for this season to enable Panarctic to get the oil to market in the south.
>
> A Coast Guard icebreaker will accompany the M.V. Arctic to compensate for the fact that the upgrading of the tanker has not been completed to meet the standards required for severe ice conditions—
>
> Because the oil will move through Lancaster Sound, which is biologically one of the richest areas in the Arctic, future large-scale deliveries of hydro-carbons could have serious environmental implications. The economy of the Inuit who live in the area is based on hunting on the ice, and any increase in traffic could affect their livelihood.

We know that the M.V. *Arctic* made it. We also know that the Government played Russian roulette to some extent in this situation because it issued an Order in Council on July 25 in which it amended certain regulations of the Arctic Waters Pollution Prevention Act to make it possible for that vessel to carry a shipment of oil from Bent Horn to Montreal.

The Minister of Energy, Mines and Resources and the Minister of Indian Affairs and Northern Development (Mr. Crombie) congratulated Panarctic. However, we must recognize that this vessel did not meet the safety regulations of the Arctic Waters Pollution Prevention Act. In congratulating the company, the two Ministers said that this indicates that Canadians are determined to exploit their northern resources. I believe that there is an alarming aspect to this situation. I find it alarming if exploitation will take precedence over environmental concerns. I find it alarming if the legitimate claims of the Inuit people of Canada are being ignored in this policy decision.

The Inuit people, through their organizations, are very much aware of what is taking place. They have been concerned about this since as long as ago as May 3, 1982 when a memorandum was prepared for the Inuit Tapirisat Board of Directors.

In that memorandum they indicated the need for an effective campaign against Dome Petroleum's year round Arctic oil tanker proposals. The memorandum said:

This opposition is consistent with the Inuit position now being voiced at the National Energy Board review of the Arctic Pilot Project, namely, year-round Arctic tankers pose an unacceptable threat to the marine environment and marine-based Inuit renewable resource economy. Unresolved Inuit land claims and oil tanker spills form an additional basis for opposition.

I believe that Bill C-75 is an indication, along with the others I have mentioned this afternoon, that apart from expressions of concern the Government is not giving sufficient attention to the Inuit survival in the North or prevention of pollution in the Arctic.

Just this past week, the Inuit Tapirisat of Canada issued a resolution for the public. It stated:

Whereas, This past summer, The American ship the Polar Sea, went through the North West Passage without seeking permission from the Canadian government;

Whereas, In 1953, some Inuit were moved to Resolute Bay and Grise Fjord by the Canadian government and the presence of these Inuit have been used to support the claim of the Canadian government to the High Arctic Islands;

Whereas, The Inuit lands and the Inuit living there should not be ignored by any government;

Whereas, The statement made by the Rt. Hon. Joe Clark, Minister for External Affairs in the House of Commons, as to what Canada will do with regard to protecting Canadian sovereignty in the Arctic includes legislation, military activity, marine transport and cooperation with the Americans; but does not include cooperation with Inuit, settlement of Inuit claims including the offshore; or the recognition that Inuit rights and environmental concerns are the root of Canadian sovereignty in the Arctic;

Therefore be it resolved that, ITC call on the Canadian government to recognize the relationship between Inuit and Canadian Sovereignty; to fully disclose to Inuit the nature and scope of Canadian and American military activity; and to enter into a working relationship with Canadian Inuit with respect to the development of comprehensive Arctic policy which will take into account Inuit concerns for survival and for the protection of the Arctic environment.

A second aspect of this same resolution concerning high Arctic development impact states:

Whereas, people in the Eastern Arctic already see changes in animal distribution and behaviour due to industry and shipping now, and they know more industrial activity and shipping will have effects on wildlife and on the environment, and

Whereas, ITC supports fully the efforts of the High Arctic Development Impact Zone Society in making the government of Canada and the government of the Northwest Territories aware of these concerns,

Therefore be it resolved that, ITC call on the government of Canada and the government of the Northwest Territories to hold public hearings in the High Arctic communities to determine the impact of development and shipping, and to work with the High Arctic Development Impact Zone Society and Inuit Tapirisat of Canada to develop regulations and controls for shipping in Northwest Passage.

One can see immediately that the Inuit are not standing in opposition to resource development or in opposition at all to any kind of shipping. However, they want to be included as part of this development by being consulted.

I want to make it clear to the House that I am not advancing the argument that there should be no northern resource development. Nor am I saying that no hydrocarbons should ever be taken from any of the Arctic seas. However, I want to remind the House that in July, 1984, after three years of study through a public review process, the Beaufort Sea Environmental Assessment Panel issued a report and I believe its conclusions ought to be considered with great care by Members of the House and the Government when proposing Bill C-75.

That panel concluded that Arctic oil and gas production and transportation can proceed, but subject to stringent terms and conditions to protect the northern environment and to strengthen northern society.

The panel went on to say that energy transportation issues were of crucial interest to the panel. The report states that a small-diameter oil pipeline could be built through the Mackenzie Valley. The panel also concluded that a natural gas pipeline could be built only if the impacts on local communities would be no more than would be associated with small scale development.

On the question of Arctic tanker traffic, the panel concluded that tankers not be allowed to carry oil through the Northwest Passage to East Coast refineries until after successful completion of a Government research and preparation stage, followed by an experimental program using two Class 10 ice-breaking tankers under specified conditions.

Central to the theme of the report is the panel's insistence that northerners play a major role in energy development projects.

These matters are not spelled out in detail anywhere in Bill C-75. The Bill has created much concern among Canada's northern Inuit people. Zebedee Nungak, the co-Chairman of the Inuit Committee on National Issues, said this past week:

● (1420)

The Government can ill afford to ignore our interests and concerns.

That is my position, Mr. Speaker, and it is the position of my Party. From that point of view we are going to give Bill C-75 the closest and most careful scrutiny when the Bill is referred to the legislative committee for clause by clause study. We hope the committee will not neglect to call before it the Inuit leaders of Canada in order to hear their concerns first hand.

Mr. Forrestall: Mr. Speaker, I have a comment and a very brief question. I want to reassure the very distinguished and learned member of our Chamber with respect to native affairs and our north. He has been a very valuable Member of this Chamber over a long period of time.

Some Hon. Members: Hear, hear!

Mr. Forrestall: His views are to be listened to because they are given in some degree of sincerity. I want to tell the Hon. Member that the very observations he has placed on the record this afternoon are of deep concern to the Minister of Transport (Mr. Mazankowski) and to other ministries in Government, as he is aware.

We would like very much to move this matter into committee where some of the concerns, not only the Hon. Member but which other Members of the Chamber have been expressing over the last two or three days, can be delved into.

Could the Hon. Member comment on how we might best address the concerns that he, his colleague the Hon. Member for Davenport (Mr. Caccia), the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) and others have expressed? Should we deal with it in the standing committee, or is the legislative committee itself perhaps a forum that would be adequate?

Mr. Penner: I want to accept the words of the Parliamentary Secretary that the Minister and the Government are fully cognizant of all of the environmental issues related to oil tanker shipping through the Northwest Passage and that they are as sensitive as it is possible to be to the Inuit people who call that home. They have unsettled claims and legitimate concerns about their traditional way of life. Increased shipping could disrupt that traditional way of life and even result over time in the extinction of a very proud, noble and able people who inhabit an inhospitable environment and therefore have earned the admiration of people around the world for what they do. I want to believe all of that on behalf of the Government. I will be looking for evidence that it is real.

As to which committee, the standing committee or the legislative committee, carries out the work of the House of Commons after this reading of the Bill does not matter to me. It is important that members who sit on the committee are prepared to listen to the Inuit leaders of Canada.

I would think, Mr. Speaker, that the Parliamentary Secretary may want to consider having members of the legislative committee visit certain selected Inuit communities to see first-hand why these concerns are so valid, that it is not mere rhetoric on the part of Inuit leaders. They are not simply trying to attract attention to themselves or cause difficulty. Their concerns are legitimate. This would allow members of the committee to emphathize with the Inuit people about these concerns. My suggestion is first to listen to the leaders and, second, Committee members perhaps should go to some communities.

Mr. Fulton: Mr. Speaker, I have a question for the Hon. Member on time frame. In looking at this Bill, all Members of the House will agree that it is a plan within Transport Canada for marine routing as well as regulatory plans directly related north of 60 and also south of 60. There are some good things involved in it, such as safety measures and so on.

The Hon. Member touched on the Beaufort panel recommendations on the completion of scientific evaluation which are to provide two Class 10 icebreaking tankers and so on. Concerning the time frame, the Hon. Member touched on some interesting matters that for decades have been going on between the Government of Canada, the Inuit and other native people north of 60 concerning claims. A great deal of scientific effort has gone into the Beaufort panel and into looking at Polar Bear Pass, Lancaster Sound etc.

What kind of time frame does the Hon. Member think is reasonable to complete the claims? What about the aboriginal people north of 60? As I said to the Secretary of State for External Affairs (Mr. Clark) he soundly planted the flag of Canada upon their backs in terms of sovereignty. What time frame would it take realistically to complete the comprehensive claim process? We have to involve the native people and northern Governments in setting aside those zones of incredible ecological sensitivity, such as Lancaster Sound and other areas. We just do not have an industrial marine routing plan here where various ice densities are considered. We have to deal with the proximity to Cameron Island and to the various Beaufort fields. We have to deal with the best routing systems either to the Pacific Rim, to Europe or to other areas of the world. How long would it take to implement those things? We have a great body of scientific information. Would it not be more proper for this House to complete the comprehensive claims and to put in place a protection system for those ecological zones north of 60 so we can advise not only northerners but Canadians generally that this kind of a routing system is soundly based?

Many Members of this House tend to forget that the area north of 60 is one of the globe's greatest and most profound deserts. It has very small oases of biological activity and if you do not protect those now in the early considerations of various routes, we may well lose a great global resource through disasters that could beset us.

I know my question is complex, but in terms of the cart, we have the cart here now but it seems to be well in front of some very important moral, legal and ecological considerations that have to be put in place. I am interested in the Hon. Member's well researched views on what kind of a time frame this House should be considering to implement those other phases before this actually becomes a reality?

Mr. Penner: Mr. Speaker, I think one of the regrettable aspects of Bill C-75 is that in dealing in some very necessary ways with navigational concerns with the southern and the northern waters, they are taken together in the same Bill and dealt with in precisely the same way. I think the Hon. Member probably would agree with me that the northern waters ought to be taken out of Bill C-75. This Bill should not apply to northern waters. We should be awaiting settlement of claims. Settlement of claims is long over due. I think there has been an unconscionable delay in settling those claims. However, the Minister is to announce at the end of November a new claims policy, and I hope that claims policy will remove certain existing impediments that delayed the settlement of claims. Those impediments are well known to Members who served on the Standing Committee and who know about Arctic problems. They must be taken out, and then we could move very swiftly to the settlement of those claims. Certainly that would involve extensive mechanisms or arrangements for consultations on the environment.

• (1430)

I conclude my answer by reminding Hon. Members that the Macdonald Royal Commission indicated that the movement toward a settlement of comprehensive claims should be accelerated. Unfortunately, that commission put another obstacle in the way and said that political aspects should be

separated out. I think that was naive and unrealistic. Before the life of this Parliament concludes, I would hope that all or most of those comprehensive claims could be settled. That would be my timetable.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it was the presentation of the Hon. Member for Davenport (Mr. Caccia) which prompted me to rise in my place this afternoon. The Hon. Member is opposed to the Bill. I cannot quite understand why that would be the case. Obviously a good deal of thought has gone into it, not only by the present Government but by the previous one. It has been many years since a major amendment has been made to the Canada Shipping Act. I am sure that all the ideas, many of which are of an administrative nature and a technical nature, included in the Bill were not thought up in the last 12 months. My suspicion is that what we have here is a distillation of ideas that have come forward over the period of many years. It is only with the new Government that the deciding factor has been there to present this to Parliament and to make some movement on these important issues. Undoubtedly the previous Government restricted itself to the collection of these ideas, and for that we should be thankful.

The presentation of the Hon. Member for Davenport was similar in many ways to that of the Hon. Member for Cochrane-Superior (Mr. Penner). However, I must admit that the Hon. Member who last spoke was a little more realistic in his approach to life; he was not dead against the Bill, on account of some of the things he said. Sometimes it is evident that the degree of realism in matters affecting the North directly decreases proportionate to the distance from Toronto. It is sometimes surprising—and this is something which we in the North are quite used to—that those good people from Toronto are quite willing to tell us how we should conduct our affairs and run our lives.

I see the Hon. Member for Spadina (Mr. Heap) who is an expert on northern housing. He would like to tell us how to run our housing policy. However, I cannot be too critical of him because in the recent past he has been extremely helpful.

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Member for Spadina (Mr. Heap).

Mr. Heap: I would hope the Hon. Member would not neglect to mention that he thanked me for my intervention.

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Nickerson: I certainly did thank the Hon. Member for Spadina for his intervention in the question of condominiums in the Northwest Territories. As I said before, he and his colleagues in his Party have been extremely helpful, maybe much more helpful than his colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald), who would tell us how to administer the system of justice in the North.

Mr. Heap: You are an expert on that.

Mr. Nickerson: I certainly am, I certainly am. I have had a lot of experience with judicial affairs in the recent past, and I am very satisfied with the way that the judicial system operates in the North.

What we have to realize with respect to shipping in the North is that it already exists. General merchandise is already shipped into the North by vessels. In particular, oil and petroleum products are shipped in. The M.V. *Bedford* recently hauled out, after trans-shipment from the M.V. *Arctic*, the first commercial cargo of oil produced in the Arctic. It had brought in refined products from refineries back east. This is a common occurrence. It happens every day. It is not something new. The Northwest Passage is not some pristine wilderness which has never seen a vessel or has never been touched by the hand of man. The people whom I represent and whom the Hon. Member for Nunatsiaq (Mr. Suluk) represents tell us that they want rules and regulations established pursuant to the Canada Shipping Act and to the Arctic Waters Pollution Prevention Act, which will ensure that existing shipping and any new shipping likely to occur in the future is done in the safest possible manner. They themselves and their loved ones work on those boats. What could be more natural than to want working conditions to be as safe as possible in waters which on occasion can be quite hazardous? The people there are concerned with the possibility of oil spills. They want legislation such as that envisaged in Bill C-75, which will do the utmost possible to ensure that spills do not occur and, if they do, to ensure that there is proper mechanisms for the clean-up of spills and for compensation or the payment of the clean-up process. That is what they want, and that it what is in the Bill. It is unbelievable that the Hon. Member for Davenport should rise and say that we should not proceed with the Bill, that somehow all shipping in the North has to cease. That type of attitude might get him elected in downtown Toronto, but it certainly would not get him elected in Nunatsiaq or the Western Arctic.

For example, the Hon. Member for Davenport specifically referred to the transportation of natural gas. This Bill ensures that the international conventions into which Canada has entered, dealing with the design and construction of natural gas carrying vessels, are put into effect. That is not the case at the present time, and this is precisely what the Bill would do. Therefore, we should support the Bill, get it through the House and have these highly technical matters dealt with by a competent legislative committee.

I want to dwell for some time on Clause 4 of the Bill, the one which has probably caused most of the debate in the House. It is permissive. It allows the Minister, should he wish, to collect certain fees for certain services rendered by the Coast Guard in respect of ice-breaking, for instance, and of other services rendered to the shipping community by the Government of Canada.

I understand some of the concern of Members from certain parts of the country where there is a likelihood of fees being substantially raised. However, we have had the assurance of the Minister of Transport (Mr. Mazankowski) that this will

not be done in an irrational way. If fee increases are to be made, they will be done in a manner which does not cause such a hefty blow to the users of those services that they themselves will no longer be able to operate their businesses.

Recently in my constituency I have had some experience with this in respect of aviation, not in respect of shipping. Were the Minister of Transport to be in the House, I would bring this to his attention. Perhaps he could adopt the policy stated here with regard to shipping fees for those involved in aviation. For example, the new terminals at the Whitehorse and Inuvik airports were built as part of the Liberal election campaign under the process whereby they borrowed the next year's capital funds and built structures immediately before the election. The rental fees for space in those terminals have been increased to such an extent, up to tenfold in some instances, that it has become prohibitive for people to rent space anymore. That is one example where this policy of moderation might be brought into effect.

● (1440)

The question of the services and subsidies provided by the Government to the shipping sector and other modes of transportation is one I would like to think about aloud for a moment.

If I were the owner of a stevedoring or warehousing company in Montreal, I would want the ice breakers to clear the St. Lawrence Seaway, and I would make the argument that that was in the national interest and that the user of that service ought not to be required to pay for it. At the same time, I would probably argue against subsidies to the railways that go from Montreal to eastern Canada, servicing the ports of Saint John or Halifax.

It is only natural, given human nature, that that would be the case. Obviously, it would be to the maximum advantage of the person in Montreal in that circumstance to have that service rendered at no cost.

Conversely, if I were in the same position in Halifax or Fredericton, I would make the argument that we should retain the subsidies on freight rates and that those who are provided with ice breaker support in the St. Lawrence Seaway should be required to pay for it. That would be the most advantageous situation for the individual in Halifax or Fredericton.

I think we have to allow the Minister of Transport to engage in a system which would see subsidies reduced over a period of time, with the cost of such services as ice breaking being passed on to the user at something close to the actual cost of providing the service.

Surely that which is best for Canada as a whole is what should govern. Taking the interests of Canada as a whole as opposed to the specific interests in Montreal or Halifax, the system that should be in place for the transport of Canadian goods to export markets is that which is the most cost effective, the system that would be to maximum Canadian general advantage, and the way to arrive at the most cost-efficient system is to take into account the cost to the shipper, the cost to the supplier of the transport, and the cost to the Canadian taxpayer.

In order that Canadian goods can compete in world markets, we have to be as effective and as efficient as possible on a national basis.

Still on Clause 4, I have a few comments to make with respect to the Northwest Passage as it might exist many years from now.

I, too, share the view of the Hon. Secretary of State for External Affairs (Mr. Clark) that the Northwest Passage should continue to see a growth in the amount of shipping. I see it, at some point in time, being used as a regular through-waterway for vessels orginating in Europe en route to Asia.

If that is to happen and if that shipping is to be conducted in a safe and environmentally sound manner, it will require considerable services of a nature usually provided by Government, such as ice breaking services and navigational aids, and there will be a cost attached to that.

Shippers using the Panama Canal are quite prepared to pay a toll, and so it should be for shippers using the Northwest Passage—which I hope would be open to peaceful navigation for vessels of all nations, with the only requirement being that they meet the necessary safety and environmental requirements.

It would make sense to levy a toll on vessels using that route which is more or less equivalent to the cost that the Government bears in enabling the route to be used.

I talked earlier about doing things to national advantage, about the necessity to do things in the most efficient way from a national perspective. Stepping back and taking the global perspective, surely the most cost-effective way of shipping goods from one continent to another would be to the best advantage of all mankind.

If the tolls for both the Panama Canal and the Northwest Passage meet the user-pay principle, then that route which is the most cost-effective will be chosen by world shippers, with the result that everybody in the world will benefit. And if at some point in time, as I believe will be the case, the Northwest Passage becomes competitive with other sea routes, then Canada, too, will benefit, not only as a shipper on that route but also as a provider of services for vessels using that route.

The last point I want to make this afternoon, Mr. Speaker—and this, again, is contained to some extent within the Bill—relates to the way in which the Canadian Coast Guard sets up its various regions.

At present, part of the North is looked after by Montreal and part is run out of Winnipeg or Edmonton. What is needed, or will be needed very shortly, is a separate northern region for the Coast Guard. But the Canadian Coast Guard and the Department of Transport are well aware of this need. What I am trying to do this afternoon is to give them a little more encouragement in a policy that they have been pursuing for a number of years, both under the present Government and the previous Government.

That northern region of the Canadian Coast Guard exists already in embryonic form. It is under the very able directorship of an individual by the name of Carol Stephenson. It is my hope that this will continue and that it will become a full region within the operations of the Canadian Coast Guard.

Thank you very much for your kind indulgence, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Skeena (Mr. Fulton).

Mr. Fulton: Thank you, Mr. Speaker. I would ask the Hon. Member a similar question to that which I put to the Hon. Member for Cochrane-Superior (Mr. Penner), and it is this: does he not agree that comprehensive aboriginal claims north of 60 should be resolved and that there should be a delineation of those zones where there should either be no access for freight traffic or access under limited conditions because of the biological nature of those areas?

Does he not think that those two steps should be completed before some of the operational potential that is contained within Bill C-75 is put into play?

The reason I ask the question is that the comprehensive claims process is one that has dragged on for many years. A great deal of effort has been expended by many Canadians in evaluating the sensitive zones north of 60. Some of the studies are not yet completed. The reason, of course, is to ensure that those shipping routes that are used in the future are those which result in the absolute minimum impact on those areas.

Does he not think that those two matters should be addressed and implemented before we see the kinds of routings that would be operationally possible under this Bill put into play?

Mr. Nickerson: If the Hon. Member, Sir, has looked at the Bill, he will know that contained within it is the concept of Vessel Traffic Service Zones, and that will in part, if not in total, address the concerns he has raised.

If he is asking me whether second reading of the Bill should await the settlement of all aboriginal claims, or the aboriginal claims in that part of the country in which he is most interested at the present time, my answer is "no".

Shipping in all regions of Canada is important. I do not think we should delay the second reading of this Bill until there is an answer to every outstanding little problem. What is contemplated in the Bill is a provision to make regulations on a zone-by-zone basis, and certainly that will eliminate some of the problems.

It should be remembered, Mr. Speaker, that the people who are pushing hardest for a settlement of the land claims in the Arctic, particularly in the Inuit area, are the very people who use the petroleum products shipped into that region for use in their ski-doos and for heating their houses.

Those people tell me that while they want those petroleum products shipped into the region—they like to live in warm houses as opposed to cold igloos—they want it done in a manner that minimizes the danger to health and the danger of the environment.

It is for that reason that the people who live in that region, I am sure, would like to see us proceed with this legislation in a speedy manner.

• (1450)

Mr. Penner: Mr. Speaker, my question is directed to the same Member. The Hon. Member will be aware that the previous administration halted between two opinions, whether there should be enhanced oil tanker shipment or whether there should be more pipeline construction. A policy was never developed one way or the other. The waiting game was being played by acquiring more data and information. Now we have a clearly delineated policy. In Arctic waters and through the Northwest Passage, there will now be increased year-round oil tanker shipment. That is the policy of the Government as enunciated by the Secretary of State for External Affairs (Mr. Clark) and supported by this Bill.

The leaders of the Inuit people in the North have put forward the proposition that they have not been involved in this major policy development. As my hon. friend just reminded the House, there are some very major issues still outstanding, among them the settlement of those claims and political rights in the North. Perhaps the Hon. Member could advise the House if he as a northerner is satisfied that every effort to have a full measure of consultation has been made.

Mr. Nickerson: Mr. Speaker, the Hon. Member for Cochrane-Superior is undoubtedly aware of the great number of consultations that have already taken place. In his opening remarks, he referred to the Lancaster Sound studies. I do not know how many public meetings took place while that study was being compiled. The Beaufort Sea environmental impact group has spent months and months soliciting views on oil and gas development in the North. There has been a lot of opportunity for consultation and public input. Much of what was said in those public hearings was that people wanted better shipping regulations and better environmental protection measures. The people were concerned with compensation aspects arising out of possible spills and this is precisely what is contained in this Bill.

I am not saying that there could not be improvements of a technical nature made to the Bill. That will undoubtedly occur when we get to committee. I know that the committee will call as many witnesses as possible.

I would like to make one comment with respect to the policy enunciated by the Secretary of State for External Affairs. It is not quite the way the Hon. Member for Cochrane-Superior puts it. There is no way that any Hon. Member can say that there will be more oil traffic through the North. It is likely that a bigger population will lead to more oil traffic. It is also likely, as a result of what appears to be a very successful exportation of oil from Bent Horn this summer, that there will be more crude oil coming out. However, the Government cannot say that that will happen. That will depend upon the

economics of the situation and what the world price of oil will be.

The policy of the Government is that on the basis of the expectation that there will be increased traffic and particularly tanker traffic in the North, the Government asserts its sovereignty over those waters and will make provision for the safe development of that traffic if it occurs which in all likelihood it will.

Mr. Johnson: Mr. Speaker, after listening to some Hon. Members speaking on this Bill, one would be almost left with the impression that no studies have been done in the Arctic and that native people have not been consulted. I know that that is not true. I am not here this afternoon to sponsor the oil companies, but I know that even without being told to do so by the Government, the oil companies, in anticipation of carrying out oil exploration in the Arctic, have voluntarily asked native groups to go on board the ships that have been carrying out the environmental studies. In fact, I have been in command of ships myself when there have been native groups on board. I have been in the Eastern Arctic in all of the months of the year except March carrying out environmental studies. Some of the things that I hear being said today in an attempt to hold up this Bill are pure nonsense.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have a chance to speak on Bill C-75 and I will certainly touch on the points made by the captain in a few moments. First I would like to deal with the expectations of many Members of the House following the speech made by the Secretary of State for External Affairs (Mr. Clark) regarding the Polar Sea incident. I think we expected that quite a different tack would be taken.

We learned from the Manhattan incident and the passage of the Arctic Waters Pollution Prevention Act that a very strong statement was being made by Canada. Bill C-75 is doing through the back door what the Government would not do through the front door. The sovereign potential of the Arctic Waters Pollution Prevention Act is being diluted by making all kinds of regulatory changes to it that the Government would not dare bring forward for open debate in the House.

The exemptions in this Bill are incredible because what should be done by law is being done almost entirely by regulation. I see that the Parliamentary Secretary to the Minister is here today. When he and his colleagues were in opposition, they pilloried the then Liberal Government for doing exactly what is being done in this Bill. This Bill is riddled with the powers of the Governor General and with ministerial discretion to regulate after the fact what should already be in the Bill, something which the House has not learned to expect but often sees.

I am interested that an Hon. Member from north of 60 would not even touch on the approach taken toward compensating those who are affected by oil spills. This Bill forces the litigant to prove damage, something which has been widely discussed for many years in committee and in the House. Once again, the onus will be on the fishermen, the Inuit and northern people to obtain standing before a regulatory agency and prove reasonable costs and damages, not actual costs and damages. They have to be able actually to prove those costs. I think it is something the House has to look at very carefully. We should reverse that onus so that it is not the victim who has to prove the damage and the costs involved. Rather, the onus should be on the parties involved in causing the pollution.

Before dealing with this Trojan Horse Bill, I would like to touch on the matter of cost recovery in the transportation field. I believe the Minister of Transport (Mr. Mazankowski) should be dealing with this today because I understand there is a meeting on this matter in Victoria this afternoon. In terms of Clause 4, this exemplifies what I will be bringing forward in my remarks when I speak of how this Bill affects shipping within all Canadian waters. I am speaking of the drydock at Esquimalt, B.C. which at present is earmarked for sale by the Government but brings to the people of Esquimalt over $26 million per year. The Government now wishes to dispose of this facility largely because of a $1 million loss reported for 1984.

• (1500)

I would like to deal with cost recovery on that point. While I can understand a decrease in business due to the state of the economy, there seems to have been no attempt to promote the services of this dock to the shipping industry. In fact, the Government has been throwing away business which has come to it. The Minister seems to rely upon private sector middlemen to attract business to the dock and allow those companies to make the profit while the public, again, keeps the deficits.

For example, there is a crane at the Esquimalt dry dock for which the Government charges $8 to $9 an hour to operate. The Government pays the operator $14 an hour. The same type of crane in Portland costs $35 an hour U.S. plus labour and materials. The largest crane in Esquimalt is charged out at $80 an hour, while a comparable unit in Portland brings in $150 an hour, with an additional charge per ton, plus labour and materials with a four-hour minimum.

I am told that even as we speak now Canada is losing a major maintenance contract to the Americans. This is not because of service or price but because of government disinterest in keeping the facility viable. This is a contract to maintain and repair some 30 Polish fishing vessels which, interestingly enough, fish in Canadian waters and take our fish. That contract could be ours for the asking except that the Department of National Defence has stalled closing the deal for some imagined security problem. It is not that we have said no to the contract, we have not given an answer at all. This $2.5 million contract has been floating between DND and Transport Canada while the Americans have been actively seeking the business. I am also told that an announcement could come as early as Monday that the Polish fleet will pull out and give the contract to Coos Bay, Oregon instead of Esquimalt because the Government has deliberately frustrated the deal. It would seem as though the Government does not want this facility to make money or at least break even.

What we are debating here today is cost recovery on Coast Guard services for Canadians while not even attempting to manage wisely Government projects such as this one. How much will we have to recover on navigational aids to cover the costs of this business to Esquimalt and to the Government of Canada? If the Minister is successful in running this facility into the ground to support his argument to sell it off, who will buy it and at what price? The dock's estimated value is $50 million. Why would any of the principal users of the facility want to buy what they can already have for next to nothing? If we sell it for less than $50 million, what new cost recovery scheme will the Minister bring forward to compensate the people of Canada? Or if the dock is closed altogether in March of next year, as planned by Transport Canada, how much more will we have to recover? That is a good example of what we see throughout the Bill which is before us in terms of user-pay.

Let us take a look at the Bill. I can certainly speak for the Port of Prince Rupert, the Port of Stewart and the Port of Kitimat in terms of Clause 3.1. I will tell Hon. Members what those ports will tell the Minister when he goes out to visit them. I would like to read the Clause because it is an important one. We have to look at it carefully. It states:

For the purpose of defraying the cost of navigational services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member has been here long enough to realize that under Beauchesne's Fifth Edition Citation No. 732 we are debating second reading of this Bill. The Bill should be debated in principle and not clause by clause. I hope that the Hon. Member will take that into consideration in recommencing his speech.

Mr. Fulton: Thank you, Mr. Speaker.

The points which are in the clause are key to the general thrust of the Bill. It would add costs for aids to navigation, dredging, vessel traffic services, ice-breaking services and escorting services. It is estimated that in the neighbourhood of $200 million will be tacked on to the backs of pleasure craft operators, fishing vessel operators and general shippers. With respect to ports such as Prince Rupert, it is already suffering a dramatic loss in throughput. This is because Transport Canada has not managed to bring Prince Rupert Grain No. 1 back on line. In adding the types of costs which are being discussed in that clause on the fishing fleet we are expecting a $100 million buy-back. Where is that? If more and more costs are to be added on to industies which are already in difficulty, we will find out what the real implications of user-pay are.

Let us look at what the Minister had to say about the Bill on September 25. There was great expectation in the House and in the country at that time regarding sovereignty. Bill C-75 was seen as a Bill which would strengthen sovereignty. In fact, it has diluted the potential in terms of the sovereign Bill of the Arctic Waters Marine Prevention Control Act. Members opposite know that well. If they do not believe it then they should speak to people in External Affairs who are aware of what the implications of diluting our legislation north of 60 will be.

I would like to point to the six international maritime conventions which are to be added. There is the 1973 International Convention for the Prevention of Pollution from Ships and its 1978 Protocol. There is the 1978 protocol to the 1974 convention with respect to the safety of life at sea; the 1978 standards of training certification and watchkeeping for seafarers; the 1969 International Convention on Civil Liability for Oil Pollution Damage; the 1971 Fund Convention; and also the International Maritime Organization Codes for specialized ships carrying oil, gas and chemical cargoes.

I would like to point out just how far afield the Government has gone with this Bill. It has taken six international maritime conventions and placed them in the Bill. I think Hon. Members opposite would be pleased to address why Crown vessels are specifically exempted should they get into some kind of difficulty and cause a spill north of 60. The onus for damage always returns to the individual, whether we are talking about the coast of B.C., the east coast maritime areas or north of 60. It is the individual who is hurt. Many of these are very poor people. They cannot afford to find their way into the courts and to have consultants prepare studies in relation to the damage and so on.

The Bill is very broad. It includes everything from new definitions for air cushioned vehicles to what to do with a stowaway. There are some good clauses with respect to safety. I was pleased to see the provision for new inspection procedures and so on. However, the adding of charges for navigational services is not going to go down well in the country. I would encourage the Minister to speak to some of those people who are knowledgeable with respect to how this can change shipping patterns and what the implications will be for our indigenous fleets of both fishing vessels and pleasure craft.

Ministerial exemptions are dealt with in Section 134 of the Act. I will not dig right into the section since I accept your advice with respect to going into the specific clauses of the Bill, Mr. Speaker. The Benthorn project is an example once again in which ministerial discretion, exemption and regulation was utilized for the Cameron Island project to bring oil down this summer. It was through Order in Council that that particular vessel was exempted from operating in those ice conditions. The same theme of exemptive powers finds its way throughout the Bill. The Bill which is before us is similar to saying to the Minister of Transport: "You can do whatever you want, wherever you want, however you want, under whatever circumstances you want. Whenever you feel like doing it, pass some regulations." This is Trojan Horse legislation. It is the type of legislation which government Members fought against when they sat in opposition. They could see that the interests of the individual, the little Canadian, were the ones which would be beaten around. It means that the big oil companies can knock on the door of the Minister of Transport and say: "We cannot comply with that particular zoning which Environment Canada, the Government of the Northwest Ter-

ritories, the Inuit or whoever say they are concerned with." The oil companies will say: "We have to have this routing. We have this window for accessing those ice conditions and we cannot go with all the other stuff." The Minister has taken all these powers upon himself. Knowing the man it surprises me. I think the bureaucracy have channelled this legislation up to him and they have decided that since it cannot get 8, 10 or 12 Bills through, which is how many it should be, it will push Bill C-75 through.

The Bill is all over the ballpark. It goes from air cushioned vehicles to very basic sovereign questions. It is similar to the backing down we saw from the Secretary of State for External Affairs. I complimented him in the House. I honestly meant it with respect to the moves he was taking. He said: "We will construct a $500 million world-class state-of-the-art ice-breaker." Some two days later at a press conference the Minister spoke about an ice-breaking tanker. He practically read the press release of Panarctic. In the House he said that he would strengthen various pieces of legislation. The first matter I expect we would have learned in the world of international law from the Georges Bank experience is what type of laws we should be putting in place. Not only should we strengthen the demarcation lines in the high Arctic so that those would be internal waters, but we should strengthen the Arctic Waters Pollution Prevention Act, so that should a vessel like the *Polar Sea* re-enter Canadian internal waters, there could be a sufficient penalty. How many Members of the Government know that if the *Polar Sea* goes in after we pass this piece of legislation, the most we can do as a country is impose a $100,000 fine? What an outstanding piece of legislation this is. I expected some really tough-minded legislation which included a shell clause which not only allowed, but required, a Canadian Coast Guard to bring vessels back into port which attempted to enter Canada's internal waters without full open agreement and the accompaniment through Canadian northern waters by a class 10 state of the art ice-breaker.

● (1510)

I believe that I, as an Hon. Member, at the very least, misunderstood what direction the Secretary of State for External Affairs was taking. I had great expectations that we were going to see sovereignty and the high Arctic protected. The Minister planted the Canadian flag on the back of the Inuit and said the reason we have sovereignty in the high Arctic islands is because of the presence of aboriginal people who have been there since time immemorial. However, there has been no movement on that front. At the very least,in terms of debate and legislative committee time, we should be looking at how to complete the comprehensive claim process and how to realistically and properly deal with the important scientific components which were properly raised by my friend, the Hon. Member for Cochrane-Superior (Mr. Penner). We cannot now simply run head long into industrial projects after all the effort of public process. I see the Hon. Member for the Western Arctic (Mr. Nickerson). He probably thinks that it was just an interesting exercise in public relations to have the Beaufort panel, to have that many Canadians volunteer their time to address the very real and sincere interests of this globe.

A large-scale oil blow-out in the high Arctic could change the entire weather patterns of this entire globe. We are not just talking about a few dribs and drabs of oil washing ashore, a few seals getting their skins dirty, a few fish dying or a few hunters being displaced. Some of the most serious global atmospheric questions have to be answered. As it stands now, this kind of legislation would certainly receive a good round of applause in the boardrooms of the oil companies in Calgary. They would say, "Right on. You finally put in place what we need to expedite at the lowest possible cost". I think the surveys which have been taken in this country over the years demonstrate that one of the highest priorities there is among Canadians is the protection of the environment and its utilization. Canadians are prepared to see certain higher costs in order that plans can be implemented with some kind of long-term forward thinking vision so that those areas of great sensitivity are not unduly and unnecessarily damaged.

Once again, Mr. Speaker, I found interesting the comments from the Government side on the powers to make regulations in relation to hazardous cargoes. One would think that after all of the studies done by this Chamber on the transportation and management of hazardous materials in terms of rail and rubber, surely we would see the implementation of them as legislation rather than regulation.

I have raised many times in this House the fact that we still have very large tonnage quantities of military explosives being loaded on the Prince Rupert waterfront. There have been many requests for some kind of proper handling and management of those military explosives or in the alternative, shipping them in U.S. military bottoms from the southern U.S. north, but do we have it in this legislation? No. We find once again the Governor in Council may make regulations, and that is throughout the Bill. When we talk about parliamentary reform and when the Government brings legislation forward to be turned into law, we in this Chamber should not be asked to simply vote for or against these kinds of Trojan horse Bills which are scattered about.

The Governor in Council may make regulations to implement the pollution convention. What is that going to mean to northerners if and when there is a spill? What about people on the West Coast if a ship is to break up? What about Newfoundland? There are many questions which must be answered by the Government.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. There are questions and comments for 10 minutes.

Mr. Penner: Mr. Speaker, just before the Hon. Member for Skeena (Mr. Fulton) rose to give his excellent speech, one of the Government supporters was exercised about the fact that we were debating Bill C-75 in principle. We have not been debating it very long. I just wonder if the Hon. Member is really suggesting that there should not be a second reading debate? I think it was a curious intervention on his part.

However, the substance of the Hon. Member's remarks was that all kinds of studies have been done and the Hon. Member for the Western Arctic (Mr. Nickerson) made exactly the same point. No one has argued to the contrary. Of course, there have been studies done. Two paramount studies have been mentioned by several Hon. Members. One study is the Lancaster Sound study, which was extensive and indepth, and the other was the Beaufort Environmental Assessment Review Panel—which has the unfortunate designation of BEARP—which is one of the most significant studies. It was a three-year study which, in my view, ought to carry a considerable amount of weight in the decision-making by this Government.

My question to the Hon. Member for Skeena is with respect to those studies and any other studies of which he is aware. What are his views as to what reservations or cautions are pointed to regarding unrestricted enhanced oil tanker shipping through the Arctic waters of the Northwest Passage?

Mr. Fulton: Mr. Speaker, I thank the Hon. Member for his question. The point was raised earlier with regard to all of the studies which have been done. It is quite true that there have been a large number of studies, particularly in terms of the Arctic. The problem is that almost none of the recommendations have been implemented. The studies have been the basic building block to bring this Chamber to a position where we in fact could make intelligent, sound, reasonable and scientifically based decisions in implementing them as legislation.

I am sure that many native people were on vessels in the Arctic, that they came on board and talked about environmental studies and so on. One of the reasons there is so much cynicism, particularly north of 60, is that there are a lot of bureaucrats, scientists, a lot of studies and public hearings, and although that process is good because it helps northerners and Canadians generally to come to certain conclusions, we are not carrying forward what we should, the step beyond, which is to implement, in the interest of northerners, of Canada and of the world, sound procedures. I do not think we can just charge head on without taking into very serious account what publicly funded panels such as the Beaufort Environmental Review Panel recommended in terms of having two class 10 ice-breaking tankers in order to ensure that if one was bound in ice, there would be an opportunity for assistance. I believe many people tend to think of the Arctic as just a great area which is ice bound a lot of the time, which is cold and windy and we do not really need to worry about it. It is a desert, Mr. Speaker, and it is a very profoundly sensitive desert. Large pools of black material in an area of 24-hour a day sunlight where the accompanying environment is principally white, water or a bit of rock, is a situation which scientists around the world are only just now setting their minds to in terms of what the implications would be. I do not think we can just run willy-nilly into these kinds of situations, Mr. Speaker. Surely there is enough depth in this Chamber to allow us to address the very real environmental, scientific and aboriginal concerns rather than casting them aside saying that we have studied them to death already.

• (1520)

Mrs. Blais-Grenier: Mr. Speaker, I will start with a very brief comment and then I have a question. I am very happy indeed that the Hon. Member for Skeena (Mr. Fulton) has recognized the very real and important improvements that are brought about through the safety measures and standards in this legislation. I can assure the Member that our consultation was very wide. We consulted a variety of groups and interested parties. We were seeking some information from the Hon. Member's Party and we did not get a complete answer. I would like to know, as would my colleague the Hon. Minister of Transport (Mr. Mazankowski), what percentage of the cost of transportation users should pay if he believes in that.

Mr. Fulton: Mr. Speaker, I am glad to address that because no one from the Department of Transport ever contacted me with regard to my responsibilities for northern development.

Mrs. Blais-Grenier: We asked you in the House.

Mr. Fulton: To make the record clear, I am saying that I was never requested either to study or to prepare that kind of a response.

With regard to user-pay, in terms of the fishing industry, the shipping of wheat and so on, there is already an abundance of money paid in either directly through the economy or through the production and export of those commodities. Therefore, to ask a fisherman having his vessel rescued off the coast of Prince Rupert to pay to be escorted back into the port by a Coast Guard vessel is absolutely ridiculous. I would encourage Government Members to give speeches in Prince Rupert explaining why they think that kind of user-pay approach should be applied.

One of the points made by the Member for Western Arctic with regard to the accompaniment of vessels by a Canadian Coast Guard ice-breaker must be addressed by the House. That is a very, very costly process. I would agree that the users of that type of service, which incurs an enormous direct cost onto the Crown of Canada, should be considered. The committee should look at that carefully. It should consider which other routings are being competed with and what the real costs are. I was demonstrated last year that many pleasure craft operators, fishermen, tugboat operators and shippers off the coast of British Columbia did not get adequate weather information in advance. I cannot imagine why those people would be asked to pay for Coast Guard escorts back into port. This year alone the fishing industry in British Columbia will provide over $500 million to the Canadian economy. I cannot see sticking fishermen with the costs of navigational aids.

Mrs. Blais-Grenier: Mr. Speaker, I am still in the dark here. From reading *Hansard* it seems to me that there is some discrepancy in the positions alluded to by various Members of the NDP on the question of user fees and the portion that should be paid by the user. We were never able to get a straight answer on that. With regard to weather forecasting services, I am sure that the Member is aware that that is within the realm of another Department.

Mr. Fulton: That is precisely my point, Mr. Speaker. The Government has provided no background documentation on user-pay. The Minister of State for Transport (Mrs. Blais-Grenier) is saying that the NDP should be writing the policy for the Government. I would be glad to write the Government's policy on shipping in the Arctic Waters Pollution Prevention Act and so on. If the Minister wants to divorce weather services from navigational aids, I think she is dreaming in Technicolor.

Mr. Brisco: Mr. Speaker, I am concerned about the comments of the Hon. Member with regard to the environment and the concerns he has expressed with regard to this Act and its effect on the environment in the Arctic. I would ask the Member to consider the historical background of the petroleum and mining industries operating in the Arctic from the late 1970s to the present. I ask him to consider Dome, Imperial, the operation of Little Cornwallis at Polaris and how the shipping industry has evolved. Surely the Member will recognize that those vessels are equipped to handle the kind of environment in which they operate. If they cannot handle that kind of environment they do not operate in it. Surely he must recognize that legislation dealing with this issue today is new legislation. Surely he realizes that the Environmental Contaminants Act, for example, must be upgraded as well as the Ocean Dumping Control Act. However, you do not bring Parliament and this Act to a halt just to satisfy one element of concern.

Mr. Fulton: Mr. Speaker, if the Member had listened to the beginning of my speech—

Mr. Brisco: I did.

Mr. Fulton: —he would have heard that I said that I recognize that this is a marine routing and regulatory piece of legislation. I am saying, though, that there are all kinds of other matters that should be addressed at the same time by the House.

Mr. Brisco: They will be.

Mr. Fulton: I do not think they are going to be. I see no reason to believe that the Minister responsible for Northern Development (Mr. Crombie), the Minister of the Environment (Mr. McMillan) or any of the other Ministers involved will be bringing anything forward because they have made no suggestion, publicly or privately, that they are prepared to deal with comprehensive claims in an urgent manner or to deal with the setting up of environmental zones in terms of the Arctic.

The Acting Speaker (Mr. Paproski): Order, please. If the Hon. Member for Cochrane-Superior (Mr. Penner) will forgive me, we have already extended the time by a couple of minutes. I would now like to carry on with debate. Before I recognize the next Hon. Member, I would like to remind the House that this will be the last 20-minute speech with a question and comment period provided for under Section 36(2). After that all speeches will be 10 minutes. The Hon. Member for York South-Weston (Mr. Nunziata).

Canada Shipping Act

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate this opportunity to make a few comments about Bill C-75 which is presently being debated at second reading stage. My friend and colleague, the Hon. Member for Egmont (Mr. Henderson), moved an amendment to hoist this Bill for a period of six months. I would like to reiterate to the House the reasons my hon. colleague moved that particular amendment. Specifically, Mr. Speaker, there was a very serious concern about Clause 4 in this Bill. I would like to go through that clause in a few moments and indicate the reasons why this particular clause is of such a fundamental nature that it must be eliminated from this piece of legislation.

As a member of the Committee on Transport I had the pleasure of travelling to western Canada earlier this year. The main purpose of that particular visit was to study twin-tracking with the CN line in British Columbia. As part of that trip the members of the committee had the opportunity to see firsthand the Canadian Coast Guard facilities on the Pacific Coast, especially those in Vancouver and Prince Rupert. I would like to indicate how impressed I was with the facilities that are provided by the Canadian Coast Guard in western Canada.

In effect, this particular clause would give the Coast Guard the authority to recover the cost of providing navigational services. As the Hon. Member for Skeena (Mr. Fulton) indicated, that would mean, in effect, an additional $200 million that users of commercial vehicles and pleasures boats would be required to pay. Until now, it was the responsibility of the federal Government to pay for all of the services provided by the Canadian Coast Guard.

• (1530)

Under Clause 4, the Government is proposing to institute a user-pay scheme in order to facilitate full recovery of the costs of the Canadian Coast Guard. I believe that is fundamentally wrong because it is compromising safety. It is requiring Canadians to pay for services that would ensure the highest standard of safety on our coastal waters in all other services provided by the Canadian Coast Guard.

Being a Member from an urban riding in Metropolitan Toronto, one might ask why I would be concerned about the Canadian Coast Guard and what impact it may have on Metropolitan Toronto. I inquired of officials at the Canadian Coast Guard what facilities and services they provided in the Great Lakes and specifically in Lake Ontario. I was informed that the Canadian Coast Guard provides a number of services in the Great Lakes, specifically Lake Ontario. They provide search and rescue vessels in the Great Lakes and manage and operate two ice-breakers from Prescott west—the *Griffon* and the *Simcoe*. They service a rescue co-ordination centre at Trenton as well as providing the services from the marine radio centre. Therefore, the Coast Guard indeed provide some very essential services for people from Metropolitan Toronto who use the lake either for pleasure or business.

What impact will this Clause have on those people and others who make use of boats and vessels in other parts of

Canada? I believe it is fundamentally wrong for the Government to charge those individuals for these services that are provided. That is why we in the opposition have moved an amendment to hoist this legislation. I want to assure Hon. Members opposite that if this particular Clause is deleted from Bill C-75, other parts of this legislation will receive favourable consideration by this side of the House.

Let me briefly comment on the Bill itself. As the Hon. Member for Skeena pointed out, this Bill which contains over 100 pages is a Trojan Horse piece of legislation. This is an omnibus Bill. I would remind Members opposite of the position they took with respect to what they believed was omnibus legislation tabled by the previous Liberal administration, specifically a Criminal Code amendment Bill which the opposition argued was omnibus legislation. It provided for a great many amendments to the Criminal Code and when Members opposite were in opposition they stood to say that it was wrong to deal with so many matters in one piece of legislation because it was was a disservice to the matter being addressed. Now that they are in Government we can see the blatant hypocrisy of the Hon. Members opposite. When they were in opposition they made one argument but now that they are in Government they do another—

Mr. Kilgour: Mr. Speaker, I rise on a point of order. I believe the word "hypocrisy", used directly as the Hon. Member for York South-Weston has just used it, has been found to be unparliamentary in the past in the House and I would ask for your ruling on the question.

The Acting Speaker (Mr. Paproski): I was deeply in thought listening to the Hon. Member's speech and I do not recall if he used the word in that form. However, let us carry on with the debate. I will look at the "blues" and make a ruling on Monday.

Mr. Penner: Mr. Speaker, I rise on the same point of order. The Hon. Member opposite knows perfectly well that there is no rule or part of any rule that says an Hon. Member cannot say that hypocrisy has occurred. Hypocrisy is a reality in life and it occurs. However, Beauchesne says that it is not parliamentary to call another Member and refer specifically to another Member as a hypocrite. That is quite a different matter than dealing generally with an issue and saying it is a hypocritical approach. There is no point of order there at all, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I appreciate the Hon. Member's comment. I believe it was said in that context. However, I would like to look at the "blues". If there is a problem I will naturally ask the Hon. Member to withdraw and I know that he will.

Mr. Nunziata: You are quite right, Mr. Speaker. I would withdraw and I fully recognize parliamentary rules that preclude me from calling individual Members hypocrites. Although that is what I feel and would like to say so in the House, I recognize that I cannot. Therefore, I will not call the Hon. Members opposite hypocrites. I would like to say that hypocrisy has occurred. I would suggest to the Hon. Member who raised the point of order that if the shoe fits, wear it. If he recognized that he has been a hypocrite, so be it.

The Acting Speaker (Mr. Paproski): Here we go. I know it is Friday afternoon and Members have done very well for the last few hours. I hope we may continue debate. We will make a ruling on Monday if it is necessary.

Mr. Nunziata: Mr. Speaker, let me return to my submission with respect to Bill C-75. The point I was making before being interrupted is that this is an omnibus piece of legislation. Members opposite argued against such legislation when they were in opposition but have decided to support it now that they are in Government for a short period of time.

We in the Official Opposition are opposed to this omnibus legislation. This Bill deals with far too many matters to properly deal with the subject of this legislation. If the Government is truly concerned about the measures addressed in this 120 page Bill, it would introduce separate pieces of legislation to deal with the varied subjects contained within Bill C-75.

I have already indicated that Clause 4 is fundamentally wrong. I was somewhat amused to hear the Minister of State for Transport (Mrs. Blais-Grenier), the former Minister of the Environment, commenting about user-pay. Members will recall that when she was the Minister of the Environment, before her demotion to Minister of State for Transport, she tried to institute user-pay for calls to the weather office. She wanted those who required services of the weather office to pay for that service. As Members on this side of the House argued, this was a disincentive to individuals to call the weather office and would serve to compromise safety in that respect. Now, the Minister in her new portfolio, supports a piece of legislation that would provide for full recovery of services—

Mr. McLean: Mr. Speaker, I rise on a point of order. Is it in order for the Hon. Member to comment on previous responsibilities of the Minister? It is my understanding that the debate concerns this Bill and the Minister's responsibilities at this moment.

Mr. Penner: Mr. Speaker, the Hon. Member knows full well that what he is talking about is directing questions to Ministers about previous responsibilities. It has nothing at all to do with debate whereby one comments on actions taken by a Minister in any capacity as long as it identified with the Government. There is no point of order there at all. That is just wasting the time of the House.

● (1540)

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

Mr. Penner: These spurious points of order have to stop.

Mr. Dick: Poor little Nunziata.

The Acting Speaker (Mr. Paproski): Order, please. I have found no points of order. I would like Hon. Members to carry

on with the debate. the Hon. Member for York South-Weston (Mr. Nunziata) has the floor. I have not deducted any of his time. Let us carry on please.

Mr. Nunziata: Mr. Speaker, these repeated interruptions by Members opposite only serve to make me more determined to make the points I wish to make more forcefully. It is quite clear that Members opposite are very sensitive and embarrassed about this piece of legislation by the action they are taking. For that reason they are continually interrupting my submission. I ask them to be patient, to listen and to wait for their opportunities after I have concluded by remarks and then ask me questions or comment on my speech.

Before I was interrupted by the Minister of State for Immigration (Mr. McLean) I was saying that we have a Minister of State for Transport who has a particular philosophy. That particular philosophy is users should pay, notwithstanding the fact that safety might be compromised on the high seas or on the Great Lakes. One can recognize and appreciate that philosophy because she is a Conservative. Conservatives believe in free enterprise and user-pay, regardless of the consequences.

This is the same Government that tried to reduce the deficit on the backs of the disadvantaged of our society and tried to deindex senior citizens' pensions. This is the same Government that is deindexing family allowances. Now we find that all in the name of reducing that almighty deficit it is prepared to compromise safety. I challenge the Minister and all Hon. Members opposite to prove me wrong, to prove that the introduction of user-pay concerning Coast Guard facilities will not compromise safety.

We, as parliamentarians, have a responsibility to ensure the highest degree of safety for those using waters within our jurisdiction. What this Government is doing is compromising that safety. I would like to articulate the reasons. I refer to Clause 4 of the Bill and with your indulgence, Mr. Speaker, I shall quote Clause 4 and then begin to dissect the clause to indicate why this clause flaws the whole Bill. It reads:

> For the purpose of defraying the cost of navigational services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing, aids to navigation, dredging, vessel traffic services, icebreaking services and escorting services.

What does that mean, Mr. Speaker? I would like to tell you what it means. My interpretation is that if a person sailing on Lake Ontario encounters some difficulty, the boat capsizes requiring the Coast Guard to rescue an individual or individuals who may be drowning as a result of the accident, this Government is saying to those people making the SOS that it must be on the basis of COD, cash on delivery. In other words, if you want to be safe, you have to pay. If you do not pay, you might not be saved.

If I were involved in that situation and I knew that I might have to pay for a Canadian Coast Guard boat to rescue me, I might think twice—

An Hon. Member: You said it.

Mr. Nunziata: —and others might think twice before issuing the SOS. Hon. Members opposite laugh, indicating their callousness and lack of sensitivity with respect to the very serious ramifications of this provision in the Bill. This Bill will require an individual in distress to pay for that service. If they do not pay, this Bill provides in Clause 4(3) that interest may be charged for that service. That is totally and absolutely unacceptable.

What else does this piece of legislation say, specifically Clause 4? It says that ships and vessels have to pay for navigational services. What are navigational services, Mr. Speaker? They include lighthouses on both coasts, search and rescue and a number of other services provided by the Coast Guard. Rather than levying or charging individuals, Clause 4(2), reads:

> Charges may be imposed pursuant to subsection (1) in relation to any ship or vessel, regardless of whether the Canadian Coast Guard actually provides a navigational service to that particular ship or vessel.

What does that mean? The Government is attempting to implement user-pay with respect to Coast Guard services and in Clause 4(2) it says that regardless of whether a person requires the services or calls upon the Canadian Coast Guard to provide any particular service, that person will still have to pay part of the $200 million which the Canadian Government has heretofore paid for that essential service. Is that fair, Mr. Speaker? We say it is fair that everyone should pay. Canadians generally should pay for safety and health. We believe it is wrong when it comes to the question of health and safety to require an individual to pay for that service. Rather than spreading the cost of a high standard of safety across the country to all Canadians, what this Government is doing is imposing that cost specifically on the owners of any ship or vessel regardless of whether they may or may not require the services of the Canadian Coast Guard. Someone who is in a canoe on Lake Ontario would have to pay a fee even though that person may not require the services of the Canadian Coast Guard on Lake Ontario. We do not know what the fee is, but it will be a fee nonetheless. Each and every individual using a ship or vessel in Canadian waters will have to pay a fee. That is wrong.

I hope Members opposite will recognize how fundamentally wrong this clause is and delete it from the legislation. We on this side of the House are not prepared to endanger the lives of the users of Canadian waters.

I note, Mr. Speaker, you are indicating that my time is up. On that point, there were several interruptions by Members opposite. I hope you have not subtracted that time from me.

I regret I cannot speak longer on this legislation. I would simply ask the Minister of State for Transport to take another good, hard look at this piece of legislation and recognize what will happen in reality if it is passed.

• (1550)

Mr. Brisco: Mr. Speaker, I will be brief. I should like to comment on the remarks of the Hon. Member for York South-Weston (Mr. Nunziata) with regard to the user-pay

principle on which he launched a spurious and shallow argument. I am delighted he made a speech today because I will send it to every member of the Coast Guard in British Columbia whom I know—and I know several of them—and say that this is the kind of attitude, thinking and logic applied by Liberal Members to that principle. Those men often lay their lives on the line. He suggested that they would grab a man by the arm in deep, ice-cold water in the Pacific Ocean and say: "Buster, that's going to cost you a quarter first. If you don't pay, I will let go of our arm". I think it needs to be on the record very clearly that I find that kind of statement completely reprehensible.

Before he says anything more on this point, what does he have to say about the user-pay principle which his Government applied to airports, airlines and civilian air fleets in Canada? What does he have to say—and it might be the most useful comment he makes—about the user-pay principle which his Government in its depth of wisdom removed, the pay toilet?

Mr. Nunziata: Mr. Speaker, obviously the Hon. Member was concerned about my submission in respect of a person who may be drowning. I was simply dramatizing the point. Of course that would not happen. If he took my comments seriously, certainly it would lead one to make a conclusion about the shallowness of his intellect. Of course they would not do it. I have the utmost respect for individuals who serve in the Canadian Coast Guard. As I indicated in my submission, I was extremely impressed with the quality of services which they provided.

When I spoke with them during my visit to western Canada, they indicated how concerned they were about the Government not providing sufficient money for them to provide the services they want to provide. They took the Government to task for trying to cut back in order to reduce the deficit about which it is so paranoid. Individuals in the Canadian Coast Guard do a tremendous job.

When the Hon. Member distributes my speech to the several members of the Canadian Coast Guard with whom he may be familiar, I should like him to ask them for their comments with regard to whether or not they support the user-pay concept. I suspect that the Coast Guard does not support that concept. When he distributes my speech, I ask him to ask for comments on the whole question.

At this point I ask the Government whether it consulted with the Coast Guard before it inserted this particular section in the legislation. Government Members told us about a year ago that they were ushering in a new era of consultation and national reconciliation, that they intended to talk with people before they introduced legislation. Time and time again over the last year we have found with regard to legislation and the Budget in particular that there was no consultation at all. I suspect, with regard to this Bill, that there was a total lack of consultation with those people immediately and directly involved with the subject matter raised in this legislation.

Mr. Forrestall: Mr. Speaker, I have just a couple of comments and perhaps a question. Hon. Members opposite have been talking about full recovery. Once again I draw to their attention the comments of the Minister of Transport (Mr. Mazankowski) earlier in the debate. As reported at page 7744 of *Hansard,* in an exchange between the Minister and the transport critic for the Official Opposition, the Minister said:

> Hon. Members across the way have been talking in terms of 100 per cent cost recovery. There is no transportation system which functions on 100 per cent recovery, and the Hon. Member knows it.

Since I think it is important to the users of the services about whom we are talking, on the question of cost recovery, as reported at page 7619 of *Hansard,* the Minister said:

> I will be directing my Department to establish a consultative committee, mandated to meet with groups across the country, including shipowners and their representatives; unions, shippers and shipper-groups, fishermen and their associations, and other representatives of the marine industry and users of the marine infrastructure.

This will take place before any changes are in fact made. There is no intention to even approach 100 per cent cost recovery. The New Democratic Party has it on a "maybe" basis now that we should attempt to recover no costs. The Official Opposition admits that there is a need to recover some. Again I point out that the level of cost recovery on the maritime side is running about 2.4 per cent. For other modes of transport, the user pays a greater share. In no case whatsoever do the users of transportation services within the aegis of the federal Government pay 100 per cent. It just simply would not work.

To reiterate that, there is no question about it, and the suggestion that it is otherwise is erroneous and misleading and does a disservice to good legislation or good law. To suggest that what we are trying to do with the Bill is to recover 100 per cent of the cost of transportation services is simply not true. There is no intention of doing it.

If we are to bring deficit spending under some degree of control, there is an onus or responsibility to increase revenues—and we do that in several ways—to lower the deficit. However, we do not do it, as has been suggested in the last two days or three days by several Members opposite, by attempting to enforce 100 per cent recovery in the marine mode, for example, of the $824 million that we spend annually. The 2.4 per cent might be a figure which could be increased to 3 per cent, 4 per cent, or 5 per cent. Is that exploitation? Is that onerous? Will that bring our economy crashing around the maritime heels? I do not think so, and I honestly think the Hon. Member would not share in that at all.

I must agree with the Hon. Member's observations with regard to the excellence of the service provided by the Canadian Coast Guard. I compliment him on having made those remarks. Can we have this Bill by 4.20 o'clock?

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

Before recognizing the Hon. Member for Churchill (Mr. Murphy) on debate, I remind him that under the provisions of Standing Order 36(2) we are now in the 10-minute period with no questions or comments.

Mr. Rod Murphy (Churchill): Mr. Speaker, after listening to some of the previous speakers on behalf of the Government, I wonder what legislation we are really speaking about. I realize that I only have a few minutes. I will deal with the legislation momentarily. In doing my research on this legislation, I had occasion to read the Government's press release in connection with this Bill, Press Release No. 143/85, issued on September 25, 1985.

• (1600)

In that press release, the Minister states that these amendments "will enhance safety at sea, enable Canada to deal more effectively with matters associated with the prevention and clean-up of marine pollution, and provide for a much improved scheme of liability and compensation for oil pollution damage caused by ships." The press release goes on:

> Further changes relate to new sea training standards, improvement of navigational safety and efficiency, vessel traffic services and specialized vessel construction and equipment standards.

It then goes on to talk about various international maritime conventions. What is interesting, Mr. Speaker, is the fact that in the press release announcing these amendments, the Government hid the fact that it was going into a cost-recovery program, a user-pay program. I think that that is an indictment against this Bill. It is one of the problems that we in this House have with the Bill.

Previous speakers on behalf of the New Democratic Party have talked about the fact that there is nothing in this Bill to explain how the Government is going to recover some of its costs in operating our ports and the Seaway. That, Mr. Speaker, scares a lot of us, and particularly me, representing, as I do, those who live and work at the Port of Churchill.

We want to know exactly what this Government is going to do before we pass legislation. The Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) has been in this House for many, many years and he knows that we have, as have the Conservatives themselves when in opposition, spoken against vague legislation. We have said that where the Government has a given intent, that intent should be clear in the legislation; that if there are areas of concern, those should be dealt with in the actual legislation. That is not happening, Mr. Speaker.

As I mentioned in opening, the fact that the Government did not even mention the matter of cost recovery in the press release announcing these amendments indicates that it is not coming clean with the Canadian public. I think all of us can accept that there should be some level of cost recovery. I think that that is an acceptable position for the Government to take. However, I think that we in this House and those using our ports and waterways must have more information before this legislation is allowed to pass. For that reason. I certainly support the hoist motion that is before us at this time.

The present situation in respect of the Port of Churchill is a clear example as to why we are concerned that the Government be clear in terms of what it is doing. In the spring of 1984, the Government of Manitoba and the Government of Canada signed an agreement in respect of the development of the Port of Churchill. That agreement involved such things as dust control at the elevators run by the companies, work on dredges, and work on the development of some tugs for that particular port. The agreement goes on to talk about other improvements in terms of rail commitment to rolling stock, and so forth.

The Province of Manitoba has lived up to its end of that agreement. The federal Government has not. From the answers to the questions that I asked of the Minister of Transport (Mr. Mazankowski) on this last week in the House, it became very evident that this Government has not yet decided whether or not to live up to that agreement.

That agreement is important to the people of the Port of Churchill. It is important to the people who work in the communities along the CN line, whether they be in Gillam, Le Pas, or in communities in Saskatchewan. It is important to the farmers of Saskatchewan and Alberta who ship their grains through that port, and yet this Government is not living up to its word to abide by that agreement, an agreement that was signed between the federal Government and the Province of Manitoba.

As I said earlier, the province is doing its work. It is putting into place the hydro line to the Port of Churchill and the other work that it committed itself to do. The federal Government—and I realize that the agreement was signed by a previous Government—is not living up to that agreement.

The Prime Minister (Mr. Mulroney) said in the House that his Government, this new Conservative Government, would live up to federal-provincial agreements already in place; that it would not "rig" those agreements. He said that the Government would live up to those agreements, and that is not happening with the Port of Churchill Agreement. The fact that that agreement is not being lived up to, the fact that the work is not being done, the fact that the Treasury Board submissions are sitting on the desk of the Minister of Transport and not moving from there all relate directly to this Bill. If in this Bill the Government is going to be establishing some type of user-pay plan, then I think we have to know what that is before we pass it.

We have an agreement setting out what the federal Government is supposed to be doing in the Port of Churchill, and it is not doing that. We now have a piece of legislation pursuant to which, if passed, the Government will be able to charge the users of that port and other ports for certain work that is done in connection with those ports. Is the Government going to charge the work that was promised and should have already taken place in the Port of Churchill against future users of that port? Is that something the Government is contemplating? We do not know that.

The Government is not acting on what it should be acting on. If it finally does act and gets around to doing what it should have done already in the Port of Churchill, will the costs for that work be charged to future users of the port, thereby decreasing demand for use of that port? We do not know that, and that is something which we as Members of the

House and others concerned about the Port of Churchill, should know. I raise that particular concern, not only because I represent that riding but because so many members of the Progressive Conservative Party have spoken about that particular port in the past.

Many Members will remember that the Minister of State for Tourism (Mr. Murta), the Hon. Member for Lisgar, was in charge of a grain transportation study for the previous Conservative Government, the Government of the Right Hon. Member for Yellowhead (Mr. Clark). At that time the Hon. Member was quoted in the *Winnipeg Free Press* as saying that the Port of Churchill was a "luxury which we could not afford".

An Hon. Member: And it is not even luxurious.

Mr. Murphy: That Member is now in the Cabinet, presumably representing the Province of Manitoba. What is his attitude now with regard to that port? We do not know. Since making that study on behalf of the Progressive Conservative caucus, he has been completely silent about that port.

In addition, we have the chief Conservative Whip, the Hon. Member for North Vancouver-Burnaby (Mr. Cook), who has also got up in this House and spoken against that port. As well, we have the Hon. Member for Crowfoot (Mr. Malone). There are a number of Conservatives that I can quote, Mr. Chairman, who are—

An Hon. Member: If you speak in favour of no cost at all, does that make you a communist?

Mr. Murphy: That is the kind of remark we have come to expect. I am speaking about this Bill and this port. If you want to talk about something else, get up on your feet and do it.

When I was talking about the plight of farmers in western Canada, the Hon. Member for Crowfoot is quoted in *Hansard* as saying: "What's Churchill got to do with grain?" That kind of attitude by a Conservative Cabinet Minister, by the Conservative Chief Whip, by an agriculture representative from western Canada is sufficient reason for me to stand up in this House and say that I cannot accept this Bill the way it stands.

We in this House have the right, and I have said this before—and Progressive Conservative Members, including the loudmouth over there who has spoken, used to demand this right when in opposition—to know what the proposed legislation will do. When in opposition, the present Government Members took the position that proposed legislation should make clear what the Government wants to do and how it is going to do it. This Bill does not do that in the very important area of how this Government is going to recover the costs involved from the shippers and other consumers of Canada's ports and waterways. This Government does not even have the honesty to indicate that that particular clause is in the legislation. I received this press release, and other Members of the House must have received the same press release from the Minister of Transport and it does not even acknowledge that there is a clause in the Bill dealing with cost recovery or with the user-pay philosophy.

Why not come clean? I am sure that this press release was sent out to the users of Canada's ports; I am sure that this press release was sent out to all Government agencies dealing with transportation and port authorities and I suspect it was sent out to shippers. Why didn't it tell the truth? And if it didn't tell the truth, how can we trust this Government to make regulations that will benefit those who will be using our ports in the future?

Thank you, Mr. Speaker. I think I have made my point quite clearly.

• (1610)

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to say a few words on this Bill. First I should say that I will not use the word "hypocrite". I will not call any hon. gentleman in this House a hypocrite. However, I remember that in 1974 and 1975 when a former Minister of Transport, as a matter of Government policy, brought in user-pay, I would say without using that unmparliamentary word that the Conservatives were just as vociferous as we were in opposing that. Of course, for the past year I have had to watch the spectacle of Conservatives making speeches that Liberals made a year and a half ago while Liberals are making speeches that Conservatives made a year and a half ago. Wihout using that unparliamentary word, I leave the matter for the consideration of all Hon. Members.

Transportation costs in a country with our kind of geography, climate and thin and widely scattered population should be a relatively neutral factor so that we do not discriminate against people because of where they happen to live or because of where they happen to manufacture, produce, ship or receive their goods. That is why in Canada, more so than in western European countries which are small and densely populated, it is required, because of our history, and no matter which Party is in power, that general tax revenues cover the costs of instrastructure like navigational aids, air traffic control, weather forecasting and the like. Those are public utilities and everyone has to use them both directly and indirectly.

I accept the word of the Parliamentary Secretary because I do not think even the Government is so stupid that it would try to get 100 per cent cost recovery. However, to think that there can be any significant increase in cost recovery under the user-pay principle in order to fight the deficit without harming the people and our competitiveness with the United States is to be dreaming in Technicolor. I do not know of any charges imposed by the U.S. Coast Guard, the U.S. Army Corps of Engineers or the American weather services. They do not make any charges and the United States has a lot more people, money and things to move than Canada.

If it is logical to impose a nominal user-pay charge on navigational aids, weather forecasting, lighthouse services and the like, then I submit that it is equally logical to impose a nominal user-pay charge on traffic lights, stop signs and pedestrian crosswalks. If it is logical to have that sort of principle in place in legislation or as a matter of government policy, then it would be logical to have some competition in the market-place. There should be more than one outfit making weather forecasts and providing navigational aids. The users

could then pick and choose according to the rates that are being charged. We know that that would not work, so there is a fundamental fallacy in the principle of user pay. Whether we are dealing with a nominal charge or with maximizing cost recovery to as great an extent as possible, the principle is self-defeating.

If we begin to impose additional charges on a port like Vancouver which has enough trouble as it is what with competing with Bellingham, Portland and Seattle just a few miles to the South, we will send the shipping to the southern ports. If costs are increased, no matter how nominally, for ports like Halifax, Saint John and Montreal, the ports on the northeast coast of the United States will be only too happy to take the business away from Canadian ports. The ramifications of that principle do not apply only to marine traffic. They then flow through to rail transport from Atlantic Canada and Montreal to central Canada and the Mid-West United States. We will lose that to the United States as well. It seems to me that the Government needs to take another look at that clause of the Bill. In fact, six months would be enough time for the Government to do that.

There is one thing about this particular legislation that we like. We are now creating legislation that deals with pollution control and the environment in Arctic Canada and this serves as an additional notice to the entire world and particularly the United States that those are our national waters and not an international passageway. It allows us to strengthen our case.

The provisions regarding certification and pollution regulation are generally good. No doubt, my colleagues from Thunder Bay and Skeena will have some amendments to move in committee that will strengthen those provisions. It is all very well to have those regulations enshrined in legislation, but if we do not have the capacity to enforce them, we become a laughing-stock in the international community. We do not have the capacity to enforce even the minimal regulations that now exist. We need more inspectors and we need more people stationed in the Arctic. I would suggest the use of an Armed Forces brigade that would be rotated every two or three months. We should give the members of our Armed Forces some experience in cold weather. After all, Canada is an Arctic country.

Mr. Andre: You can get cold-weather experience in southern Canada.

Mr. Benjamin: Yes, I know you can get it in downtown Regina as well. However, in terms of our national sovereignty, the presence of members of our Armed Forces who are being trained in the military and in environmental issues and pollution control will be of benefit.

The Department of Transport and the Department of the Environment will need a greater capacity to deal with this than they have at present. That means spending more money. However, that is the kind of expenditure about which the people of Canada will not complain. They will be only too happy, even if it increases the deficit for a short period of time, to agree to that kind of extra expenditure.

I hope the Government will take a second look at this and do some more thinking about it. I also hope that Government Members will return to the arguments they made in 1974 and 1975 when they kicked the heck out of the Liberal Government for bringing in this fundamental policy of a national Government, a policy which is being continued in spades by the Progressive Conservatives.

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

• (1620)

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a pleasure to be able to enter into this debate. There is an interesting question with respect to whether or not the Coast Guard station in my constituency is the most southerly in Canada. I think it probably is. Partly for that reason I felt it important to add my voice to the concerns which have been raised by some of my colleagues with respect to the introduction of user-pay principles in the provision of Coast Guard services.

Coast Guard services with respect to my constituency are of special and particular concern because of their connection with the tourist industry. The tourist industry has been identified by local economic development groups as the area in which we see economic expansion and job growth in our community. In fact, we find a great many people who come across the inland waterways in the Essex County area to take advantage of tourist opportunities on the Canadian side, both in Lake St. Clair and in the Detroit River. I fear that if we institute a system of fees which could be applied to pleasure boats this could become a serious disincentive to those people who make the choice to take advantage of the tourist facilities on our side of the water system in which people have invested.

I raise a point which has been stressed by my colleague from Regina with respect to philosophically questioning the idea of user-pay. I think it is fair to say that in the country we have a history of transportation infrastructure which is in place and which was built by the community for the community. It is something which has contributed to the development of our country. At this stage in our history the putting into effect of an alien principle, a principle outside of our traditions, needs to be closely examined. We cannot examine the matter closely with respect to this Bill because the details of how the user-pay principle would be implemented are not spelled out.

The Acting Speaker (Mr. Cooper): It being 4.20 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Mr. Gauthier: On a point of order, Mr. Speaker, I wondered if the Government House Leader or his representative could tell us what legislation this House will be looking forward to studying on Monday at 11 o'clock.

Mr. Dick: I will make a personal report to the Hon. Member in a few minutes, Mr. Speaker.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

NATIONAL HYMN ACT

MEASURE TO ENACT

Mr. Blaine A. Thacker (Lethbridge-Foothills) moved that Bill C-224, an Act respecting the national hymn of Canada be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Mr. Speaker, it is a great honour to rise today to speak in favour of my own Private Member's Bill which is entitled the National Hymn Act.

Private Members' Hour is a process which to some of us is absolutely critical in terms of parliamentary legislative life since many of us come here and are not able to participate actively and constructively in many dimensions of that life. Private Members' Hour is ours. I genuinely appreciate the process. Personally, I am even more delighted that the Government has indicated it is prepared to see the subject matter of this Bill referred to the Standing Committee on Communications and Culture. Other Hon. Members will agree with me that that in itself is a major victory since for years and years we were not able to have our Private Member's Bills move on in the process. However, as the reform of Parliament moves forward we will come to play an increasingly more significant role in the legislative life of the nation. That will only be for the good of the nation, and I thank the Government for agreeing to the process.

In terms of the Bill I wish to commend Dr. Kenneth Hicken, a professor at the University of Lethbridge, whom I suppose is also somewhat frustrated by the process since it was in February of 1984 that he approached me with respect to a national hymn. It was not before the House until February of 1985 when it received first reading. Today, it is being dealt with in terms of second reading and reference to a standing committee. We who are involved in the legislative process realize that is not a long time, but for a private citizen it seems like forever. I am sure he will be pleased that this Bill is moving on.

I would also like to commend Dr. Gaston Renaud, another professor from the University of Lethbridge who translated the hymn into French. Thus, it is a beautiful bilingual national hymn.

As Hon. Members become more familiar with the hymn and once it is referred to committee, they may find it to be appropriate as a national hymn for Canada. I realize that in the committee other songs will be considered to fill the role of a national hymn for the country. While the hymn which is being considered now may not be selected as the national hymn for Canada, Dr. Hicken deserves an incredible amount of credit for commencing the process.

Some object to the idea of Canada having a national hymn. I disagree with that. In the public life of a nation it is these types of national symbols which can see a nation through bad times as well as good. We have a national anthem which is for great patriotic events and July 1, celebrations where the country is happy. However, it is good to have a hymn to handle the crises in our nation. After all, we will face crises as we go on. Perhaps a national hymn would be appropriate for the death of leading Canadians and more appropriately sung than the national anthem. I believe it is a valid idea. I do not intend to speak any more because I wish to hear from other Members of the House in order that they can put their Parties' views forward.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, it is with great pleasure that I rise to speak in the debate on Bill C-224, an Act respecting the national hymn of Canada. It is a great honour for me to speak on the Bill which was introduced by my colleague, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), for whom I have nothing but the greatest respect. It is also appropriate to congratulate the Hon. Member for introducing this important Bill since it gave me the chance to explore the question of national symbols as I sought to inform myself for this discussion. I might mention that in my research I had the good fortune to come across the transcript of a broadcast interview carried out by the Canadian Broadcasting Corporation and, as it happens, it was with the Hon. Member for Lethbridge-Foothills.

I would like to say at the outset that I thought it was admirably candid of the Hon. Member to acknowledge the fact that the inspiration for the hymn came not from him but from one of his constituents, Dr. Kenneth Hicken, a professor at the University of Lethbridge. He composed the music and wrote the lyrics. It was translated into French by another University of Lethbridge professor, Dr. Gaston R. Renaud. His admission came in response to a question which I suspect is common to many Canadians, namely, why do we need a national hymn in this country? The Hon. Member replied in these words, and I quote:

● (1630)

> Well, I think Dr. Hicken hit the nail on the head when this country's come through some real tough times . . . and so he simply decided that what he needed, in view of the moral situation of the country, and the East-West antipathies, and the French-English problems . . . that we needed to have a national hymn to remind us that there's more to living than just our own lives—

Accordingly, Mr. Speaker, when Professor Hicken got to thinking about the need for a national hymn, he sat down and composed one.

In that CBC interview, the Hon. Member suggested that for very special, solemn occasions—particularly if the Queen were here—Canada could have what he called a triad of *God Save the Queen,* our national anthem, *O Canada,* and the national hymn. He suggested its use would be limited to times of national crisis when we are trying to bring people together. A national emergency, perhaps, or wartime, would be an appropriately important time to have a national hymn. He went on to say that while our national anthem is excellent, and the proposed hymn is in no way intended to supplant it, there are occasions where you would want something more solemn,

something along the lines of when the Americans employ their hymn *America the Beautiful*. It would, he said, be a kind of companion to the national anthem.

The Hon. Member said he is pleasantly surprised at the number of people who support the idea of a national hymn and indicated that while he is proud of the Hicken hymn, he feels that, if the Government and Parliament favour the principle of a national hymn, it might be well to open the matter to a country-wide submission of hymns. He foresaw a sort of hymn-writing competition, and it is here that I am strongly in agreement with the Hon. Member. I am one who is enormously stirred by the strains of *O Canada* sung sincerely, and I trust Canadians of whatever descent will never cease to respond with pride to our anthem.

A national anthem, like a national flag, is an important external symbol of nationhood. I had the pleasure, as a back-bencher in a previous Parliament, of introducing a Private Members' Bill to have *O Canada* recognized as Canada's official national anthem. Of course, as a back-bencher in the Opposition that did not happen, but I had the honour of being the official spokesman for the Conservative Party. The Government of the day brought in legislation which finally brought the idea to fruition.

I feel, however, that the words to *O Canada* have not been publicized enough and a lot more should be done. I also feel the need for more songs celebating our land. It is at this point that I would venture to offer a refinement to my hon. colleague. Would he agree that a national competition to write songs about Canada would be a very beneficial exercise and that they need not have a religious connotation in the way of a national hymn?

We all recognize that about one third of our fellow Canadians are of a lineage other than native—French or Anglo-Celt—and that, consequently, a number of our fellow citizens follow religious beliefs which would not necessarily square with the sentiments of a conventional hymn.

As I mentioned earlier, I have taken the opportunity to look into the question of national symbols and how they have evolved. We have a wealth of symbols, all of which play an important role in our life. They represent and project a image of our country, they provide a link with our heritage and give us a feeling of continuity and serve to give each of us a concept of our identity. The history of the maple leaf as a Canadian emblem is almost as long as that of the beaver. It has been stated that the maple leaf was considered as an emblem as early as 1700. For years the maple leaf has been used as a symbol and identity mark for regimental badges of the Canadian forces. Since 1965 it has been part of our national flag. The beaver, which portrays diligence and hard work, was used as an emblem by the Huron Indians and first appeared as a heraldic symbol of Canada on a coat of arms granted in 1633.

Symbols have the capacity of expressing varied and often complex ideas through imagery. The symbolism of flags, emblems and coats of arms reflect the ideologies, history, beliefs and aspirations of a nation's people. I would argue, Mr. Speaker, that a nation's symbols must truly reflect the nation as it is, and as it is perceived by its people, or at least the overwhelming majority of them.

It would be a brave individual who would attempt to define a consensus on the matter of national symbols. Alas, he or she would have to wrestle with the perennial Canadian problem of identity. I came across an interesting letter recently in the *Toronto Daily Star*. The writer was dealing with the multicultural quality of our society and wrote that there are some 70 languages in use now in Ontario and that more than 50 per cent of Metro-Toronto's population is from outside the country. The letter dealt with the problem of Canadian identity and noted that Canadians often refer critically to the "over-developed America flag-waving brand of nationalism". He said, "This rah-rahing has served the U.S. very well, thank you. Maybe it is this fervency we are actually looking for". Which brings me, Mr. Speaker, back to my thesis. I wish to support the spirit of this Bill, but more, I wish to support the observation of its sponsor that we ought to encourage a national competition. My preference would be for a competition to write songs to glorify our country, to sing the praises of Canada and its regions and not specifically in the form of a hymn.

I am not sure whether the entire populace should be turned loose on this kind of contest or whether it should be an invitational competition among the known top song-writers of the country, people like Gordon Lightfoot, Bobby Gimby, and others. After all, we have produced a wealth of Canadian musical talent from Oscar Peterson and Joni Mitchell to Anne Murray and Hank Snow. As someone said, Mr. Speaker, we are not short of symbols which remind us that we live in a unique country and that we have a heritage which we treasure. We are, however, short of musical symbols, and the Hon. Member's Bill, while contemplating a national hymn, has much merit in requiring that we give thought to music to celebrate our nation. It is in this spirit, Mr. Speaker, that I move:

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

Bill C-224, An Act respecting the national hymn of Canada,

be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject-matter thereof referred to the Standing Committee on Communications and Culture.

The Acting Speaker (Mr. Cooper): Is it the pleasure of the House to adopt the amendment to the main motion?

Some Hon. Members: Agreed.

Mr. Heap: May I speak to this motion, Mr. Speaker?

The Acting Speaker (Mr. Cooper): The Hon. Member may speak to the motion.

Mr. Dan Heap (Spadina): The motion, I believe, is a practical motion and I would not, of course, wish to oppose it. However, since this was scheduled for debate, I do wish to make some comments on both the substance of the motion as it has now been moved and on the only example which illustrates

the possible content of the motion which is before us. If this is going to be discussed in committee, I would hope that Members of the Committee would take into account certain matters which are illustrated in the hymn we have here, for example, the word "native" as in "our native land". Canada is my native land. It is my mother and father's native land and the native land of some others of my ancestors. However, it is not the native land of most of the people who live in my constituency in the usual sense of the word. There are also the aboriginal peoples of Canada for whom it has, perhaps—I do not really know—an ironic twist. They are not in a sense any more native than someone who is born here but they are aware of the historic division between themselves and us over this issue. So that I would hope that the committee would look—if it's going to choose a hymn—would look for one that steers clear of that kind of difficulty. There's another type of difficulty altogether in the word "thee" and the word "thou". "We raise our thanks to—God for thee". This is a usage which is beginning to disappear, at least in the English language. I don't wish to comment on the French usage, but to the extent that a song of this sort may be used in English, we have to consider the fact that the word "thee" has changed its meaning over the last four centuries in this sense; although it still is used to address a single person rather than a group which we address by "you", it is almost never used now except to address God. In the time of Queen Elizabeth I of England it was used very often to address any person. Since that time there was an attempt to continue that usage in English by people such as the Quakers who considered that to address a person as "thee" or "thou" was very properly intimate and that one should talk to members of one's family, to close friends and to God as "thee" or "thou" as grammar might indicate. However, the big majority, a very great majority of the users of English now use "you" to address even the closest members of the family. "Thee" or "thou" is very little used for intimacy or for the individual relationship.

● (1640)

So what happens then in the English language when we use "thee" or "thou" to address God we put him away off in the sky. We put him farther away than anybody else. Instead of the usage, for example, that we have in the King James Bible, which used Elizabethan English, and which also said in the psalm that God is closer then breathing, closer to me than my own breath, a very strong sense of intimacy with God notwithstanding his power. Now this word "thee" and the word "thou" put him off at the far end of the universe. That I regret. There are many people now who are changing the words of hymns and prayers in English so as no longer to push God away by addressing him as of "thee" or "thou".

Another change that is becoming much more common is to try to write our hymns in a way that does not exclude half the human race from being of the same sex as God, does not call God exclusively "him" or "he". I see some people smile at that but I don't find generally the women in my church smiling at that as though that were a silly idea. I find there is a strong feeling amongst many of the women and men in the Anglican Church that we should find ways of addressing ourselves to God through word symbols that do not separate earthly men and women, do not make God exclusively male. I would hope that if we were to choose any hymn such as this for Canada we would bear that in mind.

I have one other concern with this particular hymn and that is that there seems to be really very little content to it except a kind of self-congratulation put into the language of the worship of God, that we're so glad that God has done such a good job of making Canada a good country and us good people and it's not clear whether he's the lucky one or we're the lucky ones.

This is a problem that has bedevilled—I use that word advisedly—has bedevilled worshippers certainly throughout the known history of the Jewish religion and the Christian religion and probably, for all I know, in the other religions of the world as well and amongst the people who conscientiously try to avoid any religious attachment. The form in which we find it in what Christians all the Old Testament is most clearly where the prophets preach against idolatry. Idolatry in their day was not a funny little superstitious use of images of stone or something like that. That was only the form of it. The idolatry of their day was a matter of the glorification of the state and the identifying of the state with the deity and that if you are against the state you are against God and that if you worship God in any way that's a little bit different from what the state provides then you should be killed.

Now, there were different opinions as there were switches of power during those centuries in the area we now call Palestine—different opinions about who was the state and who got to say what's the truth about God and just how people are going to worship him or her. And they had, as it happens, a long tradition of thousands of years behind them already as seeing God as both male and female. That became a very bitter fight in itself. So I think we have to be very careful about a plan to impose on the people of Canada, by some kind of statement of authority, a hymn which identifies God with the Canadian state because the Canadian state imposed the hymn.

It is said we need one because we only use *O Canada* for great occasions. In fact, I find *O Canada* used on many, many occasions and I still find *God Save the Queen* used on many occasions. I don't think we have been lacking in some way to express patriotism in a conventional religious mode. However, if a lack is felt, if we need still another hymn, I see no objection in principle to having it, but I'm very uneasy at the idea that we should try to have a kind of imposed or enforced unity among us by using a hymn as a peptalk.

When I was in high school and university we had pep rallies, we had freshmen initiation, we had the usual horseplay and so on and it could be endured then because we were just kids, or almost kids. But I would like to leave that behind me as an adult and not engage in sort of pep rallies and peptalks, not treat the worship of God as a way, as it were, of trying to hypnotize ourselves into believing that we all agree on everything, we have no divisions and no struggles among us. That,

for example, if that is the picture some people have that we have no divisions and no struggles, it might be untrue to our present scene, but it certainly would be untrue to the Jewish and Christian tradition from which I for one come. Therefore, I have learned over the years what I didn't think about so much in my youth, I learned to respect the concept of the separation of church and state. I have my Christian faith. In fact I'm a priest of the Anglican church, but I don't want to push my religion on anybody else, not even by saying, "Everybody stand up and sing this hymn because it's our national hymn".

The history of Israel, and for that matter the history of the Christian church, shows that Christians have had, from time to time, the gravest heart searchings about the state, about the territorial Government, about the human authority, and there are times when Christians have had to rebel against the state. We can all find them in past history. It gets a little touchier when we look into the modern century, but in past history it can't be disagreed with. So I would favour the idea of having this opened up in a committee discussion and I would hope that a variety of songs might be considered. I have one—I don't have the full text here, I only have the chorus. It's a poem—

Mr. Nicholson (Niagara Falls): Sing it.

Mr. Heap: Well, if the mover of the motion will sing his song I'll sing mine, but I don't want to give the Speaker a problem with Beauchesne. There is probably something in *Beauchesne* about that. But this is a poem by the late Joe Wallace who was a poet of Nova Scotia, I think Cape Breton perhaps. I stand to be corrected on that. He was a miner.

• (1650)

The chorus of his poem is this, "O Canada, O promised land, this is the dream our fathers planned; and though the rich have ravaged you, we swear to make that dream come true". I would hope that would be considered as well.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-224, an Act respecting the National Hymn of Canada.

This Bill, and I quote:

—would provide Canadians with a national hymn in both official languages and could be used on occasions of a sacred or patriotic nature.

Mr. Speaker, I would like my views to be read into the record, so that the committee examining the amendment to this Bill will be able to consider my comments in future debates on this question.

Needless to say, I agree entirely with the reasons behind this Bill. To love one's country is a legitimate and noble sentiment that all the Members of this House who are dedicated to the well-being of this country can understand and share. It would, in fact, be moving to see the members of a community give free rein to this feeling by singing together a solemn national hymn.

This hymn could forge one more link in our national unity. It is a fact that we need certain links to maintain our unity. But what theme could be the inspiration for this hymn? With what theme could each and everyone of us be expected to identify?

Unlike most countries, we cannot say that we have a homogeneous culture. With the exception of a small minority, the people living in Canada today were not born here or at least their parents were not born here. In fact, a very considerable part of the population of Canada was born under foreign skies.

As geographers keep telling us, the physical characteristics of this continent make it entirely appropriate for trade to flow in a north-south direction. It would have been entirely logical to see Canada absorbed by the States south of the border, which would have made it unnecessary to create artificial barriers to the natural flow of trade and transportation. But we knew what we wanted, and struggling against time and tide, we have progressed along our narrow strip of intermittently populated land, from one far-off ocean to another.

And how did we manage to do this? By the only means Canada had to populate its vast territory: immigration.

We can read the following in the foreword to a book published under the title: *The Last Best West* and written by Jean Bruce at the request of the Multiculturalism Branch of the Department of the Secretary of State. It is a history of how the Canadian West was colonized, illustrated with many photographs from that time.

"As the great tide of settlers surged into Canada in the years 1896-1914, to claim the free homesteads advertised by the government, immigration officers laboured to record a bewildering variety of nationalities, languages and occupations."

"Inevitably, the breakdown was somewhat arbitrary and rough. "Austrian" immigrants included Germans, Bohemians, Moravians, Slovaks, Ruthenians, Slovenes, Servians, Croats, Roumanians and Magyars. "Russians" were often actually Jews and Germans, sometimes Lithuanians and Poles. Occasionally, "German" meant only that the settler had sailed from Hamburg."

Incoming "Americans" came, in fact, from diverse backgrounds. Language was a major problem, and sometimes it was compounded by illiteracy. Harried immigration officers often wrote their own crude approximation of difficult names upon the entry forms, and many immigrants used that version in the years that followed, and passed it on to their descendants. The variety of newcomers was infinite.

The period from 1897 to 1914 marked a turning point in the history of Canadian immigration. During that short period of eighteen years, Canada received more immigrants than during its entire previous history. During that period, more than three million immigrants landed on our soil to find a home. About 1,250,000 were from the British Isles, 1,000,000 from the United States, 800,000 from Continental Europe and 20,000 from the Orient, including India.

Mr. Speaker, one may conclude from this picture that these immigrants who came from all parts of the world were for the most part white Caucasians. However, we were not all white or Protestant or Catholic. Canada has had a Chinese community, for instance, for over 125 years, and we can say that the members of that community have contributed to a very large and profitable extent to the development of some of our large cities, especially in economic terms. They have made distinguished careers in many disciplines including the arts, science and the liberal professions. In Canada they have managed to preserve their language and a large part of their cultural heritage. How many are Christians, agnostics or members of other denominations? I have not the faintest idea.

Arabs as well settled in Canada a long time ago. In fact the first Arabs landed here over a century ago, and many more have since come to Canada from various Arab countries, so much so that a number of Canadian cities are now home to industrious Arab communities. The Arab community easily blended in with the Canadian people and, as it has done for thousands of years, it made a generous contribution to the western world. In mathematics for instance, the famous Arabic numerals are still in use the world over. The wealth of Greek philosophy, the mainstay of contemporary western thinking, was set aside during the Dark ages and would probably be forgotten by now had Islamic theologians not made painstaking research in the major libraries of Moorish Spain. Even in Canada the Arab community has been able to preserve its ancestral culture. In that case, however, the main religion of this group is well known, as evidenced by the many mosques we can see here in Ottawa and elsewhere throughout Canada.

A relatively recent phenomenon attests to the generous conscience of Canadians. Mr. Speaker, I am referring to the poor unfortunate people who were chased right out of the bloodied lands of Southeast Asia, the Boat People as they came to be known. Those human beings of strong character had to live through experiences they did not deserve, but they were brought here in great numbers to live within our heart-warming and generous society where they were provided with the means to build a new and happy life for themselves. And they are proving to us that, humanitarian considerations aside, it was a sound investment for Canada.

In short, Canada is a genuine multicultural society—an amazing discovery for those who have never thought of our country in such terms. But the fact is that one third of Canadians are not of native, English or French ancestry. Their number is growing, just as the multiplicity of their countries of origin is widening, just as their numerous contributions to the growth and well-being of our country are increasing.

This trend is ever more apparent in our urban centres, and it is a reality which has significant consequences for all of us. Strictly speaking, Canada's diversity cannot properly be defined as a mosaic. Indeed, Mr. Speaker, a mosaic brings to mind a static and unchanging image, whereas the make-up of the Canadian population does change from day to day. I would suggest it would be more accurate to say kaleidoscope, reflecting as it does ever varied, ever new and ever dynamic patterns, with all the challenges such a situation represents for us elected representatives of the people.

• (1700)

The Federal Government believes that the people are indeed Canada's finest resources. We believe also that our wealth is based not only on a wide variety of resource industries such as fisheries, forestries, mining, and vast agricultural lands such as those found in my great riding of Argenteuil-Papineau, but also on the diversity of our human resources, which are a major factor in the enrichment of our multicultural society.

The bottom line is that multiculturalism represents for every Canadian man and woman his or her country, people and culture.

To return to my question, what common theme could we use to conjure up a collective ideal? We have a number of symbols which are readily understandable and acceptable. The beaver is first and foremost in my mind. This industrious little animal, even though it is often a source of headaches for many landowners because of the dams which it builds and which flood farmlands and woodlots, is a perfect example of unremitting effort. The maple leaf, which is represented on our national flag, is also quite distinctive. It calls to mind our huge forests which were used to build our first settlements and, thanks to its simple and easily recognized design, makes for a great national symbol.

For quite a long time now these two symbols have been universally associated with Canada. They have no trait which would characterize this or that culture in particular. They are perfect and could be readily accepted by the Canadian people as a whole. Beside dedication to work which is a trait often associated with the beaver, they embody no idea or ideal which would require a careful scrutiny.

Such is not the case of the new hymn. I share the feelings which it expresses. But I do so simply because I am a Christian. But there certainly are a great many good and loyal Canadians who are not Christian. Their freedom of religion is guaranteed by our Charter of Rights and Freedoms. Our National Anthem is part of our heritage and it has been more and more popular for over a century. And few people really

object to the verse "*il sait porter la croix*". But to impose outright a new hymn which has not stood the test of years to a great many people whose freedom of religion is guaranteed by the Constitution would certainly not contribute to the unity of the Canadian people.

[*English*]

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am pleased to have this opportunity to participate in the debate on the motion presently before the House. I would like to begin by congratulating the Hon. Member for Lethbridge-Foothills (Mr. Thacker) for his initiative. I also congratulate Dr. Kenneth Hicken the composer and Dr. Renaud the translator of the hymn. This hymn as well as others should be considered by the committee when it looks into this important matter of national symbols and a national hymn. This subject has caused some difficulty in Canadian history, perhaps one with which we have not always been comfortable.

I remember reading an article by a professor at Queen's University, I believe in 1958, who asked the rhetorical question, is that anyone in this country who noticed or is interested in the fact that although Canada is unquestionably an independent country we do not seem to have the usual national symbols characteristic of an independent country?

In 1958 we did not have an official national anthem. We did not have an official or a distinctive Canadian flag. That situation gradually changed. A consensus developed on both issues, the national flag and the anthem, less so in the former case. The flag debate was a very emotional debate in 1965 and I believe a very difficult one.

I grew up in the 1960s. Only just a few years after the flag sitting at the right hand of you, Mr. Speaker, became our national flag everyone accepted it, yet it had been the centre of so much controversy and debate.

O Canada is a fairly old tune in Canadian history. Its acceptance as our national anthem came gradually for many people. As a child in Niagara Falls in kindergarden in the late 1950s in the first song we were taught on the first day of school was *God Save The Queen*. I remember seeing a hockey game in Detroit. The U.S. and Canadian national anthems were played as part of tradition. I heard *O Canada* and I was curious. Why would they not be playing *God Save The Queen*? My father pointed out to me that *O Canada* was more distinctive of Canada and it was appropriate in international fora for *O Canada* to be played.

In the last four years of public school both *O Canada* and *God Save The Queen* were played every morning. By the time I got to high school in 1967 only *O Canada* was played.

I have noted that the subject of *O Canada* being our national anthem has been in committee since 1968. I have a feeling, because of the controversy surrounding the debate on the national flag that parliamentarians lacked the impetus to get going on making *O Canada* official. By 1980, Parliament caught up with history, so to speak, and granted what was described as legal status to a heart-felt tradition. I believe the Bill went through with discussion but no dissent. There were certain problems that people perceived with the words of *O Canada* and, although it was proclaimed in 1980, Parliament had been looking at the question of *O Canada* and its words since 1967.

The committee issued its report in February, 1968 and unanimously recommended that the Government immediately adopt *O Canada* as our national anthem. In its recommendation, the committee slightly modified the original words as writtten by Judge Robert Stanley Weir, who I believe later became a chief justice of Canada. The original French was not changed. I feel that those who speak and understand French have an advantage when it comes to *O Canada*. As far as I know, there was no particular controversy with the French words. The controversy seemed to be about Robert Stanley Weir's words. Accordingly the committee, in its wisdom, adjusted slightly the words of *O Canada* at that time. As I said, when it was passed, there was no dissent.

• (1710)

When *O Canada* officially became our country's national anthem, the then Hon. Member for Nepean-Carleton, the late Hon. Walter Baker, suggested that everyone in the House should stand and sing *O Canada*. I am sure it must have been a very moving moment in the history of this Chamber. The national anthem was proclaimed on July 1 and was sung for the first time in the Dominion Day ceremonies of 1980.

I mentioned earlier that the words were slightly altered. It was felt that in the original words there was a little too much repetition and that they leaned too heavily on the words "stand on guard for thee". I believe that line was in the song five times and with repetitions was repeated fifteen times. I think there was some justification for changing it. It was modified slightly.

At the time people really questioned all the words. They asked the question: For what are we standing on guard? Pundits were quick to point out the decline in Canada's military status, but I always felt that the words did not have a strict military meaning. I always felt that "stand on guard for thee" was just an expression of people's love for country. At the same time, when the military or the security of the country was called into question Canadians did stand on guard. In fact, going back to the War of 1812, and before, there have always been people who have fought for this land and were alsays there when Canada needed them. Therefore, as I said, because of the repetition there were some minor adjustments.

Other words were suggested, but those which were accepted changed "keep Canada glorious and free" to "God keep our land". I like that change. Certainly it was in accord with my own philosophy that I hoped God would protect the country which I loved. At the same time I appreciate the fact that there are those people who have a different conception of what God is and what God should be. When the committee looks at this, I hope it has sensitivity to the views of other people. I would be the first one to say that perhaps we will never reach a complete consensus on the words of *O Canada*. My guess is that when the committee looks at it and tries to decide on a national hymn, it will not be universally accepted.

It is the same with the national anthems of other countries. For example, if Americans sat down today to write a new national anthem I am sure it would not have the militaristic flavour of the present one. I think national anthems or hymns must be looked at in the context in which they were written. *The Star-Spangled Banner* was written during the British attack on Baltimore in the War of 1812, and of course reflects that.

This is one of the problems I have with continually making changes to the English version of *O Canada*. Surely the man who wrote the words considered *O Canada* to be a work of art. I have some difficulty with the idea that we should keep revising and updating them to current thinking. There is probably no committee of the House of Representatives of the United States cleaning up some of the language in *The Star-Spangled Banner* and getting rid of some of the militarism which is not quite in keeping with the standards of American society today.

The situation is the same with *God Save The Queen*. It was written at a particular time in British history. People have generally accepted its words.

When I talk about further changes to *O Canada*, most people indicate that they had enough trouble learning the old ones and ask us to leave it alone. I appreciate that there are people who have some difficulty with it. If I were to give any advice to the people who will sit down to review this question, it would be to ask them to look at the concept of a national hymn. I think it is a good idea.

These symbols of Canadian identity have been inspirations. They are something to which people feel very close. In the case of our flag, for instance, people feel a warmth about it. Someone mentioned a stirring when the words of *O Canada* are sung, so I believe there is a place for a national hymn. However, there will never be unanimous agreement on a particular hymn or the idea that there should be a hymn. As far as possible the committee should be sensitive to the concerns of people when it actually makes a choice.

Before resuming my seat, I should like to conclude by congratulating my colleagues for their initiative in this regard.

Mr. Baker: Mr. Speaker, I commend Hon. Members who have spoken to the Bill this afternoon. I am sure Hon. Members will agree that if anyone else speaks, the motion will be killed and effectively the Bill will be killed. Therefore I ask of you, Mr. Speaker, to put the motion now in your fine style.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Cooper): Is it the pleasure of the House to adopt the amendment to the main motion?

Some Hon. Members: Agreed.

Amendment (Mr. Stewart) agreed to.

The Acting Speaker (Mr. Cooper): Is it the pleasure of the House to adopt the motion as amended?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

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

Order discharged and Bill withdrawn.

The Acting Speaker (Mr. Cooper): It being after five o'clock p.m., this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.18 p.m.

HOUSE OF COMMONS

Monday, October 21, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Friday, October 18, consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the second time and referred to a legislative committee; and the amendment of Mr. Henderson (p. 7687).

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is an excellent way to start the week by once again pointing out to the Government that Bill C-75, in particular Clause 4 thereof, will severely hurt a number of communities, ports and industries in the country. For example, we know that things are not quite as good as they used to be in the forest-based industry. They are marginally successful but are subject to every fluctuation in the market-place. If Clause 4 of Bill C-75 goes through and adds any amount to the cost of water-borne transport of raw pulp, newsprint and wood products, we will see additional lay-offs in the forest-based industry. We will see some companies finding themselves in situations where they have to shut down for a period of time. We may find the major employer of communities ceasing to exist. Once again I ask the Government to reconsider Clause 4.

My preference would have been to have the Government set aside this clause and refer it to the Standing Committee on Transport, the body under the new rules which deals with philosophical matters. The remainder of the Bill could be left to go to a legislative committee. The Government has worked on the specifics for a number of years. I gather from discussions on Friday with workers involved in plying the Great Lakes and the oceans that these specifics have been in the works for some years. Let us set aside the clause, the principle of which has really not had the benefit of public discussion or in-depth consultation with the industries affected.

If the clause gets to committee, there will be a host of individuals, groups, companies and communities knocking at our door and presenting a case that this is a mistake, that this clause should not go forward because it will hurt them. Harbour commissions, municipalities, pulp and paper companies, wood product companies, potash companies, iron ore companies, shipping companies, elevator companies and grain producers—every one of them will be affected by the Bill.

While we do not know at this point in time what percentage of the cost of providing Coast Guard services will be passed back, and although the Minister provided us with a total budgetary figure, we know, for example, that this year in Thunder Bay the Coast Guard has been negotiating with the Harbour Commission for 100 per cent cost recovery for dredging services within the Thunder Bay harbour. If that is an indication of what we have to look forward to and if this clause goes forth, clearly, as was suggested by those in the industry, the Government cost of using the Seaway alone will double. We have to add to that our current security problems in the system where in 13 months two major incidents have blocked the Seaway, making our reputation in world markets questionable in terms of our ability to deliver on time.

We also have to add the $30 million which the Minister of Finance (Mr. Wilson) proposed to remove from the assets of the Seaway Authority in the 1986-87 fiscal year, along with indications by the head of the Seaway Authority that that will bring about an increase in Seaway tolls of 25 per cent to 30 per cent. As well we have to add the push by the Laurentian Pilotage Authority for increases which, depending on whom one talks with, range anywhere from 12 per cent to 43 per cent for one year. We will price the Seaway out of business. The whole question of cost recovery of user-fees on the Seaway and in the ports should be referred to the Standing Committee on Transport for full and comprehensive discussion with those affected. Once the Government has had the opportunity to review the information, it can then make a determination as to the cost benefit of such a policy. Then we will know, before any legislative implementation, what the impact will be, what it will do to pulp and paper producers and what it will do to farmers. Let us have everything up front ahead of time, before we introduce this kind of legislation.

Last Thursday in the House, the Minister was questioning one of my colleagues with regard to the level of current cost recovery. I believe it was indicated that somewhere between 2 per cent and 4 per cent of the current cost of Coast Guard services are recovered by the Government. He was asking if that was a fair relationship, something like 4 to 80.

• (1110)

This cannot be dealt with in isolation. The other Government imposed costs of the Seaway that are borne by the users, for example, have to be examined at the same time. The Seaway

has operated under a mandate of full cost recovery for 26 years so its costs, tolls, fees and charges have to be put in with the cost of the Coast Guard services, because the bottom line is that it will first be paid by the industry, that is, those who move the products, but ultimately it will be paid for either by the producer or by the consumer. We have to examine the impact on those two bodies.

The concept of user-pay is not a new one. It has been around for many, many years. I find it ironic that what was put in by a Liberal Government is now being pursued by a Conservative Government. Then, again, we have always suggested that there is not that much difference between the two. I think it is unfortunate that they have seen fit to follow in this manner.

I would like to wrap up my comments by asking once again if the Minister would agree to withdraw this particular clause because, quite frankly, if he does not we will be spending many, many hours and many days in the legislative committee dealing with Clause 4 and perhaps not giving full discussion to the other very important clauses within the Bill.

I would encourage the Government to withdraw the request for expediency in dealing with this Act so as to ensure the ability of focusing properly on the Bill. I thank you for the time you allowed me, Mr. Speaker.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following. Mr. Henderson, seconded by Mr. Baker, moved:

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

"Bill C-75, An Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be not now read a second time but that it be read a second time this day six months hence".

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment please say yeas.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the amendment lost.

Some Hon. Members: On division.

Amendment (Mr. Henderson) negatived.

Mr. Vic Althouse (Humboldt-Lake Centre): Now that we are back on the Bill again, Mr. Speaker, I would like to say a few words on Bill C-75. One of the things that I note about this Bill is that it is an omnibus kind of Bill, the kind of Bill that the Conservatives used to take strenuous exception to when they were in opposition but now seem to find very little trouble proposing when they are on the government side.

This is a Bill which deals with things as diverse as the Coast Guard—

Mr. Mazankowski: We want the legislative committee to do its job.

Mr. Althouse: —and the question of Seaway tolls. It is the question of the Seaway tolls on which I want to spend most of the time of my remarks because they affect the part of the country that I come from probably more than any other aspect of this particular legislative proposal.

• (1115)

Since its inception, the Seaway has attempted to operate on the basis of cost recovery but it has been recognized that in order to recover costs, one must take cognizance of volume as well as of price. Over the past number of years, there has been a dramatic reduction in volume of cargo on the Seaway and so the Government seems to be proposing to offset that with a dramatic increase in price. I submit that that will only exacerbate the situation rather than improve it.

The Seaway has a surplus of funds used to take care of emergencies or depreciation and repairs. In fact, a good chunk of that $30 million that has been set aside for such emergencies will be required to repair the Welland Canal, which, as we know, has collapsed on one side recently and has forced all shipping on the Seaway to terminate until repairs can be made. That the Government is attempting to do away with this surplus is reminicent of the move made by the Conservative Government of Saskatchewan shortly after it took office in 1981. Prior to that time, hospitals and senior citizens' homes had such surplus funds set aside to repair windows and roofs on the buildings for which they were responsible. The new Government insisted on absorbing all of those funds into operating expenses and by the simple expedient of cutting back provincial grants to those facilities until such time as the surplus was used up. These facilities were then faced with the prospect of having to replace rotted windows or roofs that had begun to leak without any surplus set aside to do so. They had to lobby the Government for loans to make the necessary repairs, repairs which had been taken into consideration before they were forced to dispose of those surplus funds by the Government.

What is being proposed here is similar to that situation. Funds that would normally be set aside for normal wear and tear on the Seaway will be gradually absorbed and the Seaway will be forced to finance on a day-to-day basis using higher fees. The higher fees will affect not only the ability of those in my region to export grain east through the Seaway but it will have an even heavier impact on those people who work for the Seaway and who live in the towns and communities surround-

ing it. Literally thousands of jobs will be lost as traffic begins to taper off.

We have seen, partly because of the reduced demand for steel, a limited volume of traffic going up the Seaway carrying iron ore. As Hon. Members know, the bread and butter, so to speak, of the Seaway has been grain carried in ships going downstream with the ships coming back full of iron ore to service the steel industry in central Canada and the heartland of the United States. When iron ore shipments tapered off because of the decreased demand for steel, the cost of the entire trip, both downstream and upstream, had to fall on the grain shipments. Therefore, charges for shipping grain had to be increased since there was no back-haul. The shippers had to charge more money to move the grain and now they are faced with a fairly large increase in the lockage fees imposed on those who use the Seaway. Higher lockage fees combined with higher shipping fees and with the increases to railway tariffs that we will see as the Crow rate is phased out means that farmers and grain companies will be looking twice at using the Seaway because of its cost. It is becoming too expensive to use in comparison with shipping through Vancouver, Prince Rupert or even Churchill. In fact, some companies have projected that as the provisions of the Crow rate diminish and the actual rates paid by farmers to railways increase in very short order we will be at a point where it will be cheaper for western Canadian farmers to ship their grain south through New Orleans than it will be to ship it through eastern Canadian ports. That will cause the freezing of jobs which now exist in the Seaway. It will also mean that Canadian shipping will virtually disappear.

● (1120)

I remind Members of the House that the only Canadian component of shipping which we have in the country exists in the freshwater area. I am referring to the Seaway ships and lakers which form the biggest component of our shipping facilities. With the proposals contained in the Bill before us we are kicking in the teeth that last bit of shipping ability which the country has.

I am suggesting we delay the passage of the Bill. I suggest that the Government use the time to rethink its proposals with respect to the Seaway tolls. We will be opposing the proposals which are in the Bill. We suggest that all Members of the House support us in this move because it will mean a great deal to prairie farmers to maintain the current level of Seaway tolls in order to keep the Seaway going. This move recognizes that the declining volumes which have occurred are probably temporary and that other sectors of the economy will again use the Seaway. The volume times the price will result in a full cost recovery one more time and the Seaway will once again become viable.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Mr. Mazankowski, seconded by Mr. Merrithew, moves that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be now read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Mazankowski), which was agreed to on the following division.

(*Division No. 120*)

YEAS

Members

Andre	Hudon	Oostrom
Attewell	James	Paproski
Bertrand	Jardine	Pennock
Blais-Grenier	Jepson	Pietz
Bouchard	Johnson	Plourde
Bourgault	(Bonavista-Trinity-Conception)	Porter
Bradley	Kempling	Price
Brightwell	Kilgour	Ravis
Champagne	Kindy	Redway
(Saint-Hyacinthe-Bagot)	King	Reid
Comeau	Landry	Reimer
Cook	La Salle	Ricard
Côté	Layton	St. Germain
(Langelier)	Lewis	Scowen
Crofton	MacDonald	Shields
Dantzer	(Kingston and the Islands)	Sparrow
Darling	MacKay	Speyer
Daubney	Marin	Stackhouse
Dick	Mazankowski	Taylor
Duplessis	McCain	Thacker
Edwards	McInnes	Towers
Fennell	McKenzie	Tupper
Forrestall	McKnight	Turner
Fretz	McLean	(Ottawa-Carleton)
Gagnon	McMillan	Valcourt
Gormley	Merrithew	Vincent
Gottselig	Moore	Wenman
Greenaway	Nicholson	Wilson
Gurbin	(Niagara Falls)	(Swift Current-Maple Creek)
Halliday	Nickerson	Wilson
Hamelin	Nielsen	(Etobicoke Centre)
Hees	Nowlan	Winegard—90.
Hnatyshyn		
Hockin		

NAYS

Members

Allmand	Blackburn	Deans
Althouse	(Brant)	Dingwall
Angus	Boudria	Finestone
Baker	Broadbent	Foster
Benjamin	Caccia	Fulton
Berger	Cassidy	Garneau

Employment Equity

Members

Gauthier	Langdon	Nunziata
Gray	Marchi	Pépin
(Windsor-Ouest)	McCurdy	Robinson
Guilbault	Mitchell	Rompkey
(Saint-Jacques)	Murphy	Rossi
Heap	Nicholson	Waddell
Hovdebo	(Trinity)	Young—35.

Mr. Speaker: I declare the motion carried. Accordingly the Bill stands referred to a legislative committee.

* * *

[*Translation*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed, from Thursday, October 3, consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I welcome this opportunity today to speak to Bill C-62.

The objectives of this Bill, which are to promote employment equity for women, visible minorities, the handicapped and native peoples, are excellent and they have my full support. However, I am opposed to the Bill because it does not contain the necessary mechanisms to achieve the objectives with which the Minister of Employment and Immigration (Miss MacDonald) claims to provide this Bill.

With the many pressure groups representing women and the three other classes of people mentioned earlier and covered by Bill C-62, I believe it is fundamental that a Bill promoting employment equity should contain effective implementation mechanisms, specific time frames and penalties. Suppose we look at Bill C-62 in further detail.

Clause 5 provides that "on or before June 1, 1988 and on or before June 1 of each year thereafter, every employer shall file with the Minister a report in respect of the immediately preceding calendar year containing information in accordance with prescribed instructions" regarding the four groups covered by Bill C-62, indicating the industrial sector, occupational groups, salary ranges and number of employees hired.

Nowhere do we find a concrete application of the main purpose of the Act as described in Clause 2, which provides that:

> The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada.

As far as the main purpose of the Bill is concerned, the Progressive Conservative Government has failed to provide any penalty for companies that fail to comply. It merely asks for a report on the status of those of their employees who belong to the four groups in question. If employers fail to file this report, then they may be fined.

However, Mr. Speaker, with or without a report, employers will still be able to stray from employment equity objectives without being penalized in any way.

Bill C-62 claims to be a response to the Abella Report published last fall. Judge Rosalie Abella had a mandate to investigate employment opportunities for women, native peoples, the handicapped and visible minorities within Crown corporations and certain corporations that are wholly-owned by the federal Government.

[*English*]

Among the most interesting conclusions of the Abella Report, three enforcement models were proposed to ensure the development of employment equity guidelines. Each of those rely on a specific organism to monitor employment equity—either the Canadian Human Rights Commission, the Canadian Labour Market and Productivity Centre or some other organization of the same calibre.

Judge Abella recommended contract compliance for companies doing business with the federal Government and promoted equal pay for work of equal value. She recommended that training programs be developed in consultation with local advisory panels, and concluded that a major barrier to equality in the workplace for women was the absence of affordable child care of adequate quality.

[*Translation*]

The Bill has failed to take into account several of the recommendations made by Judge Abella, and we can expect the four groups concerned by this Bill to be very disappointed about the voluntary aspect of employment equity programs.

Whatever the Minister of Employment and Immigration may say and claim, employment equity will remain no more than a concept for quite some time. The absence of penalties in the Bill is tantamount to making these programs voluntary, and women on the labour market need legislation to give them their rightful place.

Judge Abella has explained in her report that voluntary employment equity programs are practically useless, and she had the figures to prove it. In 1983, 40 per cent of federal public service employees were women, but they held only 5.4 per cent of management positions. This state of affairs had led the previous Liberal Government to announce in June 1983 the introduction of a compulsory affirmative action program in the federal public service and Crown corporations, a program that the representative for Treasury Board promised to continue in his statement made on March 8 of this year.

The Macdonald Commission is an enthusiastic supporter of affirmative action. According to the commissioners, affirmative action programs can offset the cumulative impact of the discriminatory practices of the past. In this context character-

ized by inherent inequalities, measures to benefit a given group have to be taken so as to restore equal opportunities. Affirmative action programs would enable women and other groups to acquire such experience, vocational training, confidence and responsibilities as would eventually make affirmative action unnecessary. As the members of the Royal Commission on the Economic Union and Development Prospects for Canada quite properly point out, affirmative action tackles the issue of systemic discrimination.

● (1200)

[*English*]

I would like to say a few words about contract compliance. According to Judge Abella, it was proven to be an effective incentive for changing discriminatory employment practices in the United States.

Contract compliance is a difficult program to monitor effectively, but it is, nonetheless, an essential one if the Government is serious about implementing employment equity.

During the 1984 election campaign, the Leader of the Conservative Party had promised the moon to women. He said that he would insist that private companies doing business with the federal Government be required to adopt the principle of equal pay for work of equal value. He also said that he would stand for affirmative action.

In March, 1984, the Tory Leader said: "We will ask all companies seeking to provide services to the Government of Canada to show us, as part of their tendering responsibilities, how many people would be hired to fulfil those contracts. There is nothing alien about that. It is just good old business sense".

Is it true that it is good old business sense, Mr. Speaker?

[*Translation*]

As recently as last week Quebec's Conseil du patronat came out against the employment equity program. In a brief submitted to the federal Government the Conseil du patronat states that affirmative action leads to arbitrary conditions and economic chaos. I wonder then where is the rationale behind the argument that using the full potential of the female labour force is good for business. I would be tempted to suggest that it is invoked only to decide what type of work women will do, but not their salaries.

To maintain the contractual obligation, the Tories had painted in glowing colours the advantages of that notion to women, native people, the handicapped and visible minorities when they were the Opposition, but now that they are in office they are dragging their feet. In early July, when a lot of Canadian men and women were on holidays, it was announced—contrary to what had been promised concerning the contractual obligation—that the federal Government would no longer request companies dealing with Ottawa to provide their affirmative action plans before contracts were awarded. We learned that the Government would expect only an employer's statement that he is in favour of the principle of equal opportunity for both men and women, nothing more for the time being. That is a far cry from the Abella report recommendation which went so far as to urge that the Canadian organization responsible for ensuring respect for equal employment opportunity in the sector regulated by the federal Government be also asked to monitor the contractual obligation in the private sector.

Well, there is no such provision in Bill C-62. As I emphasized a few moments ago, the lack of an implementation mechanism is so patently obvious that the measure we are discussing today is worthless.

Mr. Speaker, allow me to recall the reactions of some politically independent groups and individuals to Bill C-62. At the meeting organized by the Federal caucus of conservative women from the Montreal area on employment equity last March 27, labour sociologist Evelyne Tardy from the UQAM stated that employment equity legislation must have some bite if it is to be effective.

I have received a great many phone calls from women's groups who are concerned about the little political will shown by the Conservative Government as regards employment equity. Indeed, within the next few days, many women's groups will be reacting vigorously to this Bill. My objections correspond to those of the groups representing the four categories involved. The lack of any enforcement mechanism, a time frame and penalties will make Bill C-62 completely ineffective.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Beauharnois-Salaberry (Mr. Hudon).

Mr. Hudon: I have a comment, Mr. Speaker. The Hon. Member said that we had not fulfilled the promises made during the electoral campaign. I would like to point out that the House of Commons had long awaited a Bill on employment equity. You were President of the Canadian Advisory Council on the Status of Women, and to my knowledge, no Bill dealing with the status of women and their rightful place on the labour market was introduced in the House of Commons at that time. I do not understand why, just because you later became a candidate in the elections, you can say that we have done nothing. You did nothing for five years!

Mrs. Pépin: Mr. Speaker, the Hon. Member is confusing apples and oranges.

I simply want to remind my colleague that, when I was President of the Advisory Council, I put pressure on the Government to urge it to do something. It was then that the Abella Commission was established and its report was presented to the Government, to your Government, and it was certainly up to the Conservative Government to act. During the electoral campaign, the Prime Minister made a public commitment to implement legislation in this regard and to recognize the concept of equal pay for work of equal value. It was not our party, but your own which made the commitment to

implement the Abella report. I did my job as President of the Council and I am now doing my job as a Member of Parliament.

Mr. Hudon: Mr. Speaker, the principle of equal pay for equal work is reflected in the legislation on equal rights. This principle is already being applied. Second, if you are saying, and this is also related to other interventions, that the previous Government had established an inquiry commission, you should not now be saying that we are doing nothing when we have created inquiry commissions ourselves. We have done a lot in this area.

Mrs. Pépin: Mr. Speaker, I would simply like to remind you that this Commission was appointed by the Liberal Government. The Abella Report was submitted to your Government and you were asked to implement it. But during the election campaign, your Government committed itself to providing good jobs for women in the work place. Now, this legislation of yours is toothless. It is all very well to suggest that you want women to have their place, but you have provided for no penalty whatsoever. My impression is that three years down the road you will review your legislation, and you will see what you will have to do. Therefore, I am sorry, but we expect more than that from this Government.

[*English*]

Mr. Allmand: Mr. Speaker, I have a question for my hon. colleague. I am sure she would like to remind the House that the Abella Commission, which was set up by a Liberal Government, only reported—

Miss MacDonald: After 15 years.

Mr. Allmand: —after the Conservative Government came to power. Consequently she will want to remind the House that it was not inaction to introduce legislation until that commission reported.

• (1210)

An Hon. Member: Why didn't you do that while you were in government?

Mr. Allmand: Perhaps because we appointed a Royal commission.

Miss MacDonald: After 15 years of inaction.

Mr. Allmand: Like the Tories, Mr. Speaker, we believe in consulting. We would have to go a long way to consult as much as this Government does because it is consulting on daycare when there is already a commission on daycare which has reported. It would consult over and over again until the cows came home.

I would like to ask my hon. colleague whether she would not like to remind the House that it was a Liberal Government that appointed a royal commission on the status of women; that it was a Liberal Government that established the Human Rights Commission, that it was a Liberal Government that introduced and had the Charter of Rights and Freedoms passed often against Tory opposition; that it was a Liberal Government—

An Hon. Member: How about all those patronage appointments?

Mr. Allmand: —that introduced Section 15 of the Charter.

Miss MacDonald: And who voted against Section 28?

Mr. Allmand: Maybe she would like to remind the Hon. Parliamentary Secretary of some of these things.

[*Translation*]

Mrs. Pépin: Mr. Speaker, indeed, I would very much like to remind my colleague of all that the Liberal Government has done for women. But coming back to the question he asked me when he said it was up to us to do something.

The Abella Report was submitted to the Conservatives who during the election campaign promised to do something and said that women would be a priority. When we add up what this Conservative Government has been doing over the last year, we find it is not so rosy, especially when we look at this kind of legislation. We were expecting something much better than what you have put forward. When we compare the measures that have been introduced with the promises made by the Prime Minister (Mr. Mulroney), we get the impression that they do not come from the same people.

Mr. Cassidy: Mr. Speaker, if we recall what the Liberal Government has done . . . May we also remind all Members and everyone in this House that under the Liberal administration, women were earning a mere 60 per cent of men's salaries. Under the Liberals, women stayed within the employment ghetto of services, they worked in clerical jobs. Under the Liberals also, women remained in poverty, and this applies to the whole period in which Liberals were in Government. The fact that women earned much less than men remained almost unchanged.

That is how we see the performance of the Liberal administration over the past 20 years.

[*English*]

Mr. John Nunziata (York South-Weston): Mr. Speaker, this is another classic example of promises made and promises broken by the Conservative Government. We all know the promises that were made during the election campaign. For the benefit of the Minister and other Hon. Members opposite I would like to remind them of the promises they made during that election campaign, in their thirst for power. My colleague, the Hon. Member for the riding of Glengarry-Prescott-Russell (Mr. Boudria), has compiled a list of those promises. One of the promises made was that, if elected, the Conservative Government would make the federal Public Service a model to be followed with regard to the equality of women in the

workplace; that it would implement an effective affirmative action program with adequate control monitoring and evaluation mechanisms, et cetera. In their thirst for power the Conservatives went on to promise the women of Canada that, if elected, they would support the concept of equal pay for work of equal value. Where are those promises?

Some Hon. Members: Shame!

Mr. Nunziata: What we have been given is a Bill that illustrates the blatant hypocrisy of Members opposite, including the Minister. Promises were made during the election campaign but a Bill has been presented to the women of Canada that falls far, far short of what was promised during the election campaign. For example, where are the sanctions in this Bill? Where is the provision for equal pay for work of equal value? Where are the adequate controls? This legislation is a farce in comparison to what the Government Members promised during the election campaign, yet they can stand up and speak to the women of Canada and tell them that this Government is a Government of unimpeachable integrity.

I would suggest, based on the promises made during the election campaign and the action that has followed from this Minister and this Government, that one could seriously question the credibility and the honesty of this Government.

There is no question about that, because if they were true to their word and if they held true to the women of Canada, they would have implemented and followed through on the promises they made.

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, this Bill represents another addition to the human rights legislation that has been enacted by Parliament over the years. It is basically designed to deal with discrimination. I think we will all admit that discrimination is and will continue to be a very difficult subject to deal with.

Discrimination comes in many forms. It can be overt, it can be blatant discrimination.

An Hon. Member: It comes out in Tory forms.

Mr. Nicholson: It can also take on some very, very subtle forms. The world as a whole, I believe, has made considerable progress in eliminating many of the signs of overt and blatant discrimination, but it still remains in various parts of the world. South Africa immediately comes to mind when we see the blatant, systemic and legislated discrimination against visible minorities.

That is why I was particularly pleased when I saw the results of the Commonwealth Conference in the Bahamas. I saw on television last night our Prime Minister (Mr. Mulroney) who speaks up not just for human rights within Canada but for human rights throughout the world. To that extent, the agreement that came out of the Commonwealth Conference last night remains a foreign policy triumph and one that every person who worries about human rights should be very proud of. But, within our country, I say we have made considerable progress over the years. When I first went to law school I was told of the provisions of the Magna Carta and other legislation that we inherited from Britain, of constitutional guarantees that protected our freedoms. I also saw many examples throughout the years in Canadian history where perhaps our human rights were not being protected and that required legislation. I remember a case that was decided by the Supreme Court of Canada that shocked me to the point that I never forgot, it and when I had the privilege of being asked to speak on Bill C-62 I immediately remembered that as a blatant example of why and how legislation was necessary.

I refer to the case of Frederick Christie, the Appellant and The York Corporation, the respondent. It was reported in 1940 Supreme Court Reports, at page 139. It is a decision of the Supreme Court of Canada. It refers to a situation which happened in the Province of Quebec concerning contract law. I believe those principles equally applied across the country. This particular case dealt with a situation that took place in Montreal.

I would like to read just a little bit from the headnote, which is a synopsis of the case. As is required by persons in the legal profession, I have satisfied myself that the headnote accurately reflects the facts of the case and the reasons for its decision. I think it is very illuminating, when we talk about human rights legislation and the need for it in Canada, just to think of how far we have come. Here is what the headnote of this particular case said:

> The appellant, who is a negro, entered a tavern owned and operated by the respondent in the City of Montreal and asked to be served a glass of beer; but the servants of the respondent refused him for the sole reason that they had been instructed not to serve coloured persons. The appellant brought action for damages for the humiliation he suffered. The respondent alleged that in giving such instructions it was acting within its rights; that its business was a private enterprise for gain and that, in acting as it did, it was merely protecting its business interests.

Those were the facts of the case. Here is what the Supreme Court of Canada said:

> The general principle of the law of Quebec is that of complete freedom of commerce. Any merchant is free to deal as he may choose with any individual member of the public. It is not a question of motives or reasons for deciding to deal or not to deal: he is free to do either.

● (1220)

In 1940, it was perfectly correct under Canadian law for the individual who walked into the tavern in the Montreal Forum and asked for a glass of beer to be refused. As you can see, Mr. Speaker, this matter went to the highest court in the country and it was turned down. The need for action is there and I think we have made tremendous progress.

Regarding the introduction of the Canadian Bill of Rights, the Human Rights Act and the Charter of Rights and Freedoms, it is always well and good to have the theory that Parliament will protect our rights, but sometimes Parliament has been remiss in enacting legislation to change the law where it blatantly discriminates against individuals. It is with the blatant kind of discrimination that we have made progress.

There is another kind of discrimination which Bill C-62 is trying to address, and that is, the very subtle forms of discrimination, forms of discrimination that are very hard to pin down.

It is the sort of discrimination that I believe all of us have experienced in our lifetime.

When I was in law school at the University of Windsor, I had many colleagues who were women and were applying at the same time as I was for articling jobs. Many of them told us how difficult it was for them to obtain jobs. This was borne out by reports done by the Law Society of Upper Canada indicating that even with comparable marks, when men and women applied for articling jobs and, after the bar admissions course, when they applied for work as full-time lawyers, women had more difficulty in obtaining jobs. I would suggest to you, Mr. Speaker, that that is a form of discrimination. It is systemic discrimination and it is discrimination that is very difficult to pinpoint.

I experienced the same sort of thing a number of summers ago when I worked for Canada Manpower for Students, as it was then called. Employers would let on to me that they wanted a man for this job or a woman for that job. They would indicate that they wanted a particular sex or particular type of person to do a particular job. I was pleased that in 1977, the Government of Canada would not participate overtly or covertly in any discriminatory practices. However, what would happen in these cases is that when I sent employers referrals that would have been unsatisfactory to them, there was always some sort of excuse made. In this day and age, employers are smart enough not to say blatantly that they do not want a person because of race, handicaps or sex. They have gotten too smart for that. They discriminate in other very subtle ways. Therefore, I believe that this legislation is part of the response of the Government to that type of discrimination within federal jurisdiction.

When looking at the provisions of this Bill, I was very pleased to find that it will require all employers within the federal jurisdiction with 100 or more employes to take steps to remove employment barriers and eliminate discrimination in the workplace. This applies to Crown corporations and private sector companies doing business with the Government. It asks those employers to identify and eliminate those practices that result in discrimination against designated groups including women, aboriginal people, people with disabilities and visible minorities. As a case in point, I remember visiting a plant a number of years ago at which there were no women employees. I inquired of the manager why this was so, and he responded by saying that it was because the employees required to have locker facilities and showers and that it would be very expensive to provide alternative facilities for women. In 1977, someone was saying that to me. I think that that is an example of what we are talking about when we are discussing the removal of barriers and impediments to the hiring of people in designated groups.

In addition, the Bill asks employers to institute policies and practices to achieve a degree of representation in various positions proportionate to the numbers of people from designated groups in the workplace. This legislation does not set quotas which would indicate that employers must hire a certain percentage of employees from designated groups. This is because circumstances change from area to area continuously. In 1967, when the University of Windsor law school opened its doors, there was only one woman out of 150 students. By the time I arrived at the law school in 1974, approximately 35 per cent of the students were women. It is my understanding that that proportion of women to men is increasing all the time. It would be very difficult to determine a quota for the hiring of a minority at any given point in time. As we know, very often when quotas are imposed, those quotas become the maximum. The discrimination we are trying to eliminate would reassert itself again.

I am pleased that the Bill requires those employees covered by it to report in a detailed fashion to the federal Government regarding their progress on the programs they have instituted. Beginning in January 1987, these programs must be in place and the employers will have to report to the Government on or before June 1, 1988. I believe that that is a reasonable amount of time for them to get their systems in place. However, it signals that when this Bill gets through Parliament, employers are going to have to begin thinking in terms of its provisions and will have to get their acts together.

The reports to which I have referred will have to be detailed, and I am pleased about that as well. The reports will have to indicate the number of people from designated groups who are being hired or are on staff, their occupations and the salaries which they are receiving. I think it is very important to do this. It will make it very easy for us to see if the people from designated groups are all employed at the bottom salary levels. We will be able to ensure that employers will not get away with simply having the number of people on staff; they will have to pay them the right salaries as well. The public and the Government will have access to this data, and where it becomes obvious that there is discrimination against women, native people, disabled persons and visible minorities, the Government will be in a better position to respond.

As the Hon. Minister of Employment and Immigration (Miss MacDonald) pointed out, it is now possible for the first time for the Human Rights Commission not only to respond to complaints but to initiate action. I was particularly pleased that she indicated that she realizes that there will be a great burden placed upon the resources of the Human Rights Commission and she has therefore given us her assurance that she will undertake to see that it has the resources it needs to do the job that it will be called upon to do by this legislation.

I believe that this Bill is firmly based on the concept of fairness. The concept of fairness is one which is characteristic of the Canadian people and it is something for which we are known abroad. We are known for the even-handed approach that we take to matters outside our country as well as matters within our country. I believe Canadians support the idea of employment equity because they recognize that this country is made up of so many different groups and individuals that we have to be sure that Canada's economic benefits are shared equally and fairly. We know that the groups to which this Bill referred had not in the past shared equally and fairly.

I have said that this Bill is about fairness, but it also makes sense for another reason. Employment equity makes good economic and business sense. Discrimination against certain groups hurts business. It does not make sense because it means that employers are choosing qualified people from a smaller pool. They are eliminating people who would be qualified for the job for arbitrary reasons.

● (1230)

I should point out as well that this is just one of several initiatives taken by the federal Government to promote employment equity. The Government itself is committed to implementing employment equity in the Public Service. This is a process which is being undertaken at the present time and is in addition to Bill C-62. The Government will require contractors to implement employment equity. This will apply to businesses with 100 or more employees bidding on contracts worth $200,000 or more. These businesses will be required to sign declarations of action stating that they will implement employment equity. If they do not live up to their commitment they will be denied the opportunity of competing for future Government business. It is estimated that this particular provision will cover approximately 500 major Canadian corporations employing in excess of 500,000 people.

I would like to deal with the sanctions for not reporting which are contained in the Bill. For those persons who come within the purview of the Bill and who do not report there will be a fine imposed which will not exceed $50,000. I am pleased with the level set. When I was practising law I often found that the fines provided for in government regulations and laws were never more than $1,000 or $2,000. In my opinion those amounts of money merely provide a licence to do whatever the Government is prohibiting. Thus, I believe the provision of a $50,000 fine is a clear indication to the courts that the Government means to get tough in this area.

In conclusion I would like to say that the Bill before us has gone further than we have in the past in this particular area. The Bill recognizes, as we recognize, that there are difficulties in eliminating discrimination. However, that does not change the Government's resolve to try to do something about it. The Minister of Employment and Immigration called this a bold move when she spoke in this House on October 3. Indeed it is. I think it is one which is welcomed by Canadians, notwithstanding some of the criticism which we have heard from the backbenches of the Liberal Party and the New Democratic Party. It is good legislation. It demonstrates the Government's intention in this area. As the Minister of Employment and Immigration said on October 3: "We are committed to nothing less than a society of equal opportunity."

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Windsor-Walkerville (Mr. McCurdy).

Mr. McCurdy: Mr. Speaker, I was quite intrigued by the intervention of the Hon. Member for Niagara Falls (Mr. Nicholson) who said that he has had considerable experience with discrimination having observed the effects of discrimination on women as a worker with Canada Manpower. Perhaps that explains how he is able to defend a Bill which does nothing in terms of affirmative action and nothing with respect to employment equity. Perhaps that explains how he is capable of condemning those who have appreciably more insight into what such a Bill should be expected to accomplish on behalf of those who have experienced discrimination. That the Hon. Member can say that this Bill does one thing in terms of employment equity is an insult to the women, minorities and the disabled in the country who have experienced discrimination not as observers but as victims of it. I want the Hon. Member to explain to me how I, other blacks in the country and native groups who have been in the country for centuries are expected to accept his experience as a basis of judgment for an inadequate Bill which does not contain penalties for those who impose discrimination upon significant portions of our population and who, in terms of their experience, can consider those actions as nothing less than a crime.

Mr. Nicholson: Mr. Speaker, the members of the Democratic Party can pound their desks and shout and scream in this Chamber. However, that does not change the fact one iota that this Bill is excellent legislation. It is legislation which is supported by the people in my riding. They are people who have been discriminated against. They have written to me expressing their feelings. To dismiss the Bill as doing nothing is simply doing a disservice to the Bill and to the House. I believe it does a disservice to the constituents of the Hon. Member who are looking forward to the implementation of this legislation.

We are taking action in this area, along with other pieces of legislation. I believe that is one thing which the two opposition Parties would like to forget. They would like to believe this action is being taken in isolation and that there are no other laws which pertain to this area. For instance, they continue to say that there is no enforcement mechanism. They have been told half a dozen times in the Chamber that the Human Rights Commission will be put in a position where it can respond. Information will be made public and the commission will be able to take steps. After hearing some of the speeches on the subject my guess is that they do not want to hear what I have to say. They do not want to respond to it. They say that they look only within the four corners of the Bill and that there are no reporting requirements.

Mr. Cassidy: That is what the courts do, and you know it.

Mr. Nicholson: They say that it goes to a certain extent and that is it. They seem to take the position that the Human Rights Act has been repealed and that there is no Canadian Bill of Rights or Charter of Rights and Freedoms. This is legislation which must be taken into consideration. As I said at the outset of my remarks, the Bill before us is part of the human rights legislation. It is a part of a number of Bills on which we have made progress.

I was not refused a glass of beer at the Montreal Forum in 1940. I was not even born at that time. However, throughout

my life I was taught by my family, in the schools I attended and the churches I attended to be sensitive and that wherever discrimination exists I should root it out even if I am not a victim of it. Because I am not the victim of discrimination does that mean I am not entitled to speak on the subject? I reject that point of view, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Nicholson: I have as much right as any Canadian to speak on the subject of discrimination, which is why I am pleased and honoured that the Minister of Employment and Immigration asked me to speak on the historic piece of legislation which is before us. I have lived my whole life in pursuit of that endeavour. That is why I was pleased when I worked for Canada Manpower to convey the fact that the Government does not condone or participate in covert or overt discrimination with respect to any person.

Mr. Allmand: Mr. Speaker, I have a question for the Hon. Member. If the Bill is as welcome as he says it is, then why did we have in Ottawa last week a coalition of the target groups: women, the handicapped and visible minorities lobbying with Members of Parliament to oppose the Bill? Among that coalition were representatives from NAC, the national women's organization, which asked us to oppose the Bill and to oppose it with all our might unless very substantial amendments were put forward. Can the Hon. Member explain why these groups were asking Members of Parliament to oppose the Bill if it is so welcome?

Mr. Nicholson: Mr. Speaker, on every issue and every Bill which comes before the committees upon which I sit there are always people who will say that it does not go far enough or that it goes too far. I think that most people believe in the legislation we have introduced. They say that it is just about where it should be. They say that this is a reasonable approach to difficult problems. With respect to the Bill which is before us there is no exception. If the Hon. Member would like to visit my office, I would be pleased to show him letters from concerned individuals in my riding who have approached me on this subject and who have indicated to me that they are pleased that after years of not having any legislation of this type the matter is now before Parliament. They have told me that they are looking forward to giving their views when the matter goes to committee. I would welcome, as I am sure the committee would, opinions from a whole spectrum of people with respect to this important piece of legislation.

Mr. Marchi: Mr. Speaker, I listened intently to the Hon. Member for Niagara Falls (Mr. Nicholson). It would seem he is trying to promote the fact that he has a monopoly on virtue. I would like to tell him that that is not the case.

Some Hon. Members: Oh, oh!

Mr. Marchi: If he feels as he does about this Bill, then I would like to ask him some straightforward questions. Why is the Hon. Member opposed to mandatory programs as opposed to voluntary ones? Is he opposed to an independent enforcement mechanism being put in place rather than forcing the Human Rights Commission, where it has the jurisdiction, to deal with questions respecting whether or not it should be performing the work of legislating employment equity?

• (1240)

The fact is that the Human Rights Commission often is a reactionary body which deals with cases and complaints on a one-to-one basis. Would the Hon. Member not believe that an enforcement agency, to go along with a national employment equity program, would be more in tune with the needs and aspirations of the four-targeted groups which have been calling for this Government to introduce legislation? Why is the Hon. Member opposed to mandatory programs rather than voluntary programs which reports from Toronto clearly indicate are not working? And why is the Hon. Member opposed to an independent, co-operative and fully competent enforcement agency?

Mr. Nicholson: Mr. Speaker, first of all, in accordance with the provisions of this Bill, there is nothing voluntary about it at all. It is mandatory. I believe I pointed out that very stringent penalties can be imposed on those individuals or corporations who do not comply witht reporting requirements.

The Hon. Member asked why we do not set up a competent group. The Human Rights Commission is very competent to deal with these things. The Minister in her speech on October 3 indicated that she realized that there will be an increased burden on the Human Rights Commission, and up to this point it has, for the most part, just responded to complaints. I think that is part of the public record. We all know that that is the case. At the same time, the Minister said, while realizing that that is the case, we must realize also that the Human Rights Commission is well set up for this sort of program and initiative. She has indicated, and given her word, that it will be given the resources in view of the increased burden. I am very pleased with that.

With respect to the Hon. Member's comments about targeted groups, I indicated that this was just one piece of legislation and that there are other pieces of legislation before this Parliament which equally concern women and other groups. I think, for instance, of the Divorce Act. I cannot tell you how many people want to see a new Divorce Act in this country, but I have to tell them, in all honesty, that it is members of the Liberal Party who are holding it up. If the Hon. Member wants to talk about who is doing something for women and other groups, he should talk about the divorce Bill and these other pieces of legislation because those Hon. Members are the ones with mud on their faces as far as holding up legislation is concerned. I can tell this House and my constituents that it is the members of the Liberal Party who do not want to see women get a fair shake under a new Divorce Act.

Miss MacDonald: Mr. Speaker, I would just like to ask the Hon. Member a question after listening to his excellent speech on this subject. I am sure that the Hon. Member is aware, as are other Hon. Members of the House, that in her report,

Judge Abella made a number of recommendations with regard to enforcement structures, one of which, Model 4, was based upon the subsequent activities of the Canadian Human Rights Commission as the enforcement agency which would see that the employment equity provisions are put into effect. That was one of the recommendations she made in her report.

I am sure that the Hon. Member knows that the choice of the mechanism made by the Government in looking at Judge Abella's recommendations was to select the Canadian Human Rights Commission, which is already well established, and which will be given additional means of carrying out the enforcement mechanism. That is the way the Government has chosen and it will indeed provide the enforcement which is necessary.

Mr. Deputy Speaker: The period for questions and comments is over. We will resume debate.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to comment about this Bill and I would like to say that I am happy the Minister is in the House at this time, although I am not happy about the Bill which is before us. There will be a lot of speeches like the speech made by the Hon. Member for Niagara Falls (Mr. Nicholson) which will laud the Minister and tell us what a step forward this legislation is, much in the same way as the Minister responsible for the Status of Women said in the press release a few months ago that the Government was providing leadership in the assault on the under-training, under-employment and the outright exclusion of women, native peoples and the visible minorities through this Bill.

What I want to say right now, Mr. Speaker, is that there will be more hokum and hypocrisy heard in this House from Hon. Members of the Government Party in relation to this Bill than we have heard since the Government took power. I am very concerned about that because some pretty strong promises were made by the Prime Minister (Mr. Mulroney) during the election campaign, before he formed the Government, which indicated a commitment to equity in employment for women. He also made a commitment to the concept of equality. Those commitments are now not worth the paper they were written on.

This is a bad Bill, Mr. Speaker, because it gives a semblance of action without the reality. It is a bad Bill because it does not do anything specific to help those people who are the victims of discrimination. And it is a bad Bill because after the Bill has been in force for two, three or four years, and five or 10 years after that, we will still have the situation which prevailed 20 years ago and prevails today in terms of employment in Canada. That is, if one is white and male, one will be privileged in terms of employment. If one is female, or a member of a visible minority, or one of Canada's native peoples, or if one is handicapped, then discrimination is going to continue and not just minor discrimination—if one can categorize discrimination—but massive discrimination which all of the groups I have mentioned at a disadvantage.

When we talk about the minorities, let us be specific. If we put those minorities all together, we are talking about 60 per cent of the population of Canada. That 60 per cent of the population which falls into those categories is suffering constant discrimination right now. They suffer discrimination because they are not allowed to do certain jobs. That is certainly true for women. They suffer discrimination because they are shut off at the point at which they apply for a job, before they even have a chance to be considered. They suffer discrimination because they cannot take the first step up the ladder, let alone be in a position to receive promotion in order to get seniority and hold senior positions. This is a situation which has prevailed for far too long.

My colleagues and I have talked about this Bill and we will continue to do so because we believe it is a rotten Bill. It is rotten because the only requirement in the Bill is that, commencing in about two years' time, employers under federal jurisdiction will be required to submit reports on the numerical quantums of who is getting what within their particular workplace. There is a substantial fine if they do not submit a report. However, the enforcement is in fact, I presume, only at the hands of the RCMP. And that is only if someone has access to the correct figures and knows that the employer is not giving the correct figures and blows the whistle. There are a lot of questions which could be asked as to whether or not that would take place.

I am reminded of what happens in the Soviet Union where employers, organizations or companies, submit reports on their achievement of the national plan. Those reports can be entirely fictitious and there is not a heck of a lot anyone can do about it. In fact, they continue to report about fanthom factories and production. I am afraid that we may well have fanthom employment equity in this country, that is, that employers will produce figures which indicate that they are making a certain amount of progress and those figures will in fact be entirely fictitious.

I note, in the discussion paper which was distributed back in June, that the Government has all kinds of questions about what information can be made public. Federally regulated companies will only have to report on a national basis in many cases so that particular discrimination which takes place in a particular branch in a province or region will not be exposed. Because of the desire to protect confidentiality many items of information will in fact be excluded and it will not be possible, therefore, for employees of a particular company to know what is happening in that particular company under the material which is to be published according to the Act.

Finally, Mr. Speaker, there is absolutely no requirement that where workers have a union, the union will in fact have any input into ensuring that even the minimal requirement in this Bill, which is the reporting mechanism, is in fact adequately and fairly carried out. The real weakness of the Bill, of course, is Section 4 which states that employers shall implement employment equity. Those are bold words and many Members of the Government will talk to those bold words during the course of this particular debate, but the require-

ment of implementing employment equity is backed by absolutely no enforcement mechanism, at all.

If the Minister intended the Canadian Human Rights Commission to enforce Section 4, then she and the Government should have put that in the Bill, and indicated how it was going to take place. That did not occur and I know from bitter experience, as do many other people, including the Hon. Member who just spoke and who is himself a lawyer, that when the courts come to interpret legislation, an intervention from the Minister saying that the Human Rights Commission is going to look after this does not carry any weight at all. The courts have to look at the legislation itself. Contrast this flimsy document, Bill C-62, with the degree to which the Government moved in the Bill we voted on a few moments ago, amendments to the Canada Shipping Act, which is a substantial effort to provide for regulation and safety in a matter which has traditionally been of concern to the Government. Perhaps that much detail is not the route to go in this case, but it seems to me that to put forward something this flimsy is not defensible at all.

● (1250)

Clause 4 says that employees should identify and eliminate practices which result in employment barriers against persons in the designated groups. There is nothing wrong with that and my Party agrees with it. We agree with the recommendation of the Abella Commission which said essentially the same thing, that there should be an affirmative action program in every federally-regulated company in order to eliminate existing barriers and ensure representation from people who have suffered discrimination in the past. The Bill says that the employer shall institute positive policies which will ensure that persons in designated groups achieve a reasonable degree of representation. Again, I do not disagree with that at all. What I do disagree with is the total lack of a mechanism to ensure that that clause is implemented or enforced in any particular way. I want to give an example of research into the discrimination which takes place on an ongoing and chronic basis. This happens to have been done in Toronto, a city which has been held up by many people as an example of a multicultural, multiracial community, not only in Canada but in many other countries around the world. The Minister will be aware of the research carried out by York University under the auspices of the Urban Alliance on Race Relations and the Social Planning Council of Metropolitan Toronto. The research involved job applicants whe were as similar as humanly possible regarding their work experience, education, employment history and the like. These people contacted some 200 employers while looking for jobs. There were 201 jobs tested by application in person. The only difference between them was that half were black and half were white. Half the applicants were black, half were white, with 36 jobs offered to the white applicants and nine to the black. In another 38 cases, blacks were treated differently from the whites. For example, one applicant went in looking for a restaurant job. He was told the manager would be with him in a minute. He was given an application form, allowed to fill it out, and told he would probably be called for a second interview. Another applicant of similar age and experience went into the same restaurant on the same day. He was told the manager was not in. He was given an application form and sent away, having been told that if he wanted to send it in, that was okay. He was given no further encouragement and no indication a second interview would be forthcoming. The difference is that the applicant who was given the brush-off was black and the applicant who was treated courteously, helpfully and with interest by the manager was white. Similar results occurred when these people applied for jobs over the telephone. In the case of blacks, they had a 64 per cent chance of getting through the telephone screening procedure. That is, they got 13 interviews out of every 20 calls. The white people who called got 17 interviews for every 20 calls. When you broke it down their chances of getting a job were three times as good as those of the blacks.

My question is this. Let us suppose we are talking about federally-regulated companies, because obviously the federal Government has to set an example for the provincial sector and cannot regulate directly. How do those practices come under the purview of Bill C-62? The plain answer is: not at all. There is no means to do so. I suppose, some three or four years after the discrimination took place, a black applicant, whom, I suppose, the Minister expects to have the time, information and resources to do it, can go and talk to a community newspaper or *The Toronto Star* and say: Did you know that four years ago I was turned down for a job and it looks as though this particular employer is employing less than his share of blacks? Let us be realistic, Mr. Speaker. That is no result at all. In the meantime, that black person has had to hustle to find a way of earning a living and frankly does not have the time to go back. What does he have to do? Pursue it with the Human Rights Commission? Pursue it in the courts? That is ridiculous. There is literally no way that discrimination against blacks, Indians, native people, Pakistanis or other visible minorities, or women, can be caught up with, given the mechanisms in this Bill. However, the Minister has the effrontery, along with members of her Party, to get up and say what a wonderful job we are doing. The Abella Commission said quite explicitly that if you are going to have affirmative action it has to be matched with enforcement mechanisms. It said that this has to be done if we are serious about providing equality.

[*Translation*]

I would like to say a few words about the status of women, Mr. Speaker, because women are continuing to suffer discrimination in the work place. Women work, for instance, in restaurants, in various service sectors and in stores, and they are found mostly in jobs that pay far less than jobs held by men.

For instance, in the public service, about 38 per cent of female employees earn less than $20,000, while among male employees, the ratio is only 11 per cent. Real discrimination exists in the federal Government, and nothing has happened to change the situation since the new Government was elected.

Mr. Speaker, if we consider what is happening to women in job creation programs . . . I just had a conversation with the Hon. Member for Outremont (Mrs. Pépin), regarding the discrimination that existed under the Liberal Government in job creation programs. Only 20 per cent of available jobs were given to women, despite the fact that they represented 42 per cent of the labour force in Canada.

Mr. Speaker, very little has changed under the new Government. One million women will be affected by technological change in the next six years. Women will be affected in a variety of ways, but nothing has been done in Bill C-62 to help with their training.

We, on our side, believe that since women represent 42 per cent of the labour force in Canada, they should be able to benefit from 42 per cent of the funds for training made available by the federal Government. However, Mr. Speaker, that was not the case under the Liberal Government, and again, nothing has changed sufficiently under the new Government now in power.

In 1981, for instance, women represented only 5 per cent of all apprentices. They had 5 per cent of the entire apprenticeship sector in Canada, and almost all these apprenticeships were for hairdressing. And if we leave out jobs in the service sector, women represented only one half of one per cent of all apprentices in Canada.

Mr. Speaker, this kind of discrimination is continuing. The Government cannot solve this problem with a Bill that contains no provision for ensuring that the good intentions of this legislation are implemented and reinforced.

In her report Judge Rosalie Abella quite clearly recommended an enforcement mechanism. According to her there has to be more than a mere process to count how many individuals in each category have jobs if ever women, minority groups, ethnic groups and disabled persons are to achieve equality. An enforcement mechanism is what we need.

We know what the objective is, Mr. Speaker, and the Minister's statement that the Canadian Human Rights Commission will ensure compliance with the law is woefully inadequate because the Bill does not contain a provision concerning the mechanism required to make certain that employment equity will be fully respected in the public sector.

Thank you, Mr. Speaker. I intend to continue my remarks after the oral questions period.

Mr. Deputy Speaker: Order, please. It being one o'clock I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 22

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

THE LATE ALFRED ROULEAU

EXPRESSION OF CONDOLENCES TO FAMILY

Mr. Raymond Garneau (Laval-des-Rapides): Over the weekend, Mr. Speaker, we were saddened to learn the death of Mr. Alfred Rouleau. Today I want to pay homage to this outstanding Canadian, this outstanding Quebecer who throughout his active life promoted the economic development of Quebec, particularly by playing the leading role in the establishment of the Desjardins life insurance company. He was company president for about ten years, then became president of the entire Desjardins caisses populaires movement which, under his leadership, expanded rapidly.

After retiring a few years ago, Mr. Rouleau continued to show much interest in charitable organizations and acted as consultant and guest speaker in various organizations.

His life accomplishments will be highlighted by people who are undoubtedly better qualified than I am.

I had the pleasure of working with him during a few years and, in my name and on behalf of the members of my Party, I want to extend to the family of Mr. Rouleau our heartfelt condolences in their bereavement, and remind all Canadians that they have also lost a fellow citizen who had been awarded the Order of Canada.

* * *

SOCIAL SECURITY

ADVANTAGES FOR FAMILIES

Mr. Jim Edwards (Edmonton South): Today, Mr. Speaker, I would like to elaborate on the proposed family allowances amendments.

Hon. Members must keep in mind that Bill C-70 is part and parcel of the changes to the child benefit system.

[*English*]

Perhaps it is for this reason that the opposition Parties have chosen to ignore the child benefit system in its entirety. I quote from an editorial which appeared in *The Globe and Mail* on September 18 which states:

"The NDP and the Liberals portray this as the cavalier act of a Dickensian regime. They do not draw attention to other changes in the child benefit system that will substantially increase tax credits aimed at the needy . . . , and reduce tax exemptions that favour the wealthy.

My constituents also question the veracity of the Opposition. Changes to the child benefit system were announced in the May Budget. They include three proposals which will ensure that maximum benefits are received by those most in need. One change is the modification of the indexation of family allowances to the consumer price index where increases in

these payments will be made when the CPI exceeds three per cent. The second proposal will increase the child tax credit by 36 per cent for a total of $140 per child over the next three years. The credit will rise from $384 in 1985 to $524 in 1988. The final proposal will reduce the existing tax exemptions by almost half from $710 to $380. The new amount of $380 will equal—

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

* * *

THE MINISTRY

MINISTER OF JUSTICE

Mr. John Nunziata (York South-Weston): Mr. Speaker, I would like to take this opportunity to stand in my place and publicly congratulate the Minister of Justice (Mr. Crosbie). On the weekend, in a rare moment of candor, in a burst of honesty tantamount to a death-bed confession, the Minister of Justice stood up and said: "I wasn't as astute as I should be". We in the Opposition have been saying that for many, many years since he left our Party and crossed the floor to join the Conservative Party.

That was an amazing confession, Mr. Speaker. It was an amazing admission coming from a man with such unimpeachable integrity. I am sure his sons are proud today knowing that their father stood up and admitted that he wasn't as politically astute as he could have been. I am sure that those Conservative delegates who voted at the leadership convention are saying to themselves today: "We weren't as astute as we could have been. We could have had JC as a leader: a man with unimpeachable integrity".

Other Ministers would do well by emulating the Minister of Justice, by standing up in their places and telling the people of Canada that they were not as astute as they could have been. The former Solicitor General could stand up in his place and say—

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

* * *

ENVIRONMENTAL AFFAIRS

QUEEN CHARLOTTE ISLANDS—PRESERVATION OF SOUTH MORESBY

Mr. Jim Fulton (Skeena): Mr. Speaker, for more than a decade proposals to preserve the South Moresby area of the Queen Charlotte Islands have been before the Legislatures of British Columbia and Canada. For six years the Environmental Land Use Committee of the B.C. Cabinet has intentionally stalled the issue with the resulting confrontation of forest harvesting versus park status.

It is well known among professional foresters that the forest lands of the Queen Charlottes are being liquidated without the slightest concern for sustained yield or long-term employment stability. All three federal political Parties are firmly on record endorsing the preservation of South Moresby. However, the Prime Minister (Mr. Mulroney) and his Cabinet have fueled the confrontation and controversy by failing to address the legitimate economic and environmental concerns that have been raised.

In a desperate bid for confrontation, the politically incompetent Social Credit administration has once again set up a panel to hide behind and to stall and confuse the issue while logging proceeds. yes, Mr. Speaker, the Socreds have publicly stated that forestry is a sunset industry in B.C., but the lack of political will by this House to preserve Canada's Galapagos and our nation's forests will not be easily forgotten. The result is no sustained yield, no sustainable process for protecting areas of national significance, and an island community sorely hurt by a vicious controversy.

* * *

SMALL BUSINESS

PRESENT AND FUTURE EXPANSION

Mr. Don Ravis (Saskatoon East): Mr. Speaker, this is Small Business Week across Canada and recent reports give small businessmen much to celebrate. The Economic Council of Canada predicts that over the next ten years the economy will grow by 3.5 per cent after inflation, unemployment will decline to 7.5 per cent, and inflation will fall further to 3.4 per cent. I am pleased and proud to note that employment in my own city of Saskatoon dropped in September by 20 per cent over August figures to 9 per cent. Unemployment in the Province of Saskatchewan is now at 7.5 per cent, the lowest rate in Canada.

Most encouraging of all to Canadians, however, are the results of a survey of 10,000 members of the Federation of Independent Business released last week. The results show that 35 per cent of small businesses in Canada increased in size over the first half of the year, and that 30 per cent plan to expand in the second half of the year. This means that the 10,000 respondents alone will have created 20,000 new jobs by the end of this year. When you consider that small and medium-sized firms account for more than 95 per cent of the more than one million Canadian firms, it is easy to see why independent businesses are the key to Canada's economic security.

I have been a small-businessman, Mr. Speaker, and I know what these positive trends mean. They mean that businessmen have confidence in the economy and want to invest in it. No Government can make people invest in an economy that is not sound, but government can take steps to strengthen the economy and provide a sound investment climate to encourage businesses to expand.

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

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AIRPORTS

LONDON, ONT.—SIZE OF CONTROL ZONE

Mr. Tom Hockin (London West): Mr. Speaker, one year ago representatives from the London Ontario Air Traffic Controllers and London Air Operators flew to Ottawa where I met with them to discuss the future of the control zone leading into the London airport. They told me why they felt the Government should not proceed with its plans to reduce the ten-mile control zone around that airport to a five-mile zone. Their views, which expressed concern with safety, are worthy of very careful consideration because, in my view, the situation at that airport is unique. The following are the safety concerns on which both operators and controllers concur.

The first is the safety of flight over the city. A Department of Transport report admits that there is a very heavy mix of traffic over that airport. Second, there is great concern over the safety of instrument flight aircraft mixed with visual flight aircraft and the tower's ability to control their movement within five miles. In essence, Mr. Speaker, what is needed is the segregation of a relatively high volume of VFR traffic from IFR traffic arrival-departure paths in the London area.

The London air traffic control zone has a fine safety record. A delicate balance has been struck in the past. The 10-mile radius has provided that balance, and I must ask why we would change it now, with unknown consequences.

* * *

ENERGY

HEAVY OIL UPGRADER—RISK EVALUATION

Mr. Russell MacLellan (Cape Breton-The Sydneys): You know, Mr. Speaker, sometimes you have to pat yourself on the back because nobody else will. That is exactly what the Minister of Energy, Mines and Resources (Miss Carney) did last spring. Since the thousands of jobs promised in the Western Accord were not materializing, she decided to take credit for the jobs the Liberals had created. Last May the Minister of Energy, Mines and Resources tabled a list of projects she claimed were only made possible as a result of the Western Accord. The funny thing is, Mr. Speaker, many of those projects were in the works long before she called herself the Minister of Energy.

One of these projects was the Husky bi-provincial upgrader. She said it would mean $3.2 billion in investment and 3,300 person years of employment. Now the Government has decided to review its commitment to the project. The former Liberal Government had pledged to back the upgrader with a $780 million loan guarantee and another $50 million in grants to help defray construction costs. Now the Government is doing a risk evaluation of the project.

• (1410)

Why, when the Minister was taking credit for the project, did she not do a risk evaluation at that time? As the Saskatchewan Energy Minister has said: "The review should have been completed in June." And further: "The upgrader is being built for the next 25 years. It doesn't make sense to make decisions based on present oil prices".

Husky still believes in this project; so do the provinces. But the Government is doing a review. Last May it was happy to pat itself on the back for a job well done. But it is like I said, Mr. Speaker, sometimes you have to pat yourself on the back because nobody else will.

Mr. Speaker: I must advise the Hon. Member that his time has expired. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

* * *

ENERGY

SUNCOR—DEREGULATION OF NATURAL GAS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to comment on two current energy issues. First, Suncor. If I were the Ontario Government I would not sell Suncor. Why buy at the top of the market and sell at the bottom?

Look at what the Reichmanns did in New York. They bought real estate when people were writing off the Big Apple. Recently they bought Gulf's upstream assets because they know, as Ontario should know, that by the 1990s world conventional supplies of crude oil will be seriously depleted and concentrated in the Middle East. The tar sands will be worth a fortune.

Second, the Minister of Energy (Miss Carney), in my view, should not forget the interests of consumers and small producers as she negotiates the deregulation of natural gas. She should break up the monopoly that TransCanada Pipelines has over contracts in transportation. She should keep the 25 year rule on gas reserves, and she should remember her promise solicited in this House of Commons that Canadians should not pay more for our natural gas than Americans.

* * *

[*Translation*]

SOCIAL SECURITY

GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, Opposition Members often bring lists to the House of constituents who are against some Bill or regulation our Government has introduced.

S.O. 22

Today, Mr. Speaker, I am going to tell you the true story of a constituent who has six children, from fifteen years old down to fourteen months. She is now receiving $466.23 per month in family allowances—$387.20 from the federal Government and $79.03 from the provincial Government. With a gross income of $37,571.00 and $29,103.00 in expenses, this family, which raises beef, is certainly not rich. However, it approves and supports our Government in its decision to amend the 1973 legislation on family allowances.

Mr. Speaker, why does my constituent approve of our position? First of all, because we are maintaining the program's universality. Second, because her overall income will increase, considering the number of children and her net income. Third, because she knows that any reduction in her allowances will not depend on the Government but on her income from the farm will increase, which she earnestly hope will be the case.

In my constituent's view, the State must help families, and that is what we intend to go on doing.

* * *

[*English*]

SMALL BUSINESS

IMPORTANCE TO ECONOMY AND JOB CREATION

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, this is Small Business Week in Canada. As a small-business person, I have spoken on several occasions in this House and elsewhere on the importance of the small business community to the economic fabric of Canada. Small businesses are estimated to employ three-quarters of all Canadians in the workforce.

A few days ago the Canadian Federation of Independent Business released the results of a survey of their members. This survey, when extrapolated, indicates some 240,000 net new jobs were created by the independent sectors in the first six months of this year.

The combined employment and investment plans of small businesses for the second half of the year are very optimistic. Employment growth of nearly 5 per cent is anticipated in the second half of the year, which would translate into some 170,000 net new jobs by the sector.

More impressive is the expected acceleration of spending plans. The current survey indicated that more than four out of every 10 firms plan an increase in investment, and more than five out of 10 indicate they would expect to expand their business.

Confidence within the small business community is growing at an exciting rate. Businessmen have a growing confidence in Canada, and are responding to the efforts of a Government which recognizes the importance of the small business community.

This Government understands the requirements of the business community and continues to bring forward initiatives that provice encouragement, stimulus, and confidence in the business sector. It, in turn, is responding in a dramatic way with new jobs.

ORAL QUESTION PERIOD

[*Translation*]

BANKS AND BANKING

RESTRUCTURING PROPOSALS MADE BY BANKS EXPERIENCING DIFFICULTY—GOVERNMENT ATTITUDE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, this morning we were informed that last fall, the president of the Mercantile Bank had asked the Government for permission to restructure its operations.

Last week I was also informed that last November, the Northland Bank had made a similar request to the Progressive Conservative Government.

My question is quite simple. Did the Government discourage the attempts of these two banks to restructure their operations? If so, why?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I understand from Mr. Davidson himself of the Mercantile Bank that these conversations were part of ongoing informal discussions that he and other banks have with the Inspector General of Banks. They were going on not only on last November, but are held on a regular basis.

[*Translation*]

NORTHLAND BANK—FACTORS INFLUENCING GOVERNMENT'S DECISION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the case of the Northland Bank, there was a similar request. And if approval for restructuring their operations was not forthcoming last fall, it was because their situation must have been pretty good.

I would therefore ask the Minister: What happened between November 1984 and September 1985 to make the Government suddenly pull the plug and put the Northland Bank under liquidation, since the Minister said herself, from her seat, on March 29, that no other banks were in difficulty?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have answered this sort of question in this House before. The Inspector General is in constant touch with these banks and the actions he took were deemed appropriate at the time when problems were brought to his attention, or if he brought problems to the attention of the banks.

Mr. Deans: By whom?

[*Translation*]

DEVELOPMENT OF NORTHLAND BANK—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, that was not a particularly smart answer on the part of the Minister. Good grief! On March 29 she told the House that no banks were in difficulty. We know that a request for restructuring operations was set aside in November 1984. What suddenly brought about the decision to remove the Northland Bank's every chance of surviving and expanding?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the reason we have a judicial inquiry is so that all the facts around the Northland Bank and all the facts around the CCB will be brought out in context for the public's attention. I think the Hon. Member will be satisfied when the inquiry is completed, that the Government acted appropriately.

CERTIFICATES OF TERM DEPOSITS IN U.S. CURRENCY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is also for the Minister of State for Finance. Although the Canada Deposit Insurance Corporation does not ensure deposits in foreign currency, some branches of the Canadian Commercial Bank issued certificates of term deposit in U.S. currency, on which was clearly printed that the deposits were fully insured by CDIC. Will the Minister tell the House how many such certificates were issued, and when she became aware of the practice?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would be very happy to look into the matter. It is in the hands of the curator at the moment.

This issue came up at the time of Pioneer Trust, I am sure the Hon. Member will recall. At that time I instructed the CDIC to get in touch with all member institutions and ensure that wherever this practice was going on that it be stopped.

DEFINITION OF UNINSURED DEPOSITORS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my information is that there are hundreds of depositors involved. Since these depositors were misled, can the Minister tell us whether they are included among the uninsured depositors covered in the Bill before the House, or is the Minister recommending another solution for them?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Bill before the House defines depositors as the word is defined in the CDIC Act, and that is the legislation under debate at the moment.

Oral Questions

NATIONAL REVENUE

GULF TAKEOVER—REVIEW OF TAX LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. In recent days there has been considerable dispute as to which Ministers were involved in making decisions concerning the Olympia and York takeover of Gulf. What has not been disputed is the existence of a tax law that makes this possible, a tax provision known affectionately in industry as "The Little Egypt Bump", which has been in existence since 1971. He, as Minister, has done a careful review of this tax loophole. Will he have something to say to the House of Commons about his decision following that review?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, I have addressed the problem of tax expenditures which might be subject to question as to whether or not they are appropriate within the Income Tax Act. I have taken action on the scientific research tax credits, the carve-outs, as well as three or four items which were in the last Budget. All these matters are under ongoing review.

Indeed, this past summer I issued a booklet entitled *Cost of Selective Tax Measures*, which hopefully will give rise to some debate on the appropriateness of similar types of tax expenditures.

CORPORATE TAX—REQUEST FOR AMENDMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the people of Canada are interested in some action on tax fairness, not just debate. I have a question arising from information which was provided on Friday. On the one hand we learned from Statistics Canada that the share of taxes paid by corporations in Canada is at an all time low, at least for the period of the last 10 years. At the same time the Minister of State for Finance said that the tax provision which makes the kinds of benefits possible that Olympia and York got in the Gulf deal was "going to go on and on and on". Will the Government take action now to remove that particular loophole to ensure that corporations pay their share of taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in my previous answer, what the Canadian people are getting now in action, not just debate. We have taken specific action on a number of similar items. All these things are under constant review and will continue to be under constant review, and decisions will be taken. I would caution the Hon. Member, though, when using these statistics, that there are a number of companies which are still suffering, and suffering quite severely, from the depression of 1981-82, which caused this low tax position of Canadian corporations.

USE OF CORPORATE TAX PROVISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has taken action all right; the taxes on the average Canadian have gone up and the taxes on corporations have gone down. What about a reversal of those priorities? Will the Minister confirm that this "Little Egypt Bump" tax provision, which has been there since 1971, has been used at least six times during the lifetime of the previous Government and the present Government to provide millions of dollars in giveaways to corporations? Is he prepared to table in the House the exact data, not for particular companies, but the cumulative figures which will show how much average Canadian taxpayers have lost because corporations have gained unfairly?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is misleading Canadians. I would like him to reflect back on the Budget where there is a surtax on corporations and a capital tax on banks in order to have some degree of fairness and balance in the approach we have taken to addressing the deficit problem. With regard to the specific information for which the Hon. Member is asking, I will have to take a look to see what would be available.

* * *

BANKS AND BANKING

ESTEY COMMISSION—REPRESENTATION FOR OPPOSITION PARTIES

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Finance. Both he and the Minister of State for Finance keep talking about the importance of the Estey Commission when it comes to dealing with Northland and Canadian Commercial Bank matters. Therefore, will the Minister of Finance agree that the Government will provide funds for each opposition Party to have counsel at all hearings of the Estey Commission, so that the matter can be properly gone into and disclosed?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Hon. Member raises a question which he raised with me previously. I have indicated that I appreciate the representation on the part of opposition Parties. Quite frankly I hoped to respond to him in a more official way, but the answer is no.

GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is directed to the Government House Leader. The Government of Canada, the Bank of Canada, the Inspector General of Banks and the Canada Deposit Insurance Corporation are all represented at public expense at the hearings of that commission. Why is the Government afraid to have counsel there on behalf of both opposition Parties to ensure, on behalf of the public, that all relevant question will be asked? What is the Government trying to hide? What is it afraid of?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I do not want to trivialize the question. The fact is that we would have hoped for more on the floor of the House of Commons rather than having counsel retained for the opposition Parties.

The Hon. Member will understand that there are certain precedents in respect of standing before the commision. In the case of any group, I simply say that it is a question of making application to the Commission with regard to standing. However, the normal practice has been that they will pay their own legal expenses in connection with such an inquiry.

* * *

[*Translation*]

NATIONAL REVENUE

CONSEQUENCES OF TAX SHELTER ACCORDED REICHMANN BROTHERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I wish to direct my question to the Minister of Finance.

Would he be prepared to admit, as we in the New Democratic Party assert, that the tax shelter provided for the Reichmann brothers did not create a single job and that, on the contrary, it may have even resulted in the loss of jobs in Montreal East?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it astounds me that a question coming from that Hon. Member would criticize the fact that Canadianization of the oil and gas industry should increase by over 4.5 percentage points. That will create jobs. It will create a more independent Canadian-owned entity. It will save Gulf from being merged with Chevron and from being totally submerged by Chevron. Surely these things should cause the Hon. Member to stand and shout from the highest mountain that this has been good for Canada.

CREATION OF JOBS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Other than Mickey Cohen, the former architect of the National Energy Program, and some tax accountants, who got jobs out of this $1 billion tax boondoggle giveway? Can he name anyone who got jobs other than Mickey Cohen and some tax accountants?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I said, I am astounded that these questions should come from the Hon. Member. It will lead to a stronger oil and gas industry. It will save jobs which would have been lost had there been a merger between Chevron and Gulf Oil. It will lead to a greater degree of exploration activity in the offshore.

Surely these are good things for Canada. The Hon. Member should take his negative attitudes away from here and start congratulating the Government for doing something which his Party has been encouraging us to do the whole time we have been in office.

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MINES AND MINING

ASBESTOS—MINISTER'S STATEMENT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of State for Mines who believes that the Government is wasting taxpayers' money by removing asbestos from Government buildings. It relates to his statement of two weeks ago:

> It really is upsetting that I can't get the message through more quickly to stop wasting government money.

Obviously he was not telephoning the Prime Minister's Office. Has the Minister made any progress since this expression of frustration was made some two weeks ago?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, as Minister of State for Mines in the Government, I have an interest in all mining activities across the country. In this particular instance, the asbestos industry has been the victim of continuing concern which new scientific evidence has indicated is no longer a basis for judgment. Canada's approach to the use of asbestos is controlled use and ensured safety for workers, which is fully supported by the workers in the industry. With regard to Government programs to minimize the cost of correction of earlier policies, these are under way.

HEALTH INQUIRY

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. Does he agree with the Minister of State for Mines that one can safely ingest asbestos?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, when the Hon. Member reflects on the answer of the Minister of State for Mines, I am sure he will realize that the words used in his question were not the ones used by the Minister. When we take a look at the matter of safety in mining and the manufacturing of chrysotile asbestos, all of us are fully aware that the standards accepted by various Departments of Government are rigorous and have to be maintained.

* * *

● (1430)

SOCIAL AFFAIRS

PROVISION OF DAYCARE FACILITIES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance. Last June the Minister of State for Finance told a women's economic conference that daycare is the most pressing and the most critical issue preventing women from achieving economic equality. Does the Minister of Finance agree with his colleague's statement?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker—

An Hon. Member: Just say yes, Jake.

Mr. Deans: Are you really the Minister of Finance?

Ms. Mitchell: Are you the Minister of Finance?

Mr. Epp (Provencher): Mr. Speaker, the matter of the importance that this Government places on daycare and its proper financing is an ongoing one. The Member will also note, for example, that the number of spaces that have been opened in the last year, in this Government's first year, has accelerated. If she takes a look at the figures supplied by CMHC, she will find that substantiated as well. Members of this House, and especially of this Party, have encouraged the Government to seek whatever means, both private and public, to maintain and to increase the number of spaces.

GOVERNMENT FINANCING

Ms. Margaret Mitchell (Vancouver East): Will the real Minister of Finance please answer this one? If there is to be any improvement in daycare the federal Government must take on a leadership role with direct financing. I think the Minister previously indicated what the Government's position was.

Will the Minister of Finance make a commitment today that he will begin planning now for the establishment of a daycare fund in his next Budget? Let us plan now so we will get it in this time.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my colleague, the Minister of National Health and Welfare, has indicated very clearly the priority that we put on the provision of daycare and the insistence of society on our developing more places for daycare. This is something on which we will continue to work hard.

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—UNITED STATES CLEAN-UP PLAN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment who has had time to study the American plan for the clean-up of the toxic chemical mess along the Niagara River, submitted to him last week.

Will the Minister tell us now whether the plan contains stiff controls on the polluting industries on the American side and, secondly, whether specific funds have been allocated for the incineration of toxic chemicals from the dump sites along the Niagara River?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am puzzled as to why the Hon. Member would ask that question because within minutes of my receipt of the relevant report, not having seen the report, not even having been provided with a digest of it, the Hon. Member shot off a news communique, dated October 17, answering the very question he purports to put to me in good faith today. He said there are no funds, no monitorings, no research, no plans for, as he put it, the "so-called" Niagara River clean-up. I suggest to him that he do what I am doing, which is taking the time to reflect on the issue methodically before making categorcal pronouncements *ex cathedra*.

CONTENTS OF PLAN

Hon. Chas. L. Caccia (Davenport): The health of six and one-half million Canadians who depend on the quality of that water is more important than the rhetoric in which the Minister is engaging today. Will the Minister give the facts to the House and tell us what are the specific amounts of money attached to that plan, whether there are control measures attached to it, and whether the municipalities on the American side will be given the funds to clean up, by way of sewer controls, the mess that is taking place daily in those shared international waters?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member asks for the facts. The facts are that he was Minister of the Environment for 12 months. His Party was in control of the affairs of this country, including my Department, for a quarter of a century, practically without interruption, and during all that time nothing was done. This Government is committed to doing something and it is going to do it.

* * *

EDUCATION

FEDERAL TRANSFER PAYMENTS

Mr. Howard McCurdy (Windsor-Walkerville): Since 1977 the provincial contribution to post-secondary education has fallen from about 30 per cent to 20 per cent and there has been a deterioration in total funding, quality, and accessibility, to the extent that most think there is a need for increased funding both federally and provincially.

Will the Secretary of State, for the benefit of those observing National Universities Week, explain how cumulative cuts totalling $6 billion to $7 billion by 1990, in the escalator for transfer of payments to the provinces, will impact upon the universities and colleges of the country?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): With respect to the level of contributions paid to the provinces, Mr. Speaker, the May Budget of the Minister of Finance contained very specific figures which were recently communicated to the provinces by the Minister of Finance. As to the first part of the question, I am sure the Hon. Member can understand my reluctance to comment on the quality of education in the various provinces, for I do not think it is my role. As to the second part, the Hon. Member presupposes cutbacks which do not exist. We have conveyed the financial figures to the provinces and they are perfectly free to analyze them. The Minister of Finance is keeping in touch with them. I am quite confident that the matter will be resolved, as will other questions related to education.

[*English*]

PROVINCES' CONTRIBUTIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I find it extraordinary that the Secretary of State, whose responsibility is colleges and universities, has not thought about the matter, as revealed in his answer. I would like him to tell me how he believes that it is going to be possible to convince the provinces to increase their contributions to post-secondary education if at the same time the federal Government is proposing extensive cuts in transfer payments which may total $6 billion to $7 billion by 1990.

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, my responsibilities do not extend to colleges and universities. I am accountable to the federal Government and must ensure that the quality of education meets the requirements the federal Government may set. Again I say to the Hon. Member—and I told him so this morning—that education and the funds provided by the provinces do fall within their jurisdiction. In 1977 it was decided to make an unconditional transfer of the funds to the provincial Governments. That was done and we honour that commitment. As to the other process we have to undertake with respect to education assessment, we will do so on the basis of the educational funds earmarked by the provinces—

Mr. Speaker: Order, please!

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTERS OF SCIENCE AND TECHNOLOGY

Mr. Speaker: May I inform the House of the presence in our gallery today of four Ministers of Science and Technology. Collectively they are as follows: from Australia, the Hon. Barry Jones; from Italy, the Hon. Luigi Granelli; from the

United Kingdom, the Hon. Geoffrey Patti; and from the United States, the Hon. Dr. George Keyworth.

* * *

ST. LAWRENCE SEAWAY

WELLAND CANAL BLOCKAGE—REQUEST FOR EXTENSION OF SHIPPING SEASON

Mr. Allan Pietz (Welland): Mr. Speaker, due to the serious situation caused by the blow-out of lock 7 on the Welland Canal, in my riding, and the fact that repairs to that lock were hampered over the weekend because of the heavy rains, would the Minister give consideration to a further extension to what he has already announced of the shipping season? Will he also give consideration to the two proposals for upgrading the locks which I mentioned in this House on Friday?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member knows that the Seaway will operate as long as weather permits.

On the broader question I have had some preliminary discussions with Mr. O'Neil, the president of the Seaway Authority, with a view to determining ways and means of more accurately identifying any potential problem areas in the future and, secondly, to consider ways and means of adequate and effective contingencies in the event of a breakdown and, thirdly, other ways and means of improving the over-all operation of the Seaway and thereby restoring confidence both here in Canada and abroad. However, our first and foremost priority is to get the Seaway operational and we are working around the clock to accomplish that target.

* * *

● (1440)

[*Translation*]

CONSUMER AFFAIRS

INCOME TAX DISCOUNTERS—GOVERNMENT POSITION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Last year, income tax discounting companies kept over $41 million in tax refunds, and of this amount, $20 million came from the tax child credit. There are now over 1,000 offices operated by these loans sharks and we have been asking for action in this regard for over a year.

Why has the Minister not done anything yet? Why does he allow our needy, of whom the majority are women, to be exploited in this way? Why—

Mr. Speaker: Order, please!

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I shall try to reply very briefly. As I stated last week, we completed our consultations a few weeks ago. We are now preparing recommendations which will be submitted to the Cabinet shortly.

Mr. Speaker: The Hon. Member may ask a short supplementary.

[*English*]

Mr. Rompkey: Mr. Speaker, the National Anti-Poverty Organization has urged the Minister to outlaw tax discounting completely and we have been asking for that for a year now.

Some Hon. Members: Oh, oh!

Mr. Rompkey: In light of the increase—

Mr. Speaker: Order, please. The Hon. Member for Burnaby.

* * *

[*Translation*]

LABOUR

WAGES OF AIRPORT SECURITY PERSONNEL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a question for the Minister of Labour.

The Minister will be aware that, at the Dorval, Mirabel and Quebec airports, the security officers, who all come under Federal jurisdiction, are paid $4 an hour while others under provincial jurisdiction are paid $5.80 an hour in accordance with provincial legislation.

How can the Minister accept on the one hand that people in charge of passenger security be so underpaid, and on the other hand that there be such a difference in the wages paid to workers doing essentially the same job?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member is aware, the wages at the airports to which he has referred are set by a collective bargaining process and are negotiated between the two parties. Regarding the minimum wage and its effect, that is under consideration within the Department.

[*Translation*]

WAGE PARITY—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary is for the same Minister.

Does the Minister recall having told his colleague, the Minister of Public Works, that he would consider introducing a bill to amend the Fair Wages Act in February so that these

officers may have wage parity with their provincial colleagues, and if so, what is he waiting for?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as I understood the Hon. Member's question, he was asking if there is parity between the provincial minimum wages and the federal minimum wage. Consideration is being given to the federal minimum wage. Right now it is still above that of two provincial jurisdictions and we will consider the options available to the Government.

* * *

LAW REFORM

IMPOSITION OF PRISON SENTENCES

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Solicitor General. The Solicitor General will know that last week at a Conference on the Administration of Justice, the President of the Law Reform Commission of Canada called for the abolition of minimum sentences, the abolition of time off for good behaviour, and the abolition of the parole system. As well, he suggested that we should substitute for that a system of bench-mark sentences. Can the Solicitor General tell us if he agrees with those proposals and will he tell us if he would consider introducing those on a trial basis before calling for the vote on capital punishment?

Mr. Speaker: Order, please. The question is too long.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I know an easy question when I hear one. I believe the Hon. Member was referring to a paper which was produced by Mr. Justice Allen Linden, one of over 100 representations currently being studied by the Canadian Sentencing Commission. I can indicate that, regarding mandatory supervision, over which a number of concerns have been expressed, there is legislation before the House right now to clean up some of the present abuses.

* * *

CANADIAN BROADCASTING CORPORATION

PRODUCTION OF CANADIAN PROGRAMS

Mrs. Sheila Finestone (Mount Royal): My question is for the Acting Minister of Communications.

Mr. Marchi: They are all acting.

Some Hon. Members: Oh, oh!

Mrs. Finestone: According to reports from the CBC and Radio Canada, reductions to their budgets have seriously affected their ability to produce Canadian programs, thereby jeopardizing Canadian cultural sovereignty. Will the Minister explain to the House how, in spite of last year's $85 million cut, the loss of 1,430 jobs, and now an additional $55 million that the CBC says will have to be cut, he thinks that these corporations will be able to maintain their current and planned schedule of made-in-Canada programs?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): In my opinion, Mr. Speaker, the CBC received at the preceding stages of the budget from the Government the same consideration as all the other Crown corporations. About the warning given by the President of the CBC, I have indicated that this was something which had been announced in the May budget, that I would personally have to meet with the President, and that in my view, it was not useful to discuss the CBC budget now. We will do so in November, at which time we will be able to determine the parameters.

[*English*]

PRODUCTION OF LOCAL PROGRAMS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, can the Minister please explain how the sechdule of made-in-Canada programs will continue to be met without reducing local programming and broadcasting in places like Windsor, Ontario, and Labrador City, Newfoundland?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I do not quite get the point the Hon. Member is trying to make . . . for there is no evidence that 10 years ago when you were the Government and when there were no cuts, at a time when as a matter of fact there probably should have been cuts, there was on the network a greater proportion of made-in-Canada programs than there is today. There is really no direct connection. There is no evidence that there is a direct connection between the cuts which have been made and the reduction in the proportion of made-in-Canada programs on the network. Absolutely no evidence. Many other factors should be also taken into account, and we will look into them when we deal with this issue at a later date.

* * *

[*English*]

ST. LAWRENCE SEAWAY

WELLAND CANAL BLOCKAGE—EFFECT ON WORKERS' INCOME

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have a question for the Minister of Transport. As the Minister knows, the shutdown of the Welland Canal has placed thousands of men and women in this country out of work after a very difficult summer during which many of them were laid off because of the grain trade difficulties. Does the Minister believe that these workers should be penalized because of this incident, which morally was the responsibility of the Government? Will the Minister bring in measures to compensate these workers for their loss of pay?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the major preoccupation of the Government and all Hon. Members should be the determination of the precise cause of the accident, the repairing of the canal, and the restoration of normal operations. Anything beyond that is mere hypothesis and speculation. Surely there are disruptions from time to time when there is a mechanical breakdown.

I am encouraged by the Canadian Wheat Board's chief commissioner who indicated that, as far as he is concerned, there will be no resultant loss in sales. So while there may be a delay in the movement of grain until such time as normal operations are restored, I do not anticipate any long-term bad effects.

WORKERS' ELIGIBILITY FOR UNEMPLOYMENT INSURANCE BENEFITS

Mr. Iain Angus (Thunder Bay-Atikokan): The Minister must be aware that many of the workers who were put out of work last week are a few weeks short of having the necessary weeks for reinstatement of unemployment insurance claims. Why should these workers have to suffer a loss of pay because of an accident which was not their fault? While the repairs are being undertaken why does the Government of Canada not move to compensate them for their loss of income?

• (1450)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I understand the Hon. Member visited the site. Perhaps he can tell me what the precise cause of the accident was since I am not aware of it. I do not know that it was the Government's fault or some other person's fault. If he has that information perhaps he should lay it on us. He is assuming that this was the Government's fault. It is an occurence which takes place when there is a mechanical operation. When we have determined the results, perhaps we can consider some of the points raised by the Hon. Member.

* * *

AGRICULTURE

SUGAR-BEET INDUSTRY—PLIGHT OF FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. However, in his absence I will put it to the Minister of State for Forestry. My question concerns a stabilization payment for the sugar-beet industry, especially the industry in southern Alberta where the industry was wiped out this year. On September 27, in a letter to me, the Minister said that there was no funding available due to lack of funds in the federal Government. Yet, last Friday, he made a $90 million payment available to the tobacco industry. Can the Minister explain why there were no funds on September 27 for sugar-beet producers and on October 18 there was $90 million available? Can he tell me where is the equity?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I would certainly love to answer the question. However, in the absence of the Minister I shall take the question as notice. I will certainly draw it to his attention.

REQUEST FOR STABILIZATION PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, while the Minister is doing that I hope he will also note that in a press release last Friday the Minister said he was making this $90 million available because of the critical marketing situation. This is a critical situation for the sugar-beet producers as well. I ask that the Government make an immediate decision to proceed with a stabilization payment this year.

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I will draw that matter to the Minister's attention as well.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL TRANSFER PAYMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance. Last Thursday in the House in answer to a question which I asked him he indicated that in the May 23 Budget he had indicated that transfer payments to the provinces would be cut in the next fiscal year, that is, 1986-87. Will the Minister now stand up and confirm that that was not correct and that the Budget Papers presented by him did not indicate any reduction in transfer payments for the period 1986-87?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not believe that that was the answer I gave to the question last week. In response to another question I confirmed to the Hon. Member that the reduction in the growth rate of federal-provincial transfers would commence April 1, 1986. With respect to the questions he is posing here I caution him to recognize the fact that the percentage of money which will be spent on federal-provincial transfers in 1990-91 will be the same percentage of money as is being spent this year.

ELECTION PROMISE

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is put to the same Minister. The Minister said that the Government will be making those transfers in the next fiscal year. He said that that was contained in the Budget. It was not. Nor was it in the Budget Papers presented by the Minister.

Does the Conservative Party stand by its election promise with respect to returning to the 1977 funding formula for post-secondary education? Will the Government keep that promise? Or, as indicated by the follow-up to the Budget with

respect to transfer payments, will it break that promise as well?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, at a meeting with the Finance Ministers in Halifax in September we had a useful discussion of this whole question of federal-provincial transfers. We will be having two more meetings at least before the end of the year at which we will be discussing this matter further. I think that at these meetings the Finance Ministers will bring forward their views on how they feel the money should be allocated to the provinces.

* * *

TRADE

FOOTWEAR IMPORT QUOTAS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. In that the removal of footwear quotas would reduce prices for consumers, free retailers from complex administrative problems, prevent retaliatory trade measures and stimulate our manufacturers to new levels of productivity and employment, when will the Government announce its policy with respect to these quotas?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased to tell the Hon. Member, who has made representations with respect to this matter earlier, that we are progressing very well with respect to the footwear industry. I am hopeful that we will be able to announce the Government's policy shortly.

* * *

[*Translation*]

PUBLIC WORKS

LAY-OFFS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister of Public Works.

The Minister is aware that not long ago, it was announced that 270 general maintenance workers had received pink slips announcing they would be laid off effective next April. The Minister is also aware that most of the employees affected by this layoff are employed in federal post offices.

Could the Minister inform the House why maintenance workers were chosen as the target for employee cutbacks? Why strike at the bottom instead of at management, and could the Minister inform the House whether this is an austerity measure, in other words, a measure to try and reduce the deficit by striking at those who are less well off, in lower paying jobs?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, it is not at all our intention to strike at those who are less well off. It is clear that we have services to offer at Canada Post, and it is also clear, and I wish the Hon. Member would realize this, that several experiments at Public Works have resulted in savings, in terms of the private sector. In this case, the people have been advised, they have six months to think about their notice, and they will also be able to find the same kind of work in the private sector.

JOB SECURITY—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I have a supplementary, Mr. Speaker.

Could the Minister give the House the assurance that in his Department, the Department of Public Works, he will inform workers responsible for general maintenance in buildings that Canadians use most often, that their jobs are guaranteed and that their jobs are secure today?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, we have identified about 500 people at Public Works. A certain percentage of that number may be reclassified in other areas, and they have six months to do that. There are also those people to whom the Hon. Member referred earlier, who are working for the post offices, and we hope that these people will be able to get new jobs through the contracts which we will be offering to the private sector.

So I think that with their experience, these people will always be needed to take care of maintenance services at our offices.

* * *

[*English*]

CUSTOMS AND EXCISE

PROJECTED LAY-OFFS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of National Revenue. Has the Minister succeeded in blocking Treasury Board's demands to cut 1,152 Customs and Excise staff over the next five years? If not, can the Minister explain how his Ministry intends to respect the guarantee of the Minister of Finance with respect to there being a minimum disruption to the public when 11 per cent of Customs and Excise staff are being fired?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I respect the relevance of my hon. friend's question. However, with respect, the figures he quotes are not accurate. Our Department will do everything it can to retrain and to take into account the best interests of the workers. It is not a question of blocking anything; it is a question of trying to expedite our Government's policy and doing it in as humane and equitable a way as possible.

EFFECT ON SERVICE TO PUBLIC

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister saying that my figures are inaccurate because they are too low and that, in fact, more people will go on this lay-off and retraining route? Can the Minister say to the Government: look at how much tax revenue will be lost by these cut-backs and how much illegal pornography and illegal drugs will come into the country because of these cut-backs and how there will be much greater delays for passengers because of these cut-backs in an essential service to Canadians?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, what I am saying is that the figures quoted by the Hon. Member are not accurate. It is not on the low side that they are not accurate. The other factors he mentions are certainly factors which have to be taken into consideration and we are doing that. We are determined that the interests of the public will not suffer and that the interests of all of the employees will be safeguarded to the greatest extent possible.

* * *

EDUCATION

FUNDING OF UNIVERSITIES

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Finance. Last week the progressive Liberal Government of Ontario announced that an additional $50 million will be given to that province's universities in the next school year in order to help correct the chronic problem of university under-funding. Given that initiative and considering that this week is National Universities Week, will the Minister tell us that the Government of Canada is willing to do its share to correct the chronic problem of university under-funding?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member has been listening to the responses which I have been giving to other Hon. Members. The Government of Canada will be increasing significantly the amount of money which will be spent by the federal Government in federal-provincial transfers, in which post-secondary education and health care are the two major areas. The premise to the Hon. Member's question is wrong.

● (1500)

Mr. Berger: Mr. Speaker, I have been listening very closely to the Minister's answers, but they say more than they don't say.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Hear, hear!

FUTURE FUNDING

Mr. David Berger (Laurier): Mr. Speaker, the Minister has announced that he will cut transfer payments to the provinces, or reduce the rate of increase. Can the Minister assure us that these cuts, or these reductions in increases, will not make post-secondary education and university education suffer?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I replied earlier to our colleague that the provinces assumed responsibility for allocating funds to universities and post-secondary institutions. We make the transfer payments to the provinces, and they make the decisions. We cannot guarantee, as the Federal Government, that these funds will be increased or reduced. On a number of occasions, the Minister has indicated that the transfers were being made to the provinces. It is the provinces and not the Federal Government which decide where the money will go. We cannot . . . We do not assume the provinces' responsibilities.

Mr. Speaker: Order, please!

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, October 18, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, before I present my petitions, I have a question of privilege. As my colleague was asking—

Mr. Speaker: Order. Just for form's sake, perhaps the Hon. Member would like to rise on his question of privilege, and I will recognize him, if that is his wish.

Mr. Waddell: The point of privilege is that as my colleague was asking a question, the Government House Leader called across to us on this side of the House that we should shave or resign, and—

Mr. Speaker: Order.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I suggest that it is not the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who may have a question of privilege.

Petitions

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition signed by a number of people in Vancouver. It is with respect to the Government's policy of deindexing the family allowances. These petitioners oppose this and have requested that I present this petition.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, petitions are still coming in from all parts of Canada asking that the House of Commons reinstate full indexation of the universal family allowance and rescind the unfair tax increases which are such a burden on families. This petition is from the people of Vancouver, British Columbia.

Mr. Sergio Marchi (York West): Mr. Speaker, I have a petition presented by Joseph Edwards in the riding of York West. He and his co-signatories ask that the Prime Minister (Mr. Mulroney) restore full indexation to the family allowance and child tax credit and rescind the budget measure which will take away $55 million in family benefits by 1987.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a petition signed by people from Leaf Rapids, Manitoba. The petition talks about the fact that the Government is deducting the pension benefits from the unemployment insurance benefits which would seriously interfere with the efforts of employees and the community to create employment by giving early retirement pension packages. The petitioners ask that all retired employees be allowed to keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

I may point out that Leaf Rapids is one of the communities where early retirement has become a necessity.

VIA RAIL PASSES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I have the honour to present a petition on behalf of the Moose Jaw CP Rail Pensioners and Pioneer Association, protesting the fact that CP Rail is taking their VIA Rail passes away. The ask that CP Rail immediately reinstate their VIA Rail passes.

DEINDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present a petition from several residents of Quebec. They state that the deindexation of the universal family allowance is an unfair attack on women and families, and further state that this attack will not be offset by changes to the child tax credit and that other tax increases which were in the May Budget will place an unfair burden on low and middle income earners.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: 142 and 329.

[*Text*]

UNIFORMS OF CANADIAN ARMED FORCES

Question No. 142—**Mrs. Killens:**

1. With reference to the article which appeared in the December 10, 1984 issue of the *Ottawa Citizen* concerning the Gallup poll on new uniforms for members of the Armed Forces, does the Minister of National Defence intend to take into account the opinion of the Canadian people who do not wish that $36 million be spent for such purposes?

2. Is the project already under way and (*a*) if so (i) will the old uniforms be reinstated or will new uniforms be designed (ii) who will be responsible for designing the uniforms (iii) will the Canadian people be informed of the developments of the project and, if so, on what date (*b*) if not, will the Minister guarantee the Canadian taxpayer that it will be completed within the estimated costs and deadline?

3. Will tenders be called for providing the new uniforms and, if so, on what date will the call for tenders be made public?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. The project to introduce new uniforms is under way having received both departmental and governmental approval.

2. (*a*)(i) The uniforms will not be identical to those worn prior to unification. While certain traditional and international features have been retained these uniforms will be distinctively Canadian.

(ii) A committee of senior DND officials headed by the Assistant Deputy Minister (Personnel) was charged by the Chief of the Defence Staff (CDS) with the preparation of design proposals. The final designs were reviewed by Armed Forces Council and approved by the CDS.

(iii) The Canadian people will be informed of the developments of the project as they are communicated to members of the Canadian Forces.

(*b*) Not applicable.

3. Some tenders have been called already, and all tenders are expected to be called by March 31, 1986.

CANADIAN ARMED FORCES—COST OF NEW UNIFORMS

Question No. 329—**Mr. Nystrom:**

1. What amount is the Department of National Defence planning to spend on new uniforms for the Canadian Armed Forces?

2. Will the uniforms be purchased from Canadian owned companies or companies operating in Canada?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence):

1. The Department of National Defence is planning to spend an amount not exceeding $56 million. (*a*) $36 million over three years for new uniforms; (*b*) $20 million which was

approved by the former Government for summer uniforms will now be spent on the purchase of the new uniforms.

2. With a minor exception for braid used in the manufacture of rank insignia, which is not manufactured in Canada, all fabrics and uniform components will be purchased from Canadian owned companies or companies operating in Canada.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Mr. Mike Cassidy (Ottawa Centre): In the minutes which remain to me, I would like to continue with our objections to Bill C-62. I would like to cite Judge Abella herself who stated quite explicitly that a voluntary program with a mandatory reporting requirement is nonetheless voluntary in the absence of a requirement to remedy the discriminatory practices disclosed by the information reported. One cannot put it much clearer than that, Mr. Speaker. If we have a voluntary program, then it does not matter how mandatory the reporting of it will be, it is still a voluntary program.

I had the occasion to examine the review by Leah Cohen, a consultant to the Department of the Secretary of State, the Human Rights Directorate, on the question of affirmative action in Canada after 10 years. What Miss Cohen found out was that universally and overwhelmingly the people who have been concerned with employment equity for women say that voluntary programs simply have not worked, have not proven to be effective. For example, the federal Government itself has had a voluntary program through the Canada Employment Insurance Commission which has existed for the last 10 years, and only 5 per cent of the businesses which have been approached have actually instituted agreements. In Ontario, where I was previously a member of the Legislature, the same thing prevailed. The voluntary approach which was put in place by a Conservative Government did not work and all the exhortations to business were simply ineffective.

We are being asked, Mr. Speaker, to believe that Bill C-62, which is a slender, thin, paltry Bill, will somehow lead private businesses to do what they have not been prepared to do over the course of the last few years. If this is true with respect to affirmative action for women, it is equally true in terms of action for the handicapped, the visible minorities and for our native peoples.

You would expect that a certain amount of action within the Government would have been taken, but the Government of Canada has not been effective. Yet the voluntary approach—and presumably something more than that was being followed within the Government—did not apply. We cannot have a Bill with no enforcement. Bill C-62 does not provide for enforcement. The Minister's words about enforcement by the Canadian Human Rights Commission are hollow. They are meaningless. They will be respected by no court of law. The fact that handicapped people do not get jobs in the private sector and that our native peoples do not get jobs even within the Government of Canada and the fact that women continue to receive only 60 per cent of the pay men receive—women are grossly over-represented and grossly under-represented in the service sector in terms of management and good jobs—is witness to how far we have to go and to the need for effective action.

In my opinion, and in the opinion of the New Democratic Party, effective action means that, as the Abella Report stated, there has to be an enforcement mechanism. We have to get tough and we have to be realistic. We cannot expect people to do voluntarily what they have failed to do over the last half a century. That is why our Party believes that Bill C-62 is fundamentally flawed and is totally inadequate to meet the needs for equality in the workplace for all Canadians now.

• (1510)

[*Translation*]

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to Secretary of State (Mrs. Landry) for a question or comment.

Mrs. Landry: Mr. Speaker, I would like to reply to my colleague that this will be the first time that data is available to measure the progress made. In my opinion, this is the difference with this Bill which will mean that we no longer need any compulsory program.

I also want to tell something else to the Hon. Member. As concerns the progress made by our Government, especially as concerns the promotion of women, our Prime Minister (Mr. Mulroney) recently indicated, quite rightly, that our first objective was to increase from 15 to 30 per cent the representation of women on Federal boards and that we have already reached two-thirds of this objective after one year in power.

I therefore believe, Mr. Speaker, that we are being quite consistent in keeping our promises.

Mr. Deputy Speaker: The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, we already have the latest data. We have had them since the report of the royal inquiry commission on the status of women was published in 1965-66. We already have the data. Each year, we can see that women earn less than two-thirds the salaries of men.

We also know that, at the Federal Government, for instance, while the employable handicapped, make up 5 per cent of the Canadian population, only .5 per cent of public servants are handicapped.

We have figures which show that, while the native people represent 4 per cent of the Canadian population, less than 2 per cent are employed in the Public Service. We have figures which show that, at the Federal Government, 60 per cent of women occupy low paying support positions.

These are the statistics we now have. It is therefore not necessary to wait another 4, 5, 6, 10 or 20 years until more data is submitted by various businesses under Bill C-62.

[*English*]

Mr. Hovdebo: Mr. Speaker, I would like to ask my colleague to elaborate somewhat on the fact that the Canadian Human Rights Commission has not been established as an enforcement agency, as well as on the general lack of enforcement agencies so far as this Bill is concerned.

Mr. Cassidy: Mr. Speaker, the fact is that Human Rights Commissions across this country have generally responded on a case-by-case basis to individual complaints. If an individual said he was badly treated and not accepted for a job, the employer, if he is federally-regulated, may well say that this particular individual was not qualified. You have to look at the systemic discrimination, and to do that you need to look at the whole picture. However, according to the Government, we will have to wait for years until the facts begin to roll in. It is extremely difficult for a Human Rights Commission to come in after the fact, and even then presumably it tells the employer that it is about time he put in an effective affirmative action program and that he should come back in five years' time and show the commission that it is working. That does not resolve the problem, for example, of black or Indo-Pakistani Canadians applying for jobs in the Toronto area with one-third to one-half the chance of getting a job as white Anglo-Saxon males. If you take a case before the Human Rights Commission it is extremely difficult, costly, exhausting and, as we saw in the case of a Liberal Member of Parliament, it can be extremely time consuming and put the person concerned out on the line in the sense of public exposure. Surely something better than that is required. While the Human Rights Commission has resolved a few questions related to equal pay for work of equal value, it has worked with glacial speed. It did not have the resources nor the commitment to apply the law in that particular case, and there is no evidence that it will apply a law which does not even name its enforcement agency.

Mr. Boudria: Mr. Speaker, I want to remind the Hon. Member that this morning he was questioning my colleague, the Hon. Member for Outremont (Mrs. Pépin), regarding what the Liberals had or had not done for equality for women. Does the Hon. Member recall the discussion surrounding Article 28 of the Charter? If he does, he may remember that it was the NDP Government of Saskatchewan, for one, which was against the equality provisions for women at that time. Is he also aware that the Province of Manitoba, under an NDP Government, was, at least up until lately, one of the few provincial jurisdictions which did not have equal pay for work of equal value legislation for provincial employees?

Mr. Cassidy: Mr. Speaker, I have been listening to the new Liberal Government in Ontario backing away from its commitment to equal pay for work of equal value. I had the privilege this morning of meeting with members of the daycare coalition and they pointed out that even if it is not yet enough, the number of daycare places per one thousands kids in Manitoba represents the highest proportion of any jurisdiction in Canada. I think that is a tribute to the concern of the NDP Government there regarding that question.

I recall well the point that my friend refers to. I recall in particular that the political leadership which was needed to ensure an equality section for women in the Charter of Rights and Freedoms did not come from the former Government led by the Right Hon. Pierre Elliott Trudeau. It was not until women across the country rose up in arms, formed a network and met in Room 200 in the West Block and began to lobby like crazy that finally the federal Government got going and wrote it into the Charter of Rights. It is instructive to know that despite the fact that some things were done by the previous Government regarding equality for women, the Government did not have it in its heart to insist that it be a part of the draft Charter of Rights from the moment it became public.

Mr. Boudria: Mr. Speaker, I always thought that the NDP said that our country was a partnership between federal and provincial Governments. I now hear the Hon. Member say that the federal Government should have moved, presumably unilaterally, without the consent of the NDP Government of Saskatchewan which did not want equality provisions for women in the Constitution at that time. Is that what the Hon. Member is telling me?

Mr. Cassidy: With great respect, Mr. Speaker, I am not aware of the specific events. Perhaps the Hon. Member and his colleague who spoke this morning have access to what happened behind the scenes but I do not. I do know that the process of constitution-making involves a great deal of bargaining and negotiation. I recall that the Government of Saskatchewan, with the support of my Party, insisted that the special provisions relating to provincial rights in matters of resources were written in during these negotiations. If the Liberal Party wants to claim it is so Simon-pure, I would point out that when the Trudeau Government came to power women earned about 60 per cent of what men earned, and when the Liberal Government was defeated 16 years later—the situation was still about the same. There had not been any appreciable progress. If the Liberals had been concerned about this question they would have put it on the agenda, made it a

public issue, and ensured that, whether it was Davis or Buchanan or any other Premier who was resisting, equality for women was written into the first draft of the Charter rather than added after very substantial lobbying by women that took place across Canada.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to participate in this extremely important debate on Bill C-62. It is important at the outset to ask why it is necessary for this Government, indeed any Government, to bring forward legislation concerning employment equity. The answer is quite simple. It is because there is no equity, fairness or justice in employment in Canada. It is incumbent upon parliamentarians, federal and provincial, to do what we can in our respective jurisdictions to obviate the inequities which have existed for so long in employment in Canada.

I would like to indicate at the outset that we in the Liberal Party support Bill C-62 in principle. We have fought long and hard for the concept of employment equity. We recognize the inequities which exist in Canada today. We are fully committed to achieving a high degree of equity in the workplace recognizing, of course, the jurisdiction that we have as parliamentarians. Parliament has the jurisdiction to deal with federal agencies, federal Departments, and federally incorporated organizations. We are limited, to a certain extent, because of the breakdown in jurisdiction between the federal Parliament and the provincial legislatures. Be that as it may, Mr. Speaker, there is a lot that this Parliament can do within its own jurisdiction in terms of achieving the equity which we all desire.

• (1520)

Several years ago, Mr. Speaker, the Liberal Government recognized a problem and decided that definitive action was necessary in order to do what it could to eliminate whatever inequities existed. The previous Liberal Government appointed a royal commission headed by Judge Rosalie Abella. That commission was established by the Liberal Government and its establishment announced on June 27, 1983. The terms of reference establishing that commission required the commission to explore the most efficient, effective and equitable means of promoting equality in employment for four groups. Those four groups are women, native people, disabled persons, and visible minorities, because it was recognized that when one speaks of employment inequity in the workplace those who are victims are generally people in those four designated groups. The commission was also mandated to inquire specifically into the employment practices of 11 designated Crown and government-owned corporations.

The commissioner went away and, as a result of many hours of discussion and listening to many, many groups across the country, Judge Abella tabled her report earlier this year. We in her Majesty's Loyal Opposition applauded Judge Abella at the time and we continue to do so. A number of very important recommendations were made by Judge Abella. I am sorry to say, Mr. Speaker, that the Conservative Government has not seen fit to adopt, in full, her recommendations. In our view, had the Government exercised its jurisdiction and adopted in full the recommendations of the Abella Commission, we would be a long distance down the road toward employment equity in this country. However, instead of adopting the recommendations, the Government has opted to present to us for debate here today a Bill entitled, "An Act respecting employment equity". This Bill has been criticized, not only by the Liberal Opposition here in Parliament, but by women's organizations across this great land, by aborignal groups, by groups representing disabled persons, and by other groups representing the ethnic and visible minorities in Canada.

One could ask why they would criticize a Bill which purports to obviate employment inequities which exist in the workplace today in Canada. Well, the major objection to this piece of legislation is that the Bill is not strong enough. It has no teeth in that no sanctions exist in this Bill to ensure that those employers who, for whatever reason, decide not to honour the spirit and the letter of this law are punished. That appears to be the major objection that has been levied against this Bill by people in all groups, especially the organizations representing the women of Canada.

The first recommendation of the Abella Commission was that:

> All federally regulated employers should be required by legislation to implement employment equity. Measures to eliminate discriminatory employment barriers and practices should be referred to as employment equity, rather than as affirmative action.

The second recommendation of the commission was that:

> Employment equity legislation should have three major components:

These components would work together to ensure an adequate and forceful piece of legislation. The first component of employment equity legislation would be that there be a mandatory, as opposed to passive, requirement that employers implement employment equity. Employers, as defined by the Act, should be required by law to implement employment equity. The second component for achieving employment equity is that there be:

> (*b*) a requirement that employers collect and annually file data, by designated group, on the participation rates, occupational distribution, and income levels of employees in their workforces;

The third and most important component, if one is serious about employment equity, is that there be:

> (*c*) an enforcement mechanism.

I have gone through this Bill with a fine-tooth comb, Mr. Speaker—and Hon. Members will appreciate that I require a fine-tooth comb—and there is nothing in here with respect to sanctions or an enforcement mechanism. It is all voluntary.

Mr. Boudria: Unbelievable. The Tories did that?

Mr. Nunziata: Indeed they did. Mr. Speaker, I think we can quite justifiably ask how serious the Government is with respect to employment equity, or have we seen the rednecks in the Conservative caucus win the day and impact on the Government's decision? It is to be noted that there are those,

few as they may be, in the Conservative caucus who agree with us that full employment equity must be obtained. Although there may be few, it is obvious that the right-wingers, if you will, in the Conservative caucus had a major role to play in the drafting of this particular piece of legislation.

To that, Mr. Speaker, I say, shame on the Government, for a number of reasons. The first is the promises it made during the last election campaign. It made a lot of them and over the last year we have seen a lot of those promises being broken. We have taken the Government to task for some of the major promises that it made and broke. I need not at this point, Mr. Speaker, reiterate all the broken promises such as the attempt to deindex senior citizens' pensions notwithstanding the fact that the Prime Minister of Canada (Mr. Mulroney) in Sherbrooke, Quebec in July of 1984 stood on the election platform and said to the gathered, and through them to all senior citizens in Canada, "Elect me, Brian Mulroney, as Prime Minister of Canada and I promise to each and every one of you full indexation of your pensions". That is the promise he made and that is the promise he tried to break. Had it not been for the Liberal Opposition in Parliament and public opinion, that promise would have been broken. That was a paramount promise, a sacred trust of the Government. The Government made other promises specifically with reference to employment equity.

Permit me the opportunity to review some of the promises that the Government made with respect to women's issues, as they were called during the last election campaign. My hon. colleague, the Hon. Member for the federal riding of Glengarry-Prescott-Russell (Mr. Boudria) must be commended for putting together a collection of 338 commitments made by the Tory Government in the last election campaign. My colleague from Glengarry-Prescott-Russell has documented all of those promises so that we, and Canadians generally, will be able to judge the honesty and integrity of this Government by the action it takes, as a Government, in comparison to the promises made during the last election campaign. Let me tell Members sitting opposite and any Canadian who wishes a copy of this promise book to call the office of my colleague, the Hon. Member for Glengarry-Prescott-Russell, who will be pleased to present them with a copy. I especially urge Hon. Members opposite to get a copy of the promises which the Progressive Conservative Party made and the leader of the Tories made during the last election campaign. It will be provided at no cost whatsoever.

• (1530)

Mr. Turner (Ottawa-Carleton): Order. That is totally irrelevant to the Bill.

Mr. Nunziata: What were those promises with respect to employment equity, Mr. Speaker, to get back to the substance of my discourse? Let me quote a very important promise which the Tories made, and promised in their thirst for power during the last election campaign. They said that they would "make the federal Public Service a model to be followed with regard to the equality of women in the workplace".

Mr. Boudria: The Tories promised that?

Mr. Nunziata: Yes, they did. The Tories call Bill C-62 a model. I call it a model of hypocrisy. It is a model of how this Government made promises and is breaching them one by one. The Tories went on during that election campaign, desperate for power—

Mr. Turner (Ottawa-Carleton): Listen to who is talking.

Mr. Nunziata: —and said to the women of Canada that if you vote for us—Progressive Conservatives—people with unimpeachable integrity—"we promise to implement an effective affirmative action program with adequate control, monitoring and evaluation mechanisms within the federal Public Service, its agencies and Crown corporations". Let me repeat, "and evaluation mechanisms with adequate control."

Where are the controls in Bill C-62? Where are those mechanisms? The Tories said "We promise to support the concept of equal pay for work of equal value and to ensure that it is enforced in the federally-controlled and regulated sectors." Those are the promises, Mr. Speaker.

Mr. Boudria: Broken promises.

Mr. Nunziata: We looked at the promises. Then we pick up Bill C-62 and say to ourselves "Well, the Prime Minister keeps saying that he is full of unimpeachable integrity, let us see how much integrity the Prime Minister, the Minister and the Conservative Government have."

We go through this legislation to see how those promises are being carried through. But, Mr. Speaker, you can go through this Bill time and time again and you will not find what the Tories promised. What you will find instead is an extremely weak response to the very drastic need for employment equity. This would seriously leave one to question the commitment of this Government to the whole concept of employment equity.

The Bill is flawed for some major reasons. There are no sanctions in the Bill. It is not strong enough. The Bill does not apply to everyone or to every organization within federal jurisdiction. Those are the main criticisms. They are paramount and fundamental criticisms with respect to employment equity.

I spoke to a Conservative Member of my concerns on the lack of sanctions in the Bill. That Member said, "Well, there may not be any sanctions but we trust big business. It will do as it is told. We have faith in private enterprise, free enterprise. Notwithstanding the fact that profit is the motive—"

Mr. Turner (Ottawa-Carleton): Who is the Member?

Mr. Nunziata: I would prefer not to name the Member.

Mr. Turner (Ottawa-Carleton): Then do not refer to him.

Mr. Nunziata: If he will come behind the curtains I will be pleased to tell the Hon. Member who it is. I was told that lack of sanctions was not a concern.

The Conservatives went on to say that Section 115, I believe, of the Criminal Code would apply. If there is a breach of a federal statute, an individual or a corporation could subject themselves to a criminal offence. There is that section in the Criminal Code of Canada which says that if any federal statute is breached, then that person could be subject to a summary conviction. If that is the case, Mr. Speaker, why would the Government in its wisdom not insert some other teeth in this Bill rather than resorting to the criminal law? I am sure those Members across the aisle who believe that business is the end all and be all would be a bit concerned that some of their business colleagues might be jailed if they did not adhere to suggestions. That is all they are, suggesting in this Bill, concerning employment equity.

There are other major problems in the Bill. I note that I have five minutes remaining and it is with regret that I have only five minutes because I have a lot to say on this important piece of legislation. If you look at the purpose of this Bill and read Clause 2, it is a real mouthful. Let me quote:

> The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfillment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

What does all that mean?

Mr. Boudria: The Minister probably does not know.

Mr. Nunziata: What does all that mean, Mr. Speaker? Indeed, many hours of debate at committee will centre on what this clause means because it is a mouthful. I indicated at the beginning of my remarks what I believe is the necessity for employment equity. It talks of equity. It indicates four designated groups. We have women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority. What are the problems with respect to the definition? We all know what a woman is, Mr. Speaker. No problem. What, for example, is an aboriginal person? That is not defined in the Bill. I invite Members opposite to provide me with a definition.

Mr. Hudon: It is here.

Mr. Nunziata: The Hon. Member opposite holds up a copy of the Abella report. I have read it and reread it. It would appear Hon. Members have the report. The definition has to be in the Bill. Another designated group is persons with disabilities. What does that mean?

Mr. Towers: Liberals.

Mr. Nunziata: Is the Hon. Member opposite who wears glasses considered to be a person with a disability? According to many people, people who are near or far-sighted have a disability. Does a disability mean that you walk with a limp or you have some other form of disability? It does not define what a person with a disability is in this Bill. I note, that I have but a minute to go in my discussions, Mr. Speaker. There are problems concerning definitions.

● (1540)

It is indicative of where the Government is headed when it presents us with a piece of poorly drafted legislation. Indeed, I would suggest that the vague drafting of this piece of legislation was intentional. The Government and the Minister lacked the backbone or the guts to bring forth a piece of legislation which would attack or address employment inequity square on. Therefore, I would submit that they intentionally instructed the officials or drafters of this piece of legislation to draft it in a vague fashion.

In conclusion, I wish to say that we will support the thrust of the legislation. We cannot support some of the problems which I have addressed. We will speak very vociferously at committee to ensure that we develop a piece of legislation which will be a model to all in the country.

Mr. Hockin: Mr. Speaker, I have two questions for the Hon. Member for York South-Weston (Mr. Nunziata), my friend across the hall in the Confederation Building. I am at a total loss to figure out what he is advocating. This Bill clearly expects companies to set internal objectives that are not required by statute. Second, the Bill requires federally regulated employers to implement employment equity and to report on the results. These are controls. He argues that there are no controls in the Bill. Do these not add up to controls? If these are not the controls he wants, does he want quotas? If he wants quotas, what kind of quotas does he want?

Mr. Nunziata: Mr. Speaker, my friend says that he is at a total loss. To that, what can I say? There is precious little we can do. If the Hon. Member reads the legislation and the report of the Abella Commission and listens to all groups with an interest in employment equity, he will recognize what I am saying. By admitting that he is at a total loss, he is admitting that the Government is at a total loss in respect of employment equity. That is the crux of this legislation and the crux of the criticisms levelled at the Government by all major women's organizations. For the Hon. Member to say that he is at a total loss, he is suggesting—

Mr. Hockin: Mr. Speaker, I rise on a point of order. I am at a total loss because the Hon. Member is insisting that the Abella report requires submissions of plans in advance, and this is nowhere in the Abella report.

Mr. Boudria: That is not a point of order.

Mr. Deputy Speaker: The Hon. Member for York South-Weston (Mr. Nunziata) may complete his answer.

Mr. Nunziata: Mr. Speaker, he has just reinforced his statement that he is at a total loss. He is beyond reach. I refer the Hon. Member to page 255 of the Abella report. He should pick up a copy. It is interesting reading. At page 255, Recommendation 2 reads:

> (*c*) an enforcement mechanism.

The Hon. Member should read that report and read the submissions made by various organizations which have come forward.

To answer his question with regard to whether we are suggesting quotas, of course not; we are not suggesting quotas. That is not what Judge Abella recommended. We put a lot of faith in the process which occurred with regard to the production of this report. It indicated that there should be no quotas, and we agree. However, there are other ways of ensuring employment equity.

Mr. Hockin: Mr. Speaker, I have a supplementary question. The Hon. Member did not tell us what kind of controls he wants. He does not want quotas. He does not like what we are suggesting. It is very unclear, and we are at a total loss to know what he is suggesting.

Mr. Nunziata: Rather than wasting the time of the House, Mr. Speaker, all I can suggest is that the Hon. Member should make an appointment to speak with his Minister or the Parliamentary Secretary to be briefed on what has occurred. I know he spent a lot of time over the summer in respect of the special committee, and I should like to take this opportunity to commend him for chairing that very important committee. It resulted in a report written by the Liberal Opposition which had much weight. I ask him to take that time. Perhaps he could speak with me after my discussion, and I will refer him to all specific sections in the Act and in the report to show him where the legislation falls short in respect of the Abella recommendations.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Blainville-Deux-Montagnes (Mrs. Landry) for a question or a comment.

Mrs. Landry: Mr. Speaker, for a comment.

Mr. Speaker, I also have in hand the Abella Report on equity in employment. I have the French copy, and the page numbers may differ. On page 283, in the summary of recommendations, Justice Abella says, and I quote:

(2) That the legislation on employment equity include three major components:

(*a*) a requirement that employers implement employment equity;

—which we are doing—

(*b*) a requirement that employers collect and annually file data on the participation rates—

—which we are doing—

(*c*) an enforcement mechanism.

Now, if my colleague had the French copy, he could go to page 288. The fourth model recommendation on enforcement methods says, and I quote:

(*a*) The Canadian Human Rights Commission would be asked to issue guidelines on employment equity—

Mr. Speaker, I think we are responding very adequately to the Abella recommendations on employment equity, and I would like to add that with respect to enforcement mechanisms by way of the Canadian Human Rights Commission, we have implemented that indeed. Moreover, I see no reason for having another Government body that would add to Government costs, as the Liberals constantly did. We believe the Canadian people is serious enough to respond to what we are suggesting, and we trust our legislation.

[*English*]

Mr. Nunziata: Mr. Speaker, the Hon. Member opposite appears to be in the same position as the Hon. Member for London West (Mr. Hockin). The Abella report is quite explicit, quite clear, in respect of its recommendations. They run for a number of pages. In fact, there are some 117, to be exact. I simply invite the Hon. Member to take her copy of the Abella report and to review it in conjunction with Bill C-62 to see where the differences lie.

It is our submission that there is a canyon of difference between what was recommended by Abella and what we see in this particular piece of legislation.

Also I remind the Hon. Member of the criticisms which have been levelled by the major groups involved with regard to Bill C-62. They would lead me to conclude that we are not that far off, if not dead on, in respect of the criticisms of this particular piece of legislation. If she is saying that the Liberal Opposition is off base in respect of Bill C-62—and she nods her head in agreement—therefore she is saying that the National Action Committee on the Status of Women and all other major organizations representing women, aboriginal groups and ethnic minorities are also off base. If we are off base, they must all be off base because they are saying what we are saying and we are saying what they are saying, but we are both not saying what the Government is doing.

Mr. Young: Mr. Speaker, I have a question and a comment. Is the Hon. Member aware that the Special Committee on the Disabled and the Handicapped in its report tabled in the House in the last Parliament entitled *Obstacles* made two recommendations on hiring the disabled? Both recommendations, No. 26 and No. 27, dealt specifically with affirmative action programs for the disabled. Those recommendations were agreed to by all members on that committee representing all sides of the House.

Is the Hon. Member aware of what the Prime Minister (Mr. Mulroney) said on August 14, 1985, in response to a question from the Coalition of Provincial Organizations of the Handicapped asking him whether he would support compulsory contract legislation if elected to form the Government? The Prime Minister responded by saying "Yes, along the lines proposed in recommendations 26 and 27 of the 1981 *Obstacles* report". Would the Hon. Member agree that the Prime Minister's statement during the election campaign when he was seeking the votes of Canadians was quite different from the one proposed in the present piece of legislation?

Mr. Nunziata: Of course, Mr. Speaker. It is just another example of a promise made and a promise broken. Canadians

have come to realize that what they were told during the last election campaign was said because of the thirst for power of members of the Progressive Conservative Party. They had no intention of keeping some of the promises that they made. This leads one to seriously question the integrity of this Government. We have seen time and time again the broken promises, and the Hon. Member points out another broken promise. I guess ultimately their record will be put on the line in the next election campaign—

• (1550)

Mr. Clark (Yellowhead): Hear, hear!

Mr. Nunziata: —and we will remind them of the broken promises. I have the greatest amount of faith in the Canadian public who will also remember, will vote accordingly, and vote Liberal in the next election.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I have the honour and the pleasure of speaking before the House to a subject where the honour of our country is at stake: employment equity. We must provide equal opportunities for everyone in the labour force, including those entering the labour market for the first time and those returning to it. More specifically, I want to mention those people who belong to the designated groups, namely women, native peoples, handicapped persons and visible minorities.

On October 3 of this year, the Minister of Employment and Immigration (Miss MacDonald) moved for second reading of Bill C-62, which is aimed at ensuring employment equity in federally-regulated businesses. I believe it is therefore imperative, Mr. Speaker, to proceed with the consideration of Bill C-62. To further clarify debate, I intend to elaborate on certain elements of this measure. First of all, we must make a distinction between the Bill's purpose and its objectives. The purpose of this Bill is to provide for employment equity, in other words, to guarantee everyone equal rights with respect to employment, advancement and remuneration. To achieve this, in other words, to abide by the intent of the Bill, objectives will have to be set by and for each employer concerned. These objectives cannot be universal, since we must consider the specific circumstances under which each business operates.

Mr. Speaker, in setting these objectives, we must consider the general availability of qualified workers, the availability of such workers within the designated group and their geographical location. Discussing objectives inevitably raises the issue of quotas. When the concept of legislating employment equity began to take shape, there was some apprehension about the possibility of a quota system being imposed. Nothing could be further from the truth, however, and there is absolutely no cause for alarm. In fact, the unfortunate experience of our neighbours to the South in this respect was enough to convince us that we should not consider a formula of this kind. Indeed, we have never considered adopting such a formula, and we do not believe that our independent mind set would ever stand for that kind of mesure, and besides, correcting past abuse by putting another in its place can never be an acceptable solution.

Although it will not impose quotas, Mr. Speaker, the Government nevertheless intends to measure what is being accomplished. The employer concerned will have to file a report by which progress towards employment equity can be evaluated. The first report, to be filed in 1988, will provide the Governemnt with information, for instance, on the number of employees and the number of members in each designated group within the business and the degree of representation of persons in designated groups in each occupational group in the company.

After 1988, thanks to the report we will be in a position to find out whether progress has been made, in other words whether members of the designated groups have achieved fair representation within the company in terms of hiring, promotion and salaries.

Mr. Speaker, some people are probably wondering why Bill C-62 does not provide sanctions to make sure that the goals are reached. I might point out that other aspects—the compulsory statement, for instance—do entail an obligation and that employers know full well it is in their best interest to emulate the endeavour of our Government and set up the necessary structures and systems which will enable them to file acceptable reports.

On the other hand, unrealistic optimism should not blur the goal establishment process. For instance, it would be illogical to expect an employer to report that professional women engineers will eventually account for 42 per cent of his staff when we know for a fact that they actually represent only 6 per cent of all professional engineers.

In short, Mr. Speaker, one would be more reasonable to acknowledge that any perceptible rise in the level of participation by members of the designated groups within various companies is indeed a step in the right direction.

As a woman, I can only rejoice at the new trend pioneered by our Government. This initiative was long overdue. This Bill will at last make it possible for women to take their rightful place in society and on the labour market. The Government intends to legislate in the field of employment equity. Its efforts will come to naught unless it has the support and participation of all partners—employers, unions, associations of designated groups and all individuals concerned.

The employers' responsibility is to provide equal opportunities in hiring, promotion and salaries of members of designated groups, and to take the steps required to do just that. On this latter point, it is essential to specify that an employer cannot

dismiss an employee only to hire a member of the target group.

It is the duty of unions to co-operate with employers to ensure the success of steps taken to provide employment equity. Moreover, it is their right and their duty to protect the implementation of collective agreements aimed at in such steps.

Associations of target groups should encourage their members to qualify as required by the employers. Now, Mr. Speaker, since we are trying to correct mistakes that have weighed heavily on our society for a long time, why wait until 1988 to require the filing of reports? This is merely due to the fact that those proposals are a good deal more than just an amendment dealing with traffic in national parks or with a new geographic name.

We are dealing with a Bill which when passed will have a great impact on large areas if not throughout the economic and social fabric of Canada. Considering the scope of the proposals put forward, we could not expect that the reports should actually be provided as soon as the Bill is passed. Our Government has decided to have businesses feel responsible for employment equity. It will give them some time to draw up the inventory or their human resources, and if necessary to correct abuses and to assess what has been done before submitting the reports.

• (1600)

Besides, we should not forget that 1986 is not very far off and that the first reports should reach the Government by June 1988.

There are people who will surely think, Mr. Speaker, that the passage of such an important Bill will bury us in a maze of red tape. No way. The Government has delineated the problem. It has warned the protagonists and it intends to legislate and let the leading actors which are the employers, unions and associations of target groups play their role. It will then be an excellent example of co-operation.

We are very well aware that when the parties concerned are ready to co-operate, when everyone is looking in the same direction, the impossible can be done.

Indeed, since we are considering a piece of legislation of an economic and social nature aimed at correcting conditions in the business sector, the Government will merely intervene to have a Bill passed and to simplify control. We are at the antipodes of the bureaucratic world.

Since the implementation of measures to promote employment equity will not require the setting up of a heavy administrative mechanism, it follows that administrative costs will be low. However, the costs incurred by employers could vary according to the quality of their data collecting systems.

And according to statistics from the United States, the annual cost of updating data systems is estimated at $1.25 per employee.

I should like, Mr. Speaker, to remove a last concern.

I said earlier that no employee should be removed in order that a member of a target group may be hired. Later on, I also said that we do not accept the quota formula, because it easily leads to abuses.

Those two statements should convince each and everyone that the employment equity legislation is not at all aimed at forcing underqualified people upon employers through the back door.

Equity provisions are only there in order that everyone may enjoy the same hiring, promotion and salary opportunities, and that businesses have the human resources which they need and which are only asking to contribute to the labour force and the country.

The enacting of an employment equity legislation is not a goal by itself, but a means of helping build a better, sounder society. Employment equity is a major step in the search for full participation of women, native people, members of visible minorities and the handicapped in this country's economy.

The legislation now being considered gives us an opportunity to confirm the democratic and generous nature of our institutions. We should not let it go by. Let us ensure that Canada remains a leader as far as protecting civic liberties and extending personal and collective growth opportunities are concerned. Let women, native people, the handicapped and members of our visible minorities have their rightful place under the sun, in this country!

Mr. Deputy Speaker: Questions or comments?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Don Valley East (Mr. Attewell)—Young Offenders Act—Request for amending legislation; the Hon. Member for Cape Breton-East Richmond—Regional Industrial Expansion—Cape Breton—Capital works program. (*b*) Request for early announcement; the Hon. Member for Thunder Bay-Atikokan (Mr. Angus)—The St. Lawrence Seaway—Welland Canal blockage. (*b*) Condition of locks.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Mr. Hovdebo: Mr. Speaker, I just wanted to comment on something about this Bill which I think is important. After the Abella Report, affirmative action was established on a voluntary basis in Ontario. Of the 10,000 or so firms that could actually have taken part in this, not quite 200 did so in any concrete way. This is a good indication of what voluntary involvement in employment equity is likely to bring about.

Judge Abella suggested that when something is voluntary, regardless of reporting procedures, it is still voluntary and therefore would not likely have a great impact. Perhaps the Hon. Member would comment on what she considers to be the possibility of having an effective program if all the companies have to do is report and if there is no penalty in place which would force them to take action. The companies need only have a program and then report on it. They do not really have to take any action.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, in reply to the Hon. Member from the New Democratic Party, I would like to suggest that, first, Paris was not built in one day. Bill C-62 introduced by the Minister is a first step, a first response to the Abella Report, and the fact that she is urging Government bodies to increase the number of jobs for women, the handicapped, members of visible minorities and natives is already a first step. And the fact also that we are recommending companies bidding for Government contracts over $200,000 to implement such programs, those companies will be penalized because they no longer will be able to to business with the Government if we find out they made no effort to implement the programs. They are expected to sign agreements, and they should implement the new programs provided for in Bill C-62.

Looking at the past 15 years, we see that the Liberals have been quite willing to appoint royal commissions of enquiry and the like, but they never implemented legislation of that sort. So this is a start, and we are committed as a Government to pursue our action in favour of employment equity for all Canadians.

Mr. Rossi: What good have you done?

[*English*]

Mr. Hovdebo: Mr. Speaker, in this particular Bill there is a heavy penalty imposed for not reporting but there is no penalty imposed for not doing anything. Does the Hon. Member not think that the Bill would be strengthened considerably if some kind of monitoring besides reporting were put in place and if some kind of penalty for not taking action was put in place?

[*Translation*]

Mrs. Duplessis: Mr. Speaker, it was suggested earlier by a number of opposition members that it would be much better if a committee could monitor the situation. But there are already organizations which operate in the area of human rights and which could to that job effectively, because they need not receive grievances before setting in motion enforcement mechanisms. Why, then, create new committees with overlapping authorities? I feel, personally, that we should use what we have now at our disposal, and perhaps reconsider the situation later on.

Mr. Rossi: That does not answer the question.

• (1610)

[*English*]

Mr. Young: Mr. Speaker, will the Hon. Member agree that where voluntary programs have been tried, particularly in the United States, Germany and other jurisdictions, they simply have not worked, which is why those jurisdictions have reverted to contract compliance programs? Also, will she agree that those programs have proven that the incidents of employment for disabled individuals, natives and women have, in fact, increased? I suspect that the Prime Minister (Mr. Mulroney) actually recognized that fact when he told disabled organizations on August 14, 1985 that he agreed to compulsory affirmative action programs along the lines of two proposals which were made in *Obstacles*, a report of the Special Committee on the Disabled and the Handicapped which had representatives from all sides of the House who unanimously supported the recommendations in the report.

[*Translation*]

Mrs. Duplessis: As I said earlier in my remarks, Mr. Speaker, we should not, when the time comes of implementing positive action, hire women simply for the sake of hiring women, but because they are equally qualified women. The same can be said for the handicapped. They should be fully qualified, and the same is true for any other category of people.

[*English*]

Mr. Young: Mr. Speaker, would the Hon. Member not agree that the only requirement there should be with respect to hiring someone who happens to be disabled, handicapped or a person from a visible minority should be on the basis of bona fides, that is, requirements of the job, and not whether the individual is disabled, happens to be a woman or a native Canadian? Surely the bona fides are that the person is capable of doing the job, which is exactly what we are talking about when we argue against the Bill which is before us. That is the major weakness in the Bill. After all the debate which has taken place over the years—certainly since I came here in 1980—with respect to the need for affirmative action pro-

grams for the Government to totally ignore that in this particular Bill shows a real lack of awareness. It shows that the Government has not been listening to the groups which have made representations to this House over the years.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, we must implement Bill C-62. We are going to require the many companies doing business with the Government to fill in forms providing us with full details about their plan, the same will apply to any other group within the Government. Then, as soon as the report is available around June 1988, we could take action if there were evidence that they had made no effort to hire from these categories of people.

[*English*]

Mr. Young: Mr. Speaker, everyone agrees, except for members of this Government, that that type of program simply does not work. Why is the Government so intent on waiting a year? That is what this Bill calls for. The Bill states that if an employer does not comply with the Government's desires, then the Government will bring in compulsory programs. By implication, the Government is saying in this measure that the damn program would work. Why does the Hon. Member not argue with her Minister to provide a real service to minorities in the country saying that it should be done properly and that employers who will receive contracts paid for by Canadian taxpayers should live and act like good corporate citizens? All they are asking is that the corporations operating in the country act as good corporate citizens.

[*Translation*]

Mrs. Duplessis: Before criticizing my hon. friend from the NDP, Mr. Speaker, I should like to tell him this: Wait till we have set this in motion and see the outcome. We will cross that bridge when we come to it.

[*English*]

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, we have heard from Members across the way and from my hon. colleague from Louis-Hébert (Mrs. Duplessis) and my co-star in a recent show on CBC that the Bill before us is a good beginning. However, it is like a great many beginnings. I must say that the described purpose of Bill C-62 is enough to make your hair stand on end in marvellous enthusiasm. I would like to read the purpose of the Bill which states:

> The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

That is really beautiful. I will say with respect to the emphasis which I intend to place upon my contribution to the debate that the paragraph is interesting in that it at least mentions visible minorities in the same breath as women, the disabled and native groups. I say that because those of us who have been involved in the civil rights movement in this country know that the period of waiting for beginnings has been exceedingly long. In fact, perhaps I might provide Hon. Members with some insight into the rather strong feelings I have with respect to the legislation which is before us when I indicate to the House that my political career began when I was 13 years old. It began when I could not shoot pool in the pool hall in my town and I could not bowl in the bowling alley at which I set pins. As a consequence, I became politically active and joined with others to bring about the changes which make it possible, at least for me, to stand before you as a Member of Parliament. As Lincoln Alexander stands before us as the Lieutenant Governor of Ontario he still says that the battle has not been won.

The battle will not be won if we continue to hear arguments such as those to which I referred earlier in which an alumnus of my own university, the University of Windsor, during his intervention made reference to the numerous experiences he had with discrimination. He knew of a Negro who, in 1944 or thereabouts, was refused a job in Montreal. He knew of some women at the law school who found difficulty getting placement. He knew of employers who would not hire certain groups because they rejected the notion of equality, which I think lies at the foundation of what we hope this country will be some day. That is right and good. No one really expects every individual in this House to have the same appreciation of the experience which has led so many groups to consistently say that there needs to be legislation to ensure that all Canadians, irrespective of sex, race, colour or disability, should have an equal opportunity for jobs and everything else which this country should accord.

This Bill has to be a terrible disappointment to those who participated in the hearings of the parliamentary committee. As Hon. Members will recall the report of the parliamentary committee was entitled *Equality Now*. We now have legislation before us which talks about equity some day. Bill C-62 provides that beginning in 1988 employers of a certain category, regulated by the federal Government, will have to report on the status of the target groups. That is it. If that is accomplished, perhaps by 1991, 1992 or 1993, we will know that the employers, who are also expected in passing to come up with some ideas on how to approve things, have not done anything. Perhaps in six or seven years after that there will be hearings all over the country in which those people who have asked for real affirmative action now will have to ask again. That is significant because we heard earlier speakers say that this is a beginning. The parliamentary committee talked to minority groups, the disabled, women and natives all across the country, who poured out their souls. They said loud and clear what is needed in terms of ensuring that members of all those groups would have full participation, not only in the workplace, but in every aspect of Canadian society. However, after all of the clear and certain description of what is needed on their part and what is made necessary by their experience and by the record of discrimination reported by the Urban Alliance on Race Relations in Toronto—which is documented by the

finding that 70 per cent of black youth in Halifax were unemployed—we find that all of these experiences amount to nothing and we are going to take another shot at some superficial approach which requires nothing more than reporting a situation with no requirement that there be change.

● (1620)

The curious thing about all of this from my perspective, Mr. Speaker, is that the first affirmative action program in this country was probably put in place on a volontary basis back in 1968 with Chrysler Corporation and Bell Telephone and that it worked. In fact, it worked at least in part in negotiations which occurred here in Ottawa with the Public Service Commission and resulted in a very tenuous and tentative affirmative action program for visible minorities. Subsequent to 1967 and 1968, the visible minorities in this country were ignored. The disabled, women and our native people became target groups, and those very groups within this country who designed the first affirmative action program ever implemented in this country were ignored. I say that the Bill at least in that respect must be regarded as indicating some progress. At least there is the recognition that a significant class of people in this country do exist and require some amelioration of their situation. What was asked for by all of these groups, Mr. Speaker? All of these groups have had experience with Human Rights Commissions. Every province has one and even the best of these—which includes Ontario, Nova Scotia and Saskatchewan—have the role of responding to specific complaints. There is no real experience for the approach of looking at systemic discrimination and realizing that this is something which must be corrected or ameliorated. Yet we are now told that the Canadian Human Rights Commission, the national body, in some obscure way, beyond the mere reporting of the statistics with respect to the target groups within employ, will be charged with enforcing the legislation—whatever that means—in response to a situation which is uncovered. The fact is, Mr. Speaker, that everyone knows that the Canadian Human Rights Commission cannot do the job with which it is already charged. Therefore we have two factors which operate to create an impossibility. First, we do not have any Human Rights Commissions in Canada which have played the role of, first, testing whether systemic discrimination occurs and then subsequently implementing an affirmative action program. There is virtually no legislation anywhere which assures that possibility.

More than that, Mr. Speaker, were it able to do that, were it empowered with the ability to enforce affirmative action in every case, the staffing is certainly inadequate at the federal level. Therefore what we have before us is legislation which is to provide Statistics Canada with more statistics which will indicate a pattern of employment inequality and that is to the good. That portion is mandatory. However, what we have is a situation created by the Bill in which there will be no requirement whatsoever for any employer, under any conditions, to ensure that a pattern of systemic discrimination or, indeed, any type of discrimination, will be attacked by some response such as a designed affirmative action program. We have no requirement for any mandatory correction of a pattern of systemic discrimination. There is in this legislation no provisions whatsoever by which employers, having submitted stastics, would have made available to them a means by which this pattern might be corrected. In other words, one might expect that if one is going to have a reporting system which might indicate a pattern of discrimination, some body would be empowered to make recommendations to the employer by which the employer would be able to design a means to deal with the situation on his own.

This Bill is a sorry disappointment, Mr. Speaker. Affirmative action was abandoned in favour of employment equity. That indicates the atmosphere surrounding this legislation. The message behind affirmative action was clear. Affirmative action was designed to do some thing about those arrangements, by and large unconscious, not deliberate, by which certain classes of people were excluded not only from employment but from promotion and so on. We have heard that affirmative action is a nasty thing because it involves quotas. But "quotas" is a flag word which is waved most consistently by those who are not only opposed to affirmtive action but opposed to any correction of discriminatory practices which must have existed in the past. Reference is consistently made to the United States where it is said that quota systems have done all kinds of damage, but I know of no situation in which affirmative action has been implemented successfully where a quota system has been imposed. What has been done is to say in response to an anlysis of the distribution of target groups within an employer's workplace, as compared to the situation of the environment in which the employer functions, that there should be some matching of the distribution of those target groups with the local number of members of the target group. Then one arrives at reasonable targets which might be achieved within that context. These targets change. There are no definitive quotas but, by God, it is absurd to say that we are going to improve employment equity or have affirmative action, or anything of the sort, unless we are prepared to say that there are targets which can be reasonably achieved and which must be achieved.

● (1630)

Surely it must be clear that it is an empty exercise to collect data, as this Bill provides, without going any further. There is nothing to indicate what form an affirmative action program will take. There is no reference whatever to what those who spoke to us would have us achieve, and that is a program under which systemic discrimination would be eliminated through the achievement of a target appropriate to a particular employer in particular circumstances. Specifically, an employer would achieve a distribution of employment which has some reasonable relationship to the distribution of the target groups in a community. However, none of that is here.

What has been achieved, Mr. Speaker? More statistics! A new kind of census! We are going to count members of target groups at various levels in a given industry. What happens when those statistics are revealed? What message is being sent to all these minority groups when we bring forward legislation

which achieves so precious little? It is time to act. It is time to fulfil the dreams and hopes of those who have been asked over and over again what it is they want and who over and over again have indicated clearly what that is. They want this and every other Government to respond to the situation in which all too many members of minority groups find themselves. They need that support and it is the highest duty of Government to ensure that all of its citizens are treated with equality. A good Bill would have proposed just that. Members of these target groups would be treated with equity, equality and full opportunity on the job. This is fundamental. There is no way anyone can participate without work. To be shut out from a job or promotion without recourse is a terrible thing. To find that somehow you are a second class citizen and that you suffer some disability by virtue of your identity, all without recourse, is a terrible thing. It is also totally unnecessary in modern Canada.

I ask the Government to review and reflect upon the basis on which this legislation was introduced. Let the Government ask whether any minority group has come forward and said it wants legislation which will give it information on how many of a minority group are in this, that or any company. I want to know how many real minority groups have come to this Government and asked for legislation which says that if they are not counted, someone is going to be fined. I have not heard that and I am sure this Government has not heard it. Not from women, the disabled, native people or anyone else. No one has felt a compelling need to know how many of them there are. Undoubtedly it is needed as the basis for achieving employment equity and equality on the job. However, ask yourself the obvious question. Were you in the shoes of a black teenager in Halifax, a native in Saskatchewan, the disabled or women anywhere, whether as a victim of systemic or personal discrimination, would you be satisfied with legislation which tells you how many of you there are?

Mr. Deputy Speaker: Questions or comments.

Mr. Angus: Mr. Speaker, I listened with interest to my colleague's representations on this very important matter. He mentioned natives in Saskatchewan. I want to ask him about the impact in smaller communities and their ability to monitor equality of opportunity, whether it concerns native people, women, youth or visible minorities. As well, what about those groups who can be categorized as a mixture? That is, say, a black woman in a rural community, or a native group. Perhaps the Hon. Member could give us the gist of his experience in this respect and indicate how this Bill does not really deal with that situation.

Mr. McCurdy: Mr. Speaker, I am not really quite clear on the question being posed. I find it kind of difficult to cast myself in the role of a native black woman who is disabled in Amherstburg. However, I can tell you about Amherstburg. I can tell you about my hometown when I was a boy. I can tell you that until about the late 1960s schools in the county in which I was born were segregated. I can tell you that in the community in which I grew up there was no chance of getting a job at a bank, retail store, restaurant or anywhere else. In a community in which something like 10 per cent to 15 per cent of the population was black, it was nevertheless difficult for a young high school graduate to say, when they were refused an interview, that it was occasioned by the fact that he or she was black. It is certainly true that if you looked at the banks, the retail stores and restaurants you found not one black employed in any of those facilities. This in spite of the fact there are plenty of qualified black people around. You can then see that the count would do you no good. Positive steps had to be taken to correct an obvious situation. It is also obvious that those steps would not be implemented unless there were some reasonable sanctions imposed if they were not.

Whether that answers the question or not, I cannot be sure. However, I can think of any number of instances in which those observations could be made. I have already conceded that it is important to engage in the statistical enumeration of the target groups, but if that is all it is then most of those who have asked for employment equity legislation will say this is beautiful but it does not do a great deal of good.

Mr. Hovdebo: Mr. Speaker, I want to point out that the Minister said when she introduced this Bill was that the moment it is passed then employment equity will be in place. The Bill says that companies must have their program in place by 1986. They will by that time have developed their plans and methods. They will begin analysing the date by January, 1987, and the reporting of the first full year will be in 1988. Then, possibly, and there is no indication of how long it will take, the Government or the Human Rights Commission will start monitoring that data. It is a good indication that even after this Bill is passed it will be 1988 to 1989 before any development occurs at all. Will the Member indicate what he thinks it is possible to put in place immediately in order that the Bill will have some impact on equal employment?

• (1640)

Mr. McCurdy: It is obvious from what I indicated that the first step in affirmative action is to be able to define the situation and the ways in which the situation should be improved. I think, of course, that there must be provision for mandatory correction in a situation where the data indicate that there has been a pattern of systemic discrimination. That mandatory affirmative action provision must be supplemented as well with some effort on the part of Government, through an agency not created by this Bill, to negotiate with a company or to provide a company with a pattern for affirmative action that is fitted to the particular circumstances of that company, and being provided with the mechanism of affirmative action in light of the situation of a particular employer, to provide certain targets and a timetable that are appropriate to a particular employer, failing the achievement of which, there would be additional sanctions. The consistent request of everyone who has asked for affirmative action has been for the provision of mechanisms to determine whether affirmative action is necessary, a structure of affirmative action, and

provision for enforcement of the achievement of targets which are established on the basis of an affirmative action proposal.

Mr. Cassidy: Mr. Speaker, my colleague may know that in June the Minister responsible for the Status of Women (Mr. McLean) gushed about the Government's intent to lead the assault on undertraining, underemployment, underpayment, and the exclusion of women and other minorities in the workplace. However, he then said that employment is as yet an innovative concept that will have to be tried and tested. He went on to say that because of this the Government has taken a flexible approach to the initial processes of implementing employment equity consistent with the individual needs and capabilities of the employers involved. Does my hon. friend believe the Minister responsible for the Status of Women, or does he believe that this is simply a means through which the Government is copping out from its responsibility for equality in the workplace?

Mr. McCurdy: Mr. Speaker, I hesitate to say that the answer to the question is so obvious as not to necessitate an answer, but the fact is that the answer is in the affirmative. The answer has been in the affirmative all too often over the last three or four decades in response to any efforts to solve the problem of discrimination. One can recall that from the earliest attempts to provide for equality in the workplace and to legislate correction of discrimination; that is, the introduction of legislation relating to equality in the workplace in the 1940s, the introduction of legislation dealing with public accommodations in the early 1950s, and the human rights legislation in Ontario in the 1950s and 1960s, there have always been those who said, "Don't go too fast", or "Have flexibility, let's have co-operation, let's have voluntarism".

So this is nothing new and it does not surprise me that the same group which in the past opposed human rights legislation now opposes effective affirmative action. The fact is that the record reveals that affirmative action works. It is not particularly innovative. Canada has the benefit of two decades of experience in the United States which demonstrates that affirmative action works. It is not an experiment. It works and it is about time we got on with it.

[*Translation*]

Mr. Deputy Speaker: Debate. The Parliamentary Secretary to Secretary of State (Mrs. Landry).

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am very pleased to take part in the second reading debate on Bill C-62 respecting employment equity.

I fully agree with the objectives sought through this measure introduced by my colleague the Minister of Employment and Immigration (Miss MacDonald).

Mr. Speaker, I hope my New Democratic Party colleagues who have just raised objections against the Bill will listen to what I have to say because I think that, for our Government, this Bill happens to be the way we will honour our commitments towards women, minorities and native people who are all directly affected by this measure.

Mr. Speaker, my remarks will relate mainly to two issues. First I intend to elaborate on the reasons which prompted our Government to introduce the Bill, and those reasons are primarily of a socio-economic nature. Then I will explain how the Bill will be implemented, stressing the Government's decision not to impose quotas and enforcement mechanisms, but rather to proceed by way of a monitoring and data collecting system.

Too many Canadians are still victims of hiring practices which prevail among a fair number of employers. Employment equity is still one of the Government's priorities and falls within our overall social justice policy.

As you may recall, Mr. Speaker, last November's Speech from the Throne signalled our firm commitment towards social justice. The Throne Speech said the following: "... there is some distance between the principle of equality, widely accepted, and its reality, still far short of achievement. It is the duty of Parliament and Government to help ensure that Canadian society travels that distance as quickly as possible."

Our Government has therefore kept several of the promises made last November as concerns social justice. For instance, Mr. Speaker, I would like to mention the amendment to the Indian Act which forbids any discrimination based on sex; the extension of the eligibility criteria for the spouses' allowance program; and the wider definition of invalidity for income tax purposes which will benefit over 120,000 handicapped Canadians.

Mr. Speaker, Bill C-62 must be added to the list of these Government achievements in the field of social justice.

Its purpose is to travel the distance there is now between the principle of equality and its reality. The purpose of this equity employment Bill therefore seems very straightforward to me. We must immediately take concrete action to provide access to employment to all Canadians, without any discrimination.

To the uninitiated, employment equity can appear to be a vague and meaningless phrase. It is therefore important to define it clearly if we are to understand all its implications.

The purpose of employment equity is, first, to get rid of obstacles to employment, to identify and eliminate discriminatory measures and practices, to implement special provisions to correct the effects of past discrimination, to ensure equitable representation of all Canadian men and women, and finally, to promote economic development by making full use of the abilities of all Canadian men and women.

Having said this, Mr. Speaker, it should be noted that four target groups have been designated in section 3 of the Bill as groups which should receive special attention, namely women, the native people, the handicapped and visible minorities. This

Bill aims at removing the barriers which have prevented these groups from becoming full members of the labour force.

There is no need for long empirical demonstrations to realize that these four groups still suffer from systemic discrimination when they attempt to join the labour market. History shows us that these groups have fought hard to eliminate the obstacles to employment of which they have unfortunately been the victims too often.

● (1650)

A quick retrospective will remind us, for instance, that in 1882, the Toronto Labour Council supported the principle of equal pay for equal work. The fact that married women had to wait until 1955 for employment restrictions to be eliminated in the Federal Public Service says a lot about what we have to rectify. We have indeed done a lot since 1955 to eliminate such obvious barriers to employment. The Government has since then taken action in several areas to allow all Canadian citizens to contribute fully to the economic, political and social development of Canada. The most important protection enjoyed by Canadians is undoubtedly the Charter of rights and freedoms of 1982 which proclaims the equality of each individual, without discrimination based on race, national or ethnic origine, colour, sex, age or mental or physical disability. These equality rights were added to the many anti-discrimination provisions already existing in federal and provincial legislation on human rights.

I hope you will excuse the long preamble, but I felt it was essential to put the subject into perspective before proceeding with an analysis of the Abella Report. In 1983, a royal commission of inquiry was set up to investigate the most effective, productive and equitable means of eliminating systematic discrimination and promoting employment equity for women, native peoples, handicapped persons and visible minorities.

On November 20, 1984, the Commission chaired by Judge Rosalie Silberman Abella submitted its report: *Employment Equity*. The conclusions of the Abella Commission make it abundantly clear that the four target groups I just mentioned were subject to various kinds of unfair treatment in the workplace.

The report observed, for instance, that women who worked full time all year in 1982 were earning an average of 65 cents for every dollar earned by men in the same situation, and that female workers in general were earning 55 cents for every dollar earned by men. If we consider that in 1911, women were earning 53 per cent of the salary of their male counterparts, we must admit that the imbalance between the remuneration of men and women is diminishing at an intolerably slow rate.

Furthermore, Mr. Speaker, it was shown that women are restricted to five of the twenty-two major occupational groups, namely secretaries and stenographers, bookkeepers and accounting employees, salespersons, cashiers and waitresses. As you may have guessed, these are the occupational groups with the lowest salaries and where chances of advancement are extremely limited. In addition, most part-time jobs are held by women. In fact, in 1984, women held 71 per cent of all part-time jobs. It is common knowledge that part-time jobs offer less security and benefits than full-time jobs. Even women who manage to get a university degree are not necessarily going to reap the same benefits as their male counterparts. For instance, in 1982, a women with a university degree was earning the equivalent of the salary paid a male high school graduate. Whether they are educated or not, women on the whole are not on an equal footing with men in the labour market.

As for the three remaining target groups, inequities in the work place remain a tragic fact of life. It was proved in the study: *Who Gets the Work* that visible minorities have tremendous difficulty entering the labour market. For instance, the chances of finding a job are three times better for whites than they are for blacks. These are figures that a responsible Government cannot afford to ignore, Mr. Speaker.

The statistics for handicapped persons who are able to work are hardly more encouraging. According to certain estimates, 50 per cent of handicapped persons who are able to work are unemployed. These people can no longer be ignored by Canadian employers.

Nor can this country afford to do without the contribution of our native community to the Canadian economy. However, with an unemployment rate of over 70 per cent in many communities, native peoples are unfortunately being left out of the economic life of this country. Such a high unemployment level is unacceptable and must be lowered as soon as possible. All Canadians stand to benefit if native people are called upon to make a greater contribution.

The statistics I gave abundantly reflect the current living conditions of women, native people, visible minorities and disabled persons. Those figures are the only motivation our Government needs to take action.

The Abella report recommendations gave rise to many positive reactions and were heartily welcomed by a host of associations interested in promoting employment equity.

The federal Government was quick to react and last March 8, International Women's Day, my colleague the Minister of Employment and Immigration (Miss MacDonald) tabled the Government's response to the royal commission report. In her statement that day, the Minister said it was imperative to "remove the barriers that restrict the economic future of so many Canadians. Our economic development demands the full participation of all. Give Canadians real opportunities and they will get jobs. Give them jobs and they will create wealth. Generate wealth and there will be economic growth—and growth means more jobs».

This response to the Abella report by the Minister of Employment and Immigration is a positive proof that our Government considers employment equity as one of its current priorities.

The provisions of this Bill reflect the spirit of the recommendations made by Judge Abella to the effect that employers should develop employment equity programs. The purpose of this Bill is to eliminate obstacles to employment and to promote employment equity for the four target groups in public corporations and businesses under Federal jurisdiction which employ over 100 workers. In addition, businesses wishing to obtain contracts of $200,000 or more from the Canadian Government will have to make a commitment to ensure employment equity.

Some will say that the best way to implement such employment equity programs is to impose quotas. This option was not the one given preference by our Government for many reasons. Among those, as noted by Judge Abella, there is the fact that quotas are too often viewed as maximum objectives which there is no need to surpass. Moreover, quotas are often too rigid and do not correspond to the characteristics of certain regional businesses.

Mr. Cassidy: Always excuses!

Mrs. Landry: As pointed out by Judge Abella, quotas are inflexible and arbitrary. In their place, we have prefered flexible measures which take into account in a better way the special needs of each company. Indeed, Mr. Speaker, if this can satisfy my hon. colleague for the NDP, the Canadian Human Rights Commissioner, Mr. Fairweather, heartily agrees with our decision. In his letter, the Commissioner points out that Judge Abella recommends that hiring quotas not be set for employers and emphasizes the need to assess results within the organization of the employer to ensure that employment practices have effectively improved employment opportunities, and he also says that the Commission supports this position.

Mr. Speaker, that is yet another proof that our approach—

Mr. Cassidy: It is not a proof!

Mrs. Landry: —is supported by a great many people who are really very competent, certainly as competent as our hon. friends from the opposition.

Having rejected the quota system, our Government has opted for the development of a data bank system among the employers concerned by this legislation. It has adopted the Abella recommendation calling for employers to collect all relevant information in order to assess the degree of participation of the targeted groups.

Mr. Speaker, I note with pleasure that these provisions of the Bill are consistent with the recommendation made by the Chairman of the Canadian Human Rights Commission who, as everybody knows, has a vast expertise in defending the rights of the individuals.

Mr. Speaker, Bill C-62 provides that every employer will have to submit . . . Mr. Speaker, I shall be pleased to continue this debate at the earlier opportunity.

• (1700)

Mr. Speaker: It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

AUDITOR GENERAL ACT

MEASURE TO AMEND

Mr. Stan J. Hovdebo (Prince Albert) moved that Bill C-250, an Act to amend the Auditor General Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I appreciate the opportunity to speak for a few moments on Bill C-250. It is a very simple Bill which has had the support of all Parties in the House. In fact, it has been a long time in coming before the House. Back in 1980, when I was first a member of the Standing Committee on Public Accounts, the Committee took an interest in this particular problem and made a recommendation. The aim of the Bill is also very simple. It is to allow the Auditor General to report more often than he reports at present. The present Act requires him to report annually, and the interpretation of "annually" has been once per year. We in the Public Accounts Committee have felt for a long time that the operation of the committee could be improved if we could look at the Auditor General's reports much closer to the time when they are completed.

Back in 1980, the Public Accounts Committee commented upon a report by stating that it would like to have the Auditor General report more often. In one of his later reports, the Auditor General replied that he agreed that there was a necessity for more current reporting by his Department or by his organization. It was on July 18 that the original request was made that the Auditor General should report more often. Again in 1981 and 1983 this kind of request came from the Public Accounts Committee.

However, it was not until May 29, 1984 that the Public Accounts Committee got down to making the request in a form which asked the Government to take some action on it. The Fifth Report of the Standing Committee on Public Accounts to the House of Commons on June 13, 1984, made the following request:

Auditor General Act

Your Committee considered the reporting practices of the Auditor General and, in particular, the timeliness of his annual report to the House of Commons. Your Committee notes that, under the present Auditor General Act, the Auditor General normally may report only annually to the House of Commons. Your Committee favours the reporting of comprehensive and other audits on a completion-date basis. This will enable your Committee to deal with the Auditor General's findings in a timely manner and to exert its remedial influence as soon as possible after the audit is completed. The Auditor General endorses this approach because it provides for greater efficiency and flexibility in his reporting to Parliament.

That was part of the Fifth Report of the Public Accounts Committee under the able chairmanship of the Parliamentary Secretary to the President of the Treasury Board (Mr. Lewis).

At that time the Hon. Member for Simcoe North attempted to obtain and in fact obtained all-Party support and a promise from the Government at that time that such amendments to the Auditor General Act would come forward. That was in June 1984, and there was a bit of an interruption during the summer. The same requirement has been before the Government and, up until now, it has not taken any action on it. It is hoped by members of the Public Accounts Committee that the Government will take some action. This Bill is brought before the House in the hope that it will start the process of changing the Act so that in the next year the Auditor General may report on a more systematic basis on the completion of each of his audits.

In his 1984 report, the Auditor General made the following statement:

The fiscal year on which I am only now reporting concluded eight months ago. It will be several more months before the Public Accounts Committee . . . will have completed its consideration of this Report. I am anxious to see the whole process speeded up.

If we look at the situation under which the Public Accounts Committee works, it is quite possible that a comprehensive audit of a Department may have been completed a full two years before it comes before the committee. Since the audit sometimes takes two years beyond that point, it means that on occasion the Public Accounts Committee is dealing with material or an audit of something which happened four years before. This Bill will not solve the problem entirely, but it would make the reporting of the Auditor General much more current than it is presently.

I want to stress a couple of points in the few minutes I will take. First, the Public Accounts Committee is a very non-political committee. It is comprised of a group of Members of Parliament who do their best and deal with the operations of Departments. At best, it is a very difficult kind of committee in that it must attempt to find out information as much as possible, sometimes from an unco-operative bureaucracy and even sometimes from an unco-operative administration. Quite often it has found that when it starts exploring areas of concern, the bureaucracy of the Department may have changed once or several times since the beginning of the audit. Consequently, it is very difficult to discover what went on. What this Bill would do is at least give the committee a better chance to find out what went on earlier in the life of the Government and possibly to impact upon those actions in the future. It is valuable to every MP in the House to have a report on the operations of a Department as quickly after that audit has been made as possible. It is valuable to the Government and to the Cabinet because once that information is available the direction of each particular Department can be changed, if indicated. It would even be valuable to a Department because in many cases it is only after the Auditor General's Report, and in some cases only after the Public Accounts Committee has had an opportunity to investigate that report, that corrective action is taken by the Department.

• (1710)

It would also be valuable to the process because if this Parliament got a report, say, every month instead of 12 reports all together at the end of October, there would be a continuous fund of new knowledge about the operation of the Government. That would give all of us in this House a better opportunity.

I do not want to comment on why it has not been brought forward but I hope that this Government will recognize that we need to make this change in the reporting procedures of the Auditor General. I know that the Hon. Member for Ontario (Mr. Fennell), the Hon. Member for Trinity (Miss Nicholson), the Hon. Member for Saskatoon East (Mr. Ravis), and the Hon. Member for Simcoe North who have all been and are part of the Public Accounts Committee feel, as does my colleague from Ottawa Centre (Mr. Cassidy), that the sooner this kind of corrective action or amendment of the Auditor General Act is made the better it will be for the operation.

I think that if we improve the tools with which this Parliament works as much as we possibly can then we can expect a better job from the Members. That is what this Bill is intended to do.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to continue on the words of my colleague who presented Bill C-250 today when he said we are all working to improve working conditions in this House. I believe that this parliamentary initiative would indeed be very helpful and I will try in a few moments to explain why I feel so strongly that this Bill should be adopted and proclaimed.

I indeed take pleasure this afternoon in speaking to this debate. Our official spokesperson, of course, is the Hon. Member for Trinity (Miss Nicholson). She had to be absent this afternoon and asked me to take her place.

As a former member of the Standing Committee on Public Accounts and as a former chairman of the Miscellaneous Estimates Committee which considers the Estimates of the Auditor General, I am more than pleased to say a few words in regard to Bill C-250, an Act to amend the Auditor General Act. On reading the explanatory notes, the essential purpose of the Bill is to allow the Auditor General to report not only annually but to report at least annually. That change means that he could be empowered to report whenever he felt it appropriate if any situation existed where he wanted to apprise the House, as an agent of Parliament, of a difficult situation or of a situation that he felt we should know about. We must

remember that the Auditor General answers to this House directly through his reports and as such is an agent of Parliament and not under the authority of the Government of the day.

I listened closely to the representations being made by my friend, and I must say that I find it appropriate that the Bill before us is being proposed by the Hon. Member for Prince Albert (Mr. Hovdebo), a member of the other Opposition. When I say the other Opposition I distinguish him from the Official Opposition which we all know by tradition in this House chairs the committee on public accounts, and that of course, is the Hon. Member for Trinity. I am very happy see that we have this kind of co-operation, this kind of a very interesting, and I would say a good, change put to us in terms of trying to modify, to change and to improve things around here so that MPs really have a chance to get at the Public Accounts of Canada and the public accounts that they can bring to us every so often.

I am also impressed by the non-partisan nature of the Public Accounts Committee, the strictly review approach that has been traditionally the work of the committee and the seriousness they attach to that review.

In July 1980, my colleague from Prince Albert reminded us, the Public Accounts Committee recommended that the Auditor General use his power more often to make special reports to the House of Commons so that the committee would be better able to examine current issues. That is the key: "current issues". The operative words here are important to us. As Members know, the Auditor General Act as it is interpreted requires the Auditor General to report to the House of Commons annually on or before December 31. Successive Auditors General have met this requirement but we must remember that a report on or before December 31 of any year deals with the Government's fiscal year that ended nine months before that, on March 31. This means that when the House receives the report the Public Accounts Committee starts to examine and consider the items in the report, some of which are already more than a year old. That is a kind of difficult situation for Members of Parliament who like to be perceived to have and would like to have a hold on the issues as they occur.

For a review committee like Public Accounts that takes its mandate seriously, and I know they do because I sat on the committee for several years, and wants its work to be relevant and timely, this is rather like closing the barn door after the horse has left.

No matter how good the intentions of the Auditor General or of the Standing Committee, the once yearly reporting date on or before December 31 severely limits the effectiveness of that committee. It is, to use my horse analogy again, to hobble the committee somewhat by asking it to look at something that has happened sometimes a year or more before.

The committee recommended in July of 1980 that the Auditor General use his power more often to make special reports. When a legal opinion was sought about that power, the opinion came back that the Auditor General Act did not contemplate regular or interval or completion reporting to the House. The opinion was that only once annually, excepting cases of special importance or urgency, would reports be made. In June of 1984, in its Fifth Report tabled in this House, the committee again recommended that the comprehensive and other audits that the Auditor General carries out he reparted on a completion-date basis—I quote the committee's own words:

> Your Committee favours the reporting of comprehensive and other audits on a completion-date basis. This will enable your Committee to deal with the Auditor General's findings in a timely manner and exert its remedial influence as soon as possible after the audit is completed. The Auditor General endorses this approach because it provides for greater efficiency and flexibility in his reporting to Parliament—

• (1720)

The Committee also recommended that the necessary legislative changes to the Auditor General Act be made to permit more times for reporting. In his report to the House for the fiscal year ending March 31, 1984, the Auditor General himself said the following:

> —I commend this proposed change toward more timely reporting for consideration and action by the new Parliament. I am convinced that it would greatly enhance the usefulness of the information that my office provides to MPs—

The changes to the Auditor General Act proposed by the Hon. Member for Prince Albert this afternoon are simple in wording but vital and far-reaching in effect. They would indeed permit the Auditor General to report to the House at least annually instead of just annually. They provide for other reports as well as an annual one, reports that could be tabled by the Auditor General according to his judgment and initiative. They provide for the Auditor General to report immediately on any matter of pressing importance or urgency if he deems it necessary. It is pretty powerful stuff and stuff with which I agree. I think it is time that we got the Auditor General to do this kind of reporting.

On March 4, 1985, my colleague, the Hon. Member for Trinity, the present Chairman of the Public Accounts Committee, outlined in the House the benefits that would accrue from allowing the Auditor General to report to the House on a completion-date basis. I would like to remind Hon. Members of what my colleague said at the time, and this is found at page 2717 of *Hansard* of March 4, 1985:

> —the advantages of completion-date reporting as against waiting 12 to 18 months to get all the issues together would include the following. The subject matter of each release would be current in that it would have been recently completed and finalized by the Auditor General and his staff. The Public Accounts Committee would be more likely to review the matter thoroughly and enthusiastically because it was current. It would be more likely that a review would increase the effectiveness of the Auditor General's Report. The Public Accounts Committee would be able to plan its work better and the workload of the Auditor General would be distributed on a more even basis throughout the year.

I cannot improve on that. The description provided by my colleague, the Hon. Member for Trinity, covers everything. It means that we as Members of Parliament expect and I think are entitled to receive from the Auditor General timely reports which we can use in our work and this will give us a chance to be accountable to our constituents. I can only commend to the House and the Government Bill C-250, an Act to amend the Auditor General Act, as enthusiastically as possible with the

wish that the Bill quickly pass and become law. We should all applaud the Hon. Member for Prince Albert for bringing this important measure forward and I support it wholeheartedly.

Mr. Scott Fennell (Ontario): Mr. Speaker, it is a great privilege for me to be in the House today and speaking on this Bill. First I would like to state that the two opposition Members who have spoken have clearly set forth their positions and I support those positions wholeheartedly. As Opposition Members know and have mentioned, this matter was officially put before the House in June, 1984 by the Chairman of the Public Accounts Committee who at that time was a member of this Party and who had extensive training in the field of accounting. That Hon. Member is probably better able to recognize the need and importance of having these changes made to the Act.

Over the last year, we have had an opportunity to look at a number of details regarding the Auditor General's Annual Report. So often we find that the Auditor General has made his study, has returned to the Department which he has studied to tell it of his findings, has given it an opportunity to clean up its act and has then completed his annual report. Because of that, we do not become aware of problems that may exist until a minimum of 18 months after the date the Auditor General has become aware of what is happening. This delay is costing the taxpayers of the country billions of dollars.

I do not support delaying this Bill any longer. I feel strongly that it should be enacted and adopted. It has been brought up in the House enough times and action should now be taken. The taxpayers of the country are our constituents. We must live up to their expectations of us. One of their expectations of us is that we be a responsible Government. The time to review the matter is now, not 18 months from now.

The Hon. Member for Prince Albert (Mr. Hovdebo) and I along with a number of other Hon. Members had an opportunity to go to Washington in the second week of September. While there, we had the opportunity to meet with representatives of the Comptroller General's office and with the chairman of the committee that runs investigations into the Comptroller General's reports. I think we can learn something from their methods. Not only do representatives of the Comptroller General's office do reports of their own volition, but if they have received a question from any Congressman or Congressional Committee, they must proceed to investigate that which has come to light. In some cases, they find that the spending of a great deal of time is not justified and in those cases they review the situation, get the facts, deal with the situation quickly and then put it aside. I am not suggesting that we should be like the Americans and I do not say that we should be Americans. However, I do say that we should learn something from a system such as theirs, a system which is working.

The Committee should have the opportunity to request of the Auditor General that he commence studies into situations in which we feel the taxpayers are not being well treated. We must change our system so that the Public Accounts Committee deals with matters on an *au courant* basis as opposed to an ancient history one. I will give an example of this that came to light this year and has come to light many times over the past decades. The Auditor General did a report on Public Accounts and it is interesting to note that what he stated in his report this year has been stated continuously in the reports of the past 20 or 25 years. Nothing has changed. This makes one wonder as a member of the Public Accounts Committee about the purpose of sitting on that Committee. When we make recommendations, they come before the House and nothing happens. The reason nothing happens is very simple. It is because things come before Parliament so long after the fact that the Department involved has an opportunity to get its words together so that by the time the matter comes before the Public Accounts Committee, we can be fooled. There is no meaningfulness in such a report because the Department involved has already received it.

We have discussed the question to which I just referred with the Auditor General. He has agreed that we should be allowed to review his working papers and some of his background information so we can know in greater detail what actually transpired prior to the Department getting a copy of that information and stating its own position. I feel very comfortable at the present time regarding Public Works. I have had a meeting with the Department and I have no new information. However, I am fully aware that changes which will gain control over our expenditure of dollars for Public Works will be made. I believe that if we could obtain an up-to-date accounting with respect to Public Works in another year—not in 18 months but in another year—then we could review it. We could realistically state that, yes, it is on track and it is going the way we intended it to go. At that time we will either accept it or put in more recommendations.

● (1730)

We have had a number of discussions with respect to giving more responsibility to Members of Parliament. I support that move. I would say the place for that to start is within the Public Accounts Committee. That is the place where we trace down where money has not been well spent and, in effect, where it has been wasted. I know that we will have a great deal of support on our side with respect to that matter. For that reason alone a Member of Parliament will be able to come before the House immediately and state: We have to do something about Public Works.

There are other cases which I can use as examples. For instance, there is the case we studied earlier this year with respect to CIDA and a railway which was to be built in Tanzania. We supplied the rails but what we did not investigate was whether or not the Tanzanians could afford to buy the ties. The rails are still sitting and rusting in Tanzania. The railroad has not yet been built—

Mr. Turner (Ottawa-Carleton): Sure it is, I have been on it.

Mr. Fennell: Mr. Speaker, I will not refer to someone who has not been recognized and who has not seen the facts. The railway has been partially built. There is still about 107 miles of railway track to be put down. Again, we received the

information five years after the fact. How can the Public Accounts Committee be effective if it receives information five years after the fact?

With respect to the question of CIDA, I must say that there were several meetings of the committee. When we were prepared to draft the report with respect to CIDA the Deputy Minister came before us and was extremely open. She is aware that we had some input into a matter which was important to the taxpayers of the country. She is also frightened that she not be under the gun of the Public Accounts Committee.

One of the famous cases with respect to lost money is the case of Canadair. This Government and Members of Parliament had never heard the term "letter of comfort". The Government of the day committed over $1 billion in letters of comfort before the matter ever came before the Public Accounts Committee. This type of process went on for a period of five years. It was shown that the company had made money when in fact it had not. It was not indicated that these letters of comfort were outstanding, which letters were a direct debt of the federal Government.

We say that our national debt is some $200 billion. In fact, our national debt is in excess of $300 billion, when all the Crown corporations and miscellaneous agencies which have debt piled up against them are added in, as well as some of the liabilities which we have not funded for the future. Canadair is a classic example. If the matter had been brought to our attention earlier we could have dealt with it. Hon. Members will recall that when the matter came before the Finance Committee and subsequently the Public Accounts Committee it had to be acted upon. The company had to try to clean up its act. All that was done was remove the debt from Canadair and place it in the Canada Development Investment Corporation. That did not solve the problem. It just made the financial statement look a lot better. In the committee I for one stated that the only option open was to completely write off the $1 billion worth of letters of comfort because it could never be got back. I said that the burden could not be placed on the Canada Development Investment Corporation or on Canadair alone.

I would now like to deal with the cash management of the Government. We were told that discussions with respect to cash management of the Government had been ongoing for three years. We finally got the matter before committee after two and a half years only to find out that the Department of Finance was not carrying out any discussions with the bankers of the country. In effect, we had to put representatives from the Department before us and tell them to establish a date when they would get together to talk about when they could sort out the mess with respect to the lost funds from cash management which had been mishandled over the last many years. If we had had the matter brought up sooner we could have acted upon it sooner. When we finally brought the Canadian bankers before the Deputy Minister of Finance we saw action.

I believe that the Public Accounts Committee should really have the opportunity to request the Auditor General to provide specific reports on his concerns. I do not think we can wait for the Auditor General to bring his concerns to us. I think we have to give some recommendations. After all, it has to be a two-way street. We need those reports as soon as they are complete. We do not want them tied into an annual report which is a large book which we have a hard time covering a year after the fact. If the reports were to come down every month or two we could deal with them on a current basis. That is what the Hon. Member is proposing in his motion. I have spoken to the Auditor General about Clause 3 which deals with subsection 8(1) of the Act which states:

> The Auditor General may make a special report to the House of Commons on any matter of pressing importance or urgency that, in his opinion, should be reported immediately.

I think the wording in the Bill is probably clearer than the section in the Act. However, if Hon. Members read the section carefully I do not think that they will find that the Auditor General has taken full opportunity of what has been provided in the Act. Nevertheless, he is still stuck in that it has to be a matter of urgency; it has to be imminent and dangerous. Because of that I feel we must adopt the Bill. The only thing that we are asking is to place three words in the Act. Those words are "at least annually". That is all we are asking for. I think the Hon. Member will understand that we are both in the same boat with respect to this matter. We have both worked together on the steering committee of the Public Accounts Committee. We have to see a change.

We cannot carry on in this way or we will lose the interest of our members, which is another important factor. Our committee has been very active for the last 12 to 14 months. However, how can we keep the interest of the members when they will receive another batch of reports at the end of this month containing information which is at least 12 to 18 months out of date? We will just start to work on it and then there will be the Christmas break. I feel strongly about not having the proper facilities in place to really discuss the matter when we should be discussing it.

I know of another Member who will bring up a good case in point. I know that he will go into detail with respect to SRTCs. I was a member of the Finance Committee when the Bill dealing with that subject was passed. It came to the Public Accounts Committee and we found out that we had not been told the truth. We were told that the matter had been discussed extensively in the Finance Committee. I looked for my notes from that Finance Committee meeting and I read where I had asked the following question: "What have you done to check out the cost to the taxpayer of this?" There was not an extensive briefing given as was stated. Yet, they had the nerve to come to us at the Public Accounts Committee to tell us that the situation was much worse than we had anticipated. It went before the Senate and Senator Roblin asked how much this was going to cost, and that was for the year before. It was a case where the Auditor General was able to sneak a paragraph into his annual report at the last minute and we were able to get on to it in a much more reasonable time. But we also have to remember that the Auditor General triggered this earlier and advised the Department, which in turn advised the new

Minister of Finance (Mr. Wilson), and he took action a few days after he was sworn into office.

● (1740)

This year, we doubled our working hours. I think by doubling these hours we have accomplished a great deal more. We could triple our working hours and have many more sittings but if we had the information on a current basis, I believe we would not have the trouble we are having today in digging up past history. It is very difficult to develop ancient history on something which is *au courant*. It is also difficult, because of the way this place works, to try to get the press interested in something, so that the people will become interested, when it is 18 months to 24 months old. I only say that to show that we have to make the people aware of wasted money. We are the protectors of the public purse and public accounts and we cannot do our job through an annual report. It is impossible for us to do a proper job because, as I have stated before, management will mix it up and mix it around so we really do not have all the facts.

As a Member of Parliament for the last six and a half years, I really believe this Bill must be approved. I, for one, left the Public Accounts Committee in 1981 in disgust because I received the same answer to the same question three years in a row, and it was not the truth. I sympathize with the staff of the Department because it was so long before that it happened. However, I feel that to make it a meaningful committee, to bring back the real purpose of public accounts, we must adopt a Bill identical to this Bill and preferably this one, so that we can become a meaningful committee which can do something to protect the public purse. I, therefore, move very strongly on my own that we accept this Bill. I want to salute the Hon. Member who presented this Bill and, fortunately, had it put on the Order Paper because I believe it is something which is very much of interest today. As you probably know, Mr. Speaker, the Auditor General's report will be coming out in 10 days. I think it is time we adopted the Bill, carried it and got the show on the road so that we can give the Public Accounts Committee a meaningful job to do.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I am delighted to speak in debate on Bill C-250 which was presented by my colleague, the Hon. Member for Prince Albert (Mr. Hovdebo). I am delighted to speak on this Bill because I am also a member of the Public Accounts Committee. As a new member on that committee I certainly would like to have an opportunity to voice some of my concerns. I would like to say that Private Members' Hour is something which is very dear to my heart. It gives us an opportunity to voice our concerns and, in particular, the concerns of our constitutents who often have some very constructive criticisms to make of Government and of the bureaucracy. I think this is an ideal time to communicate some of those ideas, and I hope we can bring some of those constructive criticisms to fruition.

As I mentioned earlier, I am a member of the Public Accounts Committee which truly operates, I believe, in a non-partisan fashion. It is an effective committee but I believe it is the least heard of committee in the House of Commons. I certainly agree with my colleague, the Hon. Member for Ontario (Mr. Fennell), who just reiterated that very point. I am not going to try to give anyone here a lesson in public accounts, but some people have looked at me with a bit of a blank stare—not in the House of Commons, Mr. Speaker—but some people who are not familiar with this Committee and they have asked me what a Public Accounts Committee does. Very simply I say we are there to ensure that we get value for the taxpayers' dollars which are spent here in Ottawa and across this country. Our Committee works in conjunction with the Auditor General and we are responsible to this House. What I would like to comment on is the whole question of accountability.

As I mentioned earlier, as have many of my colleagues, the Auditor General reports once a year, which I feel is wrong. I feel the Auditor General should bring matters to the attention of this House on a more regular basis. I was in business before I came to the House of Commons and I can look around this room and see many of my colleagues here today who were also in business so they know what it is all about. Can you just imagine, Mr. Speaker, running a corner service station or a confectionery store and not knowing whether you are in a profit or loss situation until the end of the year? In other words, you never give your books to the accountant and you only find out at the end of the year that you have lost a lot of money and you have not taken any corrective action. Let us think of a corporation which is running a $125 billion operation, as is the Government—and I know much of that includes necessary social services—but it is exactly what we are doing, and we are not allowing the bells and whistles to be blown when they should be blown in order to bring attention to the fact that things may be off the rails at the House of Commons and that the senior bureaucrats should be taking some corrective action.

I believe that this amendment will allow Parliament to bring urgent matters to the attention of Parliamentarians. I suppose some people could argue that the Auditor General does that now, that he works with these various Departments and lets them know through correspondence and meetings that things are not correct in various Departments. However, as I mentioned a little earlier, I believe our constituents want accountability. They elected us—particularly this time around with 211 Members in our Party—because they were so frustrated with the system, with bureaucrats and with Members of Parliament. They wanted to see some change. I cannot think of any other area where we could demonstrate some real change to our constituents right across this country than in allowing them to speak to us and allowing us to speak to the system about changes which have to be made with respect to public dollars which are being mismanaged or are being spent inappropriately.

I would like to cite a few examples, as my colleague did a few moment ago, of things we have observed in the Public Accounts Committee. First, the Public Accounts Committee needs timely information to carry out its responsibilities. I

think that has been touched on by a number of Hon. Members. An example is the Department of Public Works which was touched on by the Hon. Member for Ontario. We received the report in February. It was cleared with the Department of Public Works management the previous summer. Therefore, we were dealing with a report which was nine months old and with recommendations which had not been acted upon. It is absolutely inconceivable that this would happen anywhere else in the country. It would not happen to a small business or someone running his or her own household budget. One just cannot operate that way. One must deal with the responsible management and not a new management as so often happens in Government Departments. Senior public servants get promoted, demoted, and transferred to other Departments and I think we should be dealing with the people who were in that Department at the time as quickly as we possibly can. We should be dealing with the current senior officials of the Department.

The second example I would like to cite is the Department of National Defence. The country knew about this because there was a lot of attention given to this particular item by the media. The information in this report was never acted upon and it would never have been acted upon had there not been a public outcry, particularly from the media. Nine months later they begin to act on these concerns. This is almost like my first example and it is totally inadequate and ludicrous. The Auditor General felt, and as a member of that committee I certainly agreed, that some $225 million in operating capital was being used for capital expenditures.

● (1750)

The third example I would like to raise is that of scientific research tax credits. If the Auditor General raises a red flag over something which concerns him, he can report it to the House and the matter can be reviewed. Believe me, this is one example where we needed more than a red flag raised. It came out of the 1983 Budget of the previous Government, and I would think it was brought to the attention of many public servants as well as the Deputy Minister, if not the Minister, in the spring of 1984 that this program was running into very serious difficulties. However, absolutely nothing was done. The Auditor General was aware of the situation but he was not in a position where he could bring it to the attention of the House or the Standing Committee on Public Accounts. This tax credit was originally budgeted at $200 million. That is what it was going to cost the Government. I have reason to believe that we are now at the $3 billion mark and climbing. This will probably be one of the most serious examples of mismanagement in the history of the Canadian Government. I say that in as non-partisan a way as I can. I do not like it. My constituents do not like it. No one in Government likes it. However, we allowed it to happen. We allowed it to carry on. The Auditor General's hands are tied. However, had we the opportunity of bringing this to the attention of this House or the committee, changes could have been made. Yes, it still would have cost taxpayers more than $200 million. I am not trying to pretend we would have just stopped at the budgeted figure. However, perhaps it could have been stopped at the $750 million mark, not the $3 billion.

Canadians deserve and demand consistent accountability in the House of Commons. People would like to feel that their Member of Parliament is free to bring mismanagement to the attention of this House. Keep in mind that it is not necessary to live in Ottawa to know that taxpayers' money is being misspent. It can happen anywhere in the country. There are many people who want to raise this with us but they want a response. As the Hon. Member for Ontario pointed out, people want to know that we are doing something about it. They want to know that corrective measures are being taken. I have to admit, as the Hon. Member for Ontario did just a few minutes ago, that when a committee submits its report to the House I sometimes wonder if it is really acted upon. Who is reading these reports? How many of our colleagues are reading them? People in this country have grown skeptical about all levels of Government because there has not been enough attention paid to managing the taxpayers' money efficiently and effectively. They want to see us spend their dollars as if they were our own dollars. That is something which is obviously very difficult for us to communicate to the system here in Ottawa. Therefore, this motion is one of many essential steps required to bring about further accountability in Government. I personally think that if people saw this committee making effective reports to this House and getting responses in turn, they would applaud the Standing Committee on Public Accounts.

Back in May of 1984 the Auditor General appeared before the Standing Committee on Public Accounts. He pointed out that some curent and former members of the committee expressed concern that the annual report of the Auditor General is not available soon enough after the audits are completed, and that the report is too long and contains too many complex audit issues. These concerns have been expressed for at least the last four years. That is exactly what my colleague from Ontario was saying. We are not raising anything new here. The Auditor General also pointed out that this was probably what was behind the committee's recommendation that the Auditor General use his power to make special reports to the committee more often, and this would enable him to examine some of the current issues. He pointed out that to make this possible there was an agreement in 1981 to make some small changes to the Act. These changes were submitted to the Government early in 1982 but they were not proceeded with at that time. How long, Mr. Speaker, are we going to play with this? This is very important and necessary to enable us to come to grips with something which is plaguing this country, a very serious deficit. We not only want to decrease the deficit. I often say that we have to stop the fall and then start decreasing it.

There are literally hundreds and hundreds of people who want to participate with us in our efforts to improve the situation. There has to be proper planning and the necessary mechanisms could very easily be worked out. Some people say that the Government is too sensitive about this issue. Perhaps it will embarrass the Government. Well, I do not think that is

the case. These things can be brought to the attention of the committee, and the committee is controlled by the Conservative or Liberal Government of the day. I guess the Hon. Member for Prince Albert would like to think his Party might some day control the committee as well. However, if an issue was too sensitive, then the decision could be made right in the committee itself. Let us give the committee some responsibility. Therefore, I suggest that the details necessary to implementing this motion should be worked out by the committee and presented to the Government for consideration. I am certain that the committee, with the very able representation it has from all parties, can work out an effective recommendation to the Government and I personally would like to see this acted upon.

Mr. Deputy Speaker: The time allotted for Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

YOUNG OFFENDERS ACT—REQUEST FOR AMENDING LEGISLATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on September 17 I rose to ask the Solicitor General of Canada (Mr. Beatty) a question about the Young Offenders Act. I specifically asked if he had had time to make a preliminary review of that Act, since we do know of several flaws in it, and also when we would see some action on his part.

As you know, Mr. Speaker, the Young Offenders Act superseded the Juvenile Delinquents Act of 1908, so legislation has been wanting in this area for some 75 years.

The former Government brought this legislation forward in two parts. As of April 1, 1984 the age was increased from seven to twelve. Children under 12 are now defined as children and cannot be charged with any offence or taken to court. The second half of this legislation came into effect on April 1, 1985 when the age at which a person could be tried in an adult court was increased from 16 to 18.

There are several problems with this new legislation, Mr. Speaker. The maximum sentence for any offence is currently two years unless the offence is one for which an adult would be given a life sentence. In that case, the maximum sentence for a juvenile would be three years. In other words, a 17-year old could commit murder and the maximum sentence would be three years.

Many of the residents of my riding of Don Valley East are quite concerned about this legislation. People who are involved in neighbourhood watch programs and do a large amount of volunteer work have seen some of their efforts set back. The Hillcrest Village Association in my riding recently sent out a bulletin outlining the trend in break and enter problems wherein youths under 12 are being used. Last Saturday I attended a task force on abuse to the elderly at York University which was set up by the Mayor of North York and chaired by Dr. Jerry Cooper. The problems of the Young Offenders Act were touched on at that conference. In early October, I conducted a Rogers Cable show on this topic. I had two guests, Inspector Jim Clark, head of the Youth Bureau of Metro and Carol Appathurai, a researcher with the Central Toronto Youth Services.

The thrust of this legislation is laudible, Mr. Speaker. It is to make youth more responsible for their actions. However, I would like to highlight for you some of the specific problems that have been highlighted by the Metropolitan Toronto Police Force. Before doing that, I will give you a couple of statistics.

In the first nine months of 1985 in Metropolitan Toronto the police have investigated and confirmed 1,310 criminal offences by persons under 12 years of age. The exclusion of people under 12 creates concerns about the exploitation of 12-year olds by a knowledgeable criminal element involving the child as a party to the offence, and about the confession of a child who is immune to prosecution claiming responsibility for a crime committed by a person over 12 years of age.

This legislation affords victims the right to be heard in court concerning dispositions with respect to the young offender. However, the legislation denies that right when the child is under 12 years of age. The child cannot be charged with perjury. A person under 12 years apprehended for a crime and taken to a family court judge for a hearing is denied his rights. The hearing deals with the ability of the parents to handle the child rather than with his guilt or innocence.

Section 45 deals with records. I will give you an example of a problem encountered there. A young offender is placed in open custody following an offence for which fingerprints are not recorded. He or she leaves the open custody setting in early morning hours, which is not difficult to do, and is stopped by a police officer a short time later. A CPIC check will not indicate that the offender was sentenced to open custody. The officer releases the offender, who is killed a short time later and an inquest is held.

• (1805)

I have another example, Mr. Speaker. Recently, a 14 year-old female was reported missing by her parents. The parents were on welfare and could not afford a picture of their child. The female had previously been charged under the Young Offenders Act. The police had a photograph of the child. However, the use of such a picture is currently prohibited under the Act.

Let me deal with another couple of areas of concern. One is publication of identity. A child who is sexually abused by a young offender is protected from name publication, but not if the offender is 18 years old. A 12 year-old who commits arson

is protected as a young offender, but the child in the other case is not.

In summary, I was very pleased to see that our new Solicitor General, as recently as last week, announced that he will make changes in the law, but that will be after he has heard the concerns of social workers, the police and the provinces. I applaud our Solicitor General for acting in such a swift manner, yet with sensitivity to the problem. Yes, progress has been made but there are some serious flaws in the legislation that need to be corrected for the protection of the child, the parents and society in general.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, in response to the Hon. Member for Don Valley East (Mr. Attewell), who, earlier in this House, directed a question to the Solicitor General (Mr. Beatty) regarding the major weaknesses in the Young Offenders Act, and we recognize that the Member has now further elaborated upon his concerns, let me say at the outset, it should be noted that the Solicitor General fully endorses the philosophy that underlies the Young Offenders Act, namely, its clear acknowledgement that young people are responsible for their illegal behaviour and that society has a fundamental right to protection. The emphasis on these principles has not resulted, however, in the abandonment of the principle that young people have special needs which must be addressed by the juvenile justice system and by society as a whole.

Accordingly, a balance must be achieved in this juvenile justice system which, like the adult system, now recognizes the rights of the accused, the responsibility of the offender, and the protection of the public and, like the previous juvenile justice system, continues to recognize the needs of 12 to 17 year-old adolescents.

It is appreciated that in implementing such important change in the orientation of juvenile justice, difficulties will be encountered and some of these will require legislative change. As the Hon. Member is aware, there has been a public perception that the Young Offenders Act is too lenient in its treatment of young criminals.

Based on this belief that society is not being accorded the protection it requires, criticism has focused on such issues as the exclusion of children under 12 years, the ban on the publication of identity and the inappropriateness of penalties for serious crime. From a provincial-territorial perspective, the concerns tend to focus around matters of an administrative and procedural nature.

In short, some serious concerns with the Young Offenders Act have been advanced and require careful consideration. Regrettably, many of the criticisms and demands for change that have been made are the result of a serious misconception about the nature and implication of the Young Offenders Act for the administration of juvenile justice.

In order that the Solicitor General be sensitized to the legitimate issues arising from the implementation of this new Act, he will be meeting with concerned citizens and professionals active in juvenile justice across the country. In addition, he is looking forward to meeting with provincial and territorial Ministers responsible for juvenile justice at the earliest possible opportunity. The Solicitor General considers these steps to be an essential prerequisite to any change. Having stated this, please be assured that the Solicitor General will then be prepared to respond in a just and equitable manner to those areas which clearly require change.

• (1810)

REGIONAL INDUSTRIAL EXPANSION—CAPE BRETON—CAPITAL WORKS PROGRAM. (B) REQUEST FOR EARLY ANNOUNCEMENT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise on a question I directed to the Minister of Regional Industrial Expansion (Mr. Stevens) on October 16, 1985. At that time I asked the Minister whether he could share with the House whether or not he would be proceeding quickly on the recommendations contained in the Cape Breton Advisory Committee report. That committee was appointed on the evening of May 23, 1985, when the Minister of Finance (Mr. Wilson) announced the closure of the two heavy water plants in his Budget. As a result, tremendous economic hardship has accrued to my constituents and to adjacent constituents. Unemployment in some communities is unfortunately in excess of 50 per cent. The hardships anticipated over the winter months are indeed very devastating.

In part, page 7 of the report reads as follows:

> —the Committee could not ignore the urgency of a situation in which unacceptable numbers of workers, particularly young people, are facing hardship and despair and in which community and family support systems are strained to the limit.
>
> The Committee believes that immediate public investment in projects that will generate employment in the short term is necessary.

The particular report, which has been filed with the Minister, went on to list a number of projects that could be started immediately. They are readily available—the design work has been done, so to speak—to put people to work in the short term because of the seriousness of the situation.

I might add that some of the projects include the ongoing operations of the Sydney Steel Corporation, which has been seeking funds from the Government for a considerable period of time. However, as yet, it has been unable to make up its mind in that regard or on increased funding for the Cape Breton Development Corporation.

The report went on to indicate:

> The Committee recommends that the Sydney tar ponds be cleaned up as soon as possible, as these toxic areas present a major health and environmental hazard. A clean-up program should be launched in 1986 and would generate approximately 360 person-years of employment over three years.

It has been approximately 149 days since the Government has closed the two heavy water plants. Since that time it has been promising that actions would take place in order to alleviate high unemployment in that area of Canada. Thus far nothing has been done. We have only been given assurances by the Minister of Regional Industrial Expansion, by the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil), by the junior Minister from Central Nova and of course by the junior Minister from Halifax—

Mr. Forrestall: What do you mean by "junior Minister"?

Mr. Dingwall: They have done nothing.

Mr. Forrestall: That is impertinence.

Mr. Dingwall: I hope the Parliamentary Secretary will have the opportunity to stand in his place and expound upon what projects will be approved forthwith. Unfortunately the Hon. Member opposite who is babbling at this point in time knows very little about the social and economic conditions of that particular area of the province.

Mr. Forrestall: A little more than you do, young man.

Mr. Dingwall: I hope he rises in his place and gives us an exact dollar amount that the Government is proposing to advance in the short term, as advocated by its own Tory committee which it appointed. The social and economic issues in that particular area are such that they are causing grave hardship for thousands upon thousands of Nova Scotians and Canadians. I hope the Parliamentary Secretary, in his wisdom, shares with Members of the House and indeed the public at large what the Government's response will be.

After 149 days people in that area of the country are still awaiting some positive action which has been promised by numerous individuals, whether it be back-benchers from that side of the House who have done very little, or whoever. I hope he rises to the occasion and presents what the plan will be for the short term in creating employment opportunities in that area of Canada which has been dealt such a devastating blow as a result of the insensitive actions of the Government of Canada.

● (1815)

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I am pleased that the Hon. Member has raised the question of Cape Breton and has touched on the excellent list of recommendations put forth by the Cape Breton Advisory Committee concerning the long-term economic development of that region.

The 34 recommenations of the Advisory Committee have already had an impact on the federal Government and on the Government of Nova Scotia. In view of the importance we attach to Cape Breton and its future, I know the Hon. Minister will allow both levels of Government the necessary opportunity to fully assess the recommendations and to determine, in consultation with Cape Bretoners, the implementation of these recommendations.

I would like to take this opportunity to remind the Hon. Member that the federal Government has already devoted much time and effort to developing co-operation with the Government of Nova Scotia and in encouraging Cape Bretoners and others in investing human and financial resources to create both short-term and long-term jobs.

I also wish to bring to the attention of the Members of the House of Commons that the federal Government announced in its May 23 Budget a Cape Breton investment tax credit and, on July 17, a program to "top up" assistance being provided under other federal Government programs. This financial assistance from the federal Government is already benefitting Cape Bretoners.

As an example, the Highland Fisheries Company has been able to undertake the reconstruction and modernization of its facilities. In fact, through the Industrial and Regional Development Program, the federal Government contributed $1.5 million to the Highland Fisheries and thus created 180 jobs. In view of many other federal Government initiatives and incentives, we expect to create and to maintain hundreds of jobs in Cape Breton.

In view of these initiatives taken by the federal Government, and in view of the advice now received by the Cape Breton Advisory Committee, I am confident that concerted actions will be taken by both the federal Government and provincial Government, with the important participation of the private sector, in the development of immediate and long-term viable jobs.

I trust that the Hon. Member joins me in expressing gratitude to the members of the Advisory Committee who devoted long summer hours to the task at hand and in thanking all Cape Bretoners who presented briefs to the Advisory Committee. I know the Hon. Member supports me in thanking such Cape Bretoners involved in Vision, the Worker Co-operative, the Coalition of Association for Learning Disabled, the Cape Breton Labour Council, the Cape Breton Offshore Trade Association and the many other groups, associations and individuals who presented thorough briefs to the Advisory Committee. The determination of such Cape Bretoners sends a strong message to the federal Government that Cape Bretoners enthusiastically view the future and wish a stronger say in the decisions affecting the development of their Island's economy.

The Hon. Member should rejoice in knowing that this Government intends to work with Cape Bretoners to encourage and stimulate economic development and productive, long-term employment.

ST. LAWRENCE SEAWAY—WELLAND CANAL BLOCKAGE. (B) CONDITON OF LOCKS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, over the last two weeks I have had the occasion to raise with the Minister of Transport (Mr. Mazankowski) a number of questions that specifically deal with the St. Lawrence Seaway's economic viability. The first in that series was a decision last spring by the Minister of Finance (Mr. Wilson) to dip into the Seaway Authority's assets and remove $30 million from their funds in order to help offset the Government's deficit. We had the historical occasion the next day to have the Minister of Transport before us in the Transport Committee to discuss the implications of the budget on his Department.

After we raised the matter of the $30 million he indicated to us that he appreciated our interventions and that he would, and I am paraphrasing here, take our arguments back to Treasury Board. It was as if, Mr. Speaker, he was saying I

agree with you and I will do whatever I can to get that money back.

● (1820)

When I put the question to him two weeks ago he indicated that the Government was studying the matter. I can interpret that as meaning that he has not quite convinced his Cabinet colleagues yet, or that they are just now beginning to take a look at the matter.

We have what can only be called a major disaster on the St. Lawrence Seaway, a disaster that will require a great many dollars to repair both in the short term ad the long term. I am not going to suggest that I know how long it will take to repair it because neither I nor the Government is in a position as yet to make that determination. Nor am I at this time indicating that the Govenrment has any legal liability in the matter. I want to make that perfectly clear. However, it is indicative of the need to keep the Seaway Authority's contingency fund intact.

That fund exists for a number of reasons, including long-term capital renovations and emergency repairs such as the ones required because of the collapse of a part of the walls of Lock 7. It is also used to keep user fees low.

Part of the Seaway's original mandate was to provide for cost recovery. However, there is a danger in letting the Minister of Finance fiddle with the business of the Minister of Transport because I do not think that the Minister of Finance appreciates the value of the Seaway as does the Minister of Transport and his Parliamentary Secretary. They understand how important it is to the national economy that it be viable.

I ask, Mr. Speaker, if it is going to help the national debt if we force Seaway tolls up by 25 per cent or 30 per cent, the figures that were indicated to us by the President of the Seaway Authority, as a result of having the $30 milion fund removed? Will it help the national debt if we make shipping companies or producers less competitive in the world market? Will it help the national debt if we force them to lose contracts, lay people off and in some cases even go out of business? No, it will not help the national debt.

This blind devotion to deficit reduction and cost recovery will force the deficit up, not down. By having fewer companies paying taxes the deficit will rise. By having fewer workers paying taxes the deficit will rise. By having more individuals receiving unemployment insurance or welfare payments because of the lack of employment the deficit will rise. Ironically, the whole cycle will bring about a decline in usage of the Seaway itself. With fewer products moving there will be fewer people to pay the tolls and that will just make things worse. The industry will not stand for it. I for one will not stand for it. I ask the Government to reconsider and re-establish the $30 million fund in the Seaway Authority's budget.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as of 5 o'clock this afternoon Canron Inc. had six stabilizing struts in place and was beginning to install the final six struts. Barring any complications, it is expected that the Seaway Authority will be able to drain the lock sometime Wednesday, October 23, 1985. Once this has been accomplished, an assessment of the damage will be made and Pitts Engineering will begin the repair work.

A contract has also been awarded to Acres International Ltd. to determine the cause of the blow-out. I believe it would be irresponsible on my part and on the part of Hon. Members present to presume upon the findings of the consulting engineers hired to make this determination. Once repairs have been effected, the Seaway will remain open as long as weather permits in order to minimize the effect of this disruption on the users.

My hon. friend, the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), may rest assured that both the Minister of Transport and the President of the St. Lawrence Seaway Authority will not hesitate to take whatever action may be deemed necessary to ensure the continued integrity of the Seaway. In fact, the Minister of Transport, in reply to a question put by the Hon. Member for Welland (Mr. Pietz) today in the House, stated that he has asked the President of the Seaway Authority to conduct a study to determine more accurate ways of identifying potential problem areas, to establish contingencies in the event of a break-down and to improve the over-all operations of the Seaway. These steps are being taken with a view to restoring user confidence both in Canada and abroad.

● (1825)

With respect to the $30 million fund, let me reassure the Hon. Member that the funds necessary to maintain the operation of the seaway will be in place. It makes sense to tap that $30 million fund. I give the Hon. Member that reassurance.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Tuesday, October 22, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed from Thursday, October 10, consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is both with pleasure and with a sense of dismay that one has to speak this morning on this Bill.

An Hon. Member: Is it a pleasurable dismay?

Mr. Langdon: It is a pleasure to be able to convey to the House the sense of sadness one has to feel because this Bill has been brought before the House by the Government.

This Bill represents a story of corporate irresponsibility on the part of a bank but it also represents a story of Government mismanagement with respect to the handling of this entire affair. The level of corporate irresponsibility has become quite clear as the testimony of Mr. Hitchman has proceeded in the Estey inquiry. We find that this former banker, who has had the opportunity to actually dig into the details of this operation, has uncovered an incredible mare's nest. The operation of this bank was simply not acceptable and Mr. Hitchman suggests that that fact could have been easily discerned if somebody had taken the time to investigate the matter with care back in March. His report demonstrates not just the corporate irresponsibility of the bank but the sense of mismanagement which has been demonstrated by the Government in carrying this bail-out procedure forward, beginning in March.

I think we have to speak with sadness about the willingness of the Government to commit what is now $875 million for these two banks despite the lack of detailed information back in March which Mr. Hitchman has said could clearly have been available.

What we have is not just a story of Government mismanagement and corporate irresponsibility. It is also a story which characterizes the misplaced priorities of this Government. As I look at this Bill and the huge sums of money that are going to be spent because of it, I have to think of the farmers of Essex county on whose behalf I had to write to the Farm Credit Corporation and the Minister of Agriculture (Mr. Wise) this past winter pointing out that the farmers were going to lose their farms because of the lack of special government help for the farm community. The answer we received was, "We cannot afford to help those farmers".

• (1110)

As well, I have to think of a small, struggling company based in my constituency called Diversified Fuel Components which had to try source after source to receive assistance in getting through a difficult financial period. Ultimately this company did get such help, but it received it from the provincial Government, not the federal Government, despite the fact that programs should have been available to help this kind of innovative firm. Yet the answer that that company received in response to request after request I raised on its behalf was that there simply is not enough money available.

I have to think of older workers who are in their late fifties and had worked for companies like Champion Spark Plug which again is situated in my constituency. These workers had been part of an enterprise which, from 1978 to 1984, had been able to get assistance under the Labour Adjustment Benefits Program. When these workers were laid off this past summer, they made a simple request. Like their counterparts who had received help up until February 1984, they too as older workers wanted to receive help with the very difficult problems faced by older workers who are unemployed. Yet once more, the answer that came back to me from the Minister of Labour (Mr. McKnight) was, "I am sorry, we do not have enough money".

I have to think of the people of Essex-Windsor who want assistance for the Hiatus House which provides assistance to women who are caught up in the transition between marriage and independence. Many women have to leave their family homes and they face great difficulties in doing so. Hiatus House, supported mostly by private charities from the Windsor and Essex county areas, provides help for them to make that transition. Not only for Hiatus House but for transition houses like it across the country, we have requested that help be made available. That was one of the recommendations of our action group report on jobs which we wrote this past winter. Once more, the answer that came back to us was, "We do not have the money for that kind of thing".

I have to think of construction companies within my constituency which requested that the increase in sales tax that would hit those small producers be postponed for a year to permit them to phase it into their contracts, a quite straightforward and reasonable request. Once more the answer came back from the Minister of Finance (Mr. Wilson): "We do not have the money." Thus, we end up with farmers, small business people, older workers, women, and medium-sized construction companies saying to the Government: "Look, here are sensible matters which need just a little bit of money", and the Government comes back with the answer: "No. We do not have that type of financing available."

• (1115)

Then we saw two banks get into trouble, and suddenly $875 million was made available. It is not available for poor individuals, hard pressed widows or desperate credit unions, but, as the statistics made clear, it is available for foreign banks, other Canadian banks, investment dealers, large Canadian corporations and life insurance companies which will receive the majority of the support which this Bill is to provide.

To conclude, I think this is an immoral, irresponsible Bill which reveals far too clearly that the priorities of the Government lie with the rich and the wealthy as opposed to the poor, the weak, the hard pressed—the people who can make a contribution to the future of our economy.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I wish I could say that I am pleased to participate in the debate this morning. However, I am not.

For the first time in over 50 years a bank folded in September of this year. Only a few weeks later a second bank found itself in a similar predicament. This is as a result of a Government which, last summer, made campaign speeches across the land saying to the people of Canada: "Vote for us. We are business-like. We can run the country in a business-like manner. We are friends of business and banks which can really associate with us. We can do things more productively". That is what the Tories said last summer. What happened to their business-like manner in running the country? If this is business-like I wonder what type of business those Hon. Members across the way were in before they were elected to the House. I certainly hope they were not running those businesses the way they are running the country because we would be in even deeper trouble if the businesses of the country were run as badly as this Government is run. Of course, the Government says, as did the Minister of State for Finance (Mrs. McDougall): "It is not our fault. It is the fault of the previous Government". That is what the Minister of State for Finance said in the House. She said: "Blame it on the previous administration. Blame everything on the previous administration".

Mr. Gormley: Hear, hear!

Mr. Boudria: There is one of those generic Tories, Mr. Speaker. He is one of those Members from whom we very seldom hear.

Mr. Gormley: It's better than being a Taiwan Liberal.

Mr. Boudria: Here is someone who very seldom speaks in the House and who is now saying: "Hear, hear".

• (1120)

Let me bring to your attention, Mr. Speaker, the Hitchman Report which was commissioned on June 25 by the Minister of State for Finance and which was tabled on August 12. Whose fault is it, according to Mr. Hitchman? He does not talk about the National Energy Program or all of those other reasons given by the Minister of State for Finance.

Mr. Fennell: He is a Liberal.

Mr. Boudria: An Hon. Member across the way says that His Honour the Judge is a Liberal.

Mr. Foster: Who appointed him?

Mr. Boudria: He was appointed by the Tories. He is a well qualified—

The Acting Speaker (Mr. Paproski): Order, please. I would hope that no one in this House would speak about the political affiliation of the judiciary, who are well respected gentlemen, whatever their political affiliation before becoming judges.

I do not think we should allow something like that in this Chamber. I would hope that the Hon. Member would stop saying this.

Mr. Fennell: Mr. Speaker, I rise on a point of order. I just want to correct the record. The gentleman to whom reference was made is not a judge. He is an ex-banker with the Bank of Nova Scotia. I was not implying that he had been appointed a judge.

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member is saying. It was my understanding that what the Hon. Member had mentioned was the particular individual who is now looking after a judicial inquiry. I would hope that that is not said again.

Mr. Boudria: Thank you, Mr. Speaker. I am glad you brought the Hon. Member for Ontario (Mr. Fennell) into line. He certainly needs it.

I was just going to read from the report of George Hitchman. What does it state as reasons for the failure of the bank? He said that of the 84 loan accounts he reviewed, he found that 28 of those had no financial statements; 11 had financial statements which were over a year old; and 45 had financial statements but some of them lacked sufficient detail in order to assess the loan properly. This is the way in which the banks, which were supervised by the Government, were run. This is the kind of administration we have.

I have an article from *The Toronto Star* dated October 22 in my hand. The article is entitled, "Expert assails poor records of failed bank". It states in part, and I quote:

Retired banker George Hitchman reiterated his report's conclusions before a federal inquiry that the Edmonton bank's management had engaged in unsound banking practices and kept poor records of the bank's affairs.

I hope that clears up the Minister's erroneous and sometimes misleading comments. She has accused previous administrations of these failures, but these are Tory failures. They are nothing else but Tory failures caused by a bad Government.

We know, Mr. Speaker, that in a very few days there will be additional tax measures which will be implemented as a result of the disastrous Budget of last May 23. We know, of course, that those tax increases will total $2.6 billion. What is interesting is that if one adds the cost of the Gulf fiasco and the cost of the bank bail-outs, one finds that the total comes to just about the identical amount. So the blunders of this Government over the last three months have cost the taxpayers the same amount as the tax increase which the Minister of Finance (Mr. Wilson) is inflicting or will be inflicting on the people of Canada over the next few months. There is no excuse for this kind of administration.

I would like to read to you, Mr. Speaker, what some of the farmers in my riding think of the priorities of this Government in bailing out banks versus helping out the needy. I would like to read a letter which is signed by Lorraine and Richard Lapointe of Martintown, Ontario, in the riding of Stormont, Dundas, which is temporarily held by a Conservative Member. The letter says:

● (1125)

Dear Mr. Warner:

At a time when your Government is cutting back on Agricultural programs and planning to phase out subsidy payments to dairy farmers, it is disappointing and frustrating to see you so eager to reimburse the depositors of a failed bank.

Investors knew there was a risk involved and were fully aware of the insurance limitations.

NOW TELL US WHY ALL CANADIANS HAVE TO PAY!

A copy of that letter went to the Minister of Finance. I want the record to show that a Member to my right says that these people are my cousins. I am sure Mr. and Mrs. Lapointe of the riding of Stormont-Dundas will take that accusation for what it is worth. If they voted Tory in the past, the Tories just lost two votes. We know they have none to spare and they have lost two more because of partisan remarks such as the Hon. Member just made against the good people of Stormont-Dundas.

This is the situation we are facing in this country. We have a Government which does not want to give any priority to the concerns and problems of the farmer. We have a Government which is failing to live up to the campaign promises it made to the good people of Canada last summer.

[*Translation*]

I see the Secretary of State agrees with what I just said since he nodded his approval. I invite him to cross the floor and join us. He is starting to see the light, a bit late, perhaps, but it is never too late for a Conservative to let himself be inspired by ideas that make more sense than that party's philosophy, Mr. Speaker.

In any case, it is clear the Government is making a mistake by wanting, to reimburse depositors in this way, that is, without letting the House and the people of Canada know where the money is going to.

[*English*]

Why can the people of Canada not be told who this money is going to, Mr. Speaker? Finally, how did the Minister of State for Finance decide that certain investors were going to be reimbursed and certain investors were not? In my view, people who deposited in excess of $60,000 in these banks are clearly investors just like anyone else. Why are they reimbursed and the preferred shareholders, for instance, not reimbursed? What is the difference? They are both investors. They have both invested money which is uninsured. One is being assisted and one is not. This is unfair and the Government should really rethink this whole measure in order to improve it.

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, it is clear today, as it has been for some time, that this debate should end. It has become repetitive and unproductive, and nothing has shown that more than the two opposition speeches delivered today. The NDP has shown today, as it has previously in this debate, that the only new thing it has is the word "New" in its name. In this debate the NDP has dragged into this Chamber every tired-out, used up idea, cliché and trite saying which it has been storing up, saving, cherishing, indeed revering, since the Regina Manifesto. However, they all add up to one thing: That Party is against banks, business and anything which builds up the economy and causes this country to prosper.

Mr. Nystrom: We are against Tories.

Mr. Stackhouse: With a fine disdain for the truth NDP Members seized on one feature of the Bill, the possibility that it will be helping foreign banks. The thought that some of our resources could go to foreign banks has really gripped their imagination. They have implied to the public that that is what the Bill is all about even though the facts show that only 12 per cent of the money involved is going to foreign banks. Where does the other 88 per cent go? This is something that has received no attention from the NDP at all. For example, the compensation of the credit unions will amount to 14 per cent, more than that of the foreign banks. Does the NDP want those credit unions to be bereft as a result of these banks ending their days? The compensation for the provinces and municipalities will total 21 per cent of the funds involved. Does the NDP want the western provinces to be ignored? Would it want those provincial Governments and municipalities to be left behind? I should not want to think that the NDP Members are that indifferent to the well-being of the provinces and municipalities of western Canada and other regions, but that certainly could be inferred from the addresses they have given.

• (1130)

What about the labour unions and the religious organizations? What about the universities? There is a cause. It being National Universities Week this week, the Opposition has reminded us that the Government should be providing more. If the Opposition had its way, we would ignore the needs of universities, religious organizations and labour unions that had money on deposit in these banks.

With regard to the Liberals, Mr. Speaker, it seems to me that they should have stayed out of this debate altogether. They have clearly been part of the problem rather than the solution. Their finance critic, the Hon. Member for Trinity (Miss Nicholson), for whom I have high regard, made the point in her address early in the debate that no bank has ever failed during a Liberal administration. I had thought that we had a bank failure in the early 1920s during the King administration. However, that is a historical point which may have been passed by. The point which we must focus on is one in more recent history which is familiar even to members of the Liberal caucus, namely, that under their administration the banking system was allowed to expand from 11 institutions to 70, while the staff of the Inspector General of Banks was kept static at eight inspectors. That fact could not be ignored, even by their finance critic, who said:

> I do not know why additional staff was not added to the office of the Inspector General of Banks at a time when, following the revision of the Bank Act, the number of banks in Canada was greatly increased. There was a rather obvious case to be made for increasing the number of inspectors.

It was obvious to everyone but the Liberal Government in office at the time. The Liberals have been part of the problem and now they are trying to be part of the solution.

Mr. Gauthier: Keep going. Read on.

Mr. Stackhouse: During this debate the Liberals may have shown that they may be short of members, but they are never short of gall. That is one thing which they always have in rich quantity. The "fatuous forty" in this debate have marched in day after day and emptied themselves as though the people of Canada had rejected them not only in 1984, but a year later, in September, 1985, have done precisely the same thing again. I note that the Liberals have been feeling much better in the past several weeks. Due to Question Period they were sure that they were on their way back. However, just last week the Gallup poll showed that in September—

Mr. Gauthier: On September 5 Parliament had not resumed.

Mr. Stackhouse: —the public would have supported the Progressive Conservatives by 48 per cent in contrast to 29 per cent for the Liberals.

Mr. Gauthier: Be honest now.

Mr. Nystrom: That's before "Tunagate".

Mr. Gauthier: Coming from you that's not very nice.

Mr. Stackhouse: One could say of this that when all they get is 29, all they can do is yearn and pine. In fact we can go on to say that come '88 they'll still have to wait. The fact is, Mr. Speaker, that under the administration of this Government the economy has turned around. The reason for that is that there has been confidence restored in the possibilities for doing business in this country.

Mr. Gauthier: Busted banks, rotten fish.

Mr. Stackhouse: This Bill is itself a confidence builder. It is directed toward that objective because it is a way in which the Government demonstrates its commitment to keep the pledge that was implied, if not articulated, in asking the depositors in these banks to continue depositing.

It should be clear to us all, Mr. Speaker, that business prospers when there is confidence among those doing business, one with another. Indeed, so much of our business today depends upon that kind of mutual trust. An investor has to be amazed at the way in which the securities industry of this country day by day depends upon people being able to rely upon the commitments that one makes to another. Without that reliance the whole thing would collapse. If you found that commitments which were made were not honoured, at the very least you would not do business with that person again.

This is an example in which the Government asked people to leave their money on deposit in two banks that were in trouble. In the interest of the country as a whole, but particularly in the economy of the western region, the Government was trying to assist, stabilize, and help these banks to survive. When that was no longer possible and it became clear that in spite of that assistance those institutions were no longer viable, the Government made the kind of hard decision which Governments sometimes have to make and decided that those banks would have to be allowed to close their doors. Having made that decision, and having earlier made a commitment to those depositors, institutions and individuals alike, it was right that the Government keep its word, articulated and implied, to depositors, who responded to its request and, at considerable risk to themselves, made an impressive effort to keep the banks alive.

That was not a bail-out like the bail-out of Maislin Transport in Montreal under the former administration. No shareholders of this bank were bailed out. Those shareholders had to bear the risk. No Government came to their rescue. The only assistance given by this Bill is to those depositors who put their money at risk and made it possible for those banks to continue operations during the time that they did.

Therefore, Mr. Speaker, we consider this Bill to be appropriate to the general effort that has been made by the Government to restore business confidence and to renew the economy. I think it will be clear from the passage of this Bill that the business community knows it can count on the word of the Government.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to join in this debate because I think that the Hon. Member for

Scarborough West (Mr. Stackhouse) has just displayed his great ignorance of what we are debating here. We are debating a reasoned amendment by the Hon. Member for Vancouver Quadra, the Leader of the Opposition (Mr. Turner). That amendment reads:

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

"this House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies to unspecified persons or corporations, thereby substantially denegrating Parliamentary accountability for expenditure of public funds".

Surely, Mr. Speaker, the very basis of parliamentary democracy and our accountability is the bringing of the Estimates of various Departments of the Government before the House or before a parliamentary committee in order to determine exactly what the expenditures are for. The Government is asking for a blank cheque. It is saying that it will not give any details about who the money is being paid to. Is it to their Tory friends in Alberta? We do not know; maybe it is not. We should know if it is.

● (1140)

Surely it is basic to parliamentary democracy to know who will be receiving the money, whether it is their bank friends in Toronto or California or anyone else. We should be entitled to more detail either from the Estey Commission or the parliamentary committee.

When we get to the committee stage of this Bill I hope we will be able to find out the names of those with the hundreds and thousands of dollars in bad loans. We should also know that information because this whole episode really speaks of a political fix.

The Prime Minister (Mr. Mulroney) made an incredible decision on the spur of the moment to bail out a bank. He made his Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) agree with this decision even when they, in their own incompetence, realized it was a terrible mistake. However, when the Prime Minister made this decision over a weekend, those Ministers did not advise the Prime Minister to have an audit conducted by the senior banks who participated in the bail-out. Those banks were also pressured by the Prime Minister to invest millions of dollars in that bail-out. I suggest this is the worst fiasco in Canadian banking history.

A very interesting article in *The Financial Post* has the headline, "Never-ending circle of passing the buck". This article outlines how the $1.3 billion worth Canadian Commercial Bank fiasco takes place. First, the Minister of State for Finance and the Minister of Finance cannot be faulted because they did not attend the meeting. Although the bankers, the Deputy Minister of Finance and the Inspector General of Banks attended the meeting, it is amazing that the Minister of State for Finance and the Minister of Finance did not attend that meeting where a decision is made to put up $255 million. Since those Ministers cannot be responsible for such a decision if they did not attend the meeting, that is how the buck is passed in that circumstance.

The Governor of the Bank of Canada stated that he had no direct knowledge of the state of the bank's finances. It is amazing that he would advance hundreds of millions of dollars when he does not bother to check and does not know anything about the state of the finances. He stated, "The Bank of Canada is not involved in monitoring the financial soundness of individual banks and supervising their behaviour". Therefore, the buck is passed again because he is not responsible. Who is in charge if it is not the Governor of the Bank of Canada? What about the Inspector General of Banks, Mr. Kennett? The article states:

No, not his fault either, if you listen to the rumours. He and former Deputy Minister of Finance Mickey Cohen, you see, actually argued against the bail-out.

Therefore, they are not responsible. They are said to have been overruled by the Government Ministers. Of course, they are not responsible because they were not at the meeting. It is a perfect circle of buck-passing.

I believe the responsibility lies with the Prime Minister. Obviously he made the decision and, incredibly, his Ministers knuckled under and agreed to it. However, a three-day audit would have given sufficient warning to these Ministers to advise the Prime Minister that this bail-out was a useless exercise. This view was stated by the consultant at yesterday's hearings.

The Hon. Member for Scarborough West stated that confidence has been restored. However, I would ask him, in what area this confidence has been restored? The $60 million requested by the Government last March will ultimately cost the Government a billion dollars. This certainly did not restore confidence in investors in the Northland Bank because that bank has failed. It has not restored confidence in depositors in the Mercantile Bank because it faced a terrible run on its deposits.

I suggest that the Hon. Member is doing a lot of wishful thinking if he believes confidence has been restored in these areas. Small banks like the Bank of British Columbia as well as the Continental Bank have had to raise interest rates in the face of serious problems. Therefore, rather than renewed confidence in the country we have had the greatest lack of confidence in our banking system in 62 years. Two banks have failed and another bank had such a serious run on its deposits that it had to amalgamate with another bank.

The Government should have investigated the matter and conducted the proper audits rather than acting on the Prime Minister's quick political judgment. The Northland Bank would probably be in business today and the Government would have saved hundreds of millions of dollars. Therefore, I believe the Government should accept our amendment which states that:

this House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies to unspecified persons or corporations, thereby substantially denigrating Parliamentary accountability for expenditure of public funds.

If we do not accept such an amendment, hundreds of millions of dollars will be spent without any information as to

who will receive these moneys and why they are being paid out in this irresponsible way.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the amendment before us today is a reasoned motion. Rather than paying the $875 million to uninsured depositors in the Northland Bank and Canadian Commercial Bank, the amendment states:

this House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies to unspecified persons or corporations, thereby substantially denigrating Parliamentary accountability for expenditure of public funds.

● (1150)

This is an extremely important principle. The main reason for the existence of Parliament is to oversee the expenditure of parliamentary funds and to approve taxation measures which the Government, of formerly the Monarch, decided upon or proposed. This is the very essence of why we are here as Members of Parliament. We are looking at a proposal which will pay out some $875 million in a bail-out package to the uninsured depositors of those two banks. If we are to be credible parliamentarians, we should look at the background of the situation to see the legal requirement for the country to make such an expenditure. It does not take very much searching. There is no legal requirement to do that. In fact, that is what the entire Bill is about; it is trying to create the legal framework whereby Parliament and the country will guarantee $875 million to the uninsured depositors of those banks. It is a fundamental change of the laws.

With all deference to the Hon. Member for Scarborough West (Mr. Stackhouse) who is now out of the Chamber but perhaps is listening, I do not think there were any previous examples of this happening in the country. He cited Maislin trucking in Quebec when the Liberal Government bailed out its shareholders. He said that this case was not like that because we were not bailing out the shareholders of the two banks. If he had understood the situation, or perhaps had been more honest with us, he would have recognized what he was doing by supporting a Bill to bail out shareholders to a total of $875 million in uninsured deposits. This particular Bill makes certain that in essence the shareholders of the Northland Bank and the Canadian Commercial Bank receive another $875 million when the final computations are made as to the worth of the remaining assets of the two banks. It increases the value of those assets because the money held by shareholders in shares will not be reduced to pay off part of the liabilities of uninsured shareholders. It becomes a zero liability against the two banks and therefore leaves far more in the pot for the two bankrupt companies to redistribute to the original shareholders. In fact, it is a bail-out of the shareholders of those two banks in a more indirect way than perhaps the Hon. Member understood. In essence, it puts another $875 million to $900 million into the pool of assets to be redistributed to shareholders.

Who are the people who will benefit from the pay-out? This is the crux of the debate for the last number of days. The list which was presented to us was prepared by the Ministry. It does not tell us who will be the beneficiaries of this $875 million. The Government hides behind a section in the Bank Act and says that that kind of information cannot be made available. However, when one looks at the Acts relating to bankruptcy, those laws require that individuals or corporations that wish to participate in receiving funds from a dismantled company due to bankruptcy must come forward to make public their names and get on the list in order to share in the division of the bankrupt's property. That is not being required in this case, simply because the Government chooses to look at the Bank Act rather than at the Acts relating to bankruptcy.

Whom is it bailing out? We do not know the individuals. We know them by categories. According to the information provided to us, just barely 2 per cent of the money from the $875 million bail-out will find its way into the pockets of individuals. Most of the deposits of individuals are covered by the $60,000 for which all depositors are insured when they put money into a financial institution due to the Canada Deposit Insurance Corporation.

One thing that has bothered me about this whole proposal is the blinkers worn by Government Members, including Ministers, when they deal with this particular proposition. They fail to see it as denigrating the roles of Members of Parliament and of Parliament itself by taking away the right to know where money goes. On top of that, they hide behind an analysis of the situation which I think is quite faulty. We know from the facts which have been compiled that the Canadian Commercial Bank and the Northland Bank both grew very rapidly in the early 1980s. For instance, the Canadian Commercial Bank saw its assets jump to $3.1 billion in fiscal year 1984 from a mere $864 million in 1980. In a matter of four years, it quadrupled its amount of assets. I remind the House that assets in bank terms mean the money lent out to individuals and other corporations. Northland experienced a similar kind of rapid growth. Its 1984 assets totalled $1.1 billion compared with $254 million in 1980. Northland issued four times as much in the way of loans in a period of four years in the early 1980s.

The Government has tried to make much of the National Energy Program as a contributing factor to the failure of the two banks. I am not sure how that computes, whether the Government means that the oil companies felt so confident in the National Energy Program that they rushed out and borrowed a lot of money, or that somehow the National Energy Program worsened the prospects of oil companies and therefore made them go out to borrow money. In any case, I have trouble following the logic. In March, we had the Western Accord which was supposed to correct all the problems existing in the oil industry. The skies were suddenly looking clear again and, if we listen to the Minister of Energy, everything was looking up in the energy business. Yet, that was the time when it was decided that the loans held by these banks were no longer viable, that they were bad loans. Suddenly these energy companies, despite the new times which are supposed to be coming with the Western Accord, will no longer be good. That tells me that somehow the Western Accord had not improved

economic conditions in western Canada and, in fact, it was more prudent to fold up these two banks. The Government recognizes that and therefore has gone ahead and done it.

● (1200)

I do not see where the analysis follows the actions of the Government. I think there is a great deal that the Government is not telling us. We have to have further information before Parliament can legitimately pass this Bill.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I am delighted to join my colleagues in opposing this amendment. I certainly am very pleased to follow my colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), and to be able to pick up on some of the points he made. We are both from western Canada and I think that there is a western perspective which we must present when speaking of these two banks.

I found it interesting that the Hon. Member for Humboldt-Lake Centre, like many of his NDP colleagues, did not jump up and down and say that we should give money to the credit unions, the unions and the individuals, the very people for whom he supposedly speaks. It seems to me that members of the NDP are trying to make political points on the fact that there are some other banks involved, banks which invested in the two banks that failed. I would like to suggest that ordinary people like ourselves and our constituents invest in banks and buy shares in them. Let us not pretend that banks are almighty corporate beings. They are made up of ordinary people as well. I would like to drive that point home.

I received a letter from a small businessman who had in excess of $100,000 on deposit in one of these banks. He invested not his savings but his cash flow in the bank on a 30-day basis. The collapse of the bank froze his operating capital and he had to lay off his workers. That meant lost jobs. Without additional money, he may not be able to proceed on two committed contracts. This will force him into a breach of contract, a permanent lay-off of workers and possibly a bankruptcy. This businessman is typical of many Canadians who are looking for assistance from Bill C-79. If his business fails, workers in the City of Saskatoon will lose their jobs and it will be because of the Liberals and the NDP Members who are so violently opposing this Bill.

Yesterday I asked this particular contractor if he knew why he had not received his money. He indicated that he did and that he was furious. He was upset with the Leader of the Official Opposition (Mr. Turner) and the Leader of the NDP (Mr. Broadbent) and he has written letters to them to tell them so. I think that is just one example of people who are experiencing difficult times. These people have to pay off their subtrades and their employees and now find themselves in a situation that could very well mean that their small businesses could go under.

The Hon. Member who spoke previously mentioned that big oil companies were making investments back in the days prior to the National Energy Program. I say that the National Energy Program was not a kick in the shins, it was a kick in the teeth. It meant the virtual collapse of the western Canadian economy. It was not just the big oil companies that were making investments. Small businessmen and individuals were making investments as well. You will understand, Mr. Speaker, coming as you do from Edmonton in the Province of Alberta, that people lost their homes, their cars and their businesses and are now trying to make a comeback as a result of the Western Accord and the good news from the Government indicating that it is prepared to set some rules and live by them, without changing them every time it feels that it is the right thing to do.

I would like to inform the House of things that have happened post NEP as a result of the Western Accord and the Atlantic Accord, particularly from a western perspective. A survey was taken by the Canadian Federation of Independent Businessmen to which there were 10,000 respondents, and it was just released on Thursday or Friday. It gives us some idea of what is beginning to happen across the country and how different it is from the results of tampering with the economy of western Canada that the Liberal Party did back in the late 1970s and early 1980s. One of the questions asked in the survey was, "What are your current plans for investment in your business in the coming six months?" Nationally, 42 per cent of people at the small business sector said that they intend to increase their level of investment. In Saskatchewan alone, that percentage is 36. For businessmen right across the country, this means that people will be going back to work.

The next question was about working capital including inventory. Nationally, 40 per cent of the 10,000 respondents said that they planned to increase their working capital and inventory. In the Province of Saskatchewan that figure was 34 per cent.

The next question was, "In the past six months, has employment in your firm remained the same, increased or decreased?" Nationally, 34 per cent said that it has increased in the past six months.

Some Hon. Members may feel that I am getting off the subject but I do not think I am. That is what this is all about. Those two western Canadian banks got into some very serious difficulty as a result of the National Energy Program. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) can say that the Liberals had nothing to do with that, but I think that the Liberals must certainly take some share of the blame for this particular problem.

Liberal Members are trying to tell us that two banks collapsed as a result of the outcome of the election held on September 4, 1984. I would like to deal with the year 1980 when the Liberal Government expanded the banking system by almost seven times. A great many people in Canada did not argue with that but some did. However, the key point is that the Liberals forgot to do one thing. They forgot to make adjustments and update the regulatory system of the banks. When Liberal Members point their fingers at the management of the banks—and I am not saying that these banks were perfect—I suggest that they take a look at their own back

yards and realize that they should have looked at the regulatory system of the banks. This is where I must salute the Minister of State for Finance (Mrs. McDougall) who has begun this long overdue process.

As the Hon. Member for Humboldt-Lake Centre just mentioned, there has been much discussion about releasing the names of the depositors. I wonder how the Hon. Member for Humboldt-Lake Centre would feel if the Bank of Canada made his private financial statements available to the rest of the country. I say that that is private information. In one of the major financial newspapers, the headline for this morning reads, "Estey unlikely to release names of bank depositors," and I say, rightly so. I do not think that kind of information should be made available. Opposition Members know about the categories of depositors, and I think that that is good enough. I do not think we have to deal with the individual names of the small businesses and those individuals who want to keep that information private.

I find it difficult to understand how members of the Liberal Party and the NDP who oppose modification of indexation on the grounds that it will hurt ordinary Canadians can publicly oppose a Bill that will save the livelihoods of thousands of people in every one of our constituencies. Again, I am talking particularly of those in western Canada. People who live in western Canada made investment decisions on the basis of what they knew at the time. At one time there was a buoyant economy in the West because of activity in the energy sector, the engine of growth in western Canada. People who made investment decisions on that basis had every right to believe that the economy would remain buoyant. I think opposition Members have to take a good, hard look at this particular issue from a western perspective and realize that there are thousands of people who are stranded and need assistance. For every day that we delay this Bill, it is costing us more and more in interest.

● (1210)

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, it gives me a great deal of pleasure to be able to speak on the amendment and say how pleased I am with the position taken by the Liberal Party in declining to give second reading to Bill C-79. The principle of this Bill is to permit large but unspecified amounts of public moneys to go to unspecified persons or corporations, thereby denigrating parliamentary accountability for expenditure of public funds.

This is a very large sum of money that the Government is proposing to give to the depositors of two western banks.

Mr. Gauthier: Uninsured.

Mr. MacLellan: Depositors over $60,000 are completely uninsured. The Government is speaking of $875 million. I personally believe that the amount that it will cost the Government and the taxpayers of Canada is substantially more than that. How did this situation arise? Why is the Government in this position? Why has so much damage been done to the banking system, to the depositors of these banks and to the taxpayers of this country? Why, when the Government decided to investigate this question in March of 1985 and formed the bail-out group, did this bail-out group rely only on information that the Canadian Commercial Bank itself chose to make available to them? Why would the Government rely on information that the bank in question was choosing to making available?

On March 22, 1985, the officers seconded from the Royal Bank of Canada reported that they could not accurately assess the effectiveness of the support package because they had not had full access to the books. This is incredible.

The Hon. Member for Saskatoon East (Mr. Ravis) is saying that it is the fault of the previous Liberal Government that the inspection process of the bank is not better than it is today. I agree that it should be tighter. I agree that is should have been done before, but this Government has been in power for over a year and now it is just coming to grips with the question. How long is it going to take it to improve the inspection service in this country? Do banks have to fail before any action is taken? Is this what the Government does, wait for the catastrophes to happen before it puts into place the action that is necessary to correct these situations and, hopefully, to prohibit and to avoid catastrophes such as this? It is incredible.

The inspection process in this country, I agree, leaves a lot to be desired, but the Government's position is that the people who entrusted their funds to, for instance, the Canadian Commercial Bank in good faith on the strength of the Government's assurances should not be penalized. What about the people who were led to believe by these Governments that everything was all right? The bail-out package which was put in place in March encourages a lot of these people to deposit their moneys in these banks. The banks themselves, in order to get these depositors, offered higher interest rates. Financial institutions actually placed funds of people in this country with these banks. How could this have been allowed to happen? What kind of conscience does this Government have to allow and to actually perpetrate this particular situation?

The Government talks about credit unions. Certainly credit unions have been hurt. People have been hurt, but how were they hurt? It was because of the fact that the Government from March of 1985, and I think before, led them down the garden path.

Mr. Gauthier: That is right.

Mr. MacLellan: The Minister says that these people, the international banks, the banking communities, everybody has to be reimbursed, not only the small unsecured creditor, or the individual who did not have the wealth of information that the Government and the international and Canadian banks had. No, everybody has to be secured. The question is, why? Why have we got to go with this complete compensation? Why? When the Minister of State for Finance (Mrs. McDougall) is asked that question, she does not have an answer. Is there an international agreement that the Government has with the United States and other countries that requires investors in banks failing in any country to be completely compensated? Is

that the case? If so, the Minister should come clean to the people of Canada and to this House and state that such an arrangement is in place.

For instance, the Canadian Commercial Bank increased its share of the Westland Bank in California from 39 per cent to 100 per cent in March of 1984 in response to a cease and desist order issued against the Westland Bank by the U.S. regulator. If this bank was in difficulty in March of 1985, then it certainly was in some difficulty in March of 1984. Yet it was allowed to further invest in the Westland Bank in California.

The Hon. Member for Saskatoon East has said that it is because of the National Energy Program. People put money into the National Energy Program; this bank put money into the National Energy Program and because of the National Energy Program the economy in western Canada went downhill, and that is the reason these banks failed. The Hon. Member for Saskatoon East only has to listen to the witnesses at the Estey Commission who said that the reason these banks failed is bad loans and bad management. That is the reason these two banks failed and that is the reason this Government should have been able to spot what was happening to these banks and act in the interests of the people of this country. It should not have allowed these banks to offer higher interest rates and allowed people to invest when it knew what was going to happen. For instance, the Northland Bank on September 1 froze interest rates so people who came in after March did not get any increase in their interest rates—did not get any interest whatsoever after September 1. This is what the Government is saying they are doing to protect the people of this country.

If the Minister of State for Finance and the Government are so interested in protecting the people of the country, doing something for the people of this country with respect to banking, why are they not looking into why the banks are not offering any small business loans to regions of this country who suffer from economic disparity? Why is the Government not looking into the question of why all this money, which is being secured and guaranteed 90 per cent by the Government, is only being offered to regions of this country where the economy is successful? Why is the Government not looking into why banks are not reporting cases of computer fraud and computer crime, the cost of which is in all probability being passed back to the depositors and the people who are dealing with these banks?

It is ludicrous to say that this Government by doing this is acting on behalf of the people of this country. We heard in the May 23 Budget that the reason we were going to have to take all this hard medicine was that we had to do something about the deficit. Any reduction in the deficit has been completely neutralized by the action of this Government since then. What the people of this country have had to forfeit because of the May 23 Budget has not gone back to the individuals. It has gone to the business community in this country.

The Hon. Member for Saskatoon East said that during the National Energy Program people's businesses failed and people lost their houses. During that period of the recession people's businesses failed and people lost their homes. I can tell the Hon. Member for Saskatoon East and members of the Government that there are still areas in the country where people are losing their homes and where businesses are failing. It is because of the fact that this Government is not looking after these people that this is still happening. It is looking after the people in the large corporations who can help themselves. In the meantime, those who need help are not receiving the attention and the legislation needed to bring them into a position in which what they are going through at the present time can be avoided.

• (1220)

I think what the Government is doing here is wrong. I would ask it to take note of the amendment put forward by the Right Hon. Member for Vancouver Quadra (Mr. Turner).

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to respond to a few of the remarks made by the Hon. Member for Saskatoon East (Mr. Ravis). He referred to the time when the Liberal Government of the day expanded the banking system and, according to him—and I think rightly so—it did not make the appropriate changes in the total banking system to accommodate the expansion. It did not change the rules with respect to monitoring, inspection and so on.

There are two matters which I wish to recall in this regard. One, of course, is that I am sure the Liberals went ahead with that expansion with the support of the Conservative Party at the time, as was often the case when the Liberals changed the banking system. Second, I think it is also true that when interest rates were allowed to float in 1966, according to the theory that competition would provide interest rates at an even lower rate than 6 per cent, it was done with Conservative support over NDP opposition.

It has often been said by the Minister of State for Finance (Mrs. McDougall)—and I am glad she is in the House—that it was the fault of the Liberals because they did not clean up the inspection service while they had the opportunity. That is true, except for is one thing which has been left out of the Tory explanation, that is to say that in 1979 the Tory Government of the day brought in a draft Bank Act. It never had the opportunity to pass the legislation because the Government fell. However, it had an opportunity to indicate what its intentions would be with respect to the banking system.

The fact of the matter is that the Tory Bank Act of 1979, which did not receive the approval of the House, and the Liberal Bank Act of 1980, which was eventually approved by the House, are not substantially different with respect to those issues and laws which pertain to the case which we have before us. I speak of the failure of these two banks. I think it is a case of political and intellectual dishonesty for the Minister, or anyone else on the other side, to suggest that the Liberals were fundamentally different from the Conservatives in this respect because they had their chance in 1979 to indicate what they would like to do with the banking system. What they indicated

was that they were not substantially different from the Liberals in that respect.

The Hon. Member for Saskatoon East also spoke about changing the rules. This, of course, has been a familiar Conservative complaint regarding the Liberals' management of the economy, that is, that the rules ought not to be changed. One sometimes receives the impression that the rules should never be changed, that whatever happens to be the case ought always to be the case no matter what. In any event, it is interesting that the Hon. Member for Saskatoon East made this observation because what could be a more significant changing of the rules in our economy than to depart from the principle, which has been established for some time that people with deposits of over $60,000 who are prepared to take those types of risks are, in fact, taking a risk and cannot rely upon the Government to bail them out? What the Government is doing now is fundamentally changing the rules of the banking system and, in doing so, changing people's expectations with respect to an activity that is a favourite focus of the Conservative Party. I am talking here about risk.

How many times have I sat in the House and listened to speech after speech by Conservative Members of Parliament talking about the almost mystical quality of risk-taking? They often say that risk-taking is what makes the economy go round, it is what this country was built upon. We have been told that risk-taking is this and it is that. This is the type of garbage I have had to listen to for years and years. We are now forced to suffer the indignity of seeing the Conservative Party—not the Liberals or the NDP, those anti-free enterprisers, but the Conservative Party—bail out everyone who had more than $60,000 deposited in the Canadian Commercial Bank. Anyone who deals in that amount of bread should know full well that he is taking a risk when he invests it in those banks. I find this to be an incredible irony.

The other thing I would like to say with respect to Conservative rhetoric about the bail-out has to do with the National Energy Program.

Mr. Minaker: You supported it.

Mr. Blaikie: The Hon. Member across the way says that we supported the National Energy Program. Actually, if one were to check the record one would see that we voted against the National Energy Program. However, that type of fact does not bother the Conservatives. They have been going around the country for the last four year saying that the NDP supported the National Energy Program when, in fact, we did not. However, the facts do not seem to bother them because they are more wound up in their own mythology than what is really going on in the country. In this case they have been a victim of their own propaganda. For so long they have said that everything that is wrong with the economy in western Canada can be blamed on the National Energy Program. That has blinded them. It has made them unable to see that the problems of the Canadian Commercial Bank were not related to the National Energy Program but may well have been related—in fact, it seems to be obviously the case—to bad management and incompetent judgment with respect to loans. Perhaps it was because the Conservative Government was fresh in office that it had not learned that the world was not the way it thought it was when it sat in opposition—I do not know. However, being victim of its own propaganda and because it has said it so often it cannot believe otherwise. It cannot believe that problems in western Canada might be related to something other than the conspiracy against western Canada which has been going on for years, according to the Conservative Party.

I would like to say a word about that because western Canada is a much more complicated reality politically, socially and economically than what Members on the other side would like us to believe. Western Canada is not the boardrooms in Calgary. Western Canada cannot be easily and uncritically acquainted with the energy sector. Western Canada is a diversified economy. Western Canada is potash, grain, forestry, mining, manufacturing, workers and ordinary people. Western Canada is not just people who sit around worrying about what they will do with more than $60,000. I am sick and tired of having the part of the country from which I come equated with a small financial elite who sit in the boardrooms of Calgary and Edmonton. That is not what western Canada is for me. It is a much more complicated reality, which is why I can rise in my place as a western Canadian and say that no one should fall for this business. We cannot simply let the Conservatives do what they like as long as they label it as being for western Canada. They seem to think that, as long as they say that it is for western Canada, we should be quiet. Whose western Canada is it? It is not my western Canada when the Conservatives use those words.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I wish to make some remarks on the parliamentary process which is involved in Bill C-79. First, I would like to direct some remarks to the provisions of the Bill itself.

The short title of Bill C-79 is the Financial Institutions Depositors Compensation Act. However, if one really wished to inform the Canadian public one would entitle the Bill: a Bill to restore and continue confidence in the Canadian banking system. That is what the Bill is all about. It is not directed at persons who deposited funds in the banks involved, the Northland Bank or the Canadian Commercial Bank. The real purpose of the Bill is to assure Canadians that financial investors across North America and throughout the world have confidence in the Canadian banking system and that each and every depositor, Canadian or otherwise, knows that when he puts a dollar in a Canadian bank, that dollar is protected.

• (1230)

I would like to ask my friends opposite, the Hon. Members of the New Democratic Party and the Liberal Party, if they would want it any other way. Would they want people to be uncertain about Canadian banking? Would they want Canadians to line up Monday morning to extract their money from our Canadian banks and destroy the economy of this country because they do not have confidence in our system? I think it has been admitted time and time again that there are remidies

which might be introduced into the system to protect us from difficulties like this in the future. I believe parliamentarians on all sides would do well to direct their minds to those solutions. But simply to cry over what has happened in the past is to be totally unconstructive both for Canada and for those people in Canada who want to invest in financial institutions.

I would direct the attention of Hon. Members opposite to the real purpose of this legislation. When those Hon. Members stand up in the House of Commons and say that this Bill ought not to be passed, that it ought to be shunted aside on the basis of the amendment which has been proposed, what they are saying to Canadians is, "We will not help you have confidence in our banking system. If you want to put a dollar into a Canadian bank, you take your chances". I do not see how that can be in the interests of Canada or in the interests of Canadian economic development. I do not know who in Canada would consider that to be a proper attitude to take. If we destroy the foundations of our economy, how can we expect our economy to grow and prosper? How can we expect Canadians to benefit?

I would like Hon. Members of the Liberal Party and the New Democratic Party to tell us what would happen in Canada if there was no confidence in our banking system.

Mr. Gauthier: We have been saying it for a long time—open Government. Give us the names of those depositors, your friends.

Mr. Gormley: What brought on that outburst?

Mr. Crosby: Another point with respect to this Bill is the parliamentary process which is involved. I suppose, having been in opposition at one point, I would admit that there are circumstances in which prolonged debate of a Bill which is before the House of Commons is justified. I think one circumstance is when the public is not aware of the provisions of the Bill and by prolonging debate, a public information channel is created through which people can become informed. But is there anyone in Canada who does not know about the difficulties of the Northland Bank and the Canadian Commercial Bank? If there are any, I would be very much surprised. Everyone knows what happened.

Mr. Gauthier: That's why we have a judicial inquiry.

Mr. Crosby: Everyone knows about the decision of the Government of Canada to protect the Canadian banking system and to restore confidence in it by dealing with the problems of depositors. That is what the Bill is all about. It is that simple.

With respect to the failure of the Bill to require the depositors to be named or identified, there is a simple answer. The matter is before a commissioner, a person appointed under the Public Inquiries Act, who has all the powers and authority of a judge of the Superior Court. He has the power to summons witnesses and to look at records. That person has already been mentioned today. He is an eminent jurist and a Canadian and I am sure Mr. Justice Estey will make the right decision in the interests of all Canadians.

If one wants to talk about governmental policy in this regard, I have in front of me an extract from the *Daily News* of Halifax dated October 22, 1985. It talks about the venture capital program in the great Province of Manitoba, which, as we all know, has a New Democratic Government. The headline reads, "Millionaires' interest-free loans". The millionaires in question are receiving interest-free loans from an agency of the Government of the Province of Manitoba. But what is interesting, Mr. Speaker, is that the Business Development Minister, Jerry Storie, has declined to name the firms which actually get the money when the venture capital companies use the funds. I am sure Hon. Members opposite are asking themselves, why is the Business Development Minister of the Province of Manitoba declining to name the firms which will receive the venture capital funds? That is explained by the Minister's assistant who says, and I quote:

> Some investors may not want to be lined with a specific investment. The company for its own reasons may prefer not to be identified publicly.

So when members of the New Democratic Party in the House of Commons speak on the matter of identifying people who are benefiting from Government financial programs, they speak with forked tongues. They have one rule for the Government of Manitoba and another rule for the Government of Canada. But in this case, I have to agree with the Government of Manitoba—perhaps for the last time—because what is important, just as with the banking system itself, is confidence. People will not invest in banks unless they have confidence in the banking system which governs over the banks. People will not invest in enterprises, particularly venture capital enterprises in the Province of Manitoba, unless they have the confidence that the Government of Manitoba will protect the business relations which have developed with the agency of the Government of Manitoba.

I do not need to speak about the members of the Liberal Party because when they were in government their Ministers rose time after time in this House and said that the system of business relations between the Government of Canada and persons who invest in Canada, persons who are interested in building the economy of Canada, depends upon a confidential relationship. I ask Hon. Members from Newfoundland and Nova Scotia to tell me how many times they have heard that phrase in this House. How many times have they heard the Ministers in the Liberal Government stand up and say, "We must have confidence; we cannot open the files of the Government which relate to business transactions and tell everyone what the arrangement was, what the terms and conditions were"? The Liberal Party has defended that position over and over again. And we have the New Democratic Party following exactly the same policy in Manitoba. The only difference is that members of the New Democratic Party in this House of Commons can stand and irresponsibly condemn such a policy because those Hon. Members have never formed the Government of Canada and, of course, we all know they never will. We are talking about nothing in relation to this Bill.

We are talking about smoke. Every Hon. Member of the House of Commons, past, present and future, knows that there has to be confidentiality in some relationships. The Government of Canada has gone further than some people would want to go by leaving it to the Commissioner, the eminent jurist of the Supreme Court of Canada, to render a decision on the point. What more could one ask, Mr. Speaker? I think all we can ask, as supporters of the Government of Canada, is for a fair judgment by the people of Canada.

There has been an honest effort on the part of the Government, through the medium of Bill C-79, to restore the confidence of Canadians and all other investors in the Canadian banking system. That is what this Bill is, pure and simple. There has been an attempt by the Government of Canada to protect the confidential relationship which all Governments should have with people who involve themselves in transactions with Government or government agencies. Those are the two principles upon which this Bill is based. I would defy members of the Opposition to argue seriously with the merits of those two propositions: confidence in the bankins system and the confidence of the people in dealing with the Government of Canada.

Mr. David Dingwall (Cape Breton-East Richmond): I have listened with considerable interest to the Hon. Member for Halifax West (Mr. Crosby) who, on numerous occasions, has spoken out on issues which are of concern to him and to his region. He has also spoken out on some of those issues which transcend, if you will, regional concern. He uses the phrase, "Everyone knows about the Northland Bank". He uses the term "everyone". But not every Canadian knows who the uninsured depositors of that particular bank are. That is the purpose of this debate and of the amendment which has been put forward by my Leader.

• (1240)

It seems peculiar that members of the Government, who were adamant while in opposition about having access to information, now want to hide pertinent information from the Canadian people. You could argue with great justification that there is a cover-up. Why are they so afraid of producing the names of individuals and corporations who are going to be the recipients of millions of taxpayers' dollars? Why the cover-up? Are there certain individuals associated with those two banks who have strong Tory connections? Is that what it is? Is it because the Progressive Conservative Party of Canada has a particular sum of money deposited in one of those banks? Is that why? Or is there some other reason for which they do not wish to disclose the names? The fact of the matter is that this Government is stonewalling the Canadian people and Parliament on releasing the information we seek. That is why I ask that Members from all political Parties vote unanimously for the amendment put forward by the Right Hon. Leader of the Opposition (Mr. Turner).

The Government has refused to answer the following questions, both in this Chamber and in the Standing Committee on Finance, Trade and Economic Affairs. Why did the bail-out group not consult the CCB's external auditors? Why did the bail-out group not look at the minutes of the CCB's audit committee? Why did the Government turn down the bank's offer of a full audit of the CCB's books? We know the answer to that question despite the reluctance of the Government Members and the Minister of State for Finance (Mrs. McDougall) to provide the answer. We have concluded that a political decision was made by the Right Hon. Prime Minister of Canada (Mr. Mulroney), and he did so without meaningful consultation with the players involved. It was done at the beginning of a weekend during which the National Economic Conference took place here in Ottawa.

This whole deal stinks. It is absolutely worse than the tuna affair. Millions of taxpayers' dollars are being requested of the Parliament of Canada in order to bail out individuals and corporations, whether domestic or foreign, and we do not know who they are. The Minister of State for Finance has the audacity to stand in this Chamber and say to Members of Parliament and the Canadian people that there "may be" a legal opinion which says that she ought not to release the names. Therefore, the Government is in breach of one of the most fundamental rights of Parliament, the right to know. We have a right to know the names of those individuals and corporations who are going to receive large sums of taxpayers' money.

I will go one step further and charge the Minister of State for Finance with a cover-up in its worst possible form. The Government is breaching the traditions of Parliament and nullifying Parliament's duty to scrutinize every Government expenditure. However, what do we hear day in and day out from the back-benchers opposite? Somehow this is supposed to be a good move for the Canadian people. Why do Members opposite persist in allowing this cover-up to continue? The only conclusion I can reach is that they may have more information than they are giving the House of Commons and the Canadian people.

As well, Mr. Speaker, it is not fair for Members opposite to suggest that Members on this side are in any way against western institutions. That is simply not the case. The simple fact of the matter is that more than $870 million of taxpayers' money is being provided to pay for the utter incompetence of the Minister of State for Finance and the Minister of Finance (Mr. Wilson). I could not support in good conscience the Government on this issue because there are other areas of this country in great need of financial assistance. Whether it be farmers, fishermen or people in the forest industry in British Columbia, or the people of Atlantic Canada, whom this Government has written off completely, the money should be spent there. What about daycare facilities? What about providing assistance to the thousands of municipalities across this country who have come to the Government on bended knee seeking financial assistance for such necessities as water and sewers? Those problems deserve a higher priority than the ego of the Prime Minister of this country.

It is for those reasons that I urge all Members in this Chamber, regardless of political affiliation, to examine the

amendment put forward by the Right Hon. Leader of the Opposition (Mr. Turner) and then vote in favour of it. If not, they will be breaching the traditions of this and of previous Parliaments of Canada.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, this Bill now before the House provides Government money to those people whose deposits in these banks in excess of $60,000 were not insured. That is the purpose of the Bill. The hon. gentleman says: "We know that". I want to drive that point home because it means that the Government of Canada is guaranteeing something which was not guaranteed before. That is the point. Well, right is right and wrong is no man's right. The reason I say that is that the Government has programs whereby it guarantees money loaned through the banks. However, when this Government took over we saw those guarantees lifted in the case of some of our primary producers. Where is the rationale for that? The poor fishermen in eastern and western Canada have this year received letters from the banks saying that the federal Government no longer guarantees their loans and therefore the banks are going to take these people to court and seize their possessions. That sounds absolutely atrocious, doesn't it? Let me read for you a letter from a bank manager to a poor Canadian fisherman concerning a loan guaranteed by the federal Government. What does the bank say? It says:

Dear Mr. Elliott,

We advise that the Federal Government is paying no further claims against Fishery Improvement loans advanced between 1977 and 1980. In this regard, we regret to inform you that your loans are now excluded from the Federal Government Guarantee, and as such, the accounts now revert to your sole responsibility.

The bank then lists the outstanding amounts. I have another letter here from a gentleman who says:

Today the sheriff brought a paper from a law firm, from St. Johns. They are going to take legal action. So what will I do?

● (1250)

He says:

Now, a few days ago, the bank manager phoned me. It was concerning this loan. He said if I didn't pay, that they will put the "for sale" sign on my house.

I have another letter which says:

Several years ago one couldn't walk in a bank, at least in this area, without noticing big signs saying something like, "See us for Fisheries Improvement Loans Guaranteed by the Federal Government", etc. So I, like a good many others, fell for it.

I am glad that the Minister of State for Finance (Mrs. McDougall) is back in the Chamber. Federal Government guarantees on loans to individuals, poor men and poor women, were lifted this year. Why? I have an official response from the Minister concerned to a constituent in Nova Scotia. He says:

While I recognize the financial difficulties you are currently experiencing, you must understand our role with the Fisheries Improvement Loans Program is that of a guarantor in the event of default by borrowers on loans registered under the Act.

The Bank of Nova Scotia, as a result of its heavy losses, has reached its full entitlement for reimbursement by the federal Government on fisheries improvement loans for the period in which your loan was registered, and therefore we can no longer be responsible for your debt.

The federal Government of this country is turning around and getting out of federal Government guarantees that were given on loans to primary producers in this country. It is backing out. However, the Bill before the Chamber is for the Government to back in. In one case it backs away from the poor man, and in another case it backs in for someone who has quite a bit of money. It backs away from a poor man, and backs in for investors. It backs away from the poor man, and backs in for municipalities and everyone else.

However, Mr. Speaker, we are not even disagreeing with that. We are asking for the names, but the Government will not even do that. Over and above all of that, Mr. Speaker, there is a basic principle involved here. Some Members in this Chamber are very angry about this Bill because of what I mentioned before; that right is right and wrong is no man's right. It is not the right of the Government to bring a Bill into this Chamber which backs in on a certain guarantee while it moves away from guarantees that were given to primary producers in this country.

Primary producers in Quebec, British Columbia, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland are today receiving letters from banks and lawyers saying that they are going to put a sign on their houses because they took out a loan with the bank that was guaranteed by the federal Government but, as the bank manager says in his letter, the federal Government has now backed out of these guarantees. In the summer of 1985 the federal Government is backing out of the guarantees which it provided on the loans that were taken out. At the same time, Mr. Speaker, we in this Chamber are debating a Bill to back in on a guarantee to people who had over $60,000 in the bank.

The Minister of State for Finance, the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) should think twice. If they are going to do this for a certain group of people, they should do it for our poor primary producers as well rather than letting them hang out to dry, letting them lose their property, homes, and everything else and being dragged into court because they took out a loan guaranteed by the federal Government.

The great philosophy of the Government of Canada is to try to cut down on the deficit and to say that there will be no more giveaways. Therefore, why will the Government of Canada not tell us who is getting this $875 million? At the same time, why will it not tell us why it is backing out on its guarantees of bank loans given to primary producers in this country?

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I am pleased to be able to follow my eloquent colleague and add some more facts to the list. I congratulate him on his excellent address because these messages are going to be carried across the country and the Canadian people will be fully informed of what the Government is up to.

I had a call from an elderly couple here in Ottawa who invested $6,000, a large part of their lifetime savings, in shares

in the Canadian Commercial Bank. They did that because the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall), and the Prime Minister (Mr. Mulroney) told them it was a great investment and was secure. They are asking me what will happen to their $6,000. They want to know whether they will get their investment back because, after all, it was this Government which promised them that it was a good investment and they invested $6,000 on the Government's say-so. Now they have lost that part of their life savings. It is not wonder that Canadians are upset.

We have a Bill before us for the amount $875 million to pay off people who made an investment on Tory philosophy. The Tory philosophy is that when you make an investment, you take your risks. When the people on the Government benches were on this side of the House in opposition all we heard was, "Let free enterprise loose, it will do the job". Now that free enterprise has been let loose the Government has encouraged people to invest their money in something that has gone bad. The Government now says that people do not really have to risk their money after all because the Government will bail them out.

Approximately five years ago a Liberal Government passed a Bill to increase the insurance for depositors in banks from $20,000 to $60,000. That is the law today. That is why we have this special Bill before the House. My hon. colleague who spoke before me spoke about the fisheries and about the banks putting peoples' houses up for sale at a time when we are bailing out investors to the tune of $875 million.

Yesterday I had meetings with several municipalities about small craft harbours. There is all kinds of room for investment in the tourist industry. The people who are now sitting on the Government benches promised during the last Parliament that if they were elected they would put all kinds of money into tourism, small business, and the farming community of this country. What are they doing now? They are using the money to bail out their friends. Believe it or not, Mr. Speaker, there is no money for small craft harbours in this country. The smaller communities are being left out of the picture. I see an Hon. Member from Atlantic Canada pointing to me. Maybe he knows of some money in the Budget down there; I don't know. However, I do know that I was told yesterday that if we wanted money to pay for labour to put a small craft harbour in we would have to apply for labour under Section 38 of the Unemployment Insurance Act because there is no money for small craft harbours in Ontario. How many Conservative Members from Ontario are there in the House today who are not supporting our small communities?

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

Mr. Hopkins: I will call it one o'clock, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) will have five minutes left when Orders of the Day are called. It being one o'clock I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

EMPLOYMENT

REQUEST THAT MONTREAL EAST BE DESIGNATED DEPRESSED ZONE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I would like to inform the Members of this House that the survival committee held its second meeting yesterday in Montreal, to save 5,000 jobs that are threatened in Montreal East. I would like to point out that this meeting was attended by people from every social, economic and socio-political sphere. There were Conservative Members from Montreal East, federal Liberal Members, members of municipal councils belonging to the Parti civique and the RCM, provincial Members of the Liberal Party of Quebec and Parti québécois Members, people from union headquarters as well as members of the business world and the Chamber of Commerce.

Mr. Speaker, I can inform Hon. Members that all these people were unanimous in asking both levels of Government to make Montreal East a designated area, so that it can benefit from the advantages arising from such designation, which include funds to subsidize companies and prevent the shutdown of the Gulf refinery, Canadian Vickers and Bombardier. Furthermore, all parties present were unanimous in supporting the authorities of the City of Montreal and their invitation to the Hyundai company to build a plant in Montreal East and thus ward off this impending disaster.

* * *

[*English*]

INCOME TAX ACT

CALL FOR AMENDMENTS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the structure, length, complexity and application of the Income Tax Act has virtually destroyed any faith Canadians once had in the equity and fairness of Canada's income tax system.

Wage earners resent the bonanzas and breaks created for and used by large corporations. Farmers and small-business people seethe with frustration at the incentives and giveaways that seem only to go to enterprises large and wealthy enough to hire specialist advisers.

Bright accountants, who could be best employed advising clients on the improvement of their operations and finances, are instead applying their talents to the exploitation of socially

counterproductive loopholes which generate substantial tax savings and, therefore, larger fees.

I call upon the Minister of National Revenue (Mr. Mackay) to take his sword to this Gordian knot. All the public relations, training, and procedural improvements introduced by his predecessor, worthy though they are, are only nibbling at the edges of this problem.

Canada needs a fair tax system, one in which the super rich bear more of the burden presently falling on middle-income groups. Canada also needs an Income Tax Act written in terms that small-business people and wage earners can understand.

* * *

AGRICULTURE

OUTSTANDING YOUNG FARMERS AND AWARD WINNERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, during the weekend I attended the Outstanding Young Farmers program which is a grassroots project initiated by the Canada Jaycees for the purpose of honouring young farmers who accomplish significant achievements throughout the year. The 1985 outstanding young farmers are: Earl Kidston of Kings County, Nova Scotia; Pierre Carbonneau of Coaticook, Quebec; Owen Legge of Spring Bay, Ontario, Bruce Wood, Campbelleville, Ontario; Harry Lepp of Elm Creek, Manitoba; Garry Stevenson of Melfort, Saskatchewan; Clarence Jensen of Abbots ford, British Columbia, and a Bow River riding farmer, Horst Wiever, of Acme, Alberta.

This is the sixth year of the program. Mr. Gordon Bussey of Airdrie, who won the honour in 1982, and who is a prominent Bow River farmer, extended congratulations on behalf of the alumni. Reuben Hamm, the proprietor of an agriculturally oriented radio station, CHRB in High River, was a most genial chairman and he interspersed the contributions by speakers with film slides of the farms of each of the winners.

These eight Canadians demonstrate the value of the family farm. Too many of these farms are disappearing and we need new programs designed to provide prices for farm produce that will provide a profit and thus keep our young Canadians on the farms. I commend the Canada Jaycees and the supporters of the program, and I am sure every Member of the House will join me in extending our heartiest congratulation to these eight outstanding young farmers.

Mr. Speaker: Order. Now it is becoming a congratulatory message.

* * *

ABORTION

RECOGNITION OF RIGHT TO LIFE

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is indeed an abomination and a true miscarriage of justice to allow Dr. Mortgentaler and his associates to continue their murder of unborn human beings at their human slaughter house at 85 Harbord Street in Toronto.

The activities of this group have consistently violated Canada's Criminal Code, by performing abortions on demand.

The Attorney General of Ontario has been derelict in his duties by refusing to exercise the powers of his office, not setting bail conditions on the accused and restraining them from further breaking of the law as they are charged pending the result of the Crown appeal of their acquittal on a similar charge.

This can be construed as the Attorney General of Ontario having no objections to Dr. Mortgentaler continuing his daily slaughter of innocent unborn human beings who cannot defend themselves or speak out on their own behalf. Each day of delay in settling this whole question means that more and more unborn babies will have their lives snatched from them. This must stop.

The most positive way in which this whole problem can be rectified is to introduce an amendment to the Charter of Rights and Freedoms that will in fact recognize, once and for all, that unborn babies are indeed persons, indeed human beings in every sense of the meaning of those words, and have the same rights, privileges, and protection under the Charter as other human beings. This action is long overdue and I therefore call upon the Government to initiate positive action in this regard as soon as possible.

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

STATUS OF WOMEN

COMMENTS ATTRIBUTED TO CONSERVATIVE PARTY MEMBERS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this week the all-Party committee established to ensure federal conformity with Section 15 of the Charter of Rights will table its recommendations. Recent comments made by members of the Conservative Party provide an interesting insight into the Government's feelings for women.

The Hon. Member for South Shore (Mr. Crouse) is quoted this morning as announcing: "I am not anti-woman. How could I be? My mother was a women, and I married a women". He explained his stand against women in combat roles by stating: "Where I come from down my way, we relegate certain positions to women, and others to men. That is not because we are machoistic, it is because we are sea-going people". He then recounted having recently witnessed a United States Coast Guard ship arriving at Halifax harbour skippered " . . . by a pert thing, no more than 30 years old".

May I remind the members of the Government that this is 1985? The comments of the Hon. Members on the opposite side of the House belittle the women of Canada and are a sad

S.O. 22

indication of the Government's lack of respect for the ever expanding role that women should play in all fields of Canadian society.

* * *

APARTHEID

SOUTH AFRICA—MANDATORY SANCTIONS ADVOCATED

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the majority of South Africans are engaged in a struggle against racism in which increasing numbers, including children, are sacrificing their lives to prevent the murder of their souls.

They seek the achievement in their own land of a democracy based on the ideals founded on the Magna Carta, the Declaration of the Rights of Man and Citizens, and the American Declaration of Independence. They seek help from those who claim to be the defenders of those ideals of freedom and equality.

Now the Commonwealth has responded to their pleas. How much did they get? "A tiny little bit, a tiny little bit". Such is the measure of Great Britain's, and now the Commonwealth's, commitment to justice.

"It does not amount to a great deal", we are told with a pride that must not be shared by this country or its Government. We must do more than participate in merely symbolic measures or in another contact group destined to increase even more the level of frustration and resentment felt toward the western democracies.

Without the support of increased mandatory sanctions, the lip service of the West may well be replaced by the weapons of the East and the future hostility of black Africa toward the West would then be assured.

* * *

[*Translation*]

THE ECONOMY

LE CARREFOUR DE LA SOUS-TRAITANCE DE L'EST DU QUÉBEC

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, it really took the *Carrefour de la sous-traitance de l'Est du Québec* to make people finally discover and recognize the true potential of our businesses in the Lower St. Lawrence region.

Last week, during the three-day *Carrefour de la sous-traitance* at Rivière-du-Loup, we were all able to see for ourselves and make others realize that Eastern Quebec has plenty of resources and entrepreneurship. After attending this fair, I realized that Eastern Quebec is developing a definite taste for business.

As for buyers from large companies, Governments and Government corporations, they were all astonished at the variety and quality of products being offered by Eastern Quebec companies involved in sub-contracting. Both exhibitors and participants agree that the fair has provided a focus for consolidating economic activity in Eastern Quebec.

Finally, Mr. Speaker, I would like to say that the Canadian Government was right to provide funding for the *Carrefour de la sous-traitance de l'Est du Québec* held in my riding of Kamouraska-Rivière-du-Loup.

* * *

• (1410)

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PROSPECTIVE BENEFITS

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I rise today to discuss a crucial issue which affects all Canadians.

[*Translation*]

On September 26, the Prime Minister announced that Canada would be interested in seeing a new trade agreement between Canada and the United States.

[*English*]

Many Canadians are wary of changing the *status quo*, but I would like to assure them, and the residents of my home Province of Alberta, that a new trade agreement will improve the economic well-being of all Canadians.

In Alberta, the provincial trade situation with the United States is suffering from instability. Countervailing duties on red meats and petrochemicals are threatened against our products. More than 75 per cent of Albert's petrochemicals are sold abroad, and both the United States and Canada impose tariffs ranging from 10 per cent to 18 per cent.

Alberta exports in 1984 totalled $10.6 billion, which equalled $4,500 per capita. Of this total, $9.3 billion went to the United States, which equalled $4,000 per capita.

I conducted a survey last spring in my own riding of Edmonton South and found that 65 per cent were in favour of freeing up our trade arrangements with our neighbour to the south.

I applaud the Government's initiative. Not to conduct these negotiations would be to shy away from our responsibility to enhance the prosperity of our nation. I can assure not only Albertans but all Canadians that a new trade agreement with the United States will benefit us all.

* * *

ST. LAWRENCE SEAWAY

WELLAND CANAL BLOCKAGE—EFFECT ON GRAIN EXPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, the Government's cut-backs in funding to the St. Lawrence Seaway in last May's Budget threaten this vital transportation link be-

tween western Canada and the eastern seaboard. Prairie grain producers depend on access to world markets through the St. Lawrence Seaway system.

The recent wall collapse in the Welland Canal, the second major disruption of the Seaway in a year, demonstrates the need to maintain the Seaway properly. This week over 70 ships are trapped in the system. The Government must move quickly to see that the disruption does not affect the delivery of millions of tonnes of grain on its way to customers abroad. The Government must take action to assure our grain customers abroad that Canada continues to be a secure supplier of grain to the world market-place.

The current Welland Canal blockage places hundreds of farmers in financial jeopardy at a time when farm incomes are at a record low. In the May, 1985 Budget, the Government announced that it was taking $30 million away from the St. Lawrence Seaway Authority. This action demonstrates the Government's irresponsible attitude toward this vital transportation link.

I call upon the Government to reverse this decision and to take every action necessary to get these grain shipments moving to the world market.

* * *

[*Translation*]

HOUSING

VITALITY OF HOUSING CO-OPERATIVES

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, I welcome this opportunity to say a few words about the tremendous vitality of the housing co-operatives in my riding of Verdun-Saint-Paul.

Since our Government came to power, a grand total of 208 housing units, spread over twelve projects, have been completed under the Public Housing Assistance Program of the Canada Mortgage and Housing Corporation. In addition, 151 units were able to benefit under the Residential Rehabilitation Assistance Program, also sponsored by the CMHC.

I would like to pay special tribute to the Verdun Community Planning and Housing Service. This non-profit organization originated most of the renovation and new construction projects in my riding and, thanks to the dedication of its members, has made an impressive contribution to the well-being of the people of Verdun. Their efforts and those of all other community agencies—

Mr. Speaker: Order, please!

[*English*]

ENERGY

MEASURES SUGGESTED TO STIMULATE EXPLORATION AND DEVELOPMENT

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, all of Canada commends the excellent energy agreements the Government has concluded—the Western Accord and the Atlantic Accord. There is increased activity on provincial lands in the fields of exploration, development and production, and this means jobs, jobs, jobs.

On behalf of the industry I should like to urge the Minister of Energy, Mines and Resources (Miss Carney) to give priority to the following areas of concern. First is the elimination of the 25 per cent back-in and all associated provisions. This has amounted to confiscation, and results in disincentives. The Canadian ownership rate, or the COR content, should apply only at the development stage, not at the exploration stage.

Royalties should be lowered or forgone on Canada Lands until pay-out is reached. Due to the extremely high cost of exploration and development, this would result in accelerated growth. Stimulation for activity on the Canada Lands is necessary and should take the form of a tax credit which does not discriminate on the basis of ownership.

I know the Minister is consulting with the provinces and with the industry. I applaud this approach and look forward to hearing the results of her consultations and deliberations.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

GULF TAKEOVER—ROLE OF MINISTER AND ASSISTANT DEPUTY MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. At his latest press conference the Prime Minister stated flatly that, in negotiating the tax ruling in favour of the purchase of Gulf Canada, it was handled completely by bureaucrats in the Department of National Revenue. However, the former Deputy Minister of Finance stated categorically that both the Minister of Finance and his Assistant Deputy Minister in charge of tax policy were intimately involved in the deal.

What was the role of the Minister of Finance in negotiating the purchase of Gulf Canada? What was the role of his Assistant Deputy Minister in charge of tax policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my role is to act as Minister of Finance.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): As a former Minister of Finance, the Right Hon. Leader of the Opposition knows the role which I play in relation to various matters that are under review. I should say to him that the entire Gulf Canada, Petro-Canada, O&Y transaction was a very wide-ranging one. Obviously I have an interest in those, but this is a matter for Cabinet discussion. He knows very well that those matters are not discussed in the House of Commons.

[*Translation*]

FORMER DEPUTY MINISTER OF FINANCE—CONFLICT OF INTEREST POSSIBILITY—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker.

The former Deputy Minister of Finance informed the Prime Minister and the Minister of Finance of his conflict of interest in connection with the largest real estate corporation in Canada and even in the world. Why, in those circumstances, did the Minister of Finance keep Mr. Cohen as his Deputy Minister? Did he discuss Mr. Cohen's situation with the Prime Minister?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the circumstances described in the question put by the Right Hon. Leader of the Opposition occurred at a time when the old conflict of interest guidelines were in force. They are not much different in that narrow respect from the new guidelines which were tabled very recently. However, from the newspaper accounts which I have read of Mr. Cohen's statements, he not only sought compliance with those old guidelines but indeed, if I recall correctly, stated in his press accounts that he sought independent legal advice to that effect and was assured that he was in compliance with the guidelines.

ROLE OF FORMER DEPUTY MINISTER IN PREPARING BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we have elevated this question to the Deputy Prime Minister, and I want to direct a question to him. If Mr. Cohen felt it sufficiently vital and if the Minister of Finance felt it sufficiently vital to exclude Mr. Cohen from any negotiations relating to the Gulf Canada purchase, why was Mr. Cohen left in charge of a Budget which was bound to affect all major companies in Canada, including Olympia and York? Why was he not reassigned or relieved of his duties after that conflict of interest had become known to the Minister of Finance and to the Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, first, I do not at all accept the premise embedded in the preamble to the question of the right hon. gentleman. Second, I do not at all accept the assumption he has made that there was a conflict of interest.

Mr. Turner (Vancouver Quadra): Mr. Cohen says there was.

• (1420)

Mr. Nielsen: I have seen no account where Mr. Cohen has said that there is a conflict of interest. Indeed, I have read in the newspaper accounts quite the contrary, even to the extent where he obtained an independent legal opinion advising him that he was not in any conflict of interest situation.

As to his having reported his job offer, that is quite normal. It undoubtedly had occurred during the time of the right hon. gentleman when he was part of a Government where that was expected conduct. Indeed it was in the guidelines that were in force when the Member opposite was a Minister and that course was followed precisely in this instance, so Mr. Cohen says, in the accounts that I read in this case.

PARTNERSHIP ARRANGEMENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): I am tempted to ask the Deputy Prime Minister whether there is an informal guideline that senior bureaucrats should excuse themselves to go to the bathroom to avoid discussing conflict issues, as Mr. Cohen allegedly did.

My question is for the Minister of Finance. This tax gift that was subject to the ruling required a very elaborate partnership arrangement to have any chance of obtaining a favourable ruling from the Department of National Revenue. Was the Minister of Finance aware that such a partnership arrangement was required, and did he discuss with anyone the participation of Norcen as a partner in that particular partnership?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, if I might be permitted to respond to that question.

Some Hon. Members: Oh, oh!

An Hon. Member: A cover-up.

Mr. Hnatyshyn: You do not want an answer anyway.

Mr. MacKay: The Member opposite has certainly the knowledge and the background to realize the fallacies in asking a question such as this, and he knows full well that the taxpayer in this case could very well have proceeded with this transaction without asking for any ruling. He had that right. So the question cannot be answered on the floor of the House of Commons. The Member opposite knows that.

PUBLICATION OF TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, it appears that Mr. Reichmann is more forthcoming than the Government, certainly than the Minister of Finance, the Prime Minister, or the Minister of National Revenue. As

you know, Mr. Reichmann gave an interview and it is published in *The Globe and Mail* this morning.

Would the Minister of National Revenue advise Mr. Reichmann that the Government has no objection to his making that ruling public? Would he advise him to that effect so that these unanswered questions can be clarified?

Hon. Elmer M. MacKay (Minister of National Revenue): No, I certainly would not give Mr. Reichmann any advice in respect to a matter such as this. It is not the role of this government Minister to advise a taxpayer on what he should do. To advise a taxpayer to waive the protection of the provisions of confidentiality, which not only affect the particular taxpayer but which could very well affect other taxpayers, would not be a responsible thing to do.

CONFLICT OF INTEREST GUIDELINES

Hon. Edward Broadbent (Oshawa): My question is directed to the Deputy Prime Minister. As the Deputy Prime Minister knows Mr. Cohen took a job with Olympia and York in October and the revised guidelines produced by the Government came out in September. Is the Deputy Prime Minister saying to the House that as he understands the guidelines there is no contradiction at all between those guidelines and the position that Mr. Cohen took?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): My recollection could be faulty as to the time at which Mr. Cohen left his employment. I believe it was June. At that time the old guidelines were still in effect. That is what I was saying a moment ago.

With respect to the particular provision which would be applicable to these circumstances, there is not much difference between the provisions of the old guidelines and the new, but I have explained my understanding of the extent to which Mr. Cohen went in order to ensure that he did comply with the guidelines.

JOB OFFER ACCEPTED BY FORMER DEPUTY MINISTER OF FINANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is precisely the consistency between the old and the new guidelines that concerns me, also in terms of what the Deputy Prime Minister said. The guidelines, if they are applicable, now say with reference to future employment by people in Mr. Cohen's position that they should not within the period of one year:

(*c*) give counsel, for the commercial purposes of the recipient of the counsel, concerning the programs or policies of the department with which they were employed—

My question to the Deputy Prime Minister is this, and it refers to the job that Mr. Cohen took. Would the Deputy Prime Minister not agree that the job that he took is in complete contradiction to what the guidelines prescribed?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, I cannot agree with that at all. I have turned up my copy of the guidelines and the requirement is a cooling off period for public office holders of one year before accepting an appointment with a company, "with which he had significant direct official dealings during the last year of his employment—or two years in the case of appointments to directorships", and so on.

I have not spoken to Mr. Cohen but it is my reading of the press account that he indicated that he abstained from any activities relating to Olympia and York, or which might have application to O&Y, during the relevant time period.

I am prepared to accept that. Indeed it was on the basis of that actual account, I understand, that he sought and received the legal opinion which stipulated that he was in compliance with that particular provision of the guidelines.

DUTIES OF NEW JOB

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister has quoted actually from subsection (*a*) of the guidelines, and if that is all we were talking about then he would be absolutely correct. But what I quoted from was subsection (*c*) which refers to his general duties in new employment, and the kinds of general duties that he has surely are in flat contradiction to what the guidelines prescribe. I want to ask the Deputy Prime Minister will he look into this with care and seriousness and report back to the House.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I certainly will review the interpretation that the hon. gentleman has put on that particular section of the guidelines. I have already reviewed it once in the light of the circumstances as I know them and I see no problem accepting the description of his activities given by Mr. Cohen as related in newspaper accounts. I can see no problem with the guidelines but I will, as requested, look at it a second time with even greater care than I already have looked at it.

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APARTHEID

SOUTH AFRICA—COMMONWEALTH ACCORD

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Deputy Prime Minister. In view of the tragic situation in South Africa which goes from bad to worse, yesterday the Prime Minister of England, Madam Thatcher, said that she had to move a little bit to sign this accord. We are very happy that there was an accord. Virtually at the same moment the Prime Minister of Canada said that Madam Thatcher had moved enormously in order to sign the accord. Whom are Canadians to believe, the "little bit" of the Prime Minister of England or the enormous movement mentioned by the Prime Minister of Canada?

Mr. Hnatyshyn: He doesn't believe in the Commonwealth.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): However, Mr. Speaker, one wishes to describe it, from whatever particular vantage point which one might wish to view it, it would seem to me that what we have achieved here is quite a major accomplishment.

Some Hon. Members: Hear, hear!

Mr. Nielsen: What we have achieved through the offices of our Prime Minister and others with whom he worked in the Commonwealth is unanimity on a position with respect to sanctions which sends a very strong signal to the Government of South Africa. I think the unanimity is a remarkable feature of those meetings which might at least be acknowledged in some small way by the hon. gentleman.

[*Translation*]

GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Could the Acting Prime Minister inform the House whether the Government intends to set a date soon, after which Canada will break off its relations with South Africa unless it has devised more acceptable policies in connection with apartheid in that country, a suggestion I made to the Secretary of State for External Affairs, who told me that the Government might well take this kind of action if there were no movement whatsoever? Does the Government intend to set a deadline for the South African Government or break off relations?

● (1430)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question has been answered in the past by the Secretary of State for External Affairs. The situation will be monitored by the Secretary of State and by the Government. That option is open. The Hon. Member will be interested to know that the Prime Minister will be returning to Canada at the end of this week and will be seeking the first opportunity to explain to Hon. Members in the House of Commons the events that took place at the Commonwealth Conference and to provide a report to the House.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

ALLEGED INTERVENTION OF SOLICITOR GENERAL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Solicitor General of Canada. Yesterday, he confirmed that he personally intervened in the RCMP investigation of allegations of unlawful election expenditures made by his former Cabinet colleague, the Hon. Member for Frontenac.

Does the Solicitor General of Canada not realize that such action may be perceived as an attempt to interfere with the RCMP investigation, for the purpose of exercising political pressure on the Royal Canadian Mounted Police?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, my instructions to the RCM Police were to ensure that the investigation was carried out with the highest possible professional standards. I would expect that even the Hon. Member for Burnaby would support that.

Mr. Robinson: One would hope it would not take a phone call from the Solicitor General to make sure that that was done in the first place.

MINISTER'S ACTION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, does the Solicitor General not recognize that the minute he picked up the telephone to call the Commissioner of the RCMP regarding an inquiry into one of his former Cabinet colleagues, he compromised the integrity and independence of the office of the Solicitor General in an apparent attempt to take some of the heat off his former Cabinet colleague?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, my hon. friend surely knows better than that. What I did was to draw to the attention of the Commissioner of the RCM Police published reports in the newspapers in which there were allegations of the—

Mr. Deans: Can't he read?

Mr. Beatty: If the Hon. Member for Hamilton Mountain would get a grip on himself for just a moment—

Mr. Deans: I don't have to.

Mr. Beatty: Perhaps you are incapable of doing so.

Mr. Deans: What I have to do is get you to do your job.

Mr. Beatty: If the Leader of the NDP could get a grip on the House Leader of the NDP—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Order, please.

Mr. Beatty: There were printed reports in the press alleging that there was harassment by the RCM Police. I drew those reports to the attention of the Commissioner of the RCM Police and told him that the Government expected that the work of the RCM Police would be done professionally and thoroughly, something which the Commissioner assured me would indeed be done. Surely even the Hon. Member for Burnaby would not argue that there should be any lower standards.

[*Translation*]

THE ECONOMY

SITUATION IN MONTREAL EAST—FATE OF WORKERS

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of State (Transport).

Can the Minister confirm the statements made by the Hon. Member for Gamelin yesterday to the effect that within two to three weeks the Government of Canada will propose that Bombardier management manufacture something other than locomotives at their Montreal East plant? If so, what will it be and does that mean the 400 workers who have been laid off can expect to be rehired in the near future?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): In answer to the question, Mr. Speaker, I did not have an opportunity to talk to the Hon. Member for Gamelin about the meeting he had yesterday, but I will do so as soon as possible.

I think I can repeat what I said to the Hon. Member a couple of weeks ago, namely that Bombardier management are now trying to develop new markets, and an announcement will probably be made in the coming months. I am convinced that Bombardier will remain as dynamic as ever.

BUY CANADIAN POLICY—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): A supplementary question, Mr. Speaker.

The Minister ought to monitor her files more closely. Her assistant attended yesterday's meeting and we would have expected him to report to her immediately. My question is direct: Will the Minister intervene and promote a Buy Canadian policy in Montreal East so that companies manufacturing locomotives and related products might be awarded Government contracts through Crown corporations?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I find it all the more easier to answer the question that we have already implemented a buy-at-home policy. Nearly a year ago we got in touch with Montreal contractors to tell them how they can do business with the federal Government. That is what we call a buy-at-home policy.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF FORMER MINISTER'S ELECTION EXPENSES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Deputy Prime Minister. Does the Deputy Prime Minister consider it to be an appropriate action on the part of the Solicitor General to call the Commissioner of the RCMP to discuss with him a matter which is being investigated by the RCMP during the time the investigation is taking place?

Mr. Fulton: We asked you the question, Erik.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I could certainly—

Mr. Deans: You could say no.

Mr. Beatty: I would be glad to respond to the Hon. Member's question. The Solicitor General is responsible to the House of Commons and the people of Canada for the conduct of the RCMP and its activities. When serious allegations are made that there may be harassment by the RCM Police, I think it is appropriate that the Solicitor General of Canada draw those allegations to the attention of the Commissioner of the RCM Police and indicate to him that he has seen those allegations and hopes the inquiry will be carried out in a professional and competent way. I am satisfied that that is being done and I think the sort of innuendo which the Hon. Member is seeking to cast in this matter does nothing that brings any credit to the RCM Police. Rather, it attempts to hold up for criticism the conduct of the RCM Police. I am satisfied that the inquiry is going well and professionally.

MINISTER'S ACTION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Given that I think we all would believe that the Commissioner of the RCMP can read, is it appropriate for the Solicitor General to call the Commissioner of the RCMP to discuss with him a case that is currently being investigated by the RCMP?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman has heard the very reasoned and measured response of the Solicitor General. The Hon. Member does not accept that response, for his own political reasons. He chooses not to accept it. I do accept it and I am sure that the majority of the Members of the House of Commons do as well.

* * *

SCIENCE AND TECHNOLOGY

MEETING OF MINISTERS—FUNDING OF UNIVERSITY RESEARCH

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. I understand that the Minister met over the weekend at Meech Lake with his counterparts from seven industrial nations and that they discussed initiatives to share technologies in Canada. I am wondering if the Minister can assure the House today, in view of the importance of research and development to Canada, that the Government is funding

research and development in Canadian universities so that we can participate in the sharing of technologies.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, this important meeting of international science heads which was not only a first for Canada but for western industrialized leaders, brought evidence that the first priority of most of the nations in the western industrialized world appears to be the active support of university research and the production of first class scientific talent, which is the secret weapon that western industrialized nations will be using to compete in an increasingly technological world. This also must be—

Mr. Speaker: Order, please. I believe the Hon. Minister may have something to say under Statements by Ministers.

* * *

[*Translation*]

ENERGY

ACQUISITION OF MONTREAL EAST GULF REFINERY BY PETRO-CANADA—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I direct my question to the Minister of Energy, Mines and Resources. I would like to ask her whether she can confirm that Petro-Canada wanted to buy the Gulf refinery in Montreal East, but that with her Cabinet colleagues she prevented Petro-Canada from going ahead, knowing full well it would result in 455 workers being laid off?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I believe the answer to the question is no. I did not oppose any move anywhere of the nature the Hon. Member describes.

● (1440)

[*Translation*]

INQUIRY WHETHER MINISTER CONTACTED THREE POTENTIAL BUYERS

Hon. Jean Lapierre (Shefford): As a supplementary, Mr. Speaker, I want to ask the Minister whether she can now reconcile her remarks with those of the Hon. Member for Duvernay who told the Gulf workers yesterday that his Government did oppose the purchase of the assets of this Montreal East company.

We happen to know that there are three potential buyers of the Montreal East refinery. Can the Minister confirm that she is in contact with the three potential buyers and that her Government will do everything it can to help one of them save the 455 jobs?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, our Government did what the former Liberal Government did not. There has been something in the order of 13 refinery closures in Canada over the last few years, several of which have been in the Montreal area. When the former Government was asked to assist—

Mr. Lapierre: What are you going to do?

Miss Carney: —in this matter, it turned down all requests for assistance. I personally asked Mr. Reichmann to keep the refinery going for a few more months so that there would be an opportunity to assess if there were other buyers or not. We did something that the former Government refused to do.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

ACTIVITIES OF CANADIAN BANKS IN THE BAHAMAS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. We have learned today that Her Majesty's Loyal Opposition in the Bahamas, after a year-long royal commission, has alleged that Canadian banks are involved in financial activities in support of the illegal drug trade in that part of the Caribbean. This calls into question the reputation and integrity of the Canadian banks which represent Canada's most visible and significant presence in the Bahamas and other islands. When the matter was brought to the Minister's attention, what action did he take?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I saw the same article in the paper this morning. We are still trying to track down just how this matter was brought to my attention.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I am not aware of the matter having been brought to my attention, nor is my Department.

Mr. Broadbent: Someone in Brian's office!

Mr. Wilson (Etobicoke Centre): If the Hon. Member has any information apart from what is in the press reports, I would be glad to hear from him.

APPLICATION OF BANK ACT PROVISIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, after the Minister has had a chance to discuss the matter with his aides, then perhaps he could make a statement in the House.

Can the Minister of Finance confirm that it is the same secrecy provisions of the Bank Act, which the Government has used to protect the uninsured depositors during the bail-out of the CCB and the Northland Bank, that are being used to hide the identity of the illegal drug traffickers who have money on deposit with Canadian banks in the Bahamas?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me caution the Hon. Member about how he throws around these loose allegations. He has no basis upon which he can substantiate those allegations.

Mr. Riis: It's called a royal commission.

Mr. Wilson (Etobicoke Centre): I say to the Hon. Member that he personally has no basis for this. If he wishes to base the statements he makes in the House on newspaper reports, I suggest he step outside the lobby and make those same allegations.

I want to assure the Hon. Member that the Inspector General of Banks has been aware of similar types of situations over the years which have been brought to his attention. He has met with the banks and has received their assurances that they will take great care in how they manage their affairs in different parts of the world.

ALLEGATIONS IN BAHAMIAN ROYAL COMMISSION REPORT

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, my supplementary question is on the same matter but it is directed to the Solicitor General. Have the allegations contained in the Bahamian royal commission report about the Canadian banks being deeply involved in laundering drug trafficking funds been drawn to the attention of the Solicitor General? If so, has there been a response from him or the Canadian Government as yet?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I saw the article in this morning's paper. I have asked my staff for a report on it. On the face of it, it would appear that if there were any infringement on any jurisdiction's legislation it would probably be in the Bahamas as opposed to Canada. However, I have asked for a report from my staff.

* * *

[*Translation*]

CORPORATIONS

TAKEOVER OF MONTREAL EAST COMPANY—ECONOMIC IMPACT

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs, and in his absence, to the Associate Minister.

The American Marmon group has bought S.K.D. Technologies de Ville d'Anjou in Montreal East in order to close down its only competitor manufacturing suspension systems for trucks and automobiles.

Why is the Minister of Consumer and Corporate Affairs allowing competition to be eliminated in this sector, thus leading to the loss of hundreds of jobs in the Montreal area where the industrial base is seriously threatened?

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would be pleased to take the question under advisement and bring it to the attention of the Minister of Consumer and Corporate Affairs. I am sure he will get back to the Hon. Member in the usual fashion.

[*Translation*]

SITUATION IN MONTREAL EAST—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have a supplementary for the Minister of Regional Industrial Expansion.

Does the Minister responsible for Investment Canada intend to allow foreign investors to buy out their Canadian competitors, shut down their factories and thus create unemployment among Canadian workers? What does the Minister intend to do to ensure that the jobs of these 200 workers in Montreal East will not join the long list of thousands of jobs lost in Montreal?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, let me assure the Hon. Member that the objective of Investment Canada is certainly not to encourage non-Canadians to buy businesses in Canada with a view to closing them down and creating unemployment.

Mr. Ouellet: That is what they are doing.

Mr. Stevens: I would point out to the Hon. Member that jobs have been created in this country at the rate of 25,000 a month. We hope that will continue. With a bit of co-operation from the Official Opposition it might even go up to 30,000.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

DROUGHT STRICKEN WESTERN FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture who will know that on August 9 the drought zone for western Canadian farmers was designated. Action for those wheat farmers was delayed pending a report from the Hon. Member for Assiniboia so that Cabinet could decide on what action to take. Since then, we were told on September 23 by the Parliamen-

tary Secretary to the Minister that the announcement with respect to the action to be taken would be forthcoming in a week or 10 days. On October 2 we were told by the Minister responsible for the Wheat Board—

Some Hon. Members: Order.

Mr. Speaker: Order, please. The Hon. Member, I think, has a question to ask.

Mr. Althouse: I am still on the sentence, Mr. Speaker.

Can the Minister tell us today, since we have been waiting for 10 weeks, what that action will be?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the short answer to that question would be no, I cannot tell the Hon. Member today exactly what the details of that action will be.

GOVERNMENT POLICY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since it was the platform of the Minister's Party during the election campaign that it would put agriculture first, and since we have waited 10 weeks, in which time business has been conducted for banks and oil companies, why has the Government changed its policy and why will it not put agriculture first?

Some Hon. Members: Hear, hear!

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member would examine the record then he would certainly convince even himself that this Government places a very high priority on the agricultural industry. If he looks at the record, he will see that we have passed more agricultural Bills in the last eight months than the previous Government did in the last eight years.

Mr. Althouse: You have killed Bills; that is all you have done.

Mr. Wise: We have taken over 100 initiatives directly—

Mr. Speaker: Order, please. The Hon. Member for Western Arctic.

* * *

HOUSING

INCREASE IN HOUSING STARTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister responsible for CMHC. Has the Government's fantastically successful low interest rate policy rate had an effect on housing starts?

Some Hon. Members: Hear, hear!

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I agree with the Hon. Member that the interest rate has had an effect. The seasonally adjusted average increase from September to September is up to 184,000 units.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more.

Mr. Speaker: A set-up has to better disguised than that.

Mr. McKnight: Mr. Speaker, this is a total increase of 44 per cent in single-family dwelling units.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

BILL C-70—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister.

Mr. Deputy Prime Minister, I have thousands of names signed by people to a petition protesting the de-indexation of family allowances and the child tax credit. And tomorrow, women representing millions of Canadian mothers will be here on Parliament Hill. Could the Deputy Prime Minister inform the House whether his Government is going to announce it will immediately withdraw Bill C-70 which is being contested by millions of Canadian mothers?

• (1450)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am glad to see the Hon. Member after some absence—he was not in the committee. He said he was going to take this to the wall. He has not been doing that. He has been out across the country and he knows he has not been getting the response he has been trying to generate. I say to him that the reason he has not is because people with the lowest incomes know that through the family tax credit they will receive more than they would from the very thing the Hon. Member is suggesting.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Additionally, he should remind those people that if we had followed through on what the Liberals did in 1976 with the six and five, the losses would be much greater than anything he says we are doing—

Ms. Mitchell: Why do we have to have losses?

Mr. Epp (Provencher): In fact, it is quite the opposite. There will be more for those who are at the lower income level.

Mr. Broadbent: You supported the six and five.

[*Translation*]

Mr. Malépart: Mr. Speaker, the Minister of social injustice is scraping the garbage can with his petty politics.

Could the Minister of National Health and—

Mr. Speaker: Order, please! I cannot allow comments of this kind. Does the Hon. Member have a question?

REQUEST THAT MINISTER MEET QUEBEC MOTHERS ON PARLIAMENT HILL

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, is the Minister of National Health and Welfare, willing to admit that all the groups that came here to testify do not, contrary to what he has said in the House of Commons, agree with his Bill, and will the Minister have the courage tomorrow to meet with those mothers on Parliament Hill? Will he be brave enough to do that tomorrow?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is odd that the Hon. Member is raising something in committee when he has not been attending the committee.

Mr. Gauthier: Where the hell were you for three weeks? That's a cheap shot.

Mr. Epp (Provencher): I am saying to the Hon. Member very directly that when he looks at the program he will know that, through the child tax credit, the very people who need it most will be getting the most, and I wish the Hon. Member would start supporting that.

* * *

ABORIGINAL RIGHTS

LUBICON LAKE INDIAN BAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development and of the Minister of State for External Affairs, I would like to direct my question to the Deputy Prime Minister. In 1984 the Lubicon Lake Indian Band made a formal complaint to the United Nations against the Canadian Government. In response, the Canadian Government tried to deny that the Lubicon Lake Indians were a people at all but only "a thinly scattered minority group living within the midst of a more numerous population grouping and occupying—"

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

Mr. Manly: I would like to ask the Deputy Prime Minister if that considered opinion applies to all Canadian Indian people or only to the Lubicon Lake Indians?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the most appropriate person to respond to that question in a satisfactory fashion would be the Minister of Indian Affairs and Northern Development. I will draw the question to his attention and see to it he communicates with the Hon. Member immediately upon his return.

REQUEST FOR ASSISTANCE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. In light of the fact that the Government's own negotiator has recommended that there be interim financial payments and has laid the responsibility squarely on the federal Government, when is the federal Government going to give justice to the Indian people at Lubicon Lake, acting on its own negotiator's recommendations, instead of trying to slough this problem off, waiting for it to resolve itself?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure it will not have gone unnoticed by the Hon. member that in 13 months the present Minister of Indian Affairs and Northern Development has travelled more, seen more Indian people in this country—

Mr. Manly: He promised action. We haven't had any.

Mr. Nielsen: —and has spoken to more band councils and other Indian organizations and individuals than any other Minister in the history of the Government of this country.

Mr. Manly: Where is he?

Mr. Nielsen: He is in British Columbia at this very moment pursuing that course. I would think the Hon. Member would want to compliment the Minister of Indian Affairs and Northern Development.

Some Hon. Members: Hear, hear!

* * *

ENERGY

EXPLORATION AND DEVELOPMENT—INCENTIVES PROGRAM

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. As the Minister knows, November 1 is fast approaching and there is still no replacement for the Petroleum Incentives Program. Is the Minister going to listen to the Province of Nova Scotia and energy groups such as the Canadian Petroleum Association, and provide a replacement for the Petroleum Incentives Program by November 1? Or is

the Minister going to allow the offshore and frontier exploration to shut down by 1987?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, this Government always listens to the Premier of Nova Scotia and the Premiers of other provinces.

Mr. Broadbent: New Brunswick, right.

Mr. Blackburn (Brant): Once too often.

Miss Carney: This Government always consults with industry. As the Hon. Member well knows, I have been working on the incentives program for some weeks now. I certainly hope to be able to introduce something which I hope he will support, within the next few weeks.

REQUEST FOR REPLACEMENT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Minister said last November that her objective was to prevent a lull in exploration. The energy groups are saying, as is the Province of Nova Scotia and other provinces, that unless a replacement is put in place by November 1—

Mr. Speaker: Order, please. The Hon. Member knows it is a supplementary question.

Mr. MacLellan: Will the Minister provide a replacement for the Petroleum Incentives Program by November 1?

Hon. Pat Carney (Minister of Energy, Mines and Resources): I am certain that the Hon. Member's question will be answered shortly. And I am certain that he will support the initiatives I will be bringing forward.

* * *

[*Translation*]

FOOTWEAR INDUSTRY

ELIMINATION OF QUOTAS—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I would like to direct a question to the Minister of Regional Industrial Expansion.

Yesterday, a Conservative member indicated that he was in favour of eliminating the quota system for the footwear industry in Canada, in spite of the $14 million the Government has just spent to streamline that industry. Could the Minister indicate whether the Government agrees with this Conservative member's position?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member listened attentively yesterday when I gave an answer to the Hon. Member who raised the question, and I am quite sure that when I hear the supplementary question from the Hon. Member, I will have a better understanding of what his thrust was on the first question.

Some Hon. Members: Oh, oh!

Mr. Langdon: Mr. Speaker, my question asked does the Minister agree with his colleague who raised the subject of elimination of quotas yesterday.

[*Translation*]

REQUEST THAT QUEBEC GOVERNMENT BE CONSULTED

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my supplementary question is this:

Could the Government indicate whether the decision on this difficult issue will be made in cooperation with the Quebec government, for the purpose of preserving these Quebec jobs?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, let me assure the Hon. Member that a decision will be taken very soon. I will certainly weigh his representation along with the representation from my hon. colleague who has made so many representations on this subject.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF FORMER MINISTER'S ELECTION EXPENSES

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General. It concerns the RCMP investigation into the former Minister of Communications. Today the Solicitor General told the House of Commons that he called the Commissioner because there were reports of harassment by the RCMP. Yesterday he said: "The Commissioner reads the newspapers as much as I do". I would like to ask the Solicitor General again why he found it necessary to call the Commissioner of the RCMP to advise him, if not to exert either direct or indirect pressure on the Commissioner? And could he also indicate—

Some Hon. Members: No, no.

Mr. Speaker: Order, please. That is a long question.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I will try to give a short answer to my hon. friend. It was done for a very good reason. My hon. friend, my colleague from Burnaby, or any other Hon. Member of the House of Commons, could very easily have asked me a question in the House today or yesterday as to whether or not I was aware of the allegations which had been made about the conduct of the RCMP and, if so, whether I had taken any action to ensure that the conduct of the RCM Police was appropriate. What I did was to draw to the attention of the Commissioner of the

RCM Police the published reports, and I am satisfied that they are doing their job well and professionally.

● (1500)

MINISTER'S POSITION

Mr. John Nunziata (York South-Weston): Mr. Speaker, would the Solicitor General have done the same thing if it was any other Canadian—

Some Hon. Members: Order!

Mr. Nunziata: —under investigation by the RCMP? Can he also indicate whether he instructed the RCMP to expedite the investigation? First, would he give the same treatment to any other Canadian—

Mr. Speaker: Order, please.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I would be delighted to answer that. The answer is yes. If there were any evidence or allegation of harassment by the RCM Police against any citizen of Canada, I think I have an obligation to ask the Commissioner of the RCMP to be certain that did not take place.

The Hon. Member asked if I had asked that the investigation be expedited. The answer is no. All I have done is to ask the Commissioner to look into the public reports or allegations of harassment and satisfy himself that there was no impropriety.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Monday, October 21, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for York West (Mr. Marchi) and the Hon. Member for Moose Jaw (Mr. Gottselig) do not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROPERTY RIGHTS IN THE CONSTITUTION

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present a petition of residents of Canada concerning the lack of a provision for property rights in the Canadian Constitution. The House will know that the Canadian Bill of Rights recognized the principle that individuals have the right to own, use and enjoy property and not have it taken away from them without proper compensation. The petitioners call for that right to be incorporated in our Constitution.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a petition expressing concern about the deindexation of family allowances. It is from Coquitlam widows helping others and shows that senior citizens are very concerned about Bill C-70. They ask that full indexation be reinstated.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I have the honour to present a petition signed by residents of Cape Breton Island requesting the Government to restore full indexation of the family allowance and child tax credit.

REPAIR AND MAINTENANCE OF VERNON AIRPORT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my privilege to present a petition on behalf of 750 residents of Vernon, British Columbia, who are in favour of repairing and maintaining the present Vernon Airport as a Class D airport. They are specifically opposed to any realignment and extension of the airport runway. They call upon Parliament to request the Minister of Transport to review the decision to provide moneys toward the realignment and extension of that runway.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present a petition circulated in the City of Kitchener by an organization called HOPE. The petitioners state that in their opinion the recent federal budget policy to deindex family allowances is clearly an attack on the working poor and the poor alike, and as a result they strongly urge the Government to restore full indexation of family allowances.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it gives me a great pleasure to present a petition calling upon the federal Government to reverse its decision to deindex family allowances as well as the child tax credit.

[*Translation*]

In view of the fact that the Government had promised during the election campaign to take steps to reinforce the family unit.

[*English*]

I also have a petition from the citizens of the riding of Châteauguay who call upon the Government—

[*Translation*]

—to maintain such programs as the family allowances and the Child Tax Credit which are a necessity for Canadian families with children.

[*English*]

They call upon the Government to rescind its decision to cut back the increases in the family allowance as well as in the child tax credit.

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from a number of residents of Toronto opposing the increase in taxes such as excise tax, income tax and sales tax, and opposing the cut backs in child benefits, and calling on the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from a number of residents of Toronto calling on the Parliament to ensure that all retired employees shall keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

BANNING OF PORNOGRAPHY

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, I would like to present a petition from several people in my riding who feel that because pornography is a major cause of crime in Canada, it should be totally banned from our country.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT PROGRAMS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of Canadian citizens from British Columbia to Prince Edward Island who beg the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a large number of petitions from citizens in my own riding and other parts of Toronto who state that the family allowance deindexation will not be offset by the temporary increases to the child tax credit. Even the poorest families will be worse off as a result. Accordingly, these petitioners call on Parliament to reinstate full indexation of the universal family allowance.

I have another large number of petitions on the same subject. These petitioners come from all over Ontario and they point out that the accelerating cut-backs in child benefits, reaching $600 million annually by 1990, on top of sales tax changes, excise tax increases and stiff income tax increases, are unfair and place an extraordinary burden on middle and low-income households. These petitions also call on Parliament to reinstate full indexation of the universal family allowance.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my pleasure to present a petition signed by leaders of the women's movement in the four northwestern Ontario federal ridings. They believe that children are everyone's responsibility and that all parents should receive government assistance, the value of which is at least as high or higher than present family allowance levels.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is my honour to present petitions from over 400 residents of Thunder Bay who protest the unfairness of deindexing family allowances while the tax burden on families is being increased. They call upon the House of Commons to re-establish full indexation for the family allowance.

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Miss Nicholson: Mr. Speaker, I wonder if I might ask for unanimous consent to revert to Presenting Reports from Standing or Special Committees?

Some Hon. Members: Agreed.

Mr. Speaker: There being unanimous consent, I recognize the Hon. Member for Trinity (Miss Nicholson).

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PUBLIC ACCOUNTS

PRESENTATION OF EIGHTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the eighth report of the Standing Committee on Public Accounts. Pursuant to Standing Order 70(16), the committee requests a comprehensive response to certain recommendations.

[*Editor's Note: For above-mentioned report, see today's Votes and Proceedings.*]

* * *

Mr. Epp (Provencher): Mr. Speaker, you passed directly from Statements by Ministers into Petitions and that was my oversight, not yours. I am wondering if we can revert to that item of business because it concerns the non-smoking campaign launched earlier today.

Some Hon. Members: Agreed.

Mr. Speaker: Statements by Ministers. The Hon. Minister of National Health and Welfare (Mr. Epp).

* * *

HEALTH

NON-SMOKING CAMPAIGN—STATEMENT OF MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the House for its co-operation and I will not be very long.

Earlier today the Government of Canada, along with most of the provincial and territorial Governments and, most impor-

tant, various voluntary organizations, launched a non-smoking campaign directed primarily at Canadian youth between the ages of 12 and 19. This national program to reduce smoking is a long-term and comprehensive approach to the reduction of smoking among Canadians. It focuses on both smoking prevention and cessation strategies, with special attention given to high risk groups.

• (1510)

I also want to say, Mr. Speaker, that there are organizations which have been in the lead in this area and have been doing an exemplary job. As I said at the press conference, possibly Government have joined them, rather than the other way around. They have been indicating that smoking and secondary smoke is a major health issue and, of course, the Government of Canada concurs with that. Organizations such as the Canadian Lung Association, the Canadian Council on Smoking and Health, the Canadian Cancer Society, the Canadian Medical Association, the Canadian Pharmaceutical Association and the Canadian Public Health Association had all joined previous to today. I am happy to report that the Canadian Heart Foundation has today agreed to join as well.

I believe this is a collective action, Mr. Speaker. We have proposed an advertising campaign which has been launched. We are using media that will appeal to young people, including rock videos and advertising, which meets head on the issue of others trying to convince young people to take up the habit.

I am sure that Members are aware that approximately 30,000 Canadian deaths per year are directly attributable to smoking and secondary smoking. I am pleased with the co-operation that has been shown by so many. The message will be called "Break Free". I believe that we have to show young people especially that a lifestyle without smoking is acceptable even to their peer groups. We all recognize that that is a major task for us all.

I want to indicate to the House that within the Department of National Health and Welfare we have established a non-smoking policy today. There are some Departments and some government agencies which have already taken this initiative. Within the Department of National Health and Welfare we took a survey of employees asking them various questions relating to the setting up of smoke-free environment in the national capital and specifically in the Department of National Health and Welfare. The majority of employees wish to have a policy which would minimize smoke in the working environment and also accommodate employees who smoke in certain areas outside the immediate working environment. That policy will come into effect on January 1, 1986. I am also pleased to announce that there is agreement between the employees' associations and the Public Service Alliance.

I think that all Canadians recognize that the Government of Canada must be more involved in preventive measures to maintain health. In my mind, there is no single issue which is more directly attributable to a lifestyle habit such as smoking and I commend the program to the House and to Canadians in general. I am pleased that radio stations, television companies and some newspapers have taken initiatives by declaring some of their own offices smoke-free areas as well as by not accepting written advertising from tobacco companies. Those are steps in the right direction. I thank them for their co-operation.

Finally, I would like to thank as well Members opposite for their support of this program. We have much distance to cover, but I believe that because what we have launched today is a co-operative effort it should bear results. I thank the House for its time.

Mr. Deans: Mr. Speaker, I rise on a point of order. It has been a practice, which we have followed for some time here, for Ministers to notify critics and Opposition Party House Leaders of statements and to provide copies in advance of making them. I do not quite understand what is going on here today.

Mr. Epp (Provencher): Mr. Speaker, what the New Democratic Party House Leader (Mr. Deans) has stated is absolutely correct. I will check my information and if it is wrong I will accept the responsibility. I was informed that this had been done in the morning prior to the press conference at 12 o'clock. The reason for that, I tell him quite candidly, was that as we launched the program with the various organizations today across Canada, I wanted to report to the House at first notice. If that has not been done, it was an oversight on my part and no one else's and I apologize.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, just to save the Minister of National Health and Welfare (Mr. Epp) from having to investigate, let me tell him that our staff was informed of the press conference and we did receive the text that was used for the press conference. However, I guess there was some miscommunication because we were not told that there was going to be a statement made on the floor of the House. I think that will save the Minister a phone call.

I do not wish to spend much time on the matter, Mr. Speaker. I think most Canadians would agree that the initiative announced today by the Minister of National Health and Welfare should be well received by the Canadian public. I think the Minister would agree with me that probably the one organization in the country that has done the most to promote the idea of smokeless society is the Canadian Lung Association. It was very instrumental in the latter part of the 1960s in focusing public debate in this country on the need to get Canadians off the weed habit, if I can use the colloquial expression.

They have been resoundingly successful, Mr. Speaker. In 1969, approximately 65 per cent of Canadians were smokers and 35 per cent were non-smokers. Today, in some 16 short years, we have totally reversed those numbers and today only one of every three Canadians indulges in the filthy habit.

I do know that there is some degree of concern among the non-smoking public that our younger people are being enticed into smoking by ad campaigns. The steps that have been outlined by the Minister of National Health and Welfare this

afternoon will go a long way to focusing the attention of that age group on the need to stop smoking.

Both the Opposition and the Government will have to deal with the contradictory demands in our society with the tobacco growers now indicating that they want to have a marketing board for their product. I await with anticipation the decision of the Minister of Agriculture (Mr. Wise). At the same time, Mr. Speaker, I applaud the initiatives announced today.

Mr. Neil Young (Beaches): Mr. Speaker, at the outset I must advise the Minister that, to the best of my knowledge, my office was not contacted about this initiative at all today. That may very well be because I am the new critic for the New Democratic Party and the message could have been confused between offices. Having said that, we in this Party congratulate the Minister for this initiative, which we support. The health cost to Canadians through smoking will no doubt increase over the years, but we hope that due to this initiative the cost will be reduced.

Without having actually seen the document from which the Minister was reading it is rather difficult for me to respond fully. There are a number of question which I would like to have answered by the Minister, such as what will happen with regard to the tobacco marketing board. It seems to me to be contradictory for the Government to be encouraging individuals not to smoke while at the same time it establishes an institution which could have the opposite effect. Tobacco companies have a shrinking market in Canada for tobacco and cigarettes. I would like to hear the Government's response to the possibility of exporting tobacco to third world countries and, through an aggressive advertising campaign, encouraging smoking there.

We are prepared, Mr. Speaker, to take a positive approach to this serious problem. Perhaps once I see the documentation which the Minister referred to in his statement today we will be in a much better position to give a more comprehensive response than the one I am able to provide today.

* * *

● (1520)

HOUSE OF COMMONS ACT

MEASURE TO AMEND

Mr. J. R. Ellis (Prince Edward-Hastings) moved for leave to introduce Bill C-252, an Act to amend the House of Commons Act (estimates).

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

Some Hon. Members: Agreed.

Mr. Ellis: Mr. Speaker, in a very long and detailed report in 1978, the then Auditor General presented a report concerning the administration of the House of Commons. Subsequent Auditors General have supported that and to my knowledge four Speakers have supported that. The purpose of the Bill is to enshrine those recommendations.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to advise the House that the following questions will be answered today: Nos. 395 and 431.

[*Text*]

COLLECTION AND ANALYSIS OF HERRING GULL EGGS

Question No. 395—**Mr. Caccia:**

1. What are the (*a*) names (*b*) titles (*c*) employee status of the personnel responsible for the collection and analysis of herring gull eggs from the Great Lakes area both at present and prior to the November 13, 1984 budget cuts in the Department of the Environment?

2. Will the Minister of the Environment introduce amendments arising from the current review of the Environmental Contaminants Act and, if so, on what date?

3. To the knowledge of the Government, did the authorities in the United States ban the antibiotic chloramphenicol and, for what reason is it used in Canada?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of the Environment and National Health and Welfare as follows:

1. See below.

2. Yes. In 1986, upon completion of consultation with other federal government Departments, the provinces, industry, labour and environmental non-government organizations and after cabinet review.

3. In both Canada and the United States, the use of chloramphenicol in humans is permitted with a physician's prescription for certain life threatening diseases. However, the United States has never approved the use of chloramphenicol in food producing animals while in Canada the use of chloramphenicol in food producing animals was banned in July, 1985.

The personnel associated with the collection and analysis of herring gull eggs from the Great Lakes prior to November 13, 1984, and their current status:

Name	Title	Current Employee Status
Dr. D.V. Weseloh	Wildlife Biologist	Co-ordinating collections of eggs from the gull colonies
Mr. S.M. Teeple	Wildlife Technician	Technician with Inland Waters Directorate
Dr. Richard Turle	Analytical Chemist	Chemist with Agriculture Canada
Mr. Glen Fox	Wildlife Biologist	On educational leave

Ms. S. Trudeau	Toxicology Laboratory Technician	Administrative Officer with Environment Canada
Ms. S. McConnell	Biology Laboratory Technologist	Laboratory Technician on acid rain project

Personnel associated with collection and analysis of herring gull eggs after April 1, 1985, and their roles on the project:

Name	Title	Role
Dr. D.V. Weseloh	Wildlife Biologist	Egg collection, data analysis
Mr. J. Elliott	Wildlife Biologist	Egg processing, quality assurance
Dr. R. Norstrom	Research Chemist	Verification of chemical data
Mr. D. Léger	Organic Chemist	Analysis of gull egg, for dioxin
Mrs. S. Bruce	Water Chemistry Technologist	Analysis of egg homogenates
Miss E. Haldane	Water Chemistry Technologist	Operator of analytical equipment
Dr. F. Onuska	Research Scientist	Spectrometry of eggs
Mr. K. Terry	Methods and Research Technologist	Confirmation of chemical analysis of eggs
Mr. R. Wilkinson	Methods and Research Technologist	Extraction and clean-up of egg for Dioxin and Dibenzofuran analysis
Dr. A.S.Y. Chao	Head, Quality Assurance & Methods Section	Implement inter-laboratory analysis of eggs and supervise contracts with non-government laboratories
Mr. B. Lee	Quality Assurance Chemist	Assure reliability of chemical data

SUPERLUX CANADA LTD.

Question No. 431—**Mr. Blenkarn:**

1. In (*a*) 1979 (*b*) 1980 (*c*) 1981 (*d*) 1982 (*e*) 1983 (*f*) 1984, what was the total amount of corporate tax paid by Superlux Canada Ltd?

2. In (*a*) 1979 (*b*) 1980 (*c*) 1981 (*d*) 1982 (*e*) 1983 (*f*) 1984, what was the total amount received in customs duties on articles imported to Canada by Superlux Canada Ltd?

Hon. Elmer M. MacKay (Minister of National Revenue): 1. Section 241 of the Income Tax Act prohibits the release of this information.

2. The total amount received by the Department of National Revenue, Customs and Excise, in customs duties on articles imported to Canada by Superlux Canada Ltd. is as follows:

Year	Customs Duties
Oct.-Dec. 1979	3,202
Jan.-Dec. 1980	29,183
Jan.-Dec. 1981	25,602
Jan.-Dec. 1982	41,282
Jan.-Dec. 1983	20,493
Jan.-Dec. 1984	4,604
Total	124,366

Note: The above figures are based on the Customs entries submitted by Superlux Canada Ltd. Records of entries for the period January, 1979 to September, 1979 are not available as the Customs Act requires that records be kept for a period of six years.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

Mr. Speaker: I wish to inform the House that because of ministerial statements, consideration of Government Orders will be extended by 10 minutes this day. Therefore, Private Members' Hour will begin at 5.10 p.m.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, prior to one o'clock I was speaking about this Bill, which is a $875 million gift to the friends of the Government of Canada. I also mentioned that there is no money in the Ontario region for small-craft harbours after the Government promised to be of great assistance to the tourist industry in Canada.

Furthermore, at a time when the Government is proposing to pay $875 million to uninsured depositors in these institutions, the farm community and primary producers remain wanting. I recently met with a number of hog producers whose industry is in dire straits in Ontario and other parts of Canada.

It has already been stated today that the House is also considering a Bill to deindex the Child Tax Credit and Family Allowance Programs. The Government promised justice to all during the last election campaign but there is no money to continue the indexation of the Child Tax Credit and Family Allowance Programs to help lower income families.

When one recalls the promise of "jobs, jobs, jobs" during the last election campaign, one can imagine how many jobs $875 million would create if it were used for job creation schemes rather than being doled out to those who took a chance when they invested their money. The Prime Minister

(Mr. Mulroney) has proposed to deindex the Child Tax Credit and Family Allowance Programs despite his promise in the House not to do so. Clearly, the biggest problem facing the Government is its lack of credibility as a result of such statements.

At a time when we are discussing hundreds of millions of dollars in this Bill, the Minister of Transport (Mr. Mazankowski) is cutting the security services at small airports in this country, one of which is in my riding. The Government is saving some $27,000 at each of these small airports, which I presume will make up part of the $875 million to be paid to those who took their chances in the free-entreprise system that the Government has espoused.

However, this Bill does not concern free enterprise. When one invests money in a free-enterprise system, one takes a risk, but that is not the case with this legislation.

What has happened with respect to the jobs that were promised by the Government during the last election? The Government is laying off permanent as well as term employees from Department of National Defence bases all across the country. The Minister of State for Science and Technology (Mr. Siddon) stood up today to talk about the Government's promotion of the brains in this country to encourage development. At the same time it is cutting the budget of Atomic Energy of Canada Limited by $170 million. It is one of the best high technology industries in Canada. Some of our most knowledgeable people in this industry have already left for Los Alamos in the United States. This brain drain of the high-tech industry is similar to what happened with the Avro under a Conservative Government. The Hon. Member laughs. He will not be laughing in 20 years when he realizes that we should have continued with the promotion of high technology and research for the development of energy. This country will require more energy in only 20 years.

The cut-backs at Chalk River will result in the lay off of 400 people, not including those in other parts of that industry. I was asked to send a letter to the Minister of Energy, Mines and Resources (Miss Carney) to request a meeting between her and representatives of the industry, of labour and of the business community in the area. Although the Government talks about communication and open Government, 2 months and 22 days have elapsed since my request for a meeting, and no answer has come.

The Government brags about creating 100 jobs before Christmas while at the same time laying off 500 people. That is called Tory progress.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I always appreciate your recognition on matters of such importance to the Canadian public. During this debate a number of Members from this side of the House have stated their serious reservations about the Government's conduct in this matter which is so crucial to the Canadian public.

This debate in itself proves the value of Parliament because it is giving time for Canadians to absorb fully and understand the enormity of what has taken place as a result of the incompetent way the Government has handled this matter. There is an increasing anger on the part of Canadians about what has transprired.

During the four or five days I spent in western Canada I was interested to listen to the comments about the so-called bank crisis. There is a growing wave of anger about the way this situation was handled. People do not like to see a Government expediently and conveniently deal with a matter so fundamental to their livelihood on the basis of what were obviously political considerations.

As we know, the banking system has been the central framework in this country for a long time. This is particularly true in the last 10 years, since the amendments to the Bank Act were introduced by previous Liberal Governments. This attempt to give opportunities for smaller banks to emerge and provide a different regime of loans for small businesses in regions of the country was particularly appreciated.

• (1530)

The progress we made in developing that new facet or thrust of the banking system has now been lost. Perhaps it has been irrevocably lost, but it has certainly been lost for a good deal of time. There is a loss of confidence, faith and trust. That loss is mirrored in the same emotions which people now have for the Government of Canada, that loss of confidence, faith and trust. For all the other fumbles, bumbles and stumbles committed by the Government during the last several months, the one which goes to the heart of the matter is its handling of the banking situation.

People are angry about it because they suspect that it is a cover-up. They suspect that too much is being hidden. They suspect that too many people may be benefiting for actions which, in themselves, were foolhardy and reckless to begin with. They wonder why the Government is asking for hundreds of millions of dollars of taxpayers' money and is reluctant to come clean on who is to benefit. They wonder why there is such a concerted effort to skirt the issue.

Even with the proclamation of the commission under Mr. Justice Estey, it is clear that many areas of vital public concern relating to the handling of the banking crisis will not be covered by that commission. It goes back to what we saw exemplified time and time again in the handling and management of the Government. Perhaps it is what one would call the mushroom theory of Government—throw unto them those products which are most energetically manufactured by the Prime Minister (Mr. Mulroney), keep them in the dark and they will grow. People are becoming a little tired of that. Anger is beginning to devleop. They feel that there was a system of protection for those who legitimately had insured investments.

Why is it that suddenly hundreds of millions of dollars are being provided to categories, not to individuals, corporations or entities? We do not know who is responsible or who in fact will

be paid off. I think the Government owes it to Canadians to answer that question. It is essential, if the Government is to come before Parliament asking for extravagant sums of money. We are not talking about trifling sums; we are talking about hundreds of millions of dollars. Surely that, by every canon of parliamentary responsibility, requires a Government to explain itself and to be forthright. It should come before Parliament and explain exactly who is on the receiving end. That is not taking place.

I read with interest a letter which was received in my office just today. It is from a gentleman who lives in my constituency. In fact, he is a former member of the Legislative Assembly of Manitoba with a very distinguished career. It reads:

> I am a director in a small oil company; as you can see by the enclosed copy of our last nine months financial statement we put $6,000 into the Canadian Commercial Bank. You will note the much higher interest rate they were offering than the other banks.

As an aside, I should like to indicate that at the same time Scotiabank was offering 8.25 per cent, Canadian Commercial Bank was offering 10.25 per cent. Its rate was 3 points higher in the same period of time. The letter continues:

> I feel people who go for the highest interest should be prepared to place their capital at risk and, if through greed and poor judgment lose, then so be it.
>
> By passing the bail-out Bill before the House now, it will only encourage investors to always go for the highest interest rate because the federal Government by this precedent will always bail them out! Don't let them pass it and let the bells ring till an election is called.

That is the voice of one person, a person who has some experience both in business and in Government. He is saying that the Bill has an implication which goes far beyond—and I know that that in itself sounds extravagant—just the hundreds of millions of dollars which will be taken out of the Canadian economy and passed back into the hands of unknown holders. There will also be a precedent set. How can the Government, from this point onward, deny other financial institutions? Does it not begin to give licence to those institutions to say that they can go for the high roll? Could they not play ricochet with Canadian money? If they are lucky and get a good take, they will be very prosperous. However, if they fail, they can always go to the Government to be bailed out because the Government bailed the others out. Why would it be any different? A precedent is being set.

I find it discouraging to look at the statements made by the Minister who presented the Bill and the supporting words of her colleagues on the other side of the House. They do not seem to seize fully the severity and seriousness of what they are doing. They are really setting in motion what lawyers would call a stare decisis which will haunt successive Governments for years to come.

The only way in which the Government could possibly eliminate that founding precedent is to provide us with a clear justification as to why this is such an exceptional case and why this should be given an exceptional judgment. Yet the Government has not been prepared to do that. It has not given the kind of information which Parliament requires in order to make a judgment. We oppose this amendment with sorrow but we also share in the anger of many other Canadians.

This matter weighs heavily upon the minds of many Canadians. It has had a devastating effect on many parts of the economy. It has created a serious sense of dislocation. Many small investors and small business people in the West are disheartened. We hope that it will be treated in a more open, forthright and candid manner by the Government of the day. We hope that Hon. Members on the Government side will listen to these words and recognize that if they proceed in this manner, they will be putting in motion a very important consequence of various kinds of unintended reactions which no one can predict. They will be letting the genie out of the bottle, and I do not know how successive Governments will ever put it back in.

Mr. Tom Hockin (London West): Mr. Speaker, I rise to speak on the Bill, not to pose questions, although my comments will—

The Acting Speaker (Mr. Paproski): Order, please. Under the provisions of Standing Order 36(2), we are in the third phase with 10-minute speeches and no questions or comments. The Hon. Member has been recognized on debate.

Mr. Hockin: Mr. Speaker, the Bill before us is one of utmost urgency. The Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) spoke about the urgency of moving to some matter about which he was concerned. However, I must say how urgent I feel it is to move to the disposition of this Bill. It is important to relieve the hardship and uncertainty currently being suffered by depositors who feel that the Bill should be passed quickly.

I do not want to prolong the debate, therefore my remarks will be brief. However, I should like to direct them specifically to what the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said. He talked about the unfortunate precedent which the Bill may presage. His comments will end up being irrelevant because we will have a totally different regulatory framework for the future. Precedents of a past period will not be relevant into the future because there will be a new regulatory framework. That is what the Minister and the Standing Committee have been working hard to put in place. A new framework, new rules, a strengthened Inspector General of Banks and a strengthened set of regulations will totally exclude any possibility of these kinds of precedents being directly relevant.

• (1540)

Secondly, the previous speaker mentioned the mushroom theory of Government. This Bill really addresses the mushroom theory of banks. What happened was that in 1980, suddenly mushrooming into the Canadian economy, instead of a handful of banks were 70 banks. They were put in a framework that lacked, in my view, the regulatory parameters and the strength in the Inspector General's office to allow these banks to operate with confidence and with effectiveness. It is the mushroom theory of banks with improper regulation that has got us into trouble, not the mushroom theory of Government.

He speaks of loss of confidence and the loss of trust in the Government because of this particular Bill. If western banks are viewed as not being as important as central Canadian banks that would lead to loss of trust and loss of confidence in this country in terms of unfairness.

My riding in London, Ontario is the home of many trust companies and insurance companies. One would think that my constituents would not be interested in the viability of western banks. They are. They believe that, for a united country which is fair to all regions, western banks are important to the fabric of the western economy just as, for example, financial institutions like Canada Trust are vital to the economy of southwestern Ontario. We stepped in and we recognized the importance of that in this legislation.

The Hon. Member for Winnipeg-Fort Garry also discussed how delicate and how important the banking system is. That is precisely what we are addressing and what we have been addressing for the last few months with the Green Paper on financial institutions, with this legislation and with many other initiatives that this Government has taken in order to strengthen the confidence that people can have in our banking system.

This leads me to my final comment which is that if we follow the advice of the Hon. Member for Winnipeg-Fort Garry, and his leader, and reveal the names of all the depositors, what would that do to our banking system internationally? What would that to do our banking system and the confidence that people would feel in it? Confidentiality is the bedrock of the Bank Act and if we are going to change that we do not change it in the middle of some sort of episode like this. That is a matter that would have to be looked at systematically and properly, with proper advice. For the Hon. Member for Winnipeg-Fort Garry to insist that this confidentiality be removed, is to insist on particular action that would diminish confidence and trust in the banking system more than anything else.

It is because of all this that I join with the Minister of State for Finance (Mrs. McDougall) in saying that I as well have every faith in the viability and strength of the banking system in Canada and in its national and international reputation. This Bill, together with the inquiry by Mr. Justice Estey, will help to maintain that, and I commend to the House its speedy passage.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. Is the House ready for the question? The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also welcome this opportunity to take part in the debate on Bill C-79, An Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits.

Upon reading this preamble or title of Bill C-79, some Canadians might be inclined to react by saying: That is a good idea, because if I were involved, I would like the Government to compensate me for the loss savings accumulated over 3, 4, 5, 10, 15 or 20 years.

However, Mr. Speaker, Bill C-79 does not in any way concern average depositors who are covered, up to a maximum of $60,000, by the Canada Deposit Insurance Corporation.

I may remind Hon. Members here in the House that $60,000 is quite a lot of money. In fact, the vast majority of Canadians cannot hope to save that much in their entire lifetime. Sixty thousand dollars is a lot of money for most Canadians.

And now, not only does the Government want to compensate these people, something I entirely agree with, but it has introduced Bill C-79 in order to compensate all those depositors with accounts considerably in excess of $60,000. In many cases, we are talking about depositors with accounts worth several hundred thousand dollars. And the Government is saying that we need this legislation to cover these fantastic sums of money in order to maintain confidence in the Canadian banking system!

Mr. Speaker, with respect, I cannot agree with this point of view or this philosophy, which I may say I find absolutely repugnant.

My hon. colleague who spoke previously said it was urgent that the House adopt Bill C-79 as soon as possible. I agree that if one shares his point of view, it is very important to act fast so as few Canadians as possible will realize what is happening to them. It is a shame that the Government would introduce such a Bill to provide assistance to people who are obviously very well off.

Such a program should not be implemented on the basis of simple statements and comments. The financial situation of Canada does not allow it. We cannot do certain things to improve our essential social programs, apparently because the Government cannot afford to do so. Yet, Bill C-79 asks the House to approve a blank cheque which will amount to several hundred million dollars.

My colleague from Montreal-Sainte-Marie (Mr. Malépart) has been fighting in this House for months and weeks to protect the most needy amongst Canadians, those who lack even the basic necessities. Yet, the Government replies: We must tighten our belts, we must reduce our expenditures and it is impossible to do what you are asking. If we ever succeed in reducing the deficit, we might do what you wish, Mr. Malépart.

On the one hand, that is the reply of the Government to the urgent request made by my colleague for Montréal-Sainte-Marie. This is one aspect of this Government's approach.

On the other hand, the Government introduces Bill C-79 which says that, to maintain confidence in the banking system and to maintain our international credibility, we want to be able to pay hundreds of millions of dollars. This is completely odious, Mr. Speaker. These people deliberately chose to make deposits of over $60,000, and people who do so generally have all the facts to make well informed decisions.

• (1550)

If those people decided on reflection to invest over $60,000 because the interest rate paid by these banks was more attractive than those offered by other institutions, I suggest to you, Mr. Speaker, that these people had to accept then and must still accept the consequences of their decision, just as someone who decides to invest on the stock market must accept the consequences of his decision if his investment goes down in value. It seems to me that those who had investments of over $60,000 in this bank should be treated exactly the same way as small and medium-sized businesses whose managers, based on their analyses, decide to make a certain investment, and must then, when they find out several weeks or months later that this was a bad choice, accept the consequences of their decision which will unfortunately lead to a loss. However, the Government prefers to forget its bad decisions. In the case of this bank, the Government would like to use this Bill to compensate fully those who invested, those who took a risk. The Government would like to tell them: It is nothing serious, you will be reimbursed! And what I find rather surprising, is that we can read the following in section 3:

Subject to this Act and the regulations, on application therefor to the Minister by a depositor in the prescribed form and manner, the Minister may make payment to the depositor of an amount equal to so much of the deposit of the depositor held by a financial institution immediately prior to September 2, 1985—

The Government is now saying that it will reimburse not only the capital, but also the interest accrued since September 2, so that the depositor will be scot-free, not having to live with the consequences of his or her decision. Unfortunately, those who will have to foot the bill are the ordinary Canadians who have never had the opportunity to save such astronomically large amounts of money, who can hardly make ends meet, and who do not even dream of saving $60,000 during their lifetime.

This legislation is also odious in another respect. I can see in front of me the Minister who, in Longueuil, promised hog producers $13 million and sheep producers $450,000. These are "peanuts" compared with hundreds of millions of dollars. Yet, the Government keeps saying: «We lack the financial means to help or reimburse you." These hog and sheep producers got into financial difficulties, not because of risks they were taking, but because of bad weather, a busted international market and a great many other other factors which were beyond their control, which is not the case for these depositors who had chosen the type of investment to make and the banking establishment where they were to make it. The Government is now saying to them: "We are going to reimburse you in full, capital and interests." But it says to our sheep producers who really need the $400,000 and some odd dollars and to hog producers who urgently need $13 million: "Be reasonable! You can forget about the money, because we are broke! Period!" I refer again to my friend the Hon. Member for Montreal-Sainte-Marie who is begging for a pittance, a few more dollars in family allowances for Canadian mothers. Although his purpose and intentions are quite commendable, the Government refuses, claiming it has no money. Yet, in front of the same people, the same Government steps forward and states that it is going to spend hundreds of millions of dollars to compensate not the average depositors—and I underline that this is the basic purpose of this bill—but those who had invested in this bank amounts in excess of $60,000. In view of the foregoing, I consider its attitude outright scandalous, and I can understand why PC members are so anxious to expedite matters, for if I were sitting on the benches opposite, I should be damned ashamed to show my face in my riding, knowing that my constituents are aware that I support the idea of compensating these depositors with over $60,000 invested in that bank. At the same time, the Government, in an historically significant gesture, is depriving Canadians of the necessities of life. This is something they are not likely to forgive and forget.

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, perhaps I forgot to rise simply because I am not used to listening to such lengthy debates, but still I would like to comment on Bill C-79. I think it is very important, for it does provide us with an opportunity to tell the people exactly what is going on instead of spouting inanities about philosophical views which most Canadians do not even understand.

The purpose of this Bill is to repay people who had deposited more than $60,000 in the two banks, so the question is: just who are those depositors? Are they really people who had bank deposits of $70,000 or $100,000, or are we talking about groups and individuals who were anxious to help the economy of a region or of our country by investing their money? When the two financial institutions found themselves in a tight spot last March, the six major Canadian banks and the Government made a decision, as any company would have done, and said: What should we do? Do we drop the investors? Are we going to ignore a region, prevent it from developing, make it stand still—

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

Mr. Speaker, here we are debating a Bill involving an outlay of $800 million, yet I notice that there are only five Progressive Conservative Members in the House. We do not have a quorum.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. That is not a point of order. The Hon. Member should not reflect upon the attendance of Members in the House.

Mr. Gauthier: It's a quorum call.

[*Translation*]

Mr. Rossi: I rise on a point of order concerning the quorum, Mr. Speaker. We lack a quorum!

[*English*]

The Acting Speaker (Mr. Paproski): I will count the Members. There are 21 Members in the House and more are arriving. There is a quorum.

[*Translation*]

Mr. Chartrand: Mr. Speaker, I was talking about people who had decided to help the economy of one of the regions of Canada. I am pleased to have the floor today because people know that I like my region of Quebec very much and work hard for my constituents. But there are other regions in Canada and it is important that we help them and stick together for once.

As I was saying, the people got together last March and realized they had to work and help one another. They decided to leave their money on deposit so the system would get back on an even keel, hoping things would turn out all right. These are the kind of people who can be found in my constituency of Verdun-Saint-Paul, people who have invested some of their savings in pension plans, workers and ordinary Canadians who had and still have confidence in the Government. The question is quite simple: Can we really afford to tell those people: "They made a mistake, and because of this you lose all your money; just stay home, there is nothing left for you". Or should we tell them: "You tried to help, you really tried to stabilize those two banks. We did everything but we will not have the man in the street pay for something which even if it was not a mistake is a situation that would have occurred under any Government.

● (1600)

But there we are. I notice that the Opposition today is constantly criticizing, implying that those people with more than $60,000 are really anonymous people, rich people from abroad, or rich people always trying to put their money in biding. But it may be about time that we tell Canadians, Quebecers, many of whom are wondering: Who are those people actually? Who are those people who invested over $60,000? Well, they are municipalities that need the money to better stabilize their affairs, to do better work, to better invest in their communities.

Look at the City of Verdun again, for instance. Our community is currently going through difficult times. The economy is at a very low ebb, and working capital is hard to get. Are we going to tell the people of Verdun: Now, you have invested. We asked you to keep investing with us. It did not work, so we are dropping you. What does that mean? It means not just a bank failure, but the failure of a whole municipality, which indeed is a serious problem, not just for a few people, but in my area 70,000 people already are affected. This is all one problem.

There is also the question of foreign investments. I think Canada is recognized throughout the world as having so to speak the best banking reputation, as being the safest place. Could we then afford to tell the world: In Canada, it does not matter, you invest your money, but you could lose it just the same.

There are six other banks, six large institutions which at the present moment depend on worldwide confidence. They really need to be able to tell the world: "You know, we respect our commitments; you invest here and help this country forge ahead, develop new infrastructures. We want you to invest, we are not going to tell you one morning: "Oh, you risked everything! Well you have lost everything!" What do you think would happen one month, two months, one year from now? That money would no longer be in Canada. There would no longer be any investments. And what would Canada do? We need foreign funds, we need to have pension funds invested in our banks because they allow various people to carry out important projects in Canada.

Canada is a free country where everyone enjoys freedom of speech. However, we have to rise sooner or later and tell the Members opposite: "You know that when you speak of such things, you are as much involved as we are." If they say that we should be ashamed, I can imagine how they should feel because of their direct attacks against specific people. Again I would like to deal with those who invested in pension funds. You can imagine if they were told overnight that they had lost everything. It would not be just the party in power which would have to pay for that. It would be mostly the Opposition which is trying to make us change our mind saying: "They took a risk and they lost everything, we do not need them." Is that so? This is what we will see.

We Members of this new Government like to become involved. We are not afraid to go forth and tell the people: "Yes, you should invest your money in this country." However, if we lose their confidence, what is the use of working or being a Member of Parliament.

The Canadian people should ask themselves: Has a minority like the one opposite the right to say to the Canadian people: "You took a risk, you lost everything, that is your problem." If I were at home and reading about such things in the newspapers, I can tell you Mr. Speaker, that I would write my representative and tell him: "Stand up in the House and tell them once and for all that the Government is there to help and serve the Canadian people".

They must stop saying that we are trying to change everything, that we are going against the wishes of the people. When we came to power, the Government had many problems to face. We are concerned and we want to improve the Canadian system and I know that the Canadian people are backing us. We have an example today. There were two banks which had problems and all the Canadians are ready to stand behind them and say to the entire world: "We support our country, and our economy, and we will manage to get through". The few dollars that this will cost us, each from our own pockets, I am ready today to put them on the table if they want me to do it. Because as Canadians we are proud, we would not want to lose our reputation. Everywhere in the world, the holder of a Canadian passport gets a royal welcome. And were we to pay heed to what the Members opposite are saying and to go along with them, we would be saying: You lose everything. That's it. Goodbye." You could then imagine, when abroad asking for investments, the answer we would get from those countries, those investors, and the answer we would be getting from those who manage pension funds for large Canadian corporations. What then would we be living on?

In the Verdun area, do you think we do not need that kind of investments? The areas where we lack tremendously ... where that bank money is invested in housing cooperatives, small businesses, because in my area there are no such things as big businesses. But so it is. To sell the idea, I need everybody behind me, both in the Opposition and in the Government. And, for once, we must stick together and tell the Canadian people that what we are doing, the assistance given to those subsidiaries, to those banks, is aimed at keeping our reputation intact. Not only abroad, but at home.

See the kind of publicity we are getting from them ... Let us suppose that all of a sudden, an Opposition Member rises and says: "The Royal Bank has problems". The next day, I can assure you that the Royal Bank would have problems. But this is not true. We should not even listen to their invidious comments because we are trying to help people. We have been elected to serve, to help and to foster the economy.

Mr. Tardif: The rich.

Mr. Chartrand: Again, I hear the Hon. Member for Richmond-Wolfe (Mr. Tardif) saying "the rich". He did not understand. Those with $60,000, you know, are not special people. They are people like myself, like a butcher in Verdun, like a blue-collar worker in Verdun having invested his money. You think you can tell him: "You made a mistake, you lose your money!" Mr. Speaker, such people have no place in Parliament. I will always stand up to the rights and the interests of the Canadian people.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please! It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Papineau (Mr. Ouellet)—Transport (a) Need to establish "Buy Canadian" policy. (b) Purchase of rolling stock wheels in Canada; the Hon. Member for Trinity (Miss Nicholson)—Banks and Banking (a) Minister's letter to shareholder. (b) Position of shareholders; the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)— Employment (a) Request that Montreal East be designated depressed area. (b) Citizens' committee and union chairmen—Minister's position.

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be read the second time and referred to a Legislative Committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I know that several Members of our party did not feel very happy about taking part in this debate, because it is really incredible, when we see that in a debate that concerns about one billion dollars that will have to be paid by taxpayers to unidentified companies and individuals, that this Government should use closure to prevent further consideration in the House.

Mr. Speaker, you will recall that when the Government House Leader moved his so-called closure, announcing the Government's decision not to let debate continue in the House, he actually said that we had already had eight hours of debate and that eight hours was enough.

• (1610)

Mr. Speaker, what about Canadian taxpayers? Do you realize that eight hours of debate represent more than $100 million paid by taxpayers to those unidentified individuals and

companies, $100 million for every hour of debate in the House of Commons?

Mr. Speaker, there are only 40 Members on the Liberal side of the House, but we feel we have a duty to ensure that every cent of Government spending, even the billions that are going to be spent on tax shelters for Gulf Canada, even the one billion dollars that will have to be paid to the CCB, we in the Liberal Party believe that Canadians have a right to know here in the House why the Government claims to be acting responsibly from the fiscal point of view while, at the same time, it is giving one billion dollars to unidentified individuals and companies. That same Government is telling families that are less well off, families earning between $10,000 and $15,000 annually, that same Government is telling these people and these families that it cannot afford to increase family allowances or even maintain them at the same level, it does not have enough money to maintain the child tax credit, but it can afford, and this after eight hours of debate, to give one billion dollars to unidentified individuals and companies, both in Canada and abroad, without having given the Members of this House a chance to speak, a right we all have as elected representatives in this House.

That is why, Mr. Speaker, our party has brought an amendment before the House, and that is why our Party, our Leader, we might as well say our president of Public Accounts since he is doing the work of the Minister of Finance (Mr. Wilson) and the Minister of State (Finance) (Mrs. McDougall), it is our Party that is doing the job, making sure whether the money should or should not be spent, and for whom. As we were able to see, Mr. Speaker, it was the Minister of State (Finance) who said there was no problem. It was her who went so far as to write to the depositors and also to the people who eventually became shareholders.

Miss Nicholson: Shareholders is right.

Ms. Copps: I appreciate the remark of the Hon. Member for Trinity.

Even the shareholders got a letter from the Minister of State (Finance) in July telling them that there was no problem with the Canadian Commercial Bank, that they could rest assured they did not have to worry about their investments. Mr. Speaker, such assurances to the taxpayers, the shareholders and the depositors were given at the same time as the Government was fully aware of the problems experienced by the company, its management problems, and the management problems of the Minister of Finance. The Minister of State (Finance) did not know anything about such management problems in July because she was on holidays. For the first time in 62 years we were witnessing the collapse of a Canadian bank, so where was the Minister of State (Finance)? In Paris, on holidays. Well, Mr. Speaker, one can always make a telephone call, as she said herself in the House. What I want to say on behalf of my Party and ordinary Canadians in my riding is that they are waiting for the Government and the Prime Minister to honour the commitments they made during the election campaign, they want answers from this Government. We are getting complacency, Mr. Speaker, not answers. What we get, Mr. Speaker, is the leader of the Government in the House saying: Eight hours of debate is enough, more than enough, we are fed up with this debate. Well, they are prepared to spend $1 billion of the taxpayers' money, but they think eight hours of debate is enough. Mr. Speaker, do you think that Canadian men and women elected 211 Progressive Conservative Members on September 4, 1984 just to listen to an eight-hour debate on an issue of $1 billion to be paid to nameless individuals, foreign banks and foreign countries, as if eight hours of debate were enough for them? As I said before, Mr. Speaker, with eight hours of debate it works out to over $100 million an hour.

[*English*]

I wonder if the people of Canada could believe today that this Government which has promised fiscal responsibility and which has ranted and railed against the deficits of the previous Liberal Government, could close off debate after a short space of eight hours? We heard the Government House Leader pronounce that there would be eight hours of debate on this bail-out, that that was enough. That eight hours of debate, Mr. Speaker, represents over $100 million for every hour spent debating this Bill. We in the Liberal Party may be small in numbers but we, along with the New Democratic Party, believe that it is our responsibility to fight the battles of the depositors, the battles of the shareholders and the battles of the taxpayers. The Canadian people listened to the Minister of State for Finance (Mrs. McDougall) when she, from her telephone in Paris last August, made pronouncements on the bank. They listened to the Minister of Finance (Mr. Wilson) and the pseudo-Minister of National Health and Welfare (Mr. Epp) tell them the Government did not have the money to pay for family allowances. They were told me do not even have the money to pay for tax credits for families with children, that we do not even have the money to continue the kind of tax benefit package which tells the people of Canada that we support families.

The Canadian people believed that we were going to provide certain incentives which, in no measure, would pay for the cost of raising a family but at least would be some small recognition of that cost. They expected that this Government was going to live up to its promises to families. They did not expect—perhaps they should have—to see what they are seeing now; the bank bail-outs, the Gulf deal, the million dollars tax advantages given to the multinational oil companies. We are seeing for the first time the true blue Tory colour of the Conserative Party.

The Prime Minister (Mr. Mulroney) ran across the country as a "let's pretend Liberal" during the election campaign. He said that universality was a sacred trust. The same Prime Minister said that he was not going to touch the pensions of senior citizens. He said he was not going to deindex family

allowances. We heard him last September in the House of Commons promise that he would never deindex family allowances even in an effort to reduce the deficit, but at the same time behind closed doors he makes a cozy deal. At the same time he stands before the people of Canada and talks about his grandiose economic statement. That self-same Prime Minister is meeting with the Minister of Finance and the Minister of State for Finance to put together a $1 billion bail-out which certainly contributed to the situation which led to the collapse of the first Canadian bank in more than 60 years. Then the Prime Minister, the Minister of Finance and the Minister of State for Finance had the nerve to blame the failure of the Canadian Commercial Bank on the previous Liberal Government. They said it was the National Energy Program. In fact, we know from the internal documents which the Government was reluctant to release, but which it had in its possession when it made comments on a daily basis in the House of Commons blaming the Liberals for the fiasco of the Canadian Commercial Bank, that they knew full well that the full responsibility lay on the head and shoulders of this Prime Minister, this Minister of Finance and this Minister of State for Finance, and we are going to fight them tooth and nail on this billion dollar bail-out.

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, after listening to the comments made in the past few days or few hours, I felt I had to make some observations myself, as the Hon. Member would say.

First, I would like to say that I am quite disappointed at the partisan tone of this debate. In view of the fact that Canadians like ourselves, people with good intentions, made certain investments and went through hours of worry because of the problems faced by these banking institutions, the Members opposite will probably agree with me because of their role in this House that it is important to maintain the credibility of our Canadian banking institutions.

• (1620)

In all honesty, Mr. Speaker, I understand the role of the Opposition. I sat on the other side long enough to know all about it, but I also realize that you have to show a modicum of honesty, and I trust that most of the Members opposite do so.

Naturally, we would have hoped that people would not confuse apples and oranges by speaking about family allowances in relation to this unfortunate development, and the Hon. Member for Richmond-Wolfe (Mr. Tardif) is well aware that we did not wish for the problems faced by these banking institutions. The Members opposite should perhaps have the honesty to ask themselves, for instance, when these problems began to surface. We have been here for only about 12 months, and I do not think that anyone can accuse this Government of being responsible for this disaster, because it certainly is a disaster.

In view of the economic situation which was prevalent when we came into power, Mr. Speaker . . . Some may smile, but the Canadian people know that, when we took over the reins of power, the country had a debt of $200 billion, and that this is not the time—

Mr. Gauthier: This has nothing to do with the bank.

Mr. La Salle: This may have nothing to do with the bank, Mr. Speaker, but it is directly related to what we are doing today. If the Members opposite had acted more responsibly when they were in power, we would not be facing these problems today, Mr. Speaker.

Mr. Gauthier: That is not true!

Mr. La Salle: Millions of Canadians know this and millions of Canadians decided 12 ou 13 months ago to get rid of the type of Government which was leading our country to the brink of bankruptcy. I think that another month would have pushed us over the edge.

All Canadians know this today. I cannot resist the temptation of making these comments in view of the fact that this debate has been overly partisan and intellectually dishonest toward those—

Mr. Gauthier: What are you now doing yourself?

Mr. La Salle: I am speaking on behalf of all the depositors who were likely to loose a lot of money following the failure of this bank—

Mr. Gauthier: Why do you not name them, Rock?

Mr. La Salle: —including a number of provincial governments and organizations, various municipalities, colleges, hospitals, charitable institutions, churches, ethnic groups, individuals, businesses, Canadian banks, stock brokers, small financial institutions, central credit unions, foreign banks and trade unions, Mr. Speaker—

An Hon. Member: Not to mention a number of friends of your party—

Mr. La Salle: I have just read the list of the depositors, Mr. Speaker. But Hon. Members opposite do not give a damn about these people. They say that we are compensating the rich on the backs of the poor, when in fact we are ensuring the credibility we need to attract the investment capital we badly need.

In such difficult times now, the small bunch of people opposite who conducted themselves in an irresponsible way when they were in a position to govern this country for so long dare blame us for trying to bail out—

An Hon. Member: Incompetence—

Mr. La Salle: —for trying to bail out . . . Incompetence was the trade mark of the former administration, Mr. Speaker.

Ms. Copps: The Conservative failure—

Mr. La Salle: They are blaming us because we are anxious to help these people who, in good faith . . . some Members opposite could be among them; they may not have chosen to invest their money there, but there are some Canadians who did.

However, Mr. Speaker, the more important thing is, and the Canadians must not forget it, that we should try to preserve the credibility of our banks for future investments, and if we refuse to do what we are doing now, and we are not doing it of our own free will—We were not expecting that disaster. It is our duty and our responsibility to maintain the credibility of our banks in order not to frighten away foreign investors, to also reassure Canadians and protect their investments and their contribution by way of an appeal to the private sector to give a new impetus to the economy which has worsened because Members opposite show no respect, Mr. Speaker, for those who now have problems to tackle.

Mr. Speaker, with regard to bankruptcies, I could speak at length, but I do not have enough time. We should remember that in 1968 when I first came here, the Members opposite had a deficit of $15 to $17 billion and now this national debt has reached $200 billion. Each newborn Canadian is now burdened with a mortgage of $15,000 to $16,000 because of the architects of that bankruptcy who are sitting opposite. This is incredible, Mr. Speaker.

And those people dare to try to lecture us on management and administration. I am fed up, Mr. Speaker. On certain days, I can put up with that kind of arguments, but today I could no longer.

And this is the reason why I want to say to all Canadians that we are taking this step for the sake of our future and to provide all the assurance possible to the wealthy who can afford to invest to help the poor. By their underhand practices, they are trying to have us believe that we are against the poor. It is actually for them, Mr. Speaker, that we have to ensure that credibility to recover the wealth squandered by those people opposite and to distribute it more fairly among the needy.

Mr. Speaker, I know that you understand me.

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

[*English*]

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is the following one. Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be now read a second time and referred to a legislative committee; and on the amendment of Mr. Turner (Vancouver Quadra), seconded by Mr. Gauthier, that the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

this House declines to give second reading to a Bill, the principle of which is to permit payments of large, but unspecified amounts of public monies to unspecified persons or corporations, thereby substantially denigrating Parliamentary accountability for expenditure of public funds.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the amendment (Mr. Turner, Vancouver Quadra), which was negatived on the following division:

(*Division No. 121*)

YEAS
Members

Althouse	Gauthier	Nicholson (Trinity)
Angus	Gray (Windsor West)	Nystrom
Baker	Guilbault (Saint-Jacques)	Orlikow
Blackburn (Brant)	Heap	Ouellet
Blaikie	Hopkins	Parry
Boudria	Hovdebo	Penner
Broadbent	Isabelle	Pépin
Caccia	Jewett	Prud'homme
Copps	Johnston (Saint-Henri-Westmount)	Riis
Deans	Keeper	Robinson
de Corneille	Lapierre	Rossi
Dingwall	MacLellan	Tardif (Richmond-Wolfe)
Epp (Thunder Bay-Nipigon)	Malépart	Tobin
Finestone	Manly	Turner (Vancouver Quadra)
Foster	McCurdy	Waddell
Frith	Mitchell	Young—50.
Gagliano		
Garneau		

NAYS
Members

Andre	Brightwell	Clark (Brandon-Souris)
Attewell	Browes	Clinch
Beatty	Cadieux	Coates
Bernier	Caldwell	Collins
Bertrand	Cardiff	Cook
Bissonnette	Champagne (Saint-Hyacinthe-Bagot)	Cooper
Blackburn (Jonquière)	Champagne (Champlain)	Corbett
Blais-Grenier	Charest	Crofton
Blenkarn	Chartrand	Crosby (Halifax West)
Bouchard		Crouse
Bourgault		

Members

Darling
Della Noce
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Girard
Gormley
Gottselig
Graham
Gravel
Gurbin
Gustafson
Halliday
Hamilton
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kindy
Ladouceur
Landry
Lanthier
La Salle
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacKay
Mailly
Malone
Mayer
Mazankowski
McCain
McCrossan
McDougall
(St. Paul's)
McInnes
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
O'Neil
Oostrom
Paproski
Pennock
Peterson
Plourde
Porter
Price
Ravis
Reid
Reimer
Ricard
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Wenman
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—134.

Mr. Speaker: I declare the amendment lost.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. There has been in-depth consultations with the Opposition and I think there might be a disposition to not proceed with a formal vote on the second reading motion but rather to reverse the vote and indicate that those who had voted in favour of the amendment be shown as being opposed to second reading and those who voted in opposition to the amendment be shown as voting in favour of second reading with the exception of the Minister of Agriculture (Mr. Wise), the Hon. Member for Mission-Port Moody (Mr. St. Germain), the Minister of Labour (Mr. McKnight) and the Hon. Member for Pembina (Mr. Elzinga). I will allow equal time for any Opposition Members who would like to be shown as voting in favour of second reading.

Mr. Gray (Windsor West): Mr. Speaker, after consultations, I am willing to accept the Minister's proposal. I must say that we would have liked it better if the vote had stood in its original form.

Mr. Deans: It seems perfectly reasonable to me.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. I am quite willing to go along with this arrangement, Sir, but I would like it to be recorded that I abstained from voting on the main motion.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I take it that that is the will of the House. May I therefore try to make it easier for the Clerks at the Table and assure that we know who wishes to be added to the vote. The Hon. Minister of Labour, the Hon. Minister of Agriculture, the Hon. Member for Mission-Port Moody and the Hon. Member for Pembina wish to be added. The Hon. Member for Western Arctic (Mr. Nickerson) will not be recorded on this vote.

The House divided on the motion (Mrs. McDougall) which was agreed to on the following division:

(*Division No. 122*)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Bissonnette
Blackburn
(Jonquière)
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clinch
Coates
Collins
Cook
Cooper
Corbett
Crofton
Crosby
(Halifax West)
Crouse
Darling
Della Noce
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Girard
Gormley
Gottselig
Graham
Gravel
Gurbin
Gustafson
Halliday
Hamilton
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kindy
Ladouceur
Landry
Lanthier
La Salle
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacKay
Mailly
Malone
Mayer
Mazankowski
McCain
McCrossan
McDougall
(St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
O'Neil
Oostrom
Paproski
Pennock
Peterson
Plourde
Porter
Price
Ravis
Reid
Reimer
Ricard
St. Germain
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Wenman
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—137.

NAYS

Members

Althouse
Angus
Baker
Blackburn
(Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
Deans
de Corneille
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
Foster
Frith
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo

Nuclear Power

Members

Isabelle	Mitchell	Riis
Jewett	Nicholson	Robinson
Johnston	(Trinity)	Rossi
(Saint-Henri-Westmount)	Nystrom	Tardif
Keeper	Orlikow	(Richmond-Wolfe)
Lapierre	Ouellet	Tobin
MacLellan	Parry	Turner
Malépart	Penner	(Vancouver Quadra)
Manly	Pépin	Waddell
McCurdy	Prud'homme	Young—50.

Mr. Speaker: Therefore, I declare the motion carried. Accordingly, the Bill stands referred to a legislative committee.

Bill read the second time and referred to a legislative committee.

Mr. Speaker: Perhaps I will give the House a moment to clear before proceeding.

Order, please. I think I have allowed a fair amount of time for those who wish to hold conversations to go somewhere else to do so. It being after five o'clock, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

NUCLEAR POWER ACT

MEASURE TO ENACT

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved that Bill C-231, an Act establishing a moratorium on the continued development of nuclear power in Canada for the purpose of establishing a public inquiry into nuclear power that is followed by a national referendum, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Mr. Speaker, I am very happy to once gain have the opportunity to present a private Members' Bill calling for a moratorium on the development of nuclear power in Canada and calling for a public inquiry to be followed by a national referendum on our nuclear energy future which has so far been imposed upon us undemocratically by the Liberal and now the Conservative Governments. I say that I am happy, but there is a way in which I am unhappy. I would much rather that my original private Members' Bill which I proposed in 1980 had had some effect and that we had gone on to accept its recommendations. That is not the case and so I rise once again to make the case for an inquiry into the entire nuclear fuel cycle in Canada. I do this with the knowledge that when the Progressive Conservative Party came to power in 1979, it held a similar position. At that time, it was about to initiate a parliamentary inquiry as opposed to a public inquiry into the matter but as we all know the Government fell and it never had the opportunity to bring about such an inquiry. The new Conservative Government has been in power for over a year and it seems to have abandoned that particular policy.

Whether we are dealing with a public inquiry or with a parliamentary one, today is one more occasion on which I would like to speak at greater length than I usually can when I have the opportunity to make a statement or ask a question in the House.

First, I am opposed to the investment in the nuclear energy option that Canada has made. Second, this energy path is a path with profound implications and one which has been imposed upon Canadians in an undemocratic way by a technocratic elite without adequate public discussion and with the acquiescence of politicians who have been held captive by the mystique and indeed the tyranny of expertise and the so-called value-free advice they receive from such experts.

One of the few value-free facts that attends a debate on the nuclear issue is the fact that most of the so-called facts are laden with assumptions.What is needed is a real debate about those assumptions and values and not the usual frustrating debate that often occurs with AECL or Ontario Hydro types on the one hand who pretend or worse, actually believe that they are objective while patronizing their opponents as being those who bring only emotional arguments to the table and on the other hand anti-nuclear energy representatives who are trying to move the debate to a more fundamental level. As moral agents, we are all equally able to imagine and choose between human futures. At that level, there is no hiding behind a degree in physics or engineering. Today I want to do a little of that kind of reflection, keeping in mind that we are talking about conflicting world views or paradigms and not a phoney conflict between facts and values.

Let us begin with uranium mining, a sore spot for many Members of the New Democratic Party as it is the one link in the nuclear fuel cycle in which the Party has acted out of line with the view that I am putting forward today. Uranium mining in Canada ought to be stopped for a number of reasons. It is unacceptable because it involves Canada in the nuclear arms race. It is destructive and dangerous to the long-term health of the environment. It often happens in areas that are the traditional homelands of native peoples and the mining is done in such a way as to destroy the viability of the renewable resource economy on which they depend for an economically reliable and healthy lifestyle.

The persistent and not unfounded belief that Canadian uranium is making its way into nuclear bombs and/or freeing up other uranium for nuclear bombs should be cause for national shame. It gives the lie to all the ways in which we Canadians like to think that our hands are clean when it comes to the nuclear arms race. Our hands are not clean; they are dirty. Every time any provincial or federal Government promotes uranium mining as an economic benefit they are guilty of falling into the sin warned against by the biblical warning: What shall it profit a man if he should gain the whole world, but lose his soul? In trying to build economic prosperity on activities such as uranium exports, knowing full well that we

are contributing to the proliferation of nuclear weapons, we as a country are selling our souls in a bargain which requires of us increasing measures of oppression, lies and ecological irresponsibility. The alternative vision is to see that an economy based on such moral bankruptcy is no economy at all and to begin now the support of sustainable and ecologically acceptable economic strategies based on renewable resources, renewable sources of energy and fully human development as opposed to the kind of devastating short-lived and short-sighted economic development that has been so prominent in our past.

● (1720)

The CANDU reactor is another aspect of the Canadian nuclear picture which deserves a great deal of attention. A question by me to the Minister of Energy, Mines and Resources (Miss Carney) last fall revealed a great deal about the Government's attitude and lack of ability to ask fundamental questions. I asked the Minister if the new Government intended to live up to the Conservative promise in 1979 to initiate a parliamentary inquiry into the whole nuclear fuel cycle. The Minister replied with no hint of embarrassment that the problem with the nuclear industry might only be a marketing one and that she would check with AECL to see if they thought an inquiry was necessary. This was my first strong hint of the purely commercial plane on which the Minister of Energy thinks. It surfaces again with respect to Canadian research into radioactive waste disposal, which I will deal with later.

For now, suffice it to say that it is not just a problem of marketing. The real question is whether we should be marketing nuclear reactors in the first place, not how we could be better at marketing them. This is something that inquiries such as I have asked for could reflect on and, while doing so, it would be nice to reflect on just how the Candu reactor has come to hold such a privileged position in the Canadian technological pantheon. It often seems to me that what has made the incredible subsidization of the nuclear industry possible is the way in which this technological vanity of ours somehow symbolizes for some Canadians our claim to fame in the modern world. This accommodation to the way of the world is something that should be questioned. I would rather our national sense of self-worth was derived from the extent to which, as a country, we were pursuing alternatives to the centralized technological industrial paradigm that is eating away at the future of our planet and the possibilities for a fully human future.

A third aspect of the nuclear fuel cycle which I would like to deal with is the question of radioactive waste disposal. This is a question which has occuppied me in general for some years now; but I have been particularly involved in it through the debate concerning the Underground Research Laboratory at Lac du Bonnet, Manitoba, near Pinawa, going back to May 1980 when I first raised the issue in the House of Commons. At that time I was asking, in co-operation with the Committee of Concerned Citizens in Manitoba, for public hearings into the underground radioactive waste disposal research project which AECL had begun in that area. The Liberal Government of the day refused such hearings and the project went ahead. Since then, the debate about the URL has centred around the question of whether or not the site at Lac du Bonnet should or could ever be considered as a permanent site for disposal of radioactive waste. The NDP Government of Manitoba has said that in its view this is not an option. Unfortunately, no current Government can speak for all future Governments. Even more unfortunately, the current federal Minister of Energy has been unwilling to rule out Lac du Bonnet as a permanent site. Instead, she has created even more anxiety by commenting in a letter to the Town Council of Gimli, who had written her about this issue, about the possible commercial benefits to Canada if we decided to take in the radioactive garbage of the world and dispose of it deep in the Canadian Shield. I have to suppose that this would be part and parcel of the new improved marketing strategy of the Government. We will provide cradle-to-grave services for all our nuclear customers—only Canada will be the grave, the grave for tons and tons of radioactive waste produced elsewhere by our technologies. What a vision! It seems to me that it must take a particular kind of darkness of the mind to see light in such a picture of the future.

Having said that, I want it to be clear that I am not against such research. We have to dispose of what we already have in the best way possible. I am against research which is part of a general approach oriented toward the goal of making the world more likely to produce more such wastes. We should be worried enough about whether we can safely store what we have already produced without asking for more trouble. For this reason, I think that AECL should be stripped of its responsibility for waste disposal and it should be given over to the Department of the Environment and completely separated from AECL, which, in my view and in the view of many people who have paid attention to this issue, is in a conflict of interest that can no longer be tolerated.

In any event, anxiety in Manitoba has been greatly increased of late by the interest taken in the URL in Lac du Bonnet by the U.S. Department of Energy whose interest, I am sure, is more than purely academic or idle curiosity. In fact, it will be able to explore in Manitoba what it has been unable to explore without the co-operation of northern American states which share a similar geography with Manitoba. I know that there are Minnesotans who are concerned about that as well. Manitoba, with no uranium mining and no nuclear power, should be one of the last places to be considered as a site for radioactive waste disposal. Canada—whatever we finally do with our radioactive wastes—should not get into the business of promoting more waste or the importation of it.

Whether in terms of long-term damage to the environment through uranium mining, reactors, radioactive waste, low level radiation, or whatever, or in terms of the sudden and comprehensive destruction of a nuclear war followed by nuclear winter, the nuclear issue raises moral questions of the highest order—questions of inter-generational morality which have

been seldom, if ever, raised by previous technologies or available human choices. In pursuing the nuclear option, we are running a risk for the future of our planet that we have no right to take, especially here in Canada where we have the social, economic and political capacity to happily pursue other energy paths, other economic strategies that do not elevate the short-term needs of one generation at the expense of all others to come in the name of a false confidence in our ability to solve all our problems with a technological solution. This false confidence in the technological solution is nothing other than the modern equivalent of the ancient cult of Baal, whereby man sought to manipulate the gods instead of trusting in the promises of God to deliver us from the enemies of life if only we would seek first His kingdom and His justice. The nuclear option is not the only place in modern life where we opt for this kind of unfaithfulness and idolatry. However, for me, and I think for many others as well, it is the central symbol of that idolatry, whether it takes the form of nuclear energy or nuclear weapons. How long we can pursue this idolatrous course without the kind of judgment that those who worship Baal met is not for me to presume. If we do not escape the awful future we are building for ourselves and we do have a nuclear war, it will not be the happy cosmological shoot-out between good and evil which lunatics like Jerry Falwell think it will be. Instead, it will be a judgment on all those who trusted in their horses and chariots instead of justice.

It has been one of the greatest frustrations of my half dozen years here in the House of Commons that I have not been able, along with a handful of others who I know share my concern, to have the nuclear energy question placed higher on the agenda for public discussion and reflection. There has been more debate about nuclear weapons; but even that has not often been enough related to the ways in which the conflict of interest which might precipitate a nuclear war are intimately connected to the false need to protect the way of live which is so well represented by the nuclear energy option—a way of life captive to the domination and exploitation of non-renewable energy resources and a way of life that is ever more captive to corresponding images of national security and the loss of freedom that can flow from the authority of such images.

● (1730)

The nuclear energy option needs to be debated. Canadians are still waiting for an opportunity to say what they think and to reflect together on their common future. I hope that in providing this one small occasion for such a debate, I will have contributed in my own way to that day when we finally wake up to the hidden and, in my view, mistaken assumptions which have made the nuclear industry so sacred in this country.

Mr. Elzinga: Mr. Speaker, I rise on a point of order. I recognize that it is not proper procedure during Private Members' Hour to ask for the opportunity to put a question. However, I wish to congratulate this Hon. Member for bringing forward what I consider to be a very meaningful issue, and if the Chair would grant me the opportunity—

The Acting Speaker (Mr. Paproski): We must have unanimous consent. Does the House so agree?

Some Hon. Members: Agreed.

Mr. Elzinga: The Hon. Member has asked for a public inquiry with a follow-up, being a referendum, on an issue which is very meaningful to all Canadians. I am curious as to whether his views are consistent on the referendum issue as to whether he would support a referendum for capital punishment?

Mr. Blaikie: Mr. Speaker, when it comes to these issues, I do not think it is purely a question of consistency. I had to face this issue of a referendum in Manitoba when there was debate about whether or not we ought to have a referendum on minority language rights. I took the position at that time, and I take it still, that on certain matters which involve the rights of individuals or groups it is not appropriate to put those kinds of things to a referendum because by the very definition, the majority can take a different view than that of the minority.

There are other questions which are questions which affect everyone equally, for instance, policy questions which affect the common future of everyone. I believe energy choices fall into that category. In those kinds of questions I am not against—in fact I am obviously promoting—the idea of using a referendum as a way of determining what the people think.

Mr. Elzinga: In other words, Mr. Speaker, the Hon. Member is indicating to me that where his views are consistent with the majority, he is willing to have a referendum, but where they are not, he is not willing to have one.

Mr. Blaikie: Mr. Speaker, I think that is a very pejorative interpretation of what I said. I did not say that at all. I have no reason to assume that in all those questions where I would like to see a referendum, that I would be on the majority side. I am saying that there are some questions which ought to be decided by the public and not by a bureaucratic or technocratic elite, which is what has happened with respect to the nuclear question. There are some times when I believe in having referendums but I am also prepared to take my lumps and be on the losing side, if that be the public will.

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I do think this is an important topic and one which should be debated in a limited way, in any event. It is a matter which brings up a number of issues which have to be addressed over time. I do note, of course, that the Hon. Member passes some kudos on to the Clark Government of 1979 for opening up a public discussion on this matter. At the same time, it should be noted, he voted down that Government. So perhaps he was voting against down on this issue as well as for other reasons. He did not, obviously, want this to go ahead.

Mr. Blaikie: The Government brought itself down.

Mr. Dick: No one is foolish enough to think that. You had a vote. Let's not be stupid.

Mr. Blaikie: Address the issue.

Mr. Dick: Obviously, there is some inconsistency in what he is saying as the Hon. Member for Pembina (Mr. Elzinga) pointed out.

Mr. Blaikie: Stop crying about 1979.

Mr. Dick: Perhaps the Hon. Member would like to shut up for a change.

The Acting Speaker (Mr. Paproski): Order.

Mr. Blaikie: Perhaps you would like to talk about the issue.

The Acting Speaker (Mr. Paproski): Order, please. I would hope there would be a little more decorum. This is your Private Members' Hour. I would hope that the Hon. Member would be allowed to have his 20 minutes and then we could just carry on.

Mr. Dick: Mr. Speaker, I listened quite patiently during the speech of the Hon. Member and I believe he raised the subject of the Clark Government and that it raised this subject as a public issue. I believe I can discuss some of the things the Hon. Member raised and if he does not like it, that is too bad, but he should be polite enough to listen to other people.

At the same time as the Hon. Member was talking about some things in the past, I think it would be appropriate to ask him if he does not think in proposing this moratorium he is throwing out the baby with the bath water? Does the Hon. Member want to throw out some of the things our nuclear industry has brought us such as the cobalt treatment which is used for cancer radiation? Does the Hon. Member want to stop the irradiation of food which is being carried out in order to preserve life and make for healthier people in the Third World where there is no refrigeration? Does the Hon. Member want to close down the nuclear isotopes factory in Kanata which produces nuclear medicine? There are a number of things which have been promoted and have been very beneficial not only to Canadians but to other people in the world and these things have come about as a result of nuclear power.

This country has been in the forefront of nuclear technology for 40 years. Nuclear power is one of the most complex technologies of the 20th century. It presents great challenges to policy makers due to the wide ranging technical, health, environmental, political and ethical questions it raises. For that entire 40 years Canada has been pledged to the peaceful use of nuclear technology and I believe we have done a very good job, by and large, on that. I do not want to minimize the fact that there are some problems which have to be dealt with and I have some sympathy with what the Hon. Member has to say, especially in the area of waste management. I am not particularly happy with the dragging of the feet in dealing with that topic. I remember back in the 1970s we were promised that matter would be pretty well solved by the mid-1980s. Here we are in the mid-1980s and now they are talking about the year 2000.

There are points on both sides but I feel to a great extent the benefits we in Canada have received to date outweigh the negatives with which we must deal. There is the negative in the ultimate use of nuclear bombs which has fortunately not taken place to a degree which has wiped out more than two cities and quite a few hundreds of thousands of people, which happened during a state of war many years ago. Hopefully, we in this world have learned something since then.

I would like to talk about the benefits we have received following a Canadian policy of peaceful use of nuclear energy. The Candu reactor is still one of the star performers on the national and international scene. I believe the last time I looked at the figures I saw that six out of the ten most efficient nuclear reactors in the world are the Candu reactors. Candu provides significant benefits to the Canadian economy of which there are many spin-offs. I know there are over 1,000 people employed in my constituency and many more than that in the constituency to the northwest, Renfrew, Nipissing and Pembroke. In 1984, nuclear power generated 12 per cent of Canada's electricity and will contribute about 20 per cent by the early 1990s. I believe it should be pointed out that in Ontario and New Brunswick nuclear energy today provides more than a third of our electricity requirements. Obviously we cannot just close that down. If we did close it down, what are the alternatives? We have dammed virtually all the rivers we can in Ontario. We would have to go to coal which is the only other source.

Mr. Waddell: How about becoming energy efficient?

Mr. Dick: I am sure the Hon. Member will have the chance of opening his mouth at an appropriate time.

Ontario will produce over 60 per cent of its electricity by cost effective nuclear power by the early 1990s. There is no reason to impose a moratorium on nuclear power. It is safe, economical and environmentally benign. The system is working. We can always work to improve it but I do not think we should discard it.

The nuclear power generated in this country has proven safe. We have over 100 reactor years of operation in Canada without a radiation-related fatality. Ontario Hydro statistics show its nuclear workers are safer on the job than when away from work. Nuclear power is economical. Ontario electricity consumers have already saved some $2 billion through using nuclear rather than the only practical alternative, coal. In addition, Canada is saved from having to import almost $1 billion of coal annually from the United States.

A lot of the experts in the field now agree that the disposal of nuclear wastes should provide no problems. In fact the problems have not been solved, obviously to the satisfaction of the Hon. Member who introduced the motion. Nor have they been solved to my satisfaction. I am most anxious for them to get going and work on that problem. I am not willing to listen only to the AECL assessment. However, I believe we have to consider that in Canada we have received an awful lot of benefit from the continuing use of nuclear power. I do not think we have any immediate alternatives. Obviously we

cannot get rid of one-third of our power supply in Ontario overnight without considering what we have to replace it with, that is coal. Coal will, on the evidence, produce acid rain which will ruin our lakes, our forests, and cause a great amount of concern for those with environmental sensitivities. We would cause more problems with coal.

● (1740)

Why do we need a commission of inquiry? The nuclear industry is probably the most examined industry in Canada's history. The Ontario Royal Commission on Electric Power Planning has looked into this matter exhaustively. The previous and current Ontario select committees on hydro affairs have done the same. Federal and provincial environmental assessment panels have examined proposals for uranium mining and refinery expansion activities and the Candu reactor on many occasions. Various studies have been commissioned by the federal Government, such as the Canadian Nuclear Industry's Marketing Performance, and a strategy for developing and strengthening the Canadian nuclear industry. There have been nuclear policy review background papers, the Nuclear Industry Review Problems and Prospects, 1981 to the year 2000. They go on and on. None of these inquiries or studies has recommended a moratorium on nuclear power. All have recommended continuing the use of nuclear power where it is economically advantageious to do so. It is also interesting to note that previous inquiries have generated very limited public interest. The Hon. Member indicated in his speech that only a limited handful of people in the House supported his views. I must admit that when he said that it struck me that democracy was truly speaking. He does not claim he could persuade a majority of this House or a majority of Canadians to his view.

The Porter Commission, which sat for many years, developed very little public following or interest. The Ontario select committee hearings had virtually zero public attendance. Church sponsored hearings into nuclear issues held last year in Toronto were given little attention by the public and even less by the press. The previous NDP sponsored debate in this House in February of 1984 on the subject of a nuclear inquiry played to an almost empty House, including the press and public galleries. Why, then, do we need to have another commission of inquiry? Why do we need to have a national referendum? The choice of alternative electricity generating modes is based on complex technical, financial and economic analysis and it would be highly inappropriate to have a decision such as that taken by way of a referendum. Furthermore, under our system of parliamentary democracy, I do not believe referendums should ever be used altough some consider they may be used on occasion. I happen to believe that when you are elected as a Member of Parliament, you are elected to make a decision. If you have not been making good solid decisions over your term in office then the people, in their own way, will decide they do not want your decision-making ability anymore and will throw you out at the next election.

Canada has a nuclear record of which we can be proud. Yes, there can be concerns. Yes, we can always fan embers into flames. However, this is a case where we have to consider all the other options available. We have to consider what has really been done, and not just make inflammatory statements which can be used in a demogogic way. We also have to recognize that the process can be enhanced through the peaceful use of nuclear energy. I do not think we sat back and decided whether we wanted a commission on whether we should use wheels or not. Wheels are also used in warfare and as society moved on we tried to adapt new inventions to peaceful use, at least in the majority of cases. The Candu technology, of which we can be justifiably proud, is one which has received an awful lot of support and accolades from around the world. Candu has been judged to be the most reliable and efficient reactor in the world. The nuclear industry in this country has been supported to a great degree by Governments because of the many beneficial spin-offs which have helped manking. I am thinking of cobalt treatments and the manufacturing of those devices by AECL to be sold to about 60 countries around the world. A process for irradiating food has been developed and it is being used in Third World countries to preserve food in fit condition for human consumption much longer than would otherwise be possible. Then we have nuclear medicine and a number of other uses for nuclear isotopes which are for peaceful purposes and mankind's gain.

Mr. Waddell: Point of order, Mr. Speaker. I wonder if, considering we allowed a short question to our Member, whether the Hon. Member might permit me to put a short question to him.

The Acting Speaker (Mr. Paproski): Do we have unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): One short question and one short answer.

Mr. Waddell: In light of the Hon. Member's speech, how does he explain page 113 of the PC campaign handbook in the last election which said that the Conservatives advocated a full public inquiry into the future of nuclear power, and that they opened the nuclear power approval process to the public?

Mr. Dick: We certainly did not say on page 113 that we were going to have a moratorium and we're asking for a referendum. We have not done all the things we promised during the election campaign in the first 11 months, but I can say that we are implementing them at an awfully fast rate and this can be introduced at any time.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I must say that this Bill is the most retrograde piece of legislation I have ever in this House of Commons. The Hon. Member had some very interesting things to say. He quoted from the scripture: "What shall it profit a man if he gains the whole world and loses his soul?" Let me say to him that when it comes to energy in Canada the NDP have already lost their soul. It was rather interesting when the Hon. Member for Pembina (Mr. Elzinga) put the question to him about a

national referendum. He wants a national referendum after his great research into the nuclear industry in Canada but he does not want a national referendum on capital punishment. I suppose he would not want a referendum on abortion or the rest of these moral issues, yet he is talking about nuclear energy as a moral issue. An Hon. Member says "job creation", and I am going to come to that.

The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) talked about the moral issue. Quite often I have heard speakers from his Party talk about how worried they are about the futur of their children and their children's children with regard to atomic energy. Let me suggest to the Member that the scientists, technicians and other people who work at Atomic Energy of Canada Limited or any other related industry also have children and their children will have children. Is he really saying, in a very moral way, to all those top scientists, researchers, labourers and technicians who work in those plants that they do not care for their children or their children's children? You bet they do.

● (1750)

We had up to 2,350 employees working at Atomic Energy of Canada Limited at Chalk River until the axe of the Tory Government fell. Those people are my neighbours. They live in good clean communities. They go to work every day and their health is checked out. There are professional doctors at the plant. They have a biology unit and there are people who take soil samples. I wish the Hon. Member would go into one of these industries once in a while to really find out what they are all about.

Mr. Blaikie: I have been there.

Mr. Hopkins: He talks about the emotional argument of Ontario Hydro and the nuclear industry. What could be more emotional, Mr. Speaker, than the speech he delivered today trying to put fear into the minds of people? I totally agree that the Candu reactor is the safest reactor in the world. He got that little piece in there too relating to the peaceful uses of nuclear energy; not really defining them, but relating them to the atomic bomb. That is where he went wrong. If the Hon. Member and his Party do not have the foresight to support the high technology that we have today in nuclear energy in the future, if they want to destroy that industry, they are inviting Canadians to return to the dark ages. All they need do is look at the oil industry and the gas resources of this country.

The Member is talking about alternate energy, Mr. Speaker. Alternate energy is a very, very small fraction of the energy that this country will need in the future.

Mr. Blaikie: Because of people like you.

Mr. Hopkins: Twenty years from now he will have to live with himself if nuclear energy for peaceful purposes is destroyed in this country because of the kind of argument that we are hearing today.

Let us talk about jobs. If Ontario Hydro had not taken part in the nuclear energy program, one-third of the industries in the Province of Ontario would not have the energy to operate today. We would not have that "golden horseshoe" around Toronto, Oshawa, Hamilton, and Burlington. We would not have the population growth. What does the Member want to do? I always thought that New Democratic Party members were great environmentalists. Does he want to block up every river in this country? Does he want to block up James Bay and flood a large part of northern Ontario? That is one of the alternatives. Yet he says he is concerned about native property and native rights in Canada. He is not concerned about native rights if he is going to try to get enough hydro out of water resources for alternate energy to run this nation because he will not be able to find it. Canadian oil resources will be depleted and we will need something on which to run this country 10 years from now.

I very seriously suggest to the Hon. Member that his children and his children's children are going to ask their grandfather, the former Member for Winnipeg-Birds Hill who is here in the House today, where he was when they needed him. We will have to spend billions of dollars importing energy. Since nuclear energy has come into the Province of Ontario it has saved the province in the neighbourhood of $4 billion on the purchase of coal from the United States. That is exported cash. Instead, we are using our own intellectual community, our own health care community, and our own labour resources to develop the Candu reactor which is the safest reactor on the face of the earth today.

The Member wants to represent labour in Canada as a New Democratic Party member. What is he going to say to labour when there is no energy to run the factories? What is he going to say to consumers in any part of Canada that operates a Candu reactor to produce hydroelectric power when their hydro bill increases by 40 per cent? The four Candu reactors at Pickering alone produce more hydroelectric power than it was ever dreamed would be produced by Niagara Falls. If we did not have those four Candu reactors every household in this country would pay 40 per cent more for their energy source.

This has other implications. If the hydro bills of consumers are going to increase 40 per cent because we have not made use of nuclear energy, what will happen to the manufacturing industry in the industrial core of Canada? Imagine how competitive we would be on the world market today if a Bill such as this, which virtually condemns nuclear energy, had been passed? We think we are having trade problems now, but they would be nothing compared to the problems we would have if we did not have cheap nuclear energy from Candu reactors.

I cannot help but feel very sad for people who condemn nuclear energy. They are really condemning the professional community of Canada which works with it. They do not tell us that the cobalt therapy unit for cancer treatment was produced by Atomic Energy of Canada Limited. They do not mention that because it is too good an argument. The Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) mentioned medical radio isotopes which have become one of our greatest exports in high technology in this field. We produce many, many of these in Canada and ship them out and it is making money.

I want to conclude by saying that the people of Canada should not take this Bill seriously. The Porter Commission met for months and conducted hearings. While many people appeared before that Commission, there were very few of the public present. Raising fears and killing the Candu reactor, which is one of the finest high-tech and scientific processes, for energy production is like killing the future of this country.

● (1800)

The New Democratic Party can sponsor Bills like this as long as they want but they are condemning high-tech research in this country and condemning Canadians to higher costs of living, higher heating costs and condemning the industrial community in Canada to higher production costs. They will create a total lack of employment for Canadians in many areas of this country.

I suggest that we should follow the positive thinkers in the House and proceed with Atomic Energy of Canada research. We have the professionals who are capable of looking after our health and safety as we progress in this country. Let us not relate the peaceful uses of one of the finest industries in Canada to an atomic bomb. That is a phoney issue he has raised and does not reflect the serious effects which this Bill would have on the Canadian economy as a whole.

[*Translation*]

Mr. Michel Champagne (Champlain): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-231, which concerns nuclear power. The purpose of this Bill is to ask the Parliament of Canada to impose a moratorium on the use of nuclear power in order to proceed with a public inquiry on nuclear power, followed by a referendum.

Mr. Speaker, I intend my contribution to this debate to be constructive, realistic and to have a sense of perspective. It is not surprising that a Bill of this kind should be on the Table of the House today. There is ample justification for such a Bill, because we do not want to repeat past mistakes, especially if we recall that this year marks the 40th anniversary of the first time the atomic bomb was used. People are increasingly concerned about the use of nuclear power, and peace movements and environmentalists are making us listen to their concerns, which is a very good thing.

The general concept is of course a very valid one. However, it is very hard to visualize the logistics or the practical ramifications of such a project. Consulting the people is undoutedly an excellent expression of parliamentary democracy. Given every person a chance to say what they think about a given subject would clearly show that in our political system, there is a very close relationship between the governing and the governed. However, Mr. Speaker, and I am speaking from my experience as mayor and as president of a number of organizations, in this particular case a referendum would be useful on one condition and that is that the subject would have to be simple, clear, and leave no room for any "ifs". The issue of nuclear power is very complex, and in my humble opinion, very few Canadians would be able to evaluate the implications of a decision made simply by checking yes or no on a referendum slip. I would therefore like to take a few moments to elaborate.

Do Canadians realize that nuclear power is used in medical research to fight disease, to detect anomalies and to sterilize laboratory equipment? Do they know there is a process for preserving food by irradiation? Would people be able to consider all aspects of the issue if a referendum were held or even if a moratorium were imposed to give time to examine the question? Electing to stop research and development in the nuclear field would be tantamount to letting ourselves fall behind at the technological level and losing our position in an area where this country has now gained world recognition. Taking the risk of falling behind and losing our headstart is very risky indeed. Are people really well acquainted with the uses of nuclear power? It is clear, Mr. Speaker, that what we know best about nuclear power are its negative aspects. However, most Canadians know full well that our CANDU reactors are still in the forefront of nuclear technology. Mr. Speaker, 12 per cent of Canada's electricity is generated by nuclear power.

● (1805)

In Ontario, 85 per cent of the electricity is generated by nuclear power.

We should all recognize the value of the CANDU technology. Canada has developed a technologically advanced package that compares favourably on the international market. This remarkable achievement is the result of joint efforts by AECL, Ontario Hydro and other organizations. CANDU-produced electricity has an excellent safety, reliability and cost efficient record around the world.

In the summer of 1982, the Department of Energy, Mines and Resources released a federal study on nuclear industry. According to the study, long term prospects for Canadian nuclear industry are excellent.

I should like to remind my hon. friend that nuclear power is the cheapest source of electricity in many areas of this country. Is he against progress? Is he more conservative than we think? In spite of the current low demand, CANDU reactors remain interesting both on the Canadian and international markets. They have immediate spinoffs which should not be ignored.

Atomic Energy of Canada Ltd., a Crown corporation, is currently going through a transition period. It has suffered because of a decreased international demand for nuclear reactors which make sales difficult. It remains committed to marketing and development efforts of its main product, the CANDU reactor, to make it competitive with other types of reactors.

In 1984, revenue from supply and services decreased by 25 per cent, going down to $146.3 million, mostly because of the few openings in the nuclear reactor market.

In spite of these problems, the CENARVODA project is going forward and Rumania announced a long-term program to build ten CANDU 600 reactors by the year 2000.

The corporation has signed an agreement in principle with Turkey and is now putting together a comprehensive financing program for the approval of Cabinet. The corporation might also sell other products to Korea, Japan, Yugoslavia and Indonesia, where the AECL has now reached the last stages in its negotiations to supply a nuclear research laboratory.

Mr. Speaker, there is light at the end of the tunnel and we must continue to work together as we strive for it. I am certain that the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has no intention of taking away the bread from the workers in this sector.

It is to be hoped that this marketing problem will solve itself in 1985-86.

To support its commitment to more a business-like approach in financial management, the Government has been taking action to improve the administration of public funds. After assessing the role of the AECL in the nuclear field, and especially its research and development activities, the Government has concluded that the CANDU technology has made its mark and is now quite well-known. This is why it decided to reduce the funds allocated to this corporation in its budget of May 1985.

This reduction will take place over the next five years to bring down the amount allocated to the corporation from the present yearly level of about $200 million to $100 million by the end of the decade. However, the Government will continue to emphasize health and safety research programs since these involve the long-term interests of both the Canadian nuclear industry and the users of CANDU technology. The AECL will have to find other potential sources of financing, particularly from major users of the CANDU reactors, such as Ontario Hydro, to compensate for the loss of financing resources for research and development activities brought about by the reduction of the contribution made by the federal Government.

In its budget of May 1985, the Government also announced the closure of two heavy water plants operated by the AECL in Cape Breton Island since the country already has abundant heavy water supplies and there are other sources of production available to meet all foreseeable needs of the Canadian and foreign markets.

The closure of these facilities should save the Government over $100 million a year.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but the time allotted for Private Members' Business has now expired.

• (1810)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

TRANSPORT (A) NEED TO ESTABLISH A "BUY CANADIAN" POLICY. (B) PURCHASE OF

Hon. André Ouellet (Papineau): Mr. Speaker, it is my duty tonight to remind the House of this Tory Government's failure to establish a "Buy Canadian" policy in Canada in the area of transportation.

Last week I directed a question on this subject to the Minister of State (Transport) (Mrs. Blais-Grenier), and I see she is in her place tonight to listen and, hopefully, to try and clarify the very vague answers she gave me last week. I wanted to know whether her Government had a "Buy Canadian" policy in the area of transportation.

Her answer was that she was looking at the situation in order to find out whether there was in fact substitution from Canadian production in Montreal to production abroad. What joke!

Mr. Speaker, there is no need for the Minister to look at the situation to realize and understand that many companies in Montreal East which are directly related to transportation are closing down. Bombardier closed down their locomotive plant, because they had no contracts from the Government of Canada.

The CN has laid off 474 employees due to the closing down of its maintenance centre in Montreal, because of the policies of this Conservative Government. The CSW Ironworks have laid off 130 workers, because the contract for 1,000 rolling stock wheels for CP Rail was awarded to a Brazilian company. And the CSF Foundry, the survival of which is directly dependent upon the federal Budget, has had to lay off more than 500 employees.

What more does the Minister need to end her endless studies and take action? All she has to do is open her eyes and see what is going on in her own and in neighbouring Montreal constituencies.

The president of the CSF Foundry Steelworkers Local Union, Mr. Antonio Pennestri, believes the Minister of State (Transport) lacks interest and is showing great indifference to workers' problems.

Let me quote him:

If the Minister fails to move and to award rail car construction contracts, what will become of us?

—this is what Mr. Pennestri is saying. Those words clearly show the concern and the insecurity that company's workers have to face.

As supplementary, I also asked the Minister of State (Transport) whether she would contact the Canadian railways to ensure that they buy rolling stock wheels made in Canada rather than in Brazil. The Minister answered that she was examining this issue to find out exactly how pertinent that matter could be. That was her answer! Ridicule never killed anyone. "How pertinent that matter could be". What does that mean? The workers of the Steelworkers Union do not know what the Minister means. To them, "the pertinent matter" is that under a Liberal Government, they were working, there were contracts for those companies. But now that the Conservatives are in power, there are no contracts and those workers are losing their jobs.

What is quite unbelievable about those 130 people laid off in the CSW Ironworks is that apparently, the contract for 6,000 rolling stock wheels granted to Brazil would save about $100 per wheel to Canadian Pacific. Six thousand wheels at $100 each amounts to about $600,000. Now, due to the Progressive Conservative Government's inaction, those 130 workers who have been laid off will get unemployment insurance for 52 weeks, at about $275 per week, totalling $14,000 for 130 people. It means that the Government of Canada will have to pay out about $1.8 million. Thus, CP will save $600,000 but the Government of Canada will have to pay three times that amount in unemployment insurance benefits.

● (1815)

That is why, Mr. Speaker, I find this situation quite ludicrous. The Minister must take action to ensure that from now on, Canadian railways buy their rolling stock in Canada. Otherwise, if the Conservative Government does not act, there will be more unemployed in this area and we will lose a vital sector of our rolling stock industry, which was established at the beginning of the century in the East End of Montreal, where a skilled and adequate labour force is there to do the job provided they get some help from the Government.

I hope that the Minister who has listened to me will finally take on her responsibilities and find some contracts to bring those people back to work as soon as possible.

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I thank the Hon. Member for his interest—rather sudden, I must admit—in the workers of Montreal East. I will not comment on what might motivate him.

He seems to be blaming me for taking time to study a rather complex file involving such major railway companies as CN and CP. I met with CSW union president Antoine Pennestri who asked me a series of questions. I told him I would have answers to his questions within ten days, and I will have answers to Mr. Pennestri's questions within ten days.

Here is the latest update on this file. In 1984 the Canadian Government placed an order for 2,460 cars, the total amount of new railway cars for 1984 and 1985.

Projected hopper-car requirements are revised in November each year, but the current situation is somewhat special, in the sense that neither CN or CP, I am told, want to make predictions about the number of cars they will need, simply because the volume of rail freight has nosedived this year and railway companies do not expect it to go up again before two years. They are facing drastic cuts in coal, potash and wheat shipping, and their income has decreased accordingly.

In addition, CN and CP are still improving their rolling stock turn-around cycles, so they are making more special arrangements to avoid return trips with empty cars, thus resulting in greater efficiency and a better use of their rolling stock, and consequently a net decrease in the need to acquire new equipment.

With a net decrease in grain production and demand there seems to be no need for the railroads to increase their car capacity. Moreover they can make their own cars, as has been the case with the CN over the last few years. In doing so the CN now competes with production of hopper cars with companies such as CSW since CN can direct and determine its own production according to its needs.

Of course there are exceptions to that situation. In 1984 for example, CN was able to buy cars on a long term lease arrangement. This was very profitable for the company because it did not translate into an annual debt.

However, under that long term lease arrangement, the CN bought 1,600 hopper cars, which after only five years of use were still in top shape and at a unit price of only $20,000, as compared to the market price of $60,000 for new cars. Obviously, nobody would blame the company for trying to lower its deficit and do it in the most effective way possible by optimizing the use of its rolling stock.

On the other hand CP admits buying wheels from the Mafersa company in Brazil. According to CP, and this is something I was not aware of and I am trying to have it further investigated, the tests on those wheels proved very conclusive in view of the fact that according to CP they are of a higher quality and longer-lasting. We are obviously dealing with companies that have to be very competitive on the market place and which must do whatever they possibly can to remain so.

● (1820)

[*English*]

BANKS AND BANKING—MINISTER'S LETTER TO SHAREHOLDER. (B) POSITION OF SHAREHOLDERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, on October 10, I asked two questions of the Minister of State for Finance (Mrs. McDougall) concerning assurances she had given in a letter of August 9 to a worried shareholder of the Canadian

Commercial Bank. In that letter she assured the shareholder that the CCB was viable and could be expected to be profitable. If the shareholder had sold his shares at that point he might have received approximately $5 for each one he held. He had originally paid $25 for each one. However, on the basis of the Minister's assurances he held on to his shares and on September 1 the Canadian Commercial Bank closed its doors. This man found he had lost everything. He is not a particularly rich man. The money he had used to buy these shares was part of his retirement planning. He is a farmer who had begun to sell off some of his assets as he tried to relieve himself of some of the hard work of farming in preparation for his retirement.

I also have a letter from a 70-year old man, who is not rich either, who sold his home and was strongly advised that the Canadian Commercial Bank was a good place for him to put his money. He was told it would be a safe investment. He, too, by September 1 had lost everything.

I talked to a widow today who had $5,000 in shares in the Canadian Commercial Bank. This is not a large amount of money to everyone but it is a large amount to her. That money is now gone.

Closure was moved on a Bill which was before the House with respect to reimbursing uninsured depositors. These are depositors who, in any case, will receive up to $60,000 from the Canadian Deposit Insurance Corporation. A person with more than one account in the bank, perhaps a current account and a registered plan of some type, may receive more than $60,000. The Government is then moving to reimburse them fully for the difference between what the CDIC will pay and the amount of their total deposit.

Apparently, the Government is taking that stand because of statements made between March 25 and September 1, when Government officials made many, many public declarations that the Canadian Commercial Bank was safe, secure, viable and would be profitable in the future. March 25 was the date the Government arranged a bail-out for the bank and injected some $255 million into it. September 1, of course, is the date the bank closed its doors. The Government has, therefore, taken the line that there is some kind of moral obligation created by the statements to pay out all depositors in full. But the Government is not taking the same position with respect to the debenture holders or the preferred shareholders.

• (1825)

My Party takes the position that any moral obligation there may be to pay out uninsured depositors—and perhaps it is a little grandiose to call it a moral obligation—was created by Government incompetence and should not be be binding on the taxpayers of this country. We would not be opposed to setting up some kind of hardship fund for which people could apply, but it seems that some of the shareholders might have just as much claim on a hardship fund as some of the depositors.

The banks who participated in the bail-out on March 25 are also taking the position that if the Government has a moral obligation to depositors, it has the same moral obligation to the banks. We must remember that this is a wholesale bank so the depositors are not, by and large, small individual accounts. The depositors are businesses. And while the breakdown we have been given of categories of deposits shows some individuals, it also shows at least two individuals in for very large amounts—in the nature of $1 million. So we are not generally talking about very poor depositors. We are talking about a lot of commercial paper. And some of the banks are taking the position that the Government by its statements has created an obligation to depositors, therefore there is a similar obligation to the banks who participated in the bail-out.

The banks asked for, as a condition of their bail-out, a letter saying that the bail-out would make the Canadian Commercial Bank viable. They received such a letter dated April 26, signed by the Inspector General of Banks. Between the time of the bail-out and April 26 the banks had been pressuring the Government to do a closer examination of the situation of the Canadian Commercial Bank.

The Bank's original request to have this done on the weekend of March 22-25 was refused. Nothing happened before April 26 when they received the letter saying that the Canadian Commercial Bank was viable. Again, this was a letter clearly based to a large extent on faith. At some point after April 26 a more serious look was taken at the assets of the Canadian Commercial Bank. At the end of June, Mr. Hitchman was appointed and we know the results. Therefore, I would ask the Government to explain what responsibility it is prepared to undertake for its many misleading statements, not only to depositors but to shareholders and to the participants in the bail-out?

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to have the opportunity to rise and answer the question raised by the Hon. Member for Trinity (Miss Nicholson) concerning our Government's decision not to reimburse ordinary Canadian Commercial Bank and Northland Bank shareholders.

The Members of this noble institution are aware that Bill C-79, which was finally adopted this afternoon, will provide adequate compensation for the regular depositors of the banks that went bankrupt. As the Minister of State (Finance) (Mrs. McDougall) told the House, the Government feels it would be unfair if the depositors who left their money with the banks, thus contributing to efforts made to keep the two financial institutions on an even keel, were to see their money go up in smoke, whereas others who withdrew their deposits during the summer got all their money back, under quite similar conditions.

Our Government is prepared to compensate the depositors of the institutions that went bankrupt. However it does not intend to extend that support to other categories of investors, that is creditors and ordinary investors, including the debenture holders and shareholders of those banks. Investors should know that debentures and ordinary shares involve a higher inherent

risk than simple deposits. Prior rank investors who bought bank debentures did so in the hope of getting higher interest than those granted to ordinary depositors. In return for this higher yield, the holders of those debentures voluntarily assumed part of the risks that come with any commercial undertaking.

Other junior rank investors who bought shares of those banks, in order to participate without limit in the profits of those two institutions, rank equally. They acted in the hope of getting a higher after-tax yield than that given to the depositors of those banks. Shareholders of any private commercial venture, be it a bank or a small business, must be willing to accept the risk of a bankruptcy in compensation for higher gains they would have pocketed if the business had done well.

• (1830)

EMPLOYMENT A) REQUEST THAT MONTREAL EAST BE DESIGNATED DEPRESSED AREA. (B) CITIZENS' COMMITTEE AND UNION CHAIRMEN—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, what I have just heard from the Hon. Member for Rosemont (Mrs. Blais-Grenier) and from the Hon. Member for LaSalle (Mr. Lanthier) is a shame.

Mr. Speaker, my speech tonight has to do with the incompetence, the lack of understanding, the failure of the Conservative Government, in the face of the 5,000 jobs which will be lost in the East End of Montreal.

Mr. Speaker, my question is related to the answer of the Hon. Minister of State (Transport) (Mrs. Blais-Grenier)—usherette and porter; yesterday I had to defend the Minister in committee. I thought there was someone on the Conservative side who was human enough to think of those workers and I realize, Mr. Speaker, that the Minister of Finance in waiting, the Hon. Member for LaSalle, stands up for the rich.

Mr. Speaker, my question was put to the Hon. Minister of Employment and Immigration (Miss MacDonald). The situation is tragic; 5,000 jobs will be lost by Christmas, which means that 5,000 fathers will not be able to buy Christmas baskets, as the Hon. Member for LaSalle will be, gifts for their children, not mentioning the consequences of this situation in the East End of Montreal ... and I hear inhuman answers from the Minister of State (Transport) and Hon. Member for Rosemont, and from the Hon. Member for LaSalle, Minister of Finance in waiting; they do not understand at all the problem of the unemployed and of the workers, Mr. Speaker.

I would hope that the Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon) who has a problem of plant closing in his own constituency, will not give an answer as stupid as those we got from the Hon. Minister of State (Transport) and from the Hon. Member for LaSalle, and say: The deficit ... if everyone wants to make money, there will not be any workers left in Quebec and in Canada, and companies will close their doors.

At the rate at which the Conservative Government ... and my answer to the Hon. Parliamentary Secretary to the Minister of Employment and Immigration is the following: Why,—and I hope that, unlike his colleague from LaSalle, he will not read from a text prepared by officials—why is the Government not prepared to declare the East End of Montreal a disaster area and offer the best possible program which would give grants to any firm wanting to modernize and early retirement to all the workers in the East End of Montreal who want to retire. Why was this Government able to find $1 billion when it came to bailing out banking institutions, Mr. Speaker, in order to help a small gang of depositors with $1 million in bank accounts? We have never been told that those depositors were not the fat cats of the Conservative Party in western Canada. Why is his Government not able to find money to save jobs in East End Montreal?

I would like the Hon. Parliamentary Secretary to tell me whether his Minister is willing to declare East End Montreal a disaster area and grant it better programs rather than keeping institutions alive. We on the Liberal side are concerned with people. Those are working men and women, Mr. Speaker. And I sincerely hope that, contrary to his two colleagues who spoke earlier, he will reply with his heart, because he has the same problem in his constituency.

• (1835)

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I shall repeat what my hon. colleague said right at the start when he rose to speak. What we hear is an absolute shame. It is outrageous, Mr. Speaker, and it is true that in my constituency of Beauharnois-Salaberry, I also have similar though slightly different problems, as they relate to the textile industry.

But it took the elections of September 4 for my hon. colleague opposite to find out that East End of Montreal existed.

Mr. Malépart: They were not closing down, Mr. Speaker!

Mr. Hudon: No, they were not closing down, Mr. Speaker, but thirteen refineries were shut down in Canada. And how we have all that fuss because one is closing down. History is repeating itself, Mr. Speaker.

During the debate on the de-indexation of Old Age Security pensions, Mr. Speaker, I reminded my hon. colleague of the speeches he made in 1982. It was a shame, Mr. Speaker.

Mr. Malépart: We won, Mr. Speaker.

Mr. Hudon: You lost Sir.

Mr. Speaker, isn't it also outrageous that the Hon. Member has just discovered that some people benefit from the indexa-

tion of family allowances and yet he knows thousands of people. I am glad to know that they are people with incomes of $25,000 or more, because they are the ones who are going to get it, the ones who will lose. That, Mr. Speaker, is outrageous.

Mr. Speaker, nothing is more easily done than to declare a designated area. Some existing programs deal with the adjustment of workers. Not the former CMAP program, but there is an adjustment program, some kind of assistance. I am referring to the notes submitted by the officials, my hon. colleague—

Mr. Malépart: You see, he has no knowledge of the facts.

Mr. Hudon: I am aware of the conditions, Mr. Speaker. I worked with the manpower adjustment committee and I know how it operates. But it takes a unanimous support and I think that we are getting it from both the federal and provincial Governments, local communities and private institutions. And the federal Government pays up to half of the expenditures to relocate the workers. This is what is happening in my constituency.

Mr. Malépart: They want to move in the West. They want to work.

Mr. Hudon: Well, Sir—

As for the paper and the questions raised by my colleague, the programs are now in effect and they will continue to be implemented as well as the new programs for the development of employment or the whole area of community development and, secondly, the whole area of innovation. This is how we will save the East End of Montreal, and we were aware of the situation before he was, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The motion to adjourn the house is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to standing Order 3(1).

The House adjourned at 6.38 p.m.

HOUSE OF COMMONS

Wednesday, October 23, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

FOOTWEAR INDUSTRY

NEED TO MAINTAIN IMPORT QUOTAS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I shall, if I may, speak to that all important question which is the footwear industry. At this time, shoe importers are acting on the assumption that quotas will not be extended and are buying millions of pairs of shoes abroad.

As a result, we are now seeing factory shutdowns and the loss of hundreds of jobs, and this will continue in the months to come.

The Government's indifferent and passive attitude is causing irreparable harm to the footwear industry. Not only do we need minimum protection for 50 per cent of the market over a period of five years, but it is imperative and extremely urgent to take a position as soon as possible.

The Prime Minister (Mr. Mulroney) promised a quota policy that would protect thousands of jobs. It is up to you to deliver the goods and to keep this promise, otherwise you will have lied once again to the people of this country.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—UNITED STATES PLAN OF ACTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, six months ago when the former Minister of the Environment said that by October she would be able to produce an American plan of action to clean up the chemical dumps on the American side of the Niagara, all Canadians hoped she was right, and even those like myself who were skeptical about the high expectations the Conservative Government had for its new "innocent friend" relationship with the United States hoped she was right. Now we see the fruit of her approach. What action there might be falls short of actually removing from those sites the toxic wastes which are slowly but surely leaching into the drinking water supply of several million Canadians. This is unacceptable.

This omission from the plan is something that we know, not by having seen the plan but by virtue of the remarks of Mr. Lee Thomas at the Ottawa press conference at which he appeared with the Minister last week. What we do not know is what he has actually proposed because the Minister will not make the plan public. I call on the Minister to make it public so that Canadians can know what our neighbour's intentions really are. Are they really serious about stopping poisoning us or not? Perhaps the innocent approach has not worked. Perhaps the Minister should be reminded that those who were admonished to be as innocent as doves were also admonished to be as wise as serpents.

* * *

APARTHEID

COMMONWEALTH ACCORD—ROLE OF PRIME MINISTER

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the Prime Minister (Mr. Mulroney) will be returning soon from a successful Commonwealth Conference. While the Opposition may wish to play down the Prime Minister's success in bringing well over 40 Commonwealth leaders together in an anti-apartheid agreement, Canadians and the world recognize his valuable statesmanship at the conference.

The Accord which the Prime Minister was instrumental in securing calls on the Pretoria Government to dismantle apartheid, terminate the existing state of emergency, release Nelson Mandela, lift the ban on the African National Congress, and initiate dialogue across lines of colour, politics, and religion with a view to establishing a truly representative Government in South Africa.

The Prime Minister acted as a conciliator and mediator, and enhanced the cause of diplomacy and international co-operation. At the beginning of the conference there was disunity, disagreement, and positions on apartheid which were diametrically opposed to each other. Through the efforts of the Prime Minister there is now unity, co-operation, and a common front of pressure against the oppressive regime in South Africa. This House offers its appreciation to the Prime Minister for his statesmanship and for a job well done.

Some Hon. Members: Hear, hear!

S.O. 22

[*Translation*]

THE LATE ALFRED ROULEAU

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, today, I wish to pay tribute to Alfred Rouleau, former president of the Mouvement Desjardins, who died on October 19, 1985.

After founding the Caisse Populaire Notre-Dame du Chemin in 1943, where he was also the administrator, Mr. Rouleau started working for the Mouvement Desjardins in 1949, when he became the managing director and founder of Assurance-Vie Desjardins. His exceptional skills led to his being appointed as the first full-time president of the Mouvement Desjardins in 1972. Meanwhile, he also played a major role in creating the Institut coopératif Desjardins and in purchasing La Sauvegarde and La Fiducie du Québec for the Mouvement Desjardins.

His eminent qualifications as a dynamic manager and builder of great vision were even more apparent during the nine-year period when he was main spokesman for the Mouvement Desjardins. He had an abiding concern for the Mouvement's mission with respect to its members and especially its poorest members, but he also had confidence in the future and embarked on many new projects. Some examples are the Société d'investissement Desjardins, the Crédit industriel Desjardins and the Caisse centrale Desjardins du Québec.

A passionate and popular speaker, and a tireless worker for all kinds of humanist causes, Mr. Rouleau dedicated his whole life to his democratic ideal and to the values of justice, equity, freedom and solidarity. His enthusiasm and commitment were contagious, and it is not surprising that he has been acclaimed as one of the great leaders of his generation in Quebec. He built an empire in Lévis, in the province and across this country—

Mr. Speaker: I must inform the Hon. Member that his time has expired. The Hon. Member for Bourassa (Mr. Rossi).

* * *

SOCIAL AFFAIRS

GOVERNMENT POLICIES

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I must draw your attention to the Conservative Government's reprehensible manoeuvres directed at people who are fighting against family allowances deindexation.

Mr. Speaker, the hearings of the legislative committee on Bill C-70 were scheduled to last until November 22 this year, but they will be cut short on November 5. Obviously the Government seeks to gag lobby groups by preventing them from appearing or else limiting the time required for drafting their representations.

Worse still, Mr. Speaker, the legislative committee will not even hear evidence from a Pan-Canadian coalition against family allowances deindexation. The coalition is made up of over 80 groups of women, union members, Catholic parents, day care nursery workers, and others. The legislative committee ignores the coalition and would rather not entertain its representations.

It is clear that the Conservative Government was not quite prepared for the kind of flak it got from old age security pension deindexation opponents, and the Tories are now concerned that the family allowances issue might blow up in their face. Well, so they should, for Canadian men and women have no use at all for the Conservative Government's social policies, and elderly Canadians, women and families have spoken against them.

* * *

• (1410)

[*English*]

AIR CANADA

FREE TRAVEL BONUS FOR CROSSING STRIKE PICKET LINES

Mr. Les Benjamin (Regina West): Mr. Speaker, I am confident that all Hon. Members are pleased that Air Canada is again serving the people of Canada with union represented workers. It is good to see the regular flight attendants back at work. We are pleased to see that a settlement has also been reached with the support staff of Air Canada.

Labour disputes such as this one inconvenience many people, especially those who respect picket lines and are forced to go out of their way to find other travel arrangements. Some of us, in fact I think many of us in this House, had to go a long way out of our way in order to support Canadian workers while on a legal strike. However, Air Canada has chosen to reward those who crossed picket lines by giving all Aeroplan members who travelled during the strike an additional 3,000-mile bonus toward free travel. In addition, those who crossed the picket lines will receive extra point calculations for trips taken, as thanks for their support. Ironically, even in this issue, people who travelled out of Regina will receive fewer points than those who travelled out of Winnipeg.

My Party and I have and will continue to support a publicly owned national airline such as Air Canada, one of the top ten airlines in the world, as a Crown corporation, and to fight against those who would try to dismantle it. However, we will never hesitate to criticize bad—

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

[*Translation*]

FOOTWEAR INDUSTRY

IMPORT QUOTAS—ASSISTANCE REQUIRED

Mr. Michel Champagne (Champlain): Earlier this week, Mr. Speaker, I met with the owners and workers of the G. A. Boulet plant located in my riding. The company is one of Canada's largest manufacturer of western boots.

Those people are very worried about what might happen soon with respect to import quotas. They are worried because they fear for their jobs. I share their concern because this company happens to be a major employer in the heart of my riding.

What has me wondering is that when the former Government negotiated footwear import quotas, it deemed advisable not to include western boots worth more than $50 and, as a result, American and foreign producers so flooded the Canadian market that footwear companies such as G. A. Boulet have had a hard time.

Those people are seeking the same market guarantees enjoyed by shoe manufacturers. They have been unfairly treated long enough as it is, and it is incumbent upon our Government to remedy this situation created by the former Government.

I would point out to the Minister for International Trade that the Americans are strong advocates of protectionist policies and that we might take a leaf from their book.

I therefore voice my full support for our own people who have every right to be treated with fairness in this land of equal opportunities. May the Hon. Member for Bourassa (Mr. Rossi) heed these words of advice.

* * *

[*English*]

UNFAIR TRADE PRACTICES COMMISSION

PROCEEDINGS AT PETROLEUM INQUIRY

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, Hon. Members know of my dedication to the consumer and to small and medium-sized business. Last week the petroleum inquiry reopened. It has been going on for over four years now and has cost everyone over $80 million. I wanted to do some research and took some of the transcripts home to read and study. This is what I found: blank pages, and more blank pages. I found out there were more than 4,000 blank pages in this inquiry.

What I also found out is that lawyers for the big oil companies time and time again turned this public inquiry into a private, secret, *in camera* inquiry, with the agreement of the commission. These big oil company lawyers did not want any member of the public to see evidence at their unfair trade practices toward independent petroleum marketers.

I urge the Minister of Consumer and Corporate Affairs (Mr. Côté) not to wait for the final report of the petroleum inquiry before tabling his new anti-trust Bill. The big oil companies have controlled the evidence of the petroleum inquiry. Do not let the big oil companies control our political agenda. Bring in a strong law and table it now.

• (1415)

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL SECURITY

FULL INDEXATION OF FAMILY ALLOWANCES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance.

Today, more than one million Canadian children are living in poverty. More than one million!

My question is about a situation that should be a matter of serious concern to all the Members of this House. The Minister of Finance has just introduced new regressive taxes and above all, he has de-indexed family allowances.

Does the Minister intend to re-instate full indexation of family allowances in order to fight poverty in this country?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me draw the attention of the Right Hon. Leader of the Opposition to the fact that he has only picked one element of the child benefits. He asked if I am going to reindex the family allowance. We have increased the child tax credit significantly. We have reduced the child tax exemption which benefits upper income Canadians and we have just cut back on the growth of the family allowance—

Ms. Copps: Child rip-off.

Mr. Wilson (Etobicoke Centre): —but the combination of all of these factors has meant a significant shift in the value of the family benefits to those in lower-income brackets.

Ms. Copps: Not so.

Mr. Turner (Vancouver Quadra): Mr. Speaker, that statement of the Minister of Finance has been challenged by every national social agency. It just does not stand up.

FULL INDEXATION—REQUEST FOR RESTORATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, at one school in Toronto 30 per cent of the children are going to school without breakfast because their parents cannot afford to give them three meals a day.

Mr. Hnatyshyn: Where is David Peterson?

Mr. Turner (Vancouver Quadra): Would the Minister restore full indexation of family allowances which would allow parents to feed their children, and in the case of an individual family it would allow the purchase of one coat and a pair of boots per child in a family which cannot now afford it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition does not have a monopoly on the sensitivity and the feelings we have for those lower-income Canadians—

Some Hon. Members: Oh, oh!

Ms. Mitchell: Why don't you do something about it?

Mr. Wilson (Etobicoke Centre): —who do need—

Ms. Mitchell: Prove it.

Mr. Speaker: Order.

Mr. Wilson (Etobicoke Centre): Thank you very much, Mr. Speaker. My point is that we have done a considerable amount in the Budget which the Right Hon. Leader of the Opposition chooses to ignore.

Ms. Copps: One billion dollars for the banks.

Some Hon. Members: Shush.

Mr. Wilson (Etobicoke Centre): I would ask the Hon. Member for Hamilton East to get out of kindergarten and listen to the answer.

Some Hon. Members: Hear, hear!

Ms. Copps: One billion dollars for the banks.

Mr. Wilson (Etobicoke Centre): What we have done, both in the November statement and in the Budget, is to increase the child tax credit by a significant amount—

Ms. Mitchell: You ought to find out what life is all about.

Mr. Wilson (Etobicoke Centre): —increase the exemption for disabled Canadians, which helps 180,000 disabled Canadians, increase the spousal allowance, which helps a considerable number of lower-income Canadians in the 60 years to 64 years bracket—

Mr. Speaker: Order, please.

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my final question is also directed to the Minister of Finance. What I am trying to get at here is that there are 75 Canadian cities with food banks. There are 31 food banks in British Columbia alone. The children of this country, one million of them, at the poverty level, should not have to depend on foodbanks for their food. I ask the Minister once again, if he is not going to launch a major attack on poverty, will he at least restore full indexation to the family allowance to protect Canadian families?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have launched an upfront attack on poverty by creating jobs in this country.

Ms. Mitchell: Oh, come on.

Mr. Wilson (Etobicoke Centre): We have created 304,000 jobs in first 12 months to August.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): That same report draws a very close link between unemployment and poverty. That is how we are attacking poverty, by introducing a Budget, by introducing a statement last fall—

Ms. Mitchell: To starve kids.

Mr. Wilson (Etobicoke Centre): —which is creating jobs, which is increasing the confidence of Canadian consumers and Canadian businesses—

Ms. Copps: Talk about children, the children of this country.

Mr. Wilson (Etobicoke Centre): —and they are creating those 304,000 jobs. And even the Hon. Member—

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): —knows that in her riding jobs will be created.

Mr. Speaker: Order.

• (1420)

[*Translation*]

DEINDEXATION OF FAMILY ALLOWANCES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare, but in his absence I will direct it to the Minister of Finance.

The Government has always defended deindexation of family allowances as being fair. Today, we know that several hundred thousand single-parent families headed by women are becoming poorer and poorer, and I wish the Minister would inform the House whether he thinks Canadian women do not realize what he is doing by deindexing family allowances.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think Canadians are well aware, through the activities of Hon. Members opposite, that we have taken action to limit the growth of family allowances in conjunction with a drop in the child tax exemption, which is a benefit to upper income

Canadians, and a significant increase in the child tax credit. The result of that package—and you cannot look at one element of the package without looking at the other two; you have to look at them all—has been a major shift of benefits from upper income to lower-income Canadians. Anyone who wants to analyse that will agree with the statement I have just made.

[*Translation*]

BILL C-70—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my supplementary was for the Minister responsible for the Status of Women, but in his absence, I will direct it to the Deputy Prime Minister.

We are aware that the Deputy Prime Minister and Minister of National Defence has now committed his Government to spending millions of dollars on the defence of our country. I would like to know whether the Minister is prepared to ask his Government today to withdraw Bill C-70 and allocate $55 million, over three years, to the family allowances program.

[*English*]

Ms. Copps: No answers from the Tories on child tax benefits.

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the question was addressed to the Minister responsible for the Status of Women who is not in the Chamber at the present time.

Ms. Mitchell: Neither is the Minister of National Health and Welfare.

Mr. Speaker: Order, please.

Mr. Gauthier: Where did you hide him?

Mr. Speaker: Order, please. If a question was asked, surely it was intended to have an answer. If all the yelling prevents an answer, it leads one to wonder whether the question was asked to get an answer at all.

Mr. Hnatyshyn: Mr. Speaker, I have no hesitation in answering that question. I do not know of any Government in modern Canadian history which has done more for the women of Canada, and more for the people of Canada in general, regarding job creation. I think the Liberal Party would have killed for the statistics we are producing on the economic front.

Some Hon. Members: Hear, hear!

[*Translation*]

FAMILY ALLOWANCES—REQUEST FOR MAINTENANCE OF FULL INDEXATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance.

The Minister implied that poor people stood to gain a lot from his Budget. Experts throughout Canada have denied this, saying that his Budget is very unfair to the poor, and that is a fact.

My simple request to the Minister is this: Once the Prime Minister is back, would the Minister suggest to him that the Government ought to maintain full family allowances indexation?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the reality of this Government is that 304,000 jobs have been created in our first 12 months in office. The report which has been referred to here draws a very clear think between poverty and job creation. We are creating jobs. We are attacking the causes of poverty head on. The Hon. Member should be congratulating us for that.

Mr. Guilbault (Saint-Jacques): Don't hold your breath.

CORPORATE TAX LEVEL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the reality that Canadians know is that we have four million people in general living in poverty, and one million children. That is a disgrace for which the Government has to accept responsibility.

• (1425)

We also learned last Friday that in spite of profits the corporate sector in Canada is paying the smallest share of the total tax burden that it has paid in more than 10 years. Would the Minister show some concern about the poor and a sense of justice, by guaranteeing the people of Canada that he will bring in measures soon that will get the corporations to pay their share of taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I cannot understand the basis for the Hon. Member's question. Actions speak louder than words. Let us go back and I will tell you what we have done.

Mr. Broadbent: What you have done for the banks.

Mr. Wilson (Etobicoke Centre): In October we cancelled the Scientific Research Tax Credit which had resulted in over a $1 billion tax rip-off for the corporate side. We stopped limited partnerships. I announced carve-outs action this past summer. The Member for Kamloops-Shuswap asked me if I would table in the House the tax expenditure paper so that people could analyse the tax expenditures that corporations were getting. I have provided that information to the Hon.

Member. I am still waiting to hear if the Hon. Member has any specific suggestions what we should do with that tax expenditure paper so that I can take those into account in advance of next Budget.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Minister has increased taxes for the average family by $1,000 and given the banks over $1 billion. That is his set of priorities and we all know that.

CORPORATIONS' SHARE OF TAXES

Hon. Edward Broadbent (Oshawa): If corporations were paying taxes at the level they were paying in 1975—no more, but no less—we would have $3.5 billion in additional revenue. Would the Minister at least get the corporations to pay that share of taxes and then use that money to remove thousands of families from the poverty level?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member refers to the amount of money that has been given to banks. It has not been given to banks. It has been given to Canadians who have deposited money in banks; some of them individuals, some of them small businesses, some of them credit unions and caisses populaires which are representative of what he likes to refer to as ordinary Canadians, right across this country. We had a great deal of concern for them in making that decision.

Mr. Benjamin: You have cake all over your face.

Mr. Wilson (Etobicoke Centre): I remind the Hon. Member of the actions that we have taken and the commitment that I have made directly to him that we are continually reviewing the corporate tax structure. I released a paper in the May Budget which sets out a proposal to take some of those tax expenditures away from the corporations so that we can broaden the tax base and address the problem that the Member is referring to in his questions.

REQUEST FOR FULL INDEXATION OF FAMILY ALLOWANCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance as well. As a result of the economic and social policies instituted in the May 23 Budget his Government will create, for the first time in Canadian history, a generation where children will be poorer than their parents. Knowing this, will he now reverse the Budget's direction and restore full indexation to family allowances?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is becoming clear that the members of the Liberal Party who did not attend the committee meetings, as the Minister of National Health and Welfare has said, are suddenly feeling the heat. They are suddenly feeling that they have not addressed this problem.

Ms. Copps: Where's the Minister today?

Mr. Wilson (Etobicoke Centre): Now they have to come and make a big display here in the House of Commons. I will repeat to the Hon. Member what I have said in previous answers. What Canadians want is more jobs, and 304,000 have been created in the last 12 months.

GOVERNMENT POLICY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, is the Minister of Finance not aware that every social council group that testified before the standing committee indicated that his social policy direction is Robin Hood in reverse, that the poor will get poorer and the rich richer? They would like to know why the Government has chosen to break its promise of last summer that it would never take out the burden of deficit reduction on the backs of poor and middle-income Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think Canadians do understand results rather than the words of the Hon. Member. The unemployment rate on September 1, 1984, was 11.6 per cent. It is now 10.1 per cent. The youth unemployment rate was 18.3 per cent and it is now down to 16.1 per cent. Interest rates have dropped over 3 percentage points. Housing starts have gone from a level of about 130,000 to about 170,000—

• (1430)

Mr. McKnight: One hundred and eighty-five thousand.

Mr. Wilson (Etobicoke Centre): One hundred and eight-five thousand.

Ms. Copps: one in five children is living in poverty.

Mr. Speaker: Order.

REPRESENTATIONS BY WOMENS' ORGANIZATIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance. Did he meet today with representatives of the many women's organizations that also represent many thousands of voters, who are demanding the reindexing of the family allowance? What does he say to those women and to Canadian women across the country who are demanding their right to fully indexed family allowance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to remind Hon. Members that is behind the decision by the Government to reduce—

Mr. Rossi: Did you meet them? Yes or no.

Mr. Wilson (Etobicoke Centre): I would ask the Hon. Member to listen to the response. I ask Hon. Members to consider the reason behind the decision to reduce the growth rate of the family allowance. It is the deficit.

The burden of the deficit in this country will fall on those very Canadians, the younger Canadians whom the Hon.

Member seeks to protect. We are very concerned, as are younger Canadians, about the effect of that deficit and the burden that they will bear through high taxes and a reduction in Government programs over the years if we do not take action today. I ask her to take that into account when she considers this matter.

MINISTER'S POSITION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I ask the Minister to listen to Canadian women, particularly to women who believe that by deindexing the family allowance he is taking milk out of the mouths of babies.

Some Hon. Members: Oh, oh!

Ms. Mitchell: It is true.

Mr. Speaker: Order.

Mr. Dick: There is more money going to them.

Mr. Broadbent: Look at the figures.

Mr. Speaker: Order. I know that it is Wednesday.

Ms. Mitchell: Mr. Speaker, surely the Minister can at least listen to what women across Canada are saying. Does he not realize that they are beginning to understand that by deindexing the family allowance and other benefits he is in effect taking money from their children in order to give $1 billion to the banks, not to mention all the oil companies?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am starting to repeat myself because the questions are beginning to be the same. I will not repeat myself totally, but I would remind the Hon. Member that the action concerning the banks was not to help the banks but to help Canadians who have money on deposit in the banks.

Mr. Broadbent: Give us a list.

Mr. Turner (Vancouver Quadra): Give us the list and we will take a look at it.

Mr. Wilson (Etobicoke Centre): The point I have made in response to previous questions is that what the housewives, for whom she says she is speaking, want the most is a job themselves, or a job for their husbands, or jobs for their children.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Over the past year we have been able to generate the environment to produce 304,000 jobs, to produce a drop in bankruptcies for the first time in about five years, and to increase retail sales by some 13 per cent—

Mr. Speaker: Order, please.

[*Translation*]

REQUEST FOR FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, representatives of millions of Canadian mothers came to see the Minister of Finance—and of incompetence and lack of understanding.

Let us just say that not a single Cabinet Minister attended today's Conservative caucus to meet with them.

Mr. Speaker, my question is directed to the Deputy Prime Minister and Minister of National Defence. In his Budget the Minister of Finance announced that the Government would reduce family allowances and the child tax credit by $55 million. Would the Deputy Prime Minister be prepared to reallocate the $56 million wasted to change the colour of military uniforms just so the Minister of Finance might restore full family allowances indexation?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know why they are so feisty over there, particularly in view of the fact that it was this Party that went up 2 per cent in the polls and they who went down.

The Minister of Finance started to provide statistics with respect to the recovery of the economy which suffered so desperately for 20 years under the previous Government. Let me finish by comparing the mortgage rate reduction which has gone from 14.25 per cent under that administration to a low of 11.75 per cent in one year. The chartered bank rate went from 13 per cent a year ago down to 10 per cent now. It is a seven year low in the interest rate.

Some Hon. Members: Order.

Mr. Nielsen: The Bank of Canada rate went from 12.38 per cent a year ago to —

Mr. Speaker: Order, please.

[*Translation*]

Mr. Malépart: Mr. Speaker, Charlie Brown Junior who is substituting for our official Charlie Brown makes it quite clear that he does not know a thing. Mothers can hardly be expected to feed statistics to their children.

Mr. Speaker: Order, please, the question is directed—

REDISTRIBUTION OF BUDGET CREDITS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I will repeat my supplementary question. Will the Deputy Prime Minister tell us whether he is prepared to give back to the Minister of Finance the $56 million he has wasted to change the colour of our military uniforms just so he might restore full family allowances indexation, yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure that this question is being asked very sincerely. I would ask Hon. Members to ask those who are raising this question with them to consider that the debt facing each family today is $26,000. If we do not take action on the national debt, the debt per family will be $54,000 in five years.

I ask Hon. Members to consider the impact of that on take-home pay if that increase is paid for by increased taxes on Canadians. That is why we must do this and why we are going to follow through with our commitment.

* * *

UNEMPLOYMENT INSURANCE

INELIGIBILITY OF NEWFOUNDLAND FISHERMEN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. All of the reports coming from eastern Canada indicate that the fishing season there is very poor and that fishermen will in fact not be able to work the minimum required weeks to qualify for unemployment insurance. Last night we saw the spectacle of fishermen being forced on to the welfare rolls. Will the Minister tell the House what she intends to do specifically about that particular problem?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would be glad to tell the Hon. Member and Members of the House that toward the end of last week I met with the Minister of Career Development for Newfoundland, with the President of the Allied Workers and Fishermen's Union and, of course, with my colleague, the Hon. Minister of Justice. We have undertaken to look at ways in which both the federal and provincial Governments can be involved in addressing that very real problem in northeast Newfoundland. I expect to be able to make an announcement in that regard within a few days.

PLIGHT OF FAMILIES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that there are already 4 million people living below the poverty line and that 7,000 families in the fishing industry in eastern Canada are very anxious to know specifically what the Minister—

Mr. Speaker: Order, please. This is a preamble. Is there a question?

Mr. Rodriguez: Why must these fisherpersons wait? The banks did not have to wait, and Gulf did not have to wait.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I was asked by both the Government of Newfoundland, and indeed by the president of the union, to delay any final decision in order that they could provide their input to the solutions which we hope to bring forward. I would simply tell the Hon. Member that the announcement about this is now being worked out. I would be glad to make that information available to him within a few days. I think he will be quite happy with the results.

* * *

● (1440)

BANKRUPTCY ACT

INTRODUCTION OF REFORMS

Mr. Jim Jepson (London East): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs I would like to direct my question to his Parliamentary Secretary.

The efficient functioning of the credit market is key to a recovering economy. Despite this, our bankruptcy legislation gives harsh and unfair treatment to unsecured creditors, suppliers of inventory to an insolvent company, and to workers with unpaid wages. When will the Minister present specific legislative proposals for Bankruptcy Act reforms to correct these grave injustices?

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I can understand the concern of the Hon. Member for London East on this subject because of his active involvement in business before becoming a Member of Parliament.

Our report from the committee studying the issue of bankruptcy as it pertains to small businesses, accounts receivable, and employees, is to come down in approximately two weeks and legislation will be introduced in the House in the new year. This should have happened years ago under the former Government when bankruptcies were at an all-time high.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF FORMER MINISTER'S ELECTION EXPENSES

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is for the Solicitor General. It concerns the former Communications Minister. I am sure the Solicitor General is aware of the principle in our justice system that says all persons should be treated equally before the law and there should not be any political interference.

By personally intervening in the investigation, the Solicitor General displayed abysmally poor judgment—

Mr. Hnatyshyn: Order.

Mr. Nunziata: —and compromised this principle. In view of the fact that his predecessor—

Mr. Speaker: Order, please. The Hon. Member is now beginning a second preamble. Just a question please.

Mr. Nunziata: In view of the fact that his predecessor was demoted for similar incompetence, will—

Mr. Crosbie: Order.

Mr. Speaker: Order, please. Would the Member please come right to his question?

Mr. Nunziata: Will the Solicitor General do the honourable thing and admit here today that he was wrong to call the Commissioner? At the very least, will he admit that there is an appearance of interference?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I can say as a former Minister of National Revenue that I certainly would not consider an appointment to that portfolio a demotion. I enjoyed it thoroughly.

The other question which the Hon. Member raised was whether there was a principle of equal justice under the law. Let me respond by saying, yes, there is. It is precisely for that reason the Solicitor General has the obligation, whenever there is an allegation of impropriety on the part of the RCMP or any other police agency, to ensure that the allegation is fully investigated.

It may be the policy of the Liberal Party that when allegations are made a Solicitor General has no responsibility to protect the rights of citizens. That is not my policy, Mr. Speaker.

Some Hon. Members: Hear, hear!

INQUIRY OF THE MINISTER

Mr. John Nunziata (York South-Weston): Mr. Speaker, we all know why he made the telephone call. It seems that Boy Wonder's image is slightly tarnished.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Order.

Mr. Nunziata: Would the Solicitor General advise the House today whether he or any members of his staff communicated either directly or indirectly with the former Communications Minister, specifically with reference to the RCMP Investigation?

Hon. Perrin Beatty (Solicitor General of Canada): I will not respond in kind to the Hon. Member's assertion, Mr. Speaker. I think Canadians will consider the source when they judge that.

Some Hon. Members: Hear, hear!

Mr. Beatty: I will respond directly to the Hon. Member's question, Mr. Speaker. The answer is no.

Oral Questions

SOCIAL AFFAIRS

INCREASED ROLE OF VOLUNTARY ORGANIZATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct my question to the Minister of Finance. According to the National Council of Welfare, the number of Canadians living in poverty has increased each year since 1980. This year over four million Canadians are living in poverty and over one million of those are children.

In every province there has been a sharp increase in the number of people getting essentials, such as food—

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

Mr. Orlikow: —and used clothing from voluntary agencies.

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

Mr. Keeper: He is asking it.

Mr. Orlikow: Does the Government accept this development of the increasing role of charity as the way in which the needs of the poor will be met in the coming years?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sensitive and concerned about the increase in the level of poverty in Canada, just the same as the Hon. Member is. We, however, have a different approach to solving the problem.

Our primary approach is to set the groundwork so that more and more jobs are created so that people who are living in poverty today will no longer be in that situation because they will have found a job. There is a role to play for the volunteer agencies and for Government social programs.

I should remind the Hon. Member that the social envelope this year, under this Government, is going up by a full $2 billion. It is not that we are neglecting our responsibilities. Far from that, we are increasing our responsibilities.

REQUEST FOR FEDERAL-PROVINCIAL DISCUSSIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is obvious with an increase in what the voluntary agencies are doing that the system is not working.

Will the Government consider discussing with its provincial counterparts what is wrong with the system, why we need increased charitable efforts, and what we need to make the system work as it should?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am happy to bring the suggestion to the attention of my colleague, the Minister of National Health and Welfare. I do ask the Hon. Member to remember that we are seeing real performance here. Three hundred and four thousand jobs is good performance. The figures to which the Hon. Member was referring were 1984 figures. If he has a look at the 1985 figures, I think he will be pretty happy with what he sees.

Oral Questions

PENITENTIARIES

UNITED STATES PROGRAM TO EMPLOY INMATES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Solicitor General and concerns prison reform.

A few weeks ago, Chief Justice Berger of the United States visited Canada. He talked about how in the U.S. the Americans are creating meaningful, market-oriented jobs and job training programs, rather than having prisoners work on rock piles. Does the Solicitor General see merit in this program and will he be making similar plans for our prisoners?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I had the pleasure of talking about this particular proposal with Chief Justice Berger when he was in Canada. He is a very strong advocate of work as a form of rehabilitation. I firmly share his view that the single most important thing we can do to reform inmates is to use their time productively and prepare them for reintroduction into society.

The Correctional Service of Canada has a number of programs which are designed to do that. I think they can be improved upon, however. They can also bring great benefit to society in defraying some of the costs of running our prison system.

* * *

[*Translation*]

FOOTWEAR INDUSTRY

MAINTENANCE OF QUOTAS—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The epidemic of factory closings is continuing in Montreal East. Daoust, Lalonde and probably Chaussures La Parisette . . . 260 jobs are being theatened as a result of the Conservative Government's failure to reach a decision. Does the Minister realize that wholesalers are not buying at this time because they do not know whether the Government is going to maintain the quotas? Is the Government going to announce right now what its decision will be and so create a healthy climate in the footwear industry?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I have indicated before, that announcement will be made quite soon.

[*Translation*]

REQUEST THAT QUOTAS BE RETAINED

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the Government's inaction has led footwear manufacturers and retailers to form a common front against the elimination of quotas. Is the Minister going to act responsibly and maintain the quota system before the footwear industry becomes another Schefferville?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I know certain opposition Members like to dwell on what they think is unfavourable news.

It would be such a tonic to hear them dwell on the favourable news with respect to that fine Province of Quebec where unemployment is actually coming down, contrary to what happened under the former Government.

Some Hon. Members: Hear, hear!

* * *

FINANCE

ANTI-SMOKING CAMPAIGN—TOBACCO ADVERTISING COMPANIES' TAX SUBSIDY

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of Finance. Yesterday the Minister of National Health and Welfare announced a $1.5 million anti-smoking program. At the same time he acknowledged that compared to the multi-million dollars the tobacco industry has for advertising the $1.5 million is peanuts.

Could the Minister of Finance advise the House whether he is considering bringing an end to the huge tax subsidies, which the Government gives to the tobacco advertising companies, to make the competition a little fairer?

● (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I make two comments on that suggestion. One is that I have received some complaints from the tobacco companies and the tobacco farmers and producers that the 25-cent-a-pack increase in the tax on cigarettes was excessive, so I think I am going the same way that the Hon. Member has suggested that I go, in opposition to the point of view of the companies. In addition to that, as he knows large corporations are all paying a surtax this year as part of the Budget proposals, to control the size of the Government debt.

GOVERNMENT POSITION

Mr. Neil Young (Beaches): Mr. Speaker, we are more concerned with the health of Canadians than we are with the tobacco companies. I would like to ask the Minister of Finance whether he does not think it to be a complete contradiction, if not hyprocrisy, to say to Canadians that we will give them $1.5 million for an anti-smoking campaign while continuing to give the tobacco advertising companies $45 million of taxpayers' money.

Hon. Michael Wilson (Minister of Finance): I would have to think back, but I believe that the money raised from the

increase in excise tax on tobacco is something like $250 million or $300 million. I think those numbers speak for themselves.

* * *

[*Translation*]

SHIPBUILDING

CONSTRUCTION OF FRIGATES IN MONTREAL—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Supply and Services.

About ten days ago, my colleague, the Hon. Member for Papineau, asked the Minister what the Government intended to do to give workers at Versatile Vickers in Montreal the assurance that the frigates ordered by National Defence would be built in Montreal at the Vickers yards.

The Minister said at the time that he would have to get legal advice before giving us an answer.

My question is quite straightforward. Now that the Minister has had ample time to get legal advice, could he let us in on the secret and inform the House what the Government intends to do to give workers at Vickers the assurance that the contract will be carried out in Montreal as planned?

Mr. Speaker: Order, please.

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): The first point that I would like to bring to the Hon. Member's attention is that the jobs in question were never going to come into being until 1988. That was the date that the work on the frigates in the Montreal yard was going to commence. So, whatever happens we have two years' lead time to fill the gap, if indeed there is going to be a gap.

The second point is that the contract involves the Saint John Shipbuilding Company and Versatile Vickers Inc. The Government of Canada has no contract directly with Versatile. Therefore we have very limited room in which to manoeuvre.

Having said all that, we are continuing to investigate and to do everything we can to accommodate this situation.

[*Translation*]

DETERMINATION OF REGIONAL PRIORITIES

Mr. Jacques Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker. I am not very happy with the Minister's vague reply, and I would like to put a very simple question to him as a supplementary.

Is he informing the House that from now on, the private sector is going to determine regional development priorities in this country? Is that what he was trying to explain?

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): No, but what I am saying is that when two parties have made a contract the only two parties that can interfere are one and the other. The Government is not going to inject itself into a contract when it is not entitled to do so.

Ms. Copps: What about the banks?

Mr. McInnes: The Government will endeavour to discuss, to encourage, and to do what it can in any situation, but it will not dictate.

* * *

NATIONAL DEFENCE

SERVICING OF POLISH FISHING VESSELS AT ESQUIMALT, B.C.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of National Defence. Because of the Minister's interference the Port of Esquimalt and the Province of British Columbia stand to lose a multi-million-dollar contract for routine repairs and servicing of Polish fishing vessels.

I would like to ask why the Minister is deliberately frustrating this deal and allowing Americans to take away this contract and these jobs from British Columbians.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, contrary to the allegations that are being made by the Hon. Member, there is no deliberate frustration of what he refers to as a deal. There are facilities elsewhere in the Province of British Columbia that can care for the needs as they arise, if he is speaking about the same thing that I think he is, which is the naval base at Esquimalt.

SECURITY CONSIDERATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): I would like to ask why the Minister refuses to agree to this deal for security reasons when the Hon. Member for Victoria, who was a former Minister of National Defence, says that he sees no security risk involved and he claims that the Secretary of State for External Affairs is in favour of allowing this deal to go through. Why is the Minister of National Defence more paranoid than his colleague?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I really do not know whether the additional allegations of the Hon. Member with respect to conversations between the Hon. Member for Victoria and the Secretary of State for External Affairs are accurate or merely a product of his own frenzied imagination, but I will certainly consult with both hon. gentlemen on the question.

Oral Questions

CANADA PENSION PLAN

HOMEMAKERS' PENSION INQUIRY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of Finance. Proposed changes to the Canada Pension Plan, including the introduction of a homemaker's pension, are currently under review and being negotiated between the federal Government and the provinces. Could the Minister give the House an idea of when these negotiations are going to be concluded and when Canadians can really expect a homemaker's pension?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this matter has been raised on a couple of occasions recently at federal-provincial Ministers' meetings. The matter is under review. There are no negotiations under way, but consultations to review the options. At this point I have no timetable that I can give the Hon. Member, but I do advise you that things are continuing to be reviewed.

* * *

REGIONAL DEVELOPMENT

ECONOMIC CONDITIONS IN ATLANTIC CANADA

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. In view of the chronic unemployment situation in Newfoundland and other parts of Atlantic Canada where it exceeds 40 per cent to 50 per cent in some communities, based on the principle of fairness and need, what special measures would the Minister of Finance introduce to protect and enhance economic opportunities in those less fortunate regions of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there have been a number of things that have been done over the past year: the Atlantic Accord; the assistance to the Fisheries Products International Company; the Cape Breton Island tax credit; the fact that we enhanced equalization payments to all of those provinces earlier this year. That is a pretty positive package that indicates our concern for those in Atlantic Canada who are suffering from higher levels of unemployment than other parts of the country.

MUNICIPAL INFRASTRUCTURES

Mr. Dave Dingwall (Cape Breton-East Richmond): I would say to the Minister, Mr. Speaker, that that is a lot of concern but not much action. I remind the Minister that communities in northeastern New Brunswick, Newfoundland, and Cape Breton are not impressed with the results to date. Would he not agree to implement the recommendations as advocated by the Canadian Federation of Municipalities for infrastructure moneys so that thousands of jobs can be created in those less fortunate regions of Canada? Will he do that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the thing that puzzles me about this place is why Hon. Members deliberately distort the statements that have just been made by Members. The programs that I just set out in my previous answer amount to millions and millions of dollars that have been spent or will be spent under established programs in that part of the country.

I have said in this House on a previous occasion that I was open to suggestion from the municipalities, and I am still listening to what they have to say.

* * *

INDUSTRY

FOOTWEAR IMPORT QUOTAS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. The Minister knows that at least one shoe company in southern Ontario has closed a plant and is in the process of dismantling another one unless it gets an answer on the quotas forthwith.

Will the Minister give an undertaking now to bring forward the reply with regard to quotas within the next week?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Member knows full well the tribunal decision on this matter: the fact that no damage was found with respect to most of the footwear industry. This is what we are now working with, and I can assure the Hon. Member we have concern as far as these factories are involved and as far as the industry is concerned, and we will be taking effective steps as soon as possible.

• (1500)

TIMING OF DECISION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is it not possible to recognize that the industry must do its planning for next spring and summer now and that, if it does not do it now, it will lose its customers? With that in mind, how long will it take for the Minister to bring forward the proposal for the extension of the quotas or whatever other program he intends to implement?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member should be assured that we share his concern. We realize the need for an early decision, particularly in reference to the fact that planning must be done six to 12 months in advance. That is one of the reasons why we intend to make an early decision.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon.

Members on Tuesday, October 22, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) and the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) do not meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I would simply like to advise the House that prior to Question Period, I informed the Opposition House Leaders of the business for the next two days. It is my hope that today we will make progress on the Bill which we are now considering, the Bill dealing with employment equity. Tomorrow it is my intention to call as the first item of business, however, Bill C-80, a Bill respecting the Excise Tax Act, and I would like to designate this coming Friday as the first allotted day in this trimester. I will be making the conventional statement with respect to Business of the House tomorrow at the usual time.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, perhaps I will be luckier this time. It is my privilege to table a petition signed by a number of individuals from the City of Toronto who call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it gives me great pleasure on behalf of the residents of Rosemont—

Some Hon. Members: Shush!

Ms. Copps: —to present a petition calling upon the Government to back off on its cut-back on family allowances and the deindexation of pensions.

Mr. Crosbie: Sit down.

Ms. Copps: I realize that it hurts Government Members because most of them did not bother to show up at the meeting with the women of Canada but—

Mr. Speaker: Order, please.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have here a petition against the federal Budget which was circulated by women who are opposed to the family allowances Budget provisions aimed at lessening the protection against inflation, and they request that those provisions be withdrawn without delay.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a petition from Women Against the Federal Budget who state that children are everyone's responsibility. They oppose the Budget proposal to reduce the cost of living protection for family allowances and demand that this proposal be withdrawn.

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present a petition signed by a number of individuals from Toronto who state that the deindexation of the universal family allowance is an unfair attack on women and families and who also state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

[*Translation*]

OPPOSITION TO CANADIAN PARTICIPATION IN SDI

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present a petition signed by University of Ottawa faculty and students who humbly declare that the American military research program on ballistic missiles is badly defined from a scientific viewpoint, that Canadian Government participation in this program would amount to a de facto endorsement of the arms race, and that Canadian participation in the SDI test program would undermine the international political credibility of Canada.

Consequently they strongly urge the Government of Canada to turn down the invitation to participate in the American SDI research program.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have the pleasure of presenting a petition on behalf of a number of people from the fine Province of British Columbia. They make the point that accelerating cut-backs to child benefits on top of sales tax changes and increases, excise tax increases and stiff income tax increases are unfair and place an extraordinary burden on middle and low-income Canadians and they call upon Members of the House of Commons to reinstate the full indexation of universal family allowances and to rescind the unfair tax increases.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by many women from

Halifax, Nova Scotia, Women Against the Federal Budget, in which they decry and oppose the deindexing of the family allowances proposed in the Budget and call upon the Government to reintroduce full indexation of family allowances.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present another petition signed by many members of the National Federation of Nurses Union from Thompson, Manitoba and Winnipeg in which they call upon the Government to rescind the proposal which would see pension income being considered as earned income for unemployment insurance purposes.

RESTORATION OF FULL INDEXATION TO FAMILY ALLOWANCES

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present a petition from members of Local 397 of the Office Professional Employees' Union, most of whom are women supporting families, in which they humbly sheweth that the undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowances and to rescind unfair tax increases.

Mr. Speaker: I have to remind the Hon. Member that the rules require one to eschew the reading of a petition.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have petitions from people from the Ottawa Valley and the Prince Albert area which call up the Government to recognize the inequitable and unbearable increased burden on poor families caused by the deindexation of family allowances, and which point out that this seems very unfair in light of the $9 billion that is handed out to oil companies and the $1 billion that was just received by the banks.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present, on behalf of a group of citizens of Prince Albert, Saskatchewan, a petition which asks the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am honoured to present petitions from over 400 persons resident in the City of Thunder Bay and the Indian reserve at Gull Bay protesting the decision of the Government to deindex the family allowance and to make other changes which represent a loss to even the poorest families in Canada. They pray that the House of Commons will cancel this deindexation and maintain the full indexation of family allowances which are so important to them.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour to present a petition signed by a number of citizens, principally of the Montreal area, who call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 449 will be answered today.

[*Text*]

CANADIAN CANNED TUNA

Question No. 449—**Mr. Manly:**

From February to September 1985, was Canadian canned tuna purchased for or used in any programs of bilateral or multilateral food aid and, was any of the tuna from the batches which were rejected by inspectors from the Department of Fisheries and Oceans and, if so, which countries and/or programs received the tuna and in what quantities?

Hon. Monique Vézina (Minister for External Relations): Canned tuna has not been purchased by the Canadian Government for use in either the bilateral or multilateral food aid program.

[*English*]

Mr. Speaker: The question mentioned by the Parliamentary Secretary has been answered.

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QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 438 could be made an Order for Return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 438 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

CHEESE IMPORTS

Question No. 438—**Mr. McKinnon:**

From January 1985 to date, what were the names of individuals and companies and their addresses, who were given permits to import into Canada foreign cheese in excess of 25,000 kilograms?

Return tabled.

[*English*]

Mr. Dick: I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1510)

MOTIONS FOR PAPERS

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed, from Monday, October 21, consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I welcome this opportunity to resume debate on Bill C-62, an Act respecting employment equity, introduced by my hon. colleague, the Minister of Employment and Immigration (Miss MacDonald).

Mr. Speaker, in the first part of my speech, I explained why our Government introduced this legislation, and I subsequently elaborated on the conditions for implementing its provisions. I also explained at that time why our Government had not imposed quotas.

I had started to say that as of 1988, employers affected by this legislation will be obliged to file a report in respect of the immediately preceding calendar year, containing the following information:

First, the industrial sectors in which employees of the employer are employed, the location of the employer and employees, the number of all employees of the employer and the number of persons in designated groups so employed;

Second, the occupational groups of the employer and the degree of representation of persons in designated groups in each occupational group;

Third, the salary ranges of employees and the degree of representation of persons in designated groups in each range and prescribed sub-division thereof; and finally,

The number of employees hired, promoted and terminated and the degree of representation in those numbers of persons in designated groups.

Employers who fail to comply with this obligation will be liable to a fine not exceeding $50,000.

On the basis of the detailed information provided by employers, the Canadian Human Rights Commission will be able to hear complaints it receives and conduct certain inquiries.

Since we wanted this legislation to be as flexible as possible, we decided not to impose enforcement mechanisms.

Mr. Speaker, in the opinion of this Government, setting up an enforcement agency would generate very high administrative costs. Moreover, it will be perceived by many employers as undue interference by the state in their personnel management policies.

Mr. Speaker, we must not forget that our Government has made a formal commitment to reducing administrative red tape, which more often than not tends to curb productivity.

Instead of an enforcement agency, our Government has opted for the even more redoubtable mechanism of public opinion.

As of June 1, 1988, all employers affected by this legislation will be obliged to file annual reports. The conclusions of these reports will be consolidated by the Department of Employment and Immigration and subsequently tabled in Parliament.

On the basis of the information contained in these annual reports, it will be possible to measure progress in the area of employment equity. The public will be invited to look at the results. Employers who fail to observe the equity principle will be clearly identified, and under the pressure of public opinion, they will be forced to change their personnel management policies so as to provide more jobs for the four groups designated in the Bill.

A number of my opposition colleagues feel that this surveillance mechanism does not go far enough, and that the pressure of public opinion is not strong enough to improve the conditions encountered by women, native peoples, visible minorities and the handicapped on the labour market.

I would remind these critics that public opinion is the most formidable tool we have for changing the behaviour of Canadian employers. Let us not forget the successful campaign organized by Canadian women in 1981 to urge the Government to include women's rights in the Canadian Charter of Rights and Freedoms.

In concluding, Mr. Speaker, I would like to point out that Bill C-62 will affect more than 750,000 employees. In conjunction with other Government programs designed to stimulate labour market participation, Bill C-62 is a giant step forward towards social equity. From now on, the groups concerned by this legislation will be able to take their rightful place in Canadian society.

Mr. Speaker, I therefore urge my hon. colleagues to refer this Bill to the Legislative Committee as soon as possible.

The Acting Speaker (Mr. Charest): Questions or comments? Debate. The Hon. Member for York West (Mr. Marchi) . . . Oh! Questions and comments, the Hon. Member for Scarborough West (Mr. Stackhouse).

[*English*]

Are there questions or comments? The Hon. Member for Scarborough West (Mr. Stackhouse).

Mr. Stackhouse: Mr. Speaker, while I support the Bill and its objectives, I note that in spite of the clear and irenic exposition of the Bill by the Hon. Member there was no reference in her remarks, nor is there reference in the Bill, to a minority which requires recognition and defence, namely, those who are over 50 and who find it difficult if not impossible to obtain employment because of discrimination due to age. As I read this Bill it will not protect women over 50 because of their age however much it may give them protection because of their sex. I hope that when the Bill goes before a legislative committee there might be some recognition given to the significant hazard of age discrimination as it applies to women. I hope it will also be recognized that it applies to men so that the Bill, or other legislation, might be expanded to provide that type of protection.

Mr. Blaikie: Mr. Speaker, I just want to take a moment to echo the concern just expressed by the Hon. Member from Scarborough. One of the more frustrating experiences I have encountered as a Member of Parliament has been the occasions on which older men, those who are 55, 56, or 57, have come into my office and, for one reason or another, have lost their jobs. They may still have children in university. They may still be supporting a family. Very often they have worked at jobs where there has not been any labour organization or trade union. Perhaps they have worked in warehouse work. They have been strong for 30 years and then they have developed a bad back problem or some other physical ailment which prevented them from being able to perform the type of work which they had performed for so many years. They are literally cast on to the scrap-heap of our economy. There is really no opportunity for them to retrain or find other jobs. I have had people in my office who have talked about suicide and who have openly cried about the situation in which they find themselves. I wish to say to the Minister, who happens to be in the House, that this is a desperate situation which a great many men in that particular age bracket who are too old to work, at least in the way in which our economy works, but too young to receive any income support. They are caught in a kind of twilight zone which the Government needs to address.

Miss MacDonald: I agree. Thank you very much.

Mr. Sergio Marchi (York West): Mr. Speaker, I too am pleased to rise in my place to participate in the debate on Bill C-62, an Act respecting employment equity.

It must be said from the outset that I do not think there is a Member in the House who disagrees with the fundamental principle or purpose of what is to be attained by this piece of legislation, or any other legislation which we may be considering in the coming weeks, months and years ahead. I am speaking of the fundamental principle that every Canadian in this country ought to receive equality of opportunity in the workplace. that is not a fancy right. It is not a privilege. It is a basic, human and fundamental right.

The Bill before us has four target groups, namely, women, native people, the disabled and visible minorities. I would like to preface my remarks with respect to the latter group since our critic, the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) has indicated in broad terms how our Party views this Bill and has left it to a number of individual critics to look at the independent categories or target groups.

• (1520)

One has to look at this Bill, Mr. Speaker, and agree that the principle or purpose is good. Yet the follow through, the action taken to attain that principle, is far from perfect. It moves simply too slowly and is too weak in the ways proposed to attain employment equity for Canadians in all regions of the country. It is weak in the face of some landmark reports which this Parliament has recently received such as the Equality Now report and the Abella Commission report. I quote from the report of the Abella Commission which stated that "a Government genuinely committed to equality in the workplace will use law to accomplish it and therefore give the concept credibility and integrity."

I do not think this piece of legislation gives credibility and integrity to that principle. Underlying the Abella Commission Report are two key focal points or concepts: mandatory and tough equity programs and the enforcement mechanism whereby those equity programs would be carried out. There is an absence in Bill C-62 of both those concepts. As Judge Abella stated in her report, "Unenforceable rights are no more satisfactory than unavailable right", and I think that speaks volumes to this piece of legislation. It is not a mandatory and tough equity program. It is a Bill which qualifies the program, is open-ended and not rigid, and does not set forth criteria with respect to Government Departments, Crown corporations and companies doing business with the Government. It is not a mandatory program. Both the Abella Commission Report and the Equity Now Report suggested in very firm terms that voluntary and open-ended programs have not worked in the past, they have not attained the type of results which we, as a Parliament and as a country, should be aiming for.

I am quite surprised that the Hon. Member who spoke before me suggested that it is in public opinion and in voluntary programs taht we attain the best results. That is false. In certain instances which I will be outlining in my speech later on, public opinion is very lacking. We have to impose some sort of leadership and direction in a mandatory program so that equality in the workplace can in fact become a reality. We cannot leave it to the whims of the people involved. A mandatory program is the only route to go.

There is no enforcement mechanism specifically stated in the Bill. The Minister and Hon. Members on the Government

side have mentioned that the Human Rights Commission will be taking a look at enforcing the employment equity legislation. There are two things wrong with that. First, it is not indicated in any firm way in the Bill itself. There is no mention of the Canadian Human Rights Commission in the legislation. It was only indicatetd in passing. It was only dumped on to the commission in an informal and very loose kind of way. Second, and most important, is it fair and is it within the jurisdiction of the Canadian Human Rights Commission to do the kind of watchdog surveillance which this Government is imposing upon it? The Human Rights Commission, as we all know, is trapped for resources with respect to personnel and finances as it is. We all know that the Human Rights Commission is a reactionary body. It reacts on a one-on-one, a case-by-case basis. If we are talking about a national employment equity program which is going to ensure and guarantee that Canadians receive the equality which should be theirs, I feel it would be unfair to expect the commission to undertake this kind of enforcement mechanism.

There is a need for the Human Rights Commission. It is a body which is doing good work. But with respect to a national employment equity program, we need an enforcement body which will be somehow independent, active, full-time, and with enough staff who are qualified and familiar with labour relations, the employment system and human rights issues in general.

With respect to the voluntary nature of the legislation, the Minister in a press release announcing this Bill stated, and I quote:

> The employment practices and policies of federally regulated businesses will go on public record, and these companies will have to answer to the people of Canada if they fail to achieve equity in employment.

Quite simply, Mr. Speaker, that is not good enough. If we are to look at public opinion and voluntary action, we also have to look at a number of recent reports from Toronto with respect to the whole question of racism in the workplace. The report entitled "Who Gets the Work?", which was published in January—a study commissioned through federal funding and conducted by the Urban Alliance on Race Relations and the Social Planning Council of Metropolitan Toronto—outlined some very serious concerns. It spoke forcefully against letting public opinion and voluntary mechanisms do the job for us. The author of the report said that "while whites were treated courteously, blacks applying for the same jobs were treated rudely, discourteously and with hostility." The report found that "in direct approaches on 36 jobs, white applicants received 27 offers and black applicants only nine." The report concluded "that the most significant amount of discrimination was directed at Indo-Pakistanis who were told that jobs were closed and no longer available in nearly 44 per cent of the cases." The report also indicated that "the black West Indians were told that jobs were closed to them in 36 per cent of the cases".

In the follow-up to that report, in May of 1985, it was found "that only 9 per cent of 200 large companies stated a firm belief in racial equality. Twenty-eight per cent of the employers said they felt non-whites in general do not have the ability to meet job performance criteria compared with whites. Another 13 per cent saw non-whites as threatening, particularly if non-whites gained promotion over whites. Seven per cent expressed outright contempt for non-whites and 3 per cent viewed non-whites as a group to be justifiably exploited for low wages and long work hours."

I am not suggesting that those views reflect the views of all Canadians. But if we are to allow voluntary mechanisms, and the public will, to decide these matters, I suggest to you, Mr. Speaker, with all due respect, that we will fail. We will fail as a Parliament and as a nation to address and correct some inequality and some wrongs which are happening in the workplace to ordinary Canadians. This Bill has failed to address those concerns in a very real and concrete manner.

There is no mention in the legislation about contract compliance. There is nothing in the legislation which says that any company doing business with this Government must submit to some stringent employment equity measures. Only several months ago, we had a perfect example of this when I repeatedly raised on the floor of the House of Commons instances of outright discrimination which were being encountered by Canadians of Haitian and black backgrounds in the taxi industry, particularly in Montreal, Toronto and Hamilton. That was a perfect example of where this Government could have put its foot down and addressed the issue of equality which should be everyone's right, by sending a clear and strong message to the taxi industry that if it is to do business at our federal airports, then the industry must reflect the equality which should be every Canadian's right. Yet this Government shied away. The former Minister for Multiculturalism, and the Minister of Transport (Mr. Mazankowski) shied away from setting this example, which reflects the same philosophy this Bill reflects. That is, we are not doing enough. It would have been easy to have told those cab companies that they are not permitted to do business at our airports unless they clean up their act and provide equality for all their drivers regardless of colour or background. The Government could have done that but it did not.

• (1530)

When we talk about contract compliance, we can look to our neighbours down south. Sometimes we say that we as a nation are much better than they are regarding human rights. Yet it is interesting to note a report submitted by the Canadian Ethnocultural Council which made some very interesting observations about the United States concerning contract compliance. They said that in the U.S. contract compliance legislation exists under Order 11246 which requires that federal contractors and federally-assisted contractors implement affirmative action programs. This applies to contractors with 50 or more employees and contracts valued at $50,000 or more. The program must set significant, measurable and attainable goals for the hiring, training and promotion of minorities and women. The numerical goals and timetables are directed towards increasing the utilization of target group members.

Violation of the contract's equal opportunity clause may result in the cancellation or termination of the contract.

What have been the results? In 1983, the U.S. Department of Labour released the results of a study of some 77,000 factories, offices and work sites representing in excess of 20 millions employees. Between 1974 and 1980 minority employment grew at a rate of 20 per cent among those companies holding federal contracts, compared with only 12 per cent for businesses not bound by contract compliance. In addition, minority workers also posted significantly greater upward mobility where affirmative action was enforced. Finally, large numbers of blacks and Hispanic peoples moved from service and low skilled blue-collar work to skilled production, craft and white-collar jobs.

That is a perfect example of contract compliance being used to improve the economic lot of American citizens who had faced discrimination for a number of years. We could have done the same thing. Yet there is no mention of contract compliance in this Bill. There is no mention of that leadership I was talking about regarding the cab industry. However, that is what the Bill should have been speaking to.

I reiterate, Mr. Speaker, that the purpose of this Bill is completely welcome in this House. There is not one Member who would disagree with it. However, it is the follow-through and the lack of real teeth in the Bill which lets down the target groups the Government is saying it is trying to help. If we are to increase the equality of these four target groups and other Canadians, as an Hon. Member mentioned previously, we need to have legislation which will not only speak to equality but which will deliver equality.

In a study conducted this year, Mr. Speaker, Canadians from visible minority groups represented only 1.7 per cent of all employees within the federal Public Service. This Bill does not speak to that. There has been some mention of programs being introduced by the President of the Treasury Board (Mr. de Cotret) but they, too, are statistics gathering, research and study oriented. Yet what Canadians from one coast to the other are calling for are some measures which will deliver equality and tear down that vertical mosaic which still exists and which says that only a select few might be able to make it to the top. Other Canadians, through no fault of their own and not because they are incompetent, have been unable to reach the roof-tops which other Canadians have reached. That is a shame.

We can also look at what other groups are saying about this Bill. The Urban Alliance on Race Relations says "that the focus of the legislation is on data collection rather than hiring and training in a workplace free of discrimination." The Canadian Ethnocultural Council said that "while it is encouraging to see movement towards employment equity, the present Bill appears rather anaemic. It is difficult to envision how a voluntary approach will substantially improve employment opportunities for visible minorities."

Those words, as well as the meetings I have had with a number of groups and individuals, reflect how Canadians at large have accepted this Bill. We have also had a large number of women and disabled and handicapped groups saying the very same thing. Their wish and my wish and the wish of my Party is that the Government listen attentively to these descriptions of the shortcomings of this Bill. The Government has a huge majority and we all know it can push through any Bill it likes on any day of the week. So what we should be concerned about is passing legislation which will do what it is intended to do. In my opinion this Bill does not do that. There should be employment equity for all Canadians. It is not a privilege, it is a right. It is a necessary part of being a Canadian living in a tolerant society. We all know there are people out there who, through no fault of their own, are not being treated with equality in the way that perhaps you and I are. This Bill needs to be improved. It needs amendments. It needs to speak forcefully and boldly to employment equity, and not just go through the motions. We need to have mandatory equity programs in our Civil Service, Crown corporations and those companies doing business with the federal Government. There should be no qualification regarding the number of employees or the amount of business concerned. What difference does it make if you do $100,000 or $2 million of business with the Government of Canada? Equality must transcend the financial and political barriers we see being created in this Bill.

In closing, I would like to caution the Government and the Minister to beef up this Bill with amendments which will ensure that these four target groups, and any others as was suggested earlier, receive the employment equity which is theirs by right as Canadians. I urge the Government to take another look at Bill C-62 because it will not improve the lot of these four target groups quickly enough or well enough.

• (1540)

[*Translation*]

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

Mrs. Landry: Mr. Speaker, I simply want to clear up a few points and maybe respond to some of the objections raised by my colleague from York West (Mr. Marchi).

I would like to point out to him that compliance with Bill C-62 will be mandatory, not optional. That being so, the companies will have no choice but to abide by the legislation.

The other point I might clear up has to do with frequent references to the enforcement mechanism and the Abella report. I would like to stress that we fully endorse the Abella report, particularly with respect to the enforcement mechanism. The Abella report mentions four models and we are in favour of the fourth one since it relates to the Canadian Human Rights Commission. In that sense, Mr. Speaker, I would suggest that we too are endorsing the Abella report recommendations.

The last argument regarding the enforcement mechanism is that the Government has decided not to set up another costly agency, which would only add to the existing bureaucracy. We suggest that the data contained in the reports submitted by the businesses will make it possible for the Human Rights Commission to take legal action. And we believe that this enforcement mechanism will meet adequately the requirements of the Bill.

[*English*]

Mr. Marchi: Mr. Speaker, in her previous speech the Member said that an enforcement mechanism and a mandatory program would be too cost prohibitive. I think that is what is wrong with this Bill and with the mind-set of the Government. It is putting dollar figures before fundamental human rights in the workplace.

The Member mentions that companies have to report. They do. It mentions that in the Bill. The Government says that each company that does not file a report will be fined up to $50,000. That is great, too, but why not fine the companies if they are not fulfilling the proper equity programs which the Government has not really outlined to start with? If the Government is prepared to fine them for lack of reporting, it seems to me somewhat silly not to fine the companies for failing to attain a certain figure as established by the Government. That is the wrong way of doing things, Mr. Speaker. If you are serious about ensuring that employment equity will be a reality in this country, you must show direction and criteria and you must have some targets. If we are going to lift the four target groups up to an even level, we need to provide direction and targets and be specific.

I, too, Mr. Speaker, am against quotas because in themselves they impose limitations. However, we need more than just words. We need a criterion that companies can follow in order to attain employment equity. It is not good enough to say simply that if you do not file a report you are going to be fined. You should be fined and lose the contract if you do not attain employment equity aside from reporting to the Government with a letter or a report. Any company could submit a nice letter or report, but how can the Government judge whether that is in fact happening when there is not an enforcement agency on a national scale which can assure us that those reports are legitimate and reflect the reality in that company?

Those are the things which the Hon. Member should be addressing in addition to looking simply at what the Bill contains. It contains a number of positive elements, but it moves too slowly, is too weak, and there is no real courage and guts underlying the Bill because it is rather soft.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, I have a question for the Hon. Member for York West (Mr. Marchi) who has just spoken. I feel he has made a good speech. I wish, however, to ask him a question, for he seems to be quite familiar with this issue. He seems bent on telling the Government what to do. He seems to be saying to the Government: Go ahead! Give more teeth to the legislation for a number of reason which he has enumerated. My question is quite simply this: As you seem to think that this bill should have more teeth, how long ago, in your opinion, should it have been implemented?

[*English*]

Mr. Marchi: Mr. Speaker, I appreciate the comments of the Hon. Member. I do not pretend to have all the answers or to speak with the authority of anyone else except that of a normal Member of Parliament doing his or her work. I am disappointed that every time a piece of legislation comes up, Hon. Members always look back to what happened five years ago or twenty years ago when the Liberal Government was in power. That argument can be used for the positive things that were done in this country, yet no one does that.

However, I am not prepared to get into that kind of debate, because I do not think it speaks to this Bill. That kind of debate, discussion and rhetoric does not speak to the four target groups; women, natives, the handicapped and visible minorities. When we have a Bill intended specifically for those four target groups, we should focus debate on how we can get a piece of legislation which is going to work through the House of Commons, on how we can improve the piece of legislation to the best of our ability, and how we can further improve the piece of legislation through liaison with the four target groups and other groups that parliamentarians may be meeting with.

That is the kind of discussion that we should be having and that is the kind of discussion that Canadians are expecting from the parliamentarians in this Chamber. That is what I was trying to do. I was trying to look at this piece of legislation rather than looking 20 years in the past. Rather than looking to the past, let us try to envision what will be happening 20 years in the future. Let us ask ourselves where these for target groups will be in five years because of this legislation. If the answer is that they will not be far ahead, we should have the courage and integrity to ensure that employment equity will be insured. However, I honestly do not feel that it will be achieved through this Bill.

Mr. Nystrom: Mr. Speaker, I would like to congratulate the Member on his speech about the four target groups and what we should be doing in this country in terms of equity and equality. My question is very simple. Where was the Liberal Party for the last 20 years?

Mr. Marchi: Mr. Speaker, I throw the question back and ask where the Hon. Member was two minutes ago when I was attempting to remove the partisanship with regard to this Bill. I think this is one of those Bills which should transcend the partisan nature which my hon. friend from Saskatchewan injects into the debate.

This Bill needs improving. It needs more teeth. I am prepared to stand in my place and suggest that the Government make those improvements. I am also prepared to say that if the improvements are made in the Bill, when it comes time to vote I would not be a hypocrite, just because I am on the other side, and not vote for it.

We should recognize a good piece of legislation, but we should also be prepared to have the courage to recognize bad legislation.

[*Translation*]

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I strongly support this bill respecting employment equity, the purpose of which is to ensure equal rights within the labour force, so that nobody can be deprived of employment or promotion opportunities for reasons other than his or her qualifications. It especially aims at correcting the wrongs suffered by women, the natives, the handicapped and the visible minorities.

Employment equity requires not only equal treatment for everybody but also special initiatives and arrangements aimed at specific groups.

● (1550)

[*English*]

My political credo can be summed up as, "Fair shares for all and special privileges for no one". This Bill on employment equity addressed the first part of that credo "Fair shares for all". Employment constitutes a key area in which the right to equality and the equal benefit of the law must be achieved. Employment is one way for Canadians to become fully contributing, independent members of society. Employment equity is a way of eliminating discrimination against some Canadians in the employment area.

Let me quote from the report of Judge Rosalie Abella on which most of the legislation before us is based. I note that in her words:

> Employment equity is a strategy designed to obliterate the present and the residual effects of discrimination and to open equitably the competition for employment opportunities to those arbitrarily excluded. It requires a special blend of what is necessary, what is fair and what is workable.

I can think of no Minister of the Crown or member of the federal Government better able to bring legislation before this Paliament that combines those three goals—a special blend of what is necessary, what is fair and what is workable—than the Hon. Minister of Employment and Immigration (Miss MacDonald).

I want to say much about this Bill. However, to begin on a personal level, I want to say for the record that I have had the pleasure of knowing the Hon. Minister since the 1960s. The discussion we have had on the role of Government and the importance of Canadians realizing their potential and overcoming the obstacles that face them, including the obstacles of discrimination in the workplace, are not new ideas to her. Although the Abella Report provides a great basis for this legislation, this was not an idea that occurred to our Minister for the first time on reading the Abella Report.

The Bill before us now is the outgrowth of a long and serious commitment to seeing that Canadians enjoy their fair share. I want to salute the Minister for bringing this legislation before the House and enabling Canadians to see again that they have a Government in office now that not only is prepared to listen but prepared to act and redress some of the long accumulating inequities in Canadian society.

In the few moments available to me, I want to base my remarks on this legislation in the context of four areas. They are the historical context, the constitutional context, the parliamentary context and the philosophic context.

Let me begin with the historical context. This legislation clearly constitutes a special program to see that women, the handicapped, the visible minorities and native Canadians have greater access to jobs in the Canadian economy. However, it is not the first time that Parliament has seen fit to make a special effort to see that social justice is done and that equity is more than a glib expression, that it becomes a reality.

Let me cite two examples. The first example is the veterans legislation that was enacted at the conclusion of World War II. The purpose of that legislation was to give special advantage, frankly, to the men and women who had gone abroad to fight for and defend this nation and indeed preserve the freedom that we are enjoying in Parliament and across the country today. It was felt that those who had put their lives at risk for our defence and liberty certainly should get more than just a warm handshake on their return to this country. Therefore, special programs were put in place with respect to educational opportunities and housing for veterans.

In slightly more recent times we have seen a special program to redress the imbalance in a country with two major founding cultures. It was a program to redress an imbalance in the federal civil service and to see to it that over a period of approximately a decade Canadians whose first language is French have higher and more important positions in the federal service. Those are two examples of how Parliament has seen fit in the past to move where social justice demanded it.

We now have a third spceial program, and it is the Bill before us today.

Let us turn to the constitutional context. I will simply note in passing that Section 15 of the Charter of Rights and Freedoms guarantees the legal equality of all Canadians and prohibits discrimination. Some might suggest that features of this legislation will be discriminatory in their effect. It is important to understand that Section 15(2) of the Charter anticipated that Parliament, on certain occasions, would have to redress historic imbalances and that special programs, such as this employment equity Bill, would be required. For that reason, in adopting the Charter several years ago, Parliament provided express exemptions, stating that programs aimed at ameliorating the conditions of those who had suffered past discrimination would not be unconstitutional under Section 15.

The third area is the parliamentary context. By that I am referring to all the other companion activities and legislation coming through this Chamber as part of the great outpouring of our Government's response to the long developing inequities in Canadian society. While the employment equity Bill is an important piece of legislation, it does not stand alone as the sole response of the Government to these problems. Contemporaneously with this we have passed amendments to the Indian

Act, thereby removing over a century of discrimination against Indian women.

In another development a few weeks ago, the Minister of Justice (Mr. Crosbie) announced in the House a Charter litigation fund to ensure that Canadians who want and need to challenge existing laws and programs, because they are not constitutional under our new Charter of Rights and Freedoms, would not be precluded from doing so because of a lack of financial ability. Indeed, a few months ago, in the same parliamentary context, Bill C-27 went through Parliament. It was an early initiative of the Hon. Minister of Justice to eliminate a number of the obvious inequities in existing federal statutes in light of the equality provisions of Section 15 of the Charter. Bill C-62 is but a companion piece of legislation in an over-all attempt by the Government to fulfil its commitment to social justice in Canada which was one of the three goals that were enunciated in the Throne Speech as a hallmark of our Government.

That brings me to the fourth context in which I would like to consider this employment equity Bill—the philosophic context. This is the context in which I speak about the merit system or about meritocracy. I believe that the ideal system is the one in which people are hired and promoted on the basis of their merit. You write the job description setting out the bona fide requirements for whatever the task might be, a transportation shipper, a gunner in an aircraft, a lawyer, a bus driver, and then you hire the person most qualified. That is what I call meritocracy.

● (1600)

In a country such as ours, with people from so many different national backgrounds, different religions, walks of life and political belief, you really cannot have any other system. What we want to see is the very best for our country. We want Canada to realize its full potential by having individuals realize their full potential. Let us not see discrimination against anyone. Let us see only hiring of the best. That is the ideal. We must always keep that in mind. Even when special programs are brought in, such as in this Bill, it is not to detract from that ideal but to work closer toward it.

As a Conservative, I believe philosophically that human institutions reflect the human frailties that we ourselves possess and that it is not a perfect world. I accept that the old boy network operates when people are hired and promoted. I remember and take to heart the expression often heard when people are being hired for jobs that it is not what you know but who you know that counts. It is in that context that we see this legislation introduce a concept that can redress and do some fine tuning in the working of meritocracy. It is unquestionably the case that native Canadians, disabled Canadians and visible minorities have not had their fair share of jobs.

I would like now to address some of the specific reasons that I think this is a good Bill and, in many respects, an historic breakthrough. Let us consider first the gathering of data.

I have heard and listened with careful attention to spokesmen for the Opposition Parties being critical of the reporting requirements. I thought I was perhaps hearing comments that could have been made by people who escaped from the *Titanic* as it was going down who found themselves in a lifeboat and who were criticizing the lifeboat. You have to take it step by step and view the value of what we are doing on its own merit. There can be no question that the compiling of data is fundamental to the evaluation of not only why this legislation should be brought in but of how well it is achieving its goal. When it has achieved its goal, we can revert to the working of the meritocracy system without any of these special programs. Until we have the data lines and the information that can say, yes, a fair share is now being won by those who, in the past received the butt end in Canadian society, a lot of the debate and discussion is more rhetoric than genuine concern for seeing true human progress.

I should note that some of those who have criticized this legislation feel it is not the desire, the will, the interest or the wont of the corporations, the business community, to see special programs that would encourage women, the handicapped or other disadvantaged groups to get a fair share of the jobs.

It was, therefore, revealing to me to have had a number of conversations recently with corporate executives, particularly those responsible for personnel policy, men in their fifties in most cases, who are speaking with a new-found glee, the kind of enthusiasm that comes to a born-again reformer part way through life on discovering that something formerly being opposed was not only positive but did not hurt. By recruiting women, formerly having excluded them, they found far better, more motivated people coming to companies and doing a much better job. I do not want to generalize on the basis of perhaps half a dozen or more conversations, but I put that before the House as a straw in the wind. There is an increasing recognition that things are changing on the part of those who once opposed or just dug in their heels on the basis of stereotypical notions of who should be doing what, where and under what circumstances.

We spoke a year and a few months ago that it was time for a change. That message has gone deep not only with the Government of the country but in the way we are thinking, in the way we can reform and introduce new programs, such as the program contemplated by this employment equity Bill, to see that all Canadians get their fair share.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) has, in the course of his comments in praise of the Government Bill before us, suggested that institutions reflect the imperfections of humanity. This is one of the more interesting dodges that Conservatives use for their own slow action.

Is it not a necessity for institutions to seek to transcend the imperfections of humanity? Is it not the responsibility of Government, recognizing the shortcomings in employment equity that exist, to get on with the task actively and not give us half-baked measures of the sort we are debating in Bill C-62?

Mr. Boyer: Mr. Speaker, the Hon. Member's comment and question has two parts to it. One having to do with the speed with which our Government is responding. The second is a more interesting philosophic question. First, on the question of speed, I do not think anybody on this side of the House has to apologize for speed. Has the Hon. Member counted the number of days from the time the Abella Report came out to the time that the legislation came into this House? Compare that with the record of any Government, including provincial Governments and New Democratic Governments, and Members will see that the Progressive Conservative Government, the Prime Minister (Mr. Mulroney) and the Minister of Employment and Immigration do not have to apologize to anyone in terms of getting on with social justice. I always love to hear from the New Democrats when it comes to seeing someone other than a New Democrat doing something that is for the good of the people, because they feel that that area is their own private, protected preserve. We Progressive Conservatives are here because the Canadian people know that they can look for us for action, and they are getting it.

Some Hon. Members: Hear, hear!

● (1610)

Mr. Boyer: The second point in his question had to do with the philosophic nature of human imperfection and whether institutions reflect that or not. I think this is perhaps long going to be a point of discussion between socialists and members of the Progressive Conservative Party. My view is that human nature is flawed, that we are not perfect on this earth and therefore our creations reflect that, be they reports that are written, be it legislation that is introduced, be they speeches given by Members in the House. No matter what we turn to, we can always think later how it might have been better. When I am talking about institutions reflecting human imperfection it is not because I do not think they can be improved. I think that is the continuing struggle that particularly we in politics are engaged in, to pursue that endless quest to find the golden mean. But if the Hon. Member thinks that in one single Bill perfection can be achieved, then I suggest that he remain in the New Democratic caucus. For our part we are going to stay on this side of the House and support the Minister of Employment and Immigration who is bringing in legislation that is a special blend of what is necessary, what is fair and what is workable.

Mr. Nystrom: While my friend is waxing eloquent over there, in his capacity not only as a Member of this House but, I gather, as chairman of the subcommittee on equality, he is talking about the imperfection of institutions and so on and how great this particular Bill is in terms of the four targeted groups. I wonder if he would be prepared to entertain the idea perhaps of recommending to the Government that we extend equality to this institution and perhaps have an equal number of men and women Members of Parliament, have two-member ridings where there must be at least one woman and one man, therefore we would have gender equality in the House of Commons. The Minister said she would come and run in Yorkton-Melville. We would then of course have two very excellent Members from that riding, as she is such a red Tory.

I wonder if the Hon. Member would comment on that. I do not make the suggestion in a frivolous way. Also I know our native people have said many times that perhaps we should look at the possibility of direct elections to the House of Commons of the native people of Canada. They represent such and such a percentage of the population. They are unique people with a distinct and special status in this country. What about the possibility of direct elections so that they could come here and represent native people?

What about those two ideas in terms of promoting equality in this country? I understand, Mr. Speaker, it is a bit of a departure, but second reading is debate on principle.

Mr. Boyer: Nobody is perfect.

Dealing with the two points, I have already explained what I believe very strongly is important in Canada, namely, a system of merit, a meritocracy. I apply that not only to the job market or to other institutions but indeed to this very special institution, our Parliament. I think that those who are elected here should be elected on the basis of their merit, what they stand for, what they are prepared to stand for, their Party's record and what the Party stands for.

I would like to note for the record that, based on merit, we are getting an increasing number of women Members of Parliament in this Chamber. I would hate to see any kind of quota or artifical system introduced in our election procedures that would say that the people who come here are not the 282 who fought the hardest and fought the best and did the best they humanly knew how to, to come here and represent the people. I would not want anyone, including the Hon. Member, to think that he was here simply because he was filling a quota and not because his electors saw him to be eminently qualified to represent them.

As to his second point, it is interesting that one other country has tried that, and I refer to New Zealand, where they have the four Maori seats in their Parliament. In addition to all the other MPs, there are four who are elected to represent the Maori population. That system of course requires voters to register as either Maori or non-Maori voters, and then they have the choice of voting in one of those four Maori constituencies or indeed in the regular constituencies.

What has struck me as being somewhat anomalous in that is that it really gives the Maoris a bit of a special advantage because they know that they are going to get their four Maori seats anyway, so in the other seats they would probably vote for the candidates who would most likely be supporting and advancing the cause of the Maoris. I do not have any problem with that, but I just say that I think it introduces an anomalous feature into the electoral system. There are Maoris being elected in New Zealand through other than the four Maori constituencies, and I think that they are viewing this in New Zealand now as being the historic phase in which they find themselves now and that perhaps the time has come to end that artificial provision in their elections and to revert to a

system such as we have here. With regard to the New Zealand experience, I do not know that it would be an improvement here. I certainly can think of native Canadians who have been in this Chamber as well as in the upper House and who are here now and are contributing in a very fine fashion. They are here on their own merit as well.

Mr. Nystrom: The Hon. Member uses the arguement of merit, and of course that is always the argument, between affirmative action and merit. I guess we could go on at great length as to why we need some affirmative action programs. Accepting what he says about merit, is it not so that the Conservative Party has in its constitution for conventions, certainly at different levels, a parity principle whereby a certain number of delegates must be women at a leadership convention or a national convention of the Party must be women. It is certainly the case in our Party. Relating to our national council of the Party, we now have a parity provision whereby there must be an equal number of males and females.

I guess my question is very simply then, if we accept the concept of parity through affirmative action within our Parties: What is the difference when it comes to this institution, in terms of the Hon. Member's argument?

Mr. Boyer: That is a good question. I would add that there is indeed a third dimension within the constitution that you could call affirmative action, special treatment, because there is a requirement that there be a certain number of youth delegates as well. Just before I answer the question let me say that I wonder if the Hon. Member was studying the Progressive Conservative constitution so intently perhaps at one time recently when he was thinking that this Party was doing so well that he would look at the constitution to see what if anything prevented him from joining this Party.

An Hon. Member: Even he is welcome.

Mr. Boyer: We keep a light in the window for everyone.

Mr. Nystrom: I would never get elected.

Mr. Boyer: Strange things happen and strange things happen in terms of Party constitutions as well. I think that, historically, that would have been a strange thing in terms of any Party's constitution. I am glad the Hon. Member raised it because it brings into sharp relief the importance of having, at different stages in our evolution as a country, programs that will help offset the workings of a system that, by any objective criterion, are not really fair to the over-all community. I think that is perhaps the one shared basis of philosophical agreement between socialists and Progressive Conservatives, our overriding concern for the community.

That, of course, goes back to where we both come from, from the 19th century, tracing back our philosophical origins and realizing the overriding concern for the well-being of the community in ensuring that there are no groups, be they women, be they youth, be they visible minorities or any other groups, that are being excluded on the basis of prejudice or discrimination. There is then clearly a role for the Government to step in, as we are doing now in this legislation, just as political Parties have stepped in in terms of those constitutional amendments or provisions that the Hon. Member so properly referred to in this context.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over. Resuming debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise to debate Bill C-62 with a deep sense of disappointment which has been expressed by various groups and many Canadians when they have contemplated this Bill. The Bill is described as an Act respecting employment equity. In Clause 2 of this quite short Bill, the purpose of the Act is stated as follows:

● (1620)

The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

This Bill is part of an historic evolution of the employment practices of this country which calls for the action of Government. The Bill points us to developments which have taken place over the preceding years in opening up employment possibilities for women, and the federal Government has played its part in that, in creating federal and provincial programs to sensitize employers to the potential that exists in persons with disabilities, in creating programs which are designed to open employment possibilities for aboriginal peoples and in opening up employment opportunities for persons who are members of visible minority groups. I am particularly concerned with the last area to which I referred as I am the NDP critic for multiculturalism.

In the case of visible minorities in which I am particularly involved, the last Parliament saw significant developments in the form of a special committee which dealt with the participation of visible minority groups in Canadian society and also saw the Government of the day appoint a commissioner to consider the question of employment possibilities for members of that group as well as for members of the other three groups with which the Act deals. One could take time to explore the ways in which Canadian society has been sensitized somewhat to the problems of members of each of these four groups. Governments have come to recognize that it is necessary to develop legislation to ensure that progress can be made.

It seems to me that the present Conservative Government has now an historic opportunity to ensure that there will be real action taken to achieve equity in employment. I submit that Bill C-62 is a deeply disappointing piece of legislation in its approach to that goal. At best, one would have to say that the Bill is a truncated piece of legislation. At best, it is the first part of what the Government should have put before us.

The Bill could be defended if it were made clear that the Government planned within months to follow through on other

actions that are required in order to ensure that there will be real progress made toward equity in employment. However, there has not been any real indication of that.

Since the Bill before us is supposedly complete in itself, we are waiting for the next Government to come in, as reporting will have to take place over several years before problems become clear, and only at that point will the next Government, in its wisdom, spend months deciding what should be done and creating the mechanisms that have been called for. Perhaps I concede too much in suggesting that several years will be required.

I would like to put before the House this afternoon the facts of the situation as they are spotlighted in Canada's largest city, namely, Toronto. Toronto is not an unusual city for these purposes. Its society reflects the nature of Canada in many ways. Employment practices which were found to exist in the City of Toronto as they relate to members of visible minority groups can surely provide us with adequate reason to think that the Government should take strong action.

I am focusing particularly on the report of the Urban Alliance on Racee Relations and the Social Planning Council of Metro Toronto which was published earlier this year under the title *No Discrimination Here?* This report indicates that a survey of personnel managers of 199 Metro Toronto organizations suggested that employers are doing very little about racial discrimination in that city. The large majority of Toronto employers have no policies to prevent discrimination or promote employment equity. They do not want such policies and claim that they are unneeded. However, the study concludes that race-related policies are indeed needed. Widespread use of informal personnel systems provides ample opportunity for exercising racial bias and unfortunately racial bias is often expressed by key decision-makers.

Some remarkable facts were elicited by the authors of this study in their consideration of how employers discriminate against non-whites in the Toronto labour force. There were in fact significant opportunities for discrimination, particularly in recruitment. There was a high degree of informality in the recruitment systems, and a correlation between the use of these informal practices by the employers and low representation of non-whites can be made.

Eighty-two per cent of the employers studied had no special policies to address race-related employment issues. Those who did have a policy, most commonly depended on a passive approach which was expressed in a statement of compliance with the Ontario Human Rights Commission guidelines. Only 3 per cent of this group of almost 200 organizations had developed systematic affirmative action plans at a time when surely the activities of Human Rights Commissions would have demonstrated the need in Canada for organized action if there is to be a real change in pattern.

Among the evidence of this unfortunate situation that the report put before the Canadian public was the fact that many employers overlooked or discounted the existence of interracial tensions in their workforces. On the one hand, there were complaints from whites in which derogatory race-based generalizations about work habits, hygiene and the like were being made. These were clearly expressions of how people felt in an aesthetic sense. On the other hand, complaints of non-whites focused on racially discriminatory employment decisions and practices ands race-based harassment in the workplace. One of the most remarkable statistics that came out of this study was the evidence that half of those non-whites who complained about these procedures ended up suffering from the fact that they had complained by being disciplined in some way or other. In such circumstances, it is obvious why employers do not want affirmative action guidelines developed.

It is clear that the reporting provision contained in this Bill will not make employers' lives very difficult. They will in fact be able to go on with the imperfections that exist, as the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) suggested a few moments ago, because they are not required to do anything beyond reporting on the situation that exists in their workplaces.

These features of the employment situation facing persons from visible minority groups in the City of Toronto would, I think, be matched across the country as well as would the features of the employment situation facing other target groups with which this legislation purports to deal and for which I would suggest it provides no effective means to ensure that progress will actually be made. I dare say it is no secret to any Member who has looked into the matter by now, and the Conservative Members will make brave speeches in support of the legislation, that various groups which have considered the legislation have found it quite inadequate. The study from which I have been drawing was sponsored by the Urban Alliance on Race Relations. The alliance has made its criticisms quite clear with respect to the equity in employment Bill. There are a number of shortcomings which the Bill fails to address.

• (1630)

First, what is missing in the legislation is a central enforcement and standard-setting agency for all four sectors, that is, Government departments, federally-chartered Crown corporations, contractors who do business with the Government and federally-regulated businesses. In fact, there is a very real possibility that the lack of any central enforcement agency will lead to various organizations or businesses falling under the sway of one or other of several different agencies. Our expectation is that the Canadian Human Rights Commission will have the primary responsibility. However, there is a possibility that other agencies, too, will become involved in this matter. As several agencies become active with various groups of employers, it is quite possible that different standards will develop. All we need is that type of additional inequity to open opportunities for lawyers to involve themselves and for judicial actions to begin which will further encumber the progress which so badly needs to be made in the country.

If there is one central failing in the Bill it is the failure to establish any central mechanism with adequate resources to the task. If there is any fundamental reason for asserting that

the Government blew it with respect to this particular Bill and that it in fact spoke brave words but refused to bite the bullet, refusing to rise to the challenge and get on with the job of moving toward equity in employment, it is in the failure to establish an agency which would have the responsibility for ensuring that real progress is made. It is not just a central and independent agency that is required. What is also called for is mandatory programs for the four sectors of employment to which I have already alluded. What is needed are mandatory programs which will ensure that progress is made by the four target groups with which we are concerned. Again, pursuant to this legislation, employers will be required to report. However, the hope that reporting, even publicly, will make any significant difference is an old-fashioned, small "l" liberal hope. I would have thought that the Conservatives, who know about human imperfection, would have seen this through and realized that they had to do much more than just ensure that information came in. Given the imperfection of humanity, what is required of employers if we are to have real employment equity is the establishment of plans, the setting of goals and the establishment of time-frames within which progress has to be made. It is by such means that this Government could have demonstrated that it was really prepared to do something about it and that it was prepared to act in areas in which it states its principles so bravely.

As far as contract compliance is concerned, which is one of the provisions by which Government can affect employment patterns in businesses which hope to sell to Government, what we need is contract compliance for all Government contractors with over 50 employees and $200,000 worth of Government contracts per year, not just undefined commitments as a condition of tendering. That is surely part of the same process of ensuring that enforceable plans are developed and that goals are set. With the figures in place, the possibility exists for the enforcement agency, which is imperative, to ensure that we are really seeing some progress made.

One of the basic principles which should underlie these new contractual arrangements is the provision that equal pay should be the basis for work or should result from work of equal value. There, too, this Bill fails in what has been one of the key concerns of all who are in support of the improvement of the economic position of women in our workforce.

Finally, as one other criticism which the Urban Alliance on Race Relations stated as far as this Bill is concerned, there is not an employment equity program requirement as a condition of all loans, grants and receipts of cost-sharing moneys. These several failings which the alliance raises with respect to a number of specific points were also expressed by the Canadian Ethnocultural Council, a national umbrella organization which is becoming more and more well known in the way in which it brings together various ethnocultural groups in the country and speaks for them nationally.

The Canadian Ethnocultural Council filed an extensive response to issues in equality rights with the subcommittee which was looking into the matter of equality rights over the summer and into the early fall. In its extensive report in commenting on Judge Abella's employment equity report specifically it said that a review of the United States experience with mandatory affirmative action confirmed the commission's view that legislated enforceable requirements are critical to the success of affirmative action programs. It also said that the commission concluded that the enforcement of employment equity requires an agency which is independent and which has a qualified staff familiar with labour relations, employment systems and human rights issues. If that is the requirement, what does this employment equity Bill do? The council suggests that the Bill is rather anaemic and that it does not provide any enforcement component in the area of contract compliance. There is little to ensure the contractor's commitment to equity programs. There is a lack of any enforcement mechanism. There is also an absence of guidelines to promote participation by visible minorities.

Those points underscore what the Urban Alliance on Race Relations said for its part as far as the shortcomings of the Bill are concerned. The fact of the matter is Governments, when they are determined, can make real progress. There can be no doubt in anyone's mind considering the Public Service of Canada that the 1969 passage of the Official Languages Act and the establishment of the Commissioner of Official Languages and a joint committee to oversee the matter led to action. Of course, there can be no doubt that the Government of the day lead by Prime Minister Trudeau was determined to see the institutions of this country become bilingual. As a member of the joint committee I am keenly aware of the shortcomings which still exist in the actual operations of Government and the existence of French as a language of work in Government. For example, in various areas of the country Canadians still find it difficult to be served in the language of their choice. All that after a decade and a half of determined action.

In these other areas legislation dealing with employment equity, pulling its punches the way this one does and failing to establish the mechanisms which are required of various sorts in order to make employment equity a result, can only leave one convinced that this Government is not really serious about the matter. It will talk about the matter but it will not take the action which is required to transform our society. It leaves all of those who watch convinced that society will not change very significantly. Certainly, if it is to change it will only be slowly. As I suggested when I spoke on *The Nation's Business* last Wednesday morning, it is that conviction held by so many Canadians that in time everything will be fine which I want to challenge. In fact, it requires the real determination of Government. This Government has not in fact followed through in a convincing way in demonstrating that it intends to do something, that it wants society to be changed in accordance with the principles of full involvement. I think we are all involved, including every Conservative Member of Parliament, in the kind of betrayal of principle by a Government which had the challenge in its hands and failed to do anything, which reflects very ill on the Minister of Employment and Immigration (Miss MacDonald). Each time the reports came out in

Toronto last winter and spring, I wrote to express my very real concern about what Government could do, but the Minister has in fact failed to follow through—and I am sorry she is not in the House to hear me say that—and that is cause for the deepest disappointment and a real sense of betrayal.

● (1640)

Mr. Taylor: Mr. Speaker, I do not believe any of us in this House of whatever Party would want to deny employment to anyone who is capable of doing the work just because he belongs to a visible minority. I believe we all want to see that every person who is impaired physically or mentally has a job. It has been shown that many of these people can do a worth-while job. I do not believe anyone would want to destroy the life of any person because of the colour of their skin when he or she is capable of doing something. However, there is more than one way to skin a cat. I was rather amazed this afternoon listening to Hon. Members of the Liberal Party and the New Democratic Party opposing this Bill because the legislation is not compulsory. The Hon. Member who just spoke talked about doing something compulsory, that we must tell the employer what he has to do and whom he has to hire. It is not the Canadian way of life for Government to run the businesses of the country. This Government was elected because the people were tired of the Liberal Government trying to run everyone's business and destroying the businesses in that way. Compulsion is not the way of Canadian life. I am happy to see the Hon. Minister bring in a Bill which is not compulsory.

There is another way to do it, the Canadian way, and that is inducement. By inducement we can provide work for those who are in wheelchairs and those who are mentally retarded. I will give you a quick example, Mr. Speaker. There is a school in my home riding of Drumheller because some splendid citizens decided that a number of people who were mentally retarded and some who were physically retarded should not be on welfare. They believed these people could be trained to do things. It would do your heart good, Mr. Speaker, to go to that school and see how these people have made toys and benches. There are some men there of 25 years or 30 years who were formerly on welfare but who are now making a living building things. They showed that they could do it. They were not compelled to do it. It was inducement. I think we can do that throughout this entire country.

Canadian employers are not arrogant. They want to employ those who are handicapped. There has to be some inducement, not compulsion. Would the Hon. Member not agree that the Progressive Conservative way of doing this by inducement is far better than the way of the New Democratic Party and the Liberal Party of doing it by compulsion?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I thank the Hon. Member for his question. I wonder how many other of the Hon. Member's colleagues would like to make similar comments because I feel that underscores everything I said about our deep disappointment and betrayed hope. The kind of conviction that the old Canadian way will do it and so on, is going to leave—

Mr. Taylor: The new Canadian way, not the old.

Mr. Epp (Thunder Bay-Nipigon): —one very large proportion of the Canadian population deeply disappointed and convinced that this Government is just making protestations and does not have the guts to follow through. Certainly, where community effort to achieve something exists, it is only to be applauded. I would wonder what kind of employment these people are able to find and what kind of wages they would earn. I trust that they would work their way into jobs which moved them above the poverty line in the Hon. Member's community of Drumheller and I hope very devoutly that occurs. However, I do not believe there is any point in subscribing to the conviction of the good sense of employers as does the Hon. Member for Bow River (Mr. Taylor). I believe the Hon. Member for Etobicoke-Lakeshore had a much better sense of where humanity is actually at, and that includes a lot of Canadian employers. There is no particular desire in their hearts to have members of visible minority groups in their workforce. In fact, if those persons were in the workforce complaining about discrimination against them in some aspect or other, including promotions, I dare say, the best thing to do is to keep them out of there. In those various cases, to think that voluntary action will solve the problem is naive, or worse.

In terms of the general sense of being able to get somewhere by depending on voluntary action, I did not suggest that the Government should tell employers who to hire. I never suggested anything of the sort in terms of any particular individuals. I do think, as the new Democratic Government in Manitoba has also concluded, that the employment by the Government, and presumably by large employers, should reflect the composition of its workforce. With respect to persons in these four target groups, who probably, in terms of their actual ability to do work, are similar enough to the mainstream white and male population, we can only gain by ensuring that all of those persons are employed. That surely is the basic economic rationale for achieving this social justice policy of employment equity.

The Manitoba Government has carried through something else which is not in this Bill and that is to negotiate arrangements with the provincial Government employees union under which, over a period of time—and it is quite a long period of time, I concede—the employment composition of the Manitoba provincial Government will come to reflect the labour force composition of the province. Therefore, women, aboriginal people, the disabled and visible minority groups will in fact find employment in the Manitoba Government in proportionate numbers to what they exist in the workforce. That kind of provision which was negotiated with the union representing the present employees of the Government of Manitoba—or under the legislation, whatever organization we are dealing with from Government Department to business seeking Government contracts—would ensure that the ability which exists in our society in each of the target areas would in fact find full

employment in the Government and an opportunity to exercise there the talents which God gave them. That has to be done, I suggest, by requiring enforceable programs be undertaken by employers and that will ensure they move in that direction.

Mr. Taylor: Mr. Speaker, the Hon. Member mentions what might happen in Manitoba. We will see what the people think about that shortly. However, I can tell the Hon. Member that in Alberta, inducement was used and provided work for not only women, aboriginal people, handicapped and mentally retarded people from Alberta, but from several provinces. Under the Progressive Conservative Government we are using the policy of inducement. The only thing which destroyed it was the National Energy Program brought in by the Liberals, part of which was supported by the New Democratic Party. If I have to tell an employer who invests his money in his now business who he has to hire, I will move to Moscow. We expect compulsion there.

The Acting Speaker (Mr. Charest): I am sorry, the period for questions and comments is now over, enlightening as it may be.

Mr. Alan Redway (York East): Mr. Speaker, I welcome the opportunity to speak in connection with Bill C-62, which is an Act respecting employment equity. Unlike the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), I am not disappointed in the least with Bill C-62. In fact, I am very pleased with Bill C-62. Bearing that in mind, and since the Hon. Member seemed to indicate his disappointment when he read Clause 2, the purpose of the Bill, I would just read it myself because I think there is a great deal we can take pleasure from in that clause. It states that:

● (1650)

The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

This Bill impacts on four very particular groups: women, aboriginal peoples, persons with disabilities, and persons who, because of race or colour, are part of a visible minority group. When we reflect on that, it is obvious indeed that this Bill will affect the vast majority of people in this country. In fact, it will affect every family in this country. I fail to see how the Hon. Member can be disappointed by a Bill which is going to have such wide implications for in effect virtually every family of every Member of this House. Certainly this Bill will affect my own family. I very much wish that it had been in place some years ago because it would have had a very beneficial effect on one member of my family in particular. I refer to a first cousin of my father's by the name of Ted. Unfortunately, Ted suffered disabilities at birth which affected and impaired his speech and movements throughout his entire life. However, after Ted left school, and with the assistance of a family friend who happened to be the Chairman of the City of Toronto Board of Education, he got a job as a custodian in a Toronto school. He worked all of his working days until he retired. In that way he was able to support and look after himself. He was able to make a useful and beneficial contribution not only to himself but to society. It is quite clear that he was able to benefit from having that job, and benefit not only himself but his family and the whole of society. If he had not been fortunate enough to have had some assistance in getting that job, undoubtedly he would have been on social assistance during his lifetime and the taxpayers of this country would have had to have helped support him.

This Bill will make sure that sort of situation will not happen in the future. In the past people like my cousin Ted had to rely on some sort of helping hand, perhaps with political assistance of political friends. That sort of thing is not acceptable today, but if we do not have something to take its place we are going to be in great trouble in this country. Fortunately, what has come along for people like my cousin, people like visible minorities, native people and women, is this Bill on employment equity. How is this Bill going to benefit people like my cousin and others in the position referred to in this Bill? The Bill points out in Clause 4 that employers who are governed by the Canada Labour Relations Code are going to have to identify and eliminate all employment practices which present barriers to the employment of people in those four categories. Not only that, they are going to have to institute positive policies and practices to make sure that we eliminate these barriers. The specific policies, goals and time limits are not spelled out in the Bill in black and white. However, Clause 10 does provide for the Minister to issue guidelines to direct employers pertaining to any of these matters. That is, to set out goals, targets and time limits with respect to hiring, promotion, training and pay practices. All of these things can be covered by the guidelines the Minister will be setting out under Clause 3.

These guidelines will no doubt change from time to time. I have heard criticism in this House today and on other occasions from Members of the Opposition who have indicated that we should have in black and white in this Bill those specific guidelines. They should be set out once and for all, for all time, unchangeable and unchanging. However, all of us know that these things to change from time to time. There is no question that if we looked at employment practices at the turn of this century, they would be different from employment practices in the 1930s. Employment practices in the 1930s would be different from those in the 1950s. Employment practices in the 1950s are different from those today. Therefore, there has to be some flexibility in the Bill and some room to make adjustments which will keep the law current. We have to make sure it applies to present day conditions, which conditions are always changing. We have seen, for example, that a lot of civil rights legislation in other countries has not worked because conditions constantly change. If we sat back and did not make any changes we would have problems and we would be justifiably criticized by the Opposition. On the other hand, if we set

out in the Act the specifics of these goals, targets and time limits, we would find it necessary to make changes through legislation. You know as well as I do, Mr. Speaker, how difficult it is to make changes in any legislation once it is enacted by this House.

The second aspect of the Bill, then, is the requirement under Clause 5 for employers to prepare and file reports with the Minister. Those reports will outline, of course, what they had been doing in order to eliminate the barriers of discrimination in employment and what new targets and goals they have set forth, as well as time limits within which they accomplish those targets and goals. Clause 5 sets a date of on or before June 1, 1988, for the first of these reports to be filed. We have heard a lot of criticism from our hon. friends in the Opposition about the fact the date was not set sooner than that. The whole process of setting a target date for commencing the filing of reports is to ensure that we give employers a reasonable opportunity to comply and put their plans and policies in place and then to make sure that they are complying with them. From listening to Opposition members talk, one gets the impression that perhaps they are more interested in prosecuting employers and making sure they are hauled before the courts, made an example of, fined, or perhaps even sent to jail. One gets the impression that they are not really interested in seeing the goal of employment equity achieved. That, of course, is really what the Bill is trying to achieve. It is not trying to punish people. It is trying to ensure that Canadian society moves along and that we do attain employment equity. The date and the goals which are set out in the Bill make a lot of sense to most Canadians, if not to the Opposition.

● (1700)

If the reports referred to in the Bill are not filed in the appropriate manner and at the appropriate time, it is an offence under Clause 6 of the Bill which says:

> An employer who fails to comply with section 5 is guilty of an offence and liable on summary conviction to a fine not exceeding fifty thousand dollars.

There is that portion of enforcement quite clearly in the Bill which sets out that any employer who fails to report is going to be subject to conviction and to a fine. What is going to happen to the reports themselves seems to be the source of a good deal of criticism by my hon. friends in the Opposition. They have indicated that there is no enforcement mechanism in the Bill whatsoever, that these reports will be filed and that will be the end of it. Of course, Mr. Speaker, that is not the case. The Human Rights Commission of Canada is set up to deal with this type of situation. The Human Rights Commission has the ability and authority to either institute proceedings on its own under Section 32.3 of the Human Rights Commission legislation, or to instigate the proceedings on a complaint by any individual who feels that he or she may be aggrieved and that there may be a breach of the intention of this employment equity Bill.

That was the great problem in the past. The average or ordinary citizen has had the ability to lay a complaint and the Commission has had the ability to proceed on its own, but there has not been evidence available on which to prosecute these complaints and proceed with them. Now, through Bill C-62, there will be this information in the form of reports that will be filed by the Minister and will be available to individuals and employers in order to proceed in laying the complaints and getting results because the evidence will be forthcoming.

The whole employment equity Bill applies to a certain segment of jobs in Canada. It applies, in effect, to all of those jobs that are subject to the Canada Labour Code other than those jobs which are included in the federal civil service and federal Crown corporations. In fact, the total number of jobs to which the Canada Labour Code applies is approximately 1 million. About 500,000, of the jobs will be covered by this Act. Of the other 500,000, 250,000 of the jobs are in the federal civil service itself. There are already, as you know, Mr. Speaker, guidelines, targets and time limits in place for employment equity in the federal civil service. I hope that is taking place. We trust that it is coming to pass. However, if it is not, once again the Human Rights Commission has the right to proceed. Under Section 32.3 of the Act it has the power to initiate complaints.

The same is true of the remaining 250,000 jobs which are in federal Crown corporations. There, too, the Government is issuing guidelines, setting targets and setting time limits. Once again failure to follow through on those goals and objectives will be subject to complaints being laid in front of the Human Rights Commission, either by individuals or on the initiative of the Human Rights Commission itself. Therefore, all of the 1 million jobs that are covered by the Canada Labour Code are going to be subject to this employment equity legislation or to very similar guidelines imposed by the Government itself. There is a mandatory enforcement agency in place which will ensure that employment equity, as outlined in this Bill and in those Government rules and regulations is going to be enforced.

That leaves us with the other group of jobs that is not governed by the Canada Labour Code, those that fall under provincial jurisdiction and are governed by provincial labour codes. With regard to those we have to look to the provinces to implement similar legislation to attain employment equity. There is one other area in which the federal Government can and is getting involved, and that is with employers who have 200 employees or more and have contracts with the federal Government for $200,000 or more. Those employers are also going to be subject to the same guidelines, enforcement provisions and mandatory provisions that are in this Act.

All in all, Mr. Speaker, I am very pleased with this Bill and with the companion approaches that the Government is taking to ensure that there will be employment equity in this country. If I am disappointed at all, it is that the Opposition is not whole-heartedly embracing this Bill and passing it as quickly as possible. I am sure that after hearing the points raised by Government speakers this afternoon we will find that at the end of the debate today all Opposition members will join with us in passing second reading of this Bill right away.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, when the time comes to vote on Bill C-62 which we are

debating here today, I think it will present a problem for many Members of this House to decide what to do. The purpose of this Bill as indicated in the preamble is very high sounding and the kind of thing that we would all applaud. It says:

The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability—

In other words, aside from the important question of merit, no one should be denied the opportunity to equal access to a position or a job. Another valuable goal of this legislation is to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada. It continues on in the same vein as to its purpose.

● (1710)

I believe that all of us would find great value in the purpose of Bill C-62. Some may say that even though the Bill is not perfect in all its detail, it should be supported because it has some genuine impact on the community. However, the problem arises when one seeks the opinion of those most affected by discrimination. They are most able to know through experience whether such a measure will protect them. That is why I believe we should be hesitant in acting on this legislation. There are those who believe that even though this Bill is inconsequential, it is a slight contribution to our attempt to bring about social justice and, therefore, should be supported. However, there are many organizations interested in employment equity which are denouncing this Bill and saying that it is worse than nothing. Those groups are suggesting that this legislation is so flimsy in its content and ability to achieve moral and legal justice for organizations related to women, the handicapped, native people and visible minorities, that it should be rejected. Such an argument puts a Member of Parliament in a very difficult bind.

It would be unfair and unjust to assume that Members from one side of the House are champions of human rights, equality and social justice. I know that there are individuals from the Conservative benches who have just as much desire to see human rights, justice and equality in the workplace as Members in the opposition. I want to emphasize that it is not acceptable, at this critical moment in our history, to devise a measure that is totally inadequate and only gives lip service to equality. This is not the time to take such action. I hope that Members of the Government as well as the opposition are courageous enough to re-examine this legislation in light of the criticisms made by the visible minority groups, the handicapped groups, native people and women's organization who want to defend their equality rights. We must listen to their concerns.

Those of us who care about human rights have witnessed the long struggle of mankind from the primeval ooze of barbarism and despotism evolve into the faith and democracy in which we live. We are very proud of this country and have seen it evolve over the years through the establishment of commissions to protect the rights of individuals.

Previous Governments have established a sense of equality not only in terms of language but for all cultures so that they may share equally in this land. Governments have passed legislation that effectively deals with human rights, language equality and the role to be played by multicultural groups. After the struggle to bring the Constitution from England we saw the battle that took place in Parliament to establish a Charter of Rights and Freedoms in that Constitution which would guarantee in law the right of equality before the courts.

The constant struggle upward has been based on the fact that Parliament has had the courage to pass strong laws, regulations and rules that set out the values in our society which must be met. These laws came about as a result of Governments appointing commissions such as the Abella Commission and the Committee on the Disabled. That committee produced the *Obstacles* Report. That report made recommendations on how the handicapped might overcome the obstacles which were placed before them and left standing by society over the centuries. It was made clear that those obstacles must be eliminated because the time has come to ensure that all people who live in this country will be treated equally by their Governments and society. Those who are unfortunate enough to be handicapped—as could happen to anyone at any time—should continue to enjoy equal opportunity. A committee of the House of Commons was established to study how we would ensure that those who are handicapped and those who do not have these rights would indeed have equality of opportunity and access as well as human rights.

The Abella Commission was established to study the matter of equality in the workplace. It heard from handicapped groups and other organizations about equality in the workplace. It heard from companies and Governments throughout the country about how these people were being treated and if they had equal access. That committee also made its report.

It is the fact that these committees made clear and concise recommendations that we can question whether the Government has read those reports and really responded to them, or is this merely lip service in order to find a compromise with various groups? Is the Government dealing with this issue and acting to bring about fairness in the workplace or is it simply introducing this legislation to get it off the political agenda and show that the Government has taken action? I am sure that that is not good enough for the Canadian people and it is certainly not good enough for the people in those four groups we have mentioned.

Women constitute over half of the population of this country. It is not as if we are talking about a small insignificant group which will eventually require attention. Every group is signficant to us in Canada, but certainly when you get a group representing 51 per cent or 52 per cent, it is pretty significant. When you add to the numbers of people involved in that group called women, the native peoples, and you add to that the handicapped and the disabled, then you have a fairly large number of people about whom we are talking. They deserve very serious attention by this Government.

● (1720)

We have worked our way through difficulties throughout these decades. At last we have a report. The Abella Report made it clear what it expected was the *sine qua non* of an effective policy on this subject. The *sine qua non*, according to that report, was some kind of teeth, something other than reporting, something other than depending upon public opinion. There has to be in the final analysis a crunch, a bite, a law, a rule, something you can understand and not something that was another step of side-stepping the issue.

It is sad to see the broken promises of the Prime Minister (Mr. Mulroney) which are like a broken record. In fact they are a broken record. Once again these broken promises will impact on those less advantaged in our society. They are the ones who will have to wait for social justice.

I was disappointed to hear one member of the Government praise his Government for bringing about such wonderful steps toward social justice since coming into power. The prime basic tool of this Government to deal with society is a budget but the budget gives to the rich and takes from the poor. That cannot be social justice. Here we see that what is important to this Government is rushing to the rescue of banks and large oil companies. It is not rushing to the rescue with meaningful legislation to those who need it most, those who need jobs, those who want to work who are disabled or who want to have equality of salary. It is not fair to the women who were promised by this Prime Minister in the election campaign that they would get equal pay for work of equal value. The Prime Minister also promised that private companies wanting to do business with the Government would have to produce affirmative action plans before they would be awarded contracts.

What happened to those promises made during the election campaign, Mr. Speaker? What have we got? We read in Bill C-62 that after all this labour, effort, groaning and travail that companies need only declare themselves equal opportunity employers to be among those who are eligible for contracts. They make out their own report card. They are for quite some time the judge and the jury of their own abilities. Companies with more than 100 employees who deal with the Government need only sign a document saying they agree to implement some kind of employment equity plan, and there is no definition of what that plan must be in this Bill, at least as I read it. It could be almost anything. This is incredible. In the light of the Abella Commission, it is a joke. I am not laughing, Mr. Speaker, because the Prime Minister is refusing to guarantee that the handicapped, for example, will have better jobs now through a better employment and equity program. If companies can write out their own tickets, and there is no criteria, it seems there is nothing on which to rely for a long time to come. What is more, these reports do not have to be effective until 1988. It does not guarantee to women equal pay for work of equal value.

On March 3, 1984 the Prime Minister in a speech said:

> We will ask these firms to show us as part of their tendering responsibilities—

Let me emphasize what he said "to show us"—

> —how many women will be hired to fill those contracts. There is nothing alien about that. It is just good sense.

Where is the good sense now, Mr. Speaker? If there is nothing alien about it, why is the Prime Minister alienating those organizations which represent the natives, the handicapped and the women? These organizations are speaking up. If we in the Opposition have to be left to raise our voices on their behalf because the backbenchers in the Tory Party will not do it, then so be it. Let them at least open their eyes and ears to see and hear what these organizations are saying.

Why has the Prime Minister not produced what he promised? The Prime Minister even repeated his promise in Conservative policy papers in the 1984 election campaign during a TV debate, which some of us may remember. He said that private companies doing business with Ottawa will be required to adopt the principle of equal pay for work of equal value. Where is that in this Bill? Where is there equality in the workplace? What an empty thing in a Bill respecting employment equity. Something as fundamental as that promise does not appear.

Under which Minister of the Tory Government does this happen? The Minister of Employment and Immigration (Miss MacDonald), who was always a staunch and vocal supporter of rights for women, natives and minorities while in Opposition. Where is her strong voice in this situation now, Mr. Speaker? I am sure she can rationalize and feel that she has done her best. I am sure she has done her best in view of some of the comments we have heard in the debates from some of her colleagues. She probably had some stiff opposition. At the same time, that does not solve the problem for the people who belong to these groups. Instead of submitting action plans as the Prime Minister and the Minister of Employment and Immigration promised, companies we are told will be:

> —spot checked to determine if these companies are at least beginning to take such basic steps as making up an inventory of their workforce.

Marnie Clarke, Director General of the Employment and Equity Branch of the Department of Employment and Immigration said that. That is bold action, Mr. Speaker. There are going to be spot checks to see if the companies are making up an inventory of their workforce. What a courageous move. Only after three years will more thorough checks be undertaken. After three years, Mr. Speaker, and what does "more thorough checks" really mean? What kind of assurance does this give women, the natives or handicapped? The answer to that is none, Mr. Speaker because this law is not specific. That is why people like Marnie Clarke can talk the way they do. She is not required to lay down any real rules and regulations that will be clear guidelines of what is expected. She says:

> We would never stop a contract midway. That would only put people out of work.

That sounds like the approach to South Africa. We do not want to put the blacks out of work in South Africa so, therefore, we will not impose any sanctions. We have heard that argument before. We really will not take any steps against these companies because we do not want to stop them midway

through a contract. My goodness, no. That might mean people being thrown out of work. What an amazing way to approach this subject.

I would like to point out one other major concern in this Bill. We are told that the legislation will apply only to companies with more than 100 employees. This winds up including about 100 of 25,000 to 30,000 companies doing business with this Government. That is a very small number of organizations to which this law will apply. It is a lot of noise about nothing.

• (1730)

Mr. Redway: I was most interested in the Hon. Member's comments, particularly about the crticism levelled against this Bill by a number of groups representing women, visible minorities, disabled and native people. I have heard those criticisms as well but I also know a good many people who fall into those categories; people who are members of some of those organizations. In speaking with them about this subject they said to me "Look, the Liberal Party was in Government for years and years and we did not see anything like this come about, but in less than 12 months with the Progressive Conservative Government we have seen some really significant action and we are very pleased with that significant action and we feel that in fairness we should be giving this legislation a chance to see how it works. We as members of visible minorities, women's groups, native people and disabled are prepared to give this legislation a chance because we think it is good legislation and we know that the Liberal Party and the Liberal Government that was in power for some 20 years did not do anything of this sort".

I would like to ask the Hon. Member why the Government that he supported and that was in power for some 20 years did not do anything and left it to the current Government to act, just a few months after the Abella Report was tabled? It was tabled in March and the response came in June with the first reading of this Bill. Why, when this Government acted so quickly on the matter of employment equity, was it that his Government did not act in 20 years?

Mr. de Corneille: I thank the Hon. Member for his, I think, sincere question. First of all, when he asks about the record of the past Governments, of which I was proud to be a part, I have recited already in my speech a litany of steps that have been taking place throughout decades to move toward human rights and the Charter of Rights and Freedoms. If he had been in the last House he would have realized how hard we had to fight against the dinosaurs of his Party who were trying to obstruct the Charter of Rights and Freedoms from becoming part of the Constitution.

I would suggest to the Hon. Member that if he sticks around until a little later the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) will be making some comments that will, I think, add to that litany and reply to his question in further detail.

What I would like to come back to in the time allotted to me is a point that the Hon. Member brought up relating to how it is that some people who are members of some of these groups that are disadvantaged nonetheless seem to favour this legislation. As I said at the outset of my remarks, many of us are torn as to what to do in terms of voting because, as I said, on the one hand the preamble, the setting out of the purpose, sets forth a very noble purpose. One finds it very heart-rending not to then lend one's support. On the other hand, those organizations that look at this Bill, not the individual members of the group, but those whose business it is in those organizations because they were elected to represent these people, and have studied this, say "This is no good; this is worse than nothing because actually it is toothless and it will give the impression that something is being done when really nothing has been done yet". They are disappointed. I would challenge my hon. friend to please, please seriously look at this and see whether in some way this can be strengthened through amendments, whether this can be looked at in his caucus and explored further in order to give some kind of content to it because these constituent organizations, who are his constituents as well as mine, are saying it is not good enough. They are saying please don't vote for it although they too feel the ultimate purpose is just and desirable.

Mr. Orlikow: I would like to address two short questions to the Hon. Member. First of all, it was suggested by the Conservative Member a few moments ago that he has heard from women, handicapped, native people and people who are part of the visible minorities in this country that they like this legislation. I wonder if the Hon. Member would confirm my understanding that the representations made on behalf of all these organizations representing the women's groups, the natives, the handicapped and the visible minorities all make it very clear that they believe that without mandatory provisions, without targets, that this will not work.

The second question I want to ask the Hon. Member is this. Is it not true that under the former Government there were statements of principle endorsing affirmative action and certain specific Departments targetted but in fact very little was accomplished? The number from these disadvantaged groups who actually found employment was very small because again the Departments were not given a target of specific numbers which they should aim to achieve each year.

Mr. de Corneille: I thank the Hon. Member for his questions. Certainly I can confirm that all of the major groups which I know relating to women, minority groups and the handicapped and native peoples have in fact condemned this as being inadequate and in most cases hope that we will not pass this because it is just a symbolic gesture and in fact will make some people think that something has been done.

Hon. Members may have seen some of the reports that review all of the organizations that have indicated their displeasure with this, and this has appeared in the media. I urge all Members in this House to look at these reports and at the promises made by the Government before it was elected to see what it said it would do and to see if it could improve on this Bill to include those qualifications which these organizations

feel are a minimum essential in order to reach a level where they could say that we should support it.

In reference to the second part of the question as to whether the last Government failed to adequately deal with the question of equality, as a member in that organization I want to say that, number one, we were engaged in the very long war of attrition to try to bring about a Charter of Rights and Freedoms. To say that it set back our legislative program a year is putting it mildly. Yet I have to confess that despite the fact that that left us in a very difficult hole in terms of getting through other important legislation which was very urgent, it was not enough reason for me to say that I was satisfied that we did all we should have done. I think if we as Members were prepared as Hon. Members from time to time to admit that we could do better or that we could have done better, it would be better for this House and especially for the people of Canada.

Mr. Taylor: Mr. Speaker, the Hon. Member for Eglington-Lawrence (Mr. de Corneille) said he liked legislation with teeth. I believe him. His Party certainly brought in legislation with teeth. For example, the national energy policy. It had teeth. It destroyed, masticated an entire industry in Alberta. It threw hundreds of women, native people, handicapped people and people from other countries out of work. It destroyed the hopes of a province. It was designed to destroy a province. Yes, I can believe that the Hon. Member wants legislation with teeth.

● (1740)

With the Hon. Member's record and the record of his Government which he supported when it brought in the national energy policy, I marvel that he now talks about equality. I wish he had talked about equality before he destroyed an industry in Canada.

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is a pleasure for me to speak in this debate today in support of Bill C-62. I believe this is a Bill that is progressive in nature and I am very pleased to be part of a Government that has brought forth this progressive legislation.

Employment equity in this country is long overdue. With more and more women and minorities entering the labour force the need for equal employment opportunity has increased rapidly. In the next decade, as many as 70 per cent of all new workers in Canada will be women, native people and people with physical handicaps.

As the birth rate and the number of immigrant workers declines, employers will have to turn to women and other minorities. Canadian businesses simply cannot afford to ignore such a vast pool of talent and ability. As a vice president of a large corporation said, in the decades ahead, any organization that ignores or underestimates the potential of women or overlooks any source of talent for that matter will be making a fatal mistake. No truer words have ever been spoken.

By eliminating barriers to equal opportunity in policy, training programs, pay scales and company practices, employees will be better motivated and more productive. Employment equity will increase productivity, reduce the high job turnover that now exists and eliminate dead-end jobs.

The Bill that is before Parliament today represents a practical and reasonable approach to employment equity. Its purpose is to encourage equality in employment by eliminating barriers to hiring, promotion, salaries and many other areas. All federally regulated companies with over 100 employees and any private firm that tenders on Government contracts worth over $200,000 will be subject to the measures contained in this Bill. Under this criteria, Bill C-62 affects not only all Crown corporations and federal agencies but 500 private government suppliers as well.

Employers will be required to identify and remove barriers to equal employment opportunity. Annual reports providing a detailed breakdown of the labour force by designated groups will also be required. These reports will give a listing of occupations within the employer's business showing where designated group members are represented. They will also show salary ranges, hirings, promotions and terminations of designated group members relative to the employer's total number of employees. Employers who fail to report will be subject to a fine.

We on this side of the House believe that this is the kind of workable approach to employment equity that Canadians want. Forcing companies to maintain quotas or subscribe to unmanageable guidelines in order to comply with Government regulations is not the way to promote employment equity. Instead, the Government must create a positive, constructive atmosphere to change. This cannot be done by enforcing quotas but by setting workable goals and attainable targets.

Business leaders must be awakened to the potential of all participants in the labour force. They need to see that by denying one segment of a society a role in their companies, they are damaging their own economic interests and the economic interests of Canada as a whole. Changes in attitude will take place but they will take place slowly.

In the past decade, many progressive steps have been taken. Let me cite a few. Since 1969, at least as many women as men have entered management positions in the Government. There are four times as many women attending professional schools now than there were in 1971.

A recent survey conducted by the Harvard Business Review found that attitudes toward and about women in businesses have changed dramatically in the past 20 years. In 1965, for example, one-half of the man and women surveyed agreed that women rarely expected or wanted positions of authority. Today, fewer than 10 per cent believe this to be true. In 1961, 61 per cent of the men surveyed believed that the business community would never wholly accept women. Today, that figure stands at 20 per cent. Perhaps the most notable quote that came from this survey came from a woman who said, "The biggest factor in the acceptance of women executives is the simple passage of time and the passing of the old boys in the good old boys network".

Members opposite do not believe that voluntary or non-quota employment equity legislation can work. Let me provide the House with an example of an outstanding affirmative action program for women. A company located in my riding of Scarborough Centre has had an affirmative action program in place for 10 years. In 1975, 10 years ago, Warner-Lambert, a large pharmaceutical and confectionery company in Scarborough employing nearly 2,000 people, initiated a formal affirmative action program for women with the following central objective:

> To assess the current status of women at Warner-Lambert . . . to recommend the most effective ways to remedy any existing negatives found in our policies, practices and attitudes, respecting employment or promotion opportunities for female employees.

This is a program that was set up 10 years ago without legislation. The company established a volunteer committee. The only criteria for joining this committee was an interest and a willingness to serve. The committee examined seven key issues: job access, compensation, employee benefits, the company policy manual, maternity leave, day care and communications. The success of this program has been remarkable. Female representation in management positions has increased by 202 per cent. Women now represent 34 per cent of the company's supervisory management group compared to 18 per cent in 1975. Application forms were redrawn to remove old biases. Annual studies are now done to guarantee fairness of compensation levels. Specific benefit plan clauses which were discriminatory have been removed. The company policy was rewritten and a counselling service for employees who are mothers-to-be was established. Female turnover in this company has been reduced by 20 per cent and recruitment and orientation costs are lower because more vacancies are filled from within.

● (1750)

Warner-Lambert represents a successful, voluntary approach to employment equity. Its program for women was not established as a response to pressure from special interest groups or government regulation but from a sincere desire to better the conditions of its workers and to obtain the maximum input possible from all its employees. This is the type of positive, constructive approach this Government wants to initiate in the private sector. I am proud that this particular company which I have cited is in the riding of Scarborough Centre.

Employment equity will come to Canada. However, it will come not from quotas or restrictive legislation; it will come from the type of enlightened programs such as those at Warner-Lambert and the progressive legislation of the Minister of Employment and Immigration (Miss MacDonald).

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Charest): Are there questions or comments? The Hon. Member for Winnipeg North (Mr. Orlikow).

Employment Equity

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. I think we all join in praising and congratulating any company which voluntarily implements a policy to increase the number of people employed and the responsibility of the positions which they hold from groups which have traditionally not been able to obtain those types of jobs. I wish to ask the Hon. Member whether or not she is aware of the fact that studies conducted by Government and organizations such as the organization respecting the status of women have clearly indicated that despite everything being done the percentage of women who hold executive positions is still very small. Is she aware that even for those who hold executive positions the income they earn is substantially lower by thousands of dollars than that earned by men holding similar positions?

Mrs. Browes: Mr. Speaker, I am pleased to respond to the Hon. Member's question. As the Vice-Chairman of the Equality Rights Committee, which will be reporting to the House this week, we had the opportunity to travel across Canada to listen to groups. Of course, the National Action Committee made representation in nearly every city across the country. We heard of the need for opportunities, the need for employment equity and the need to implement the Abella Report. What I believe we have in Canada is an awareness to the point that what we need is not quotas, which I believe the Hon. Member and his Party recommend, but opportunities. We know that in order to achieve equity between men and women we need financial equity. However, in order to achieve financial equity we have to have opportunities. I am speaking of opportunities in the workplace—the opportunities for jobs. The fact that over one million people are unemployed does not help women. What we need is a buoyant economy. That is what will help women.

There are a number of other provisions which need to be put in place. I would like to refer to the need for child care and family care with respect to the question of employment equity and employment opportunities for women. As I understand it, the Minister of National Health and Welfare (Mr. Epp) will be setting up a task force shortly which will be dealing with the question of child care. The setting up of that task force, along with establishing opportunities, will provide a big boost for women in order to achieve the type of equity which is so long overdue. I have been waiting for it in Scarborough, as have women all across the country. We have been waiting for the federal Government to bring forward some type of legislation. Here we are in 1985, 10 years after Warner-Lambert started its programs, finally at a point at which we are bringing forward this type of legislation which I believe is extremely progressive. I am pleased to support it.

Mr. Orlikow: Mr. Speaker, the Hon. Member suggests the way to overcome the tremendous difficulties which various minority groups have faced in achieving employment is to have a buoyant economy. I remind the Hon. Member that from 1945 to approximately 1960 we had virtually full employment in the country. However, the target groups including women,

handicapped and the visible minorities, did not obtain jobs even though there was full employment.

It seems that the Hon. Member and so many of her colleagues on the Government side have endorsed the idea that we must not have compulsion. They believe that we must do these things through voluntary actions. I wish to remind the Hon. Member that in the 1940s and the 1950s when it became apparent across the country that certain groups were not welcome in certain jobs or in certain hotels and restaurants that the Governments, federal and provincial, brought in legislation with respect to fair employment and fair accommodation practices. In this respect I give credit to the Ontario Conservative Government of the day which brought in the first legislation with respect to fair employment and fair accommodation practices. The Conservative Government of Ontario brought in that legislation because it realized that appealing to the goodwill of those who were discriminating would not work. I ask the Hon. Member why she is now adopting an approach which the Conservative Government of many years ago found did not work. Why is she rejecting that experience and the policies of the Conservative Government of Ontario which it adopted with respect to the concept of voluntary action bringing about real change?

Mrs. Browes: Mr. Speaker, it is curious that the Hon. Member would compare 1985 to 1945.

Mr. Orlikow: It is not much different!

Mrs. Browes: It is a completely different situation today. As we will recall, veterans came home from the war in 1945 when there was a completely different type of mentality. Women were so pleased to have the men home that they were willing to give up jobs. The same holds true with respect to the conclusion of the First World War. We obtained the vote in 1917. What happened after that? The war was over and women went back to looking after their children, their homes and so on. It was the same type of situation in 1945. However, in 1985, we find ourselves in a different situation. Since the Royal Commission on the Status of Women in 1971, there has been a real awakening within the country that employment equity is here to stay.

Since the Hon. Member brought up the hotel business, I would like to tell him what the Personnel Director of the Westin Bayshore Hotel in Vancouver who employs 500 people said:

> Affirmative action is not the monster we thought it was going to be . . . Once set up, the program doesn't take much time to operate—

I think voluntary employment equity is exactly what we need. It is a progressive move.

[*Translation*]

The Acting Speaker (Mr. Charest): It being 6 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, October 24, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, the Bill before us today amends the Excise Tax Act and the Excise Act. It seeks to raise substantial new revenues from the commodity tax system. While no Government likes to raise taxes, this Bill clearly reflects the Government's determination to achieve the economic renewal goals of the May 1985 Budget. These measures emphasize the Government's continued commitment to fairness in its approach to policies, programs and people as outlined in the May Budget. These measures, for instance, reflect a number of objectives in the Budget which address the need for greater fairness in our tax system.

Before I address the substance of the Bill, I want to point out to Hon. Members that the principles of this Government's Budget can be seen as the right prescription for the times. For example, witness recent economic indicators, as well as forecasts published by both the Economic Council of Canada and the Royal Bank of Canada.

Since September, 1984—in one year—we have seen the Government's policies restore economic confidence in the country. This Government's policies will see that Canada does indeed become a land of prosperity. We are beginning to see what the dismantling of the National Energy Program can do to our energy sector. Already, exploration activity is beginning to increase and the prospects of long-term domestic supply of energy reserves are improving. Also, the Government's shift in job training strategy from makeshift and make-work projects toward long-term career-oriented skills training will bolster our economy by employing productively more and more Canadians.

This Government's forward-looking policies have already created 305,000 jobs. We look to the expansion of the economy to further reduce unemployment. Today's unemployment level of 10.1 per cent is the lowest it has been in three years—not low enough for this Government. We shall continue to promote policies which create meaningful work for Canadians.

We have seen about 155,000 new housing starts this past year as well. This bodes well for the construction industry. In the past year, interest rates on mortgages have continued to drop. We have seen the interest rate on one-year mortgages fall 2.75 percentage points to 10 per cent; and we have seen the reintroduction of the five-year mortgage. This is, indeed, good news, not just to those engaged in the construction sector but to Canadians everywhere who want to own their own home.

Early this week the Royal Bank of Canada confirmed that economic growth in this country is proceeding at a steady pace, that inflation and interest rates will continue to decline and unemployment will be at its lowest level in years. The Royal Bank says that the Canadian economy is looking better because Canadian businesses are spending more money, producting more goods and employing more people.

Along with certain tax increases in our May Budget, this Budget also introduced a capital gains tax exemption. It is this capital gains tax exemption which is encouraging investment by small and medium-sized business. It is this Government's initiative which is helping to restore optimism, confidence and prosperity in this great country of ours.

I would now like to turn to some of the tax measures we introduced in the May Budget in order to bring the deficit under control and to manage Government more effectively to achieve and sustain the benefits of economic growth which we are just beginning to enjoy. Our policies, to wrestle the deficit and manage the Government better, are part of a comprehensive set of actions designed to deal with a wide range of economic and fiscal needs.

• (1110)

[*Translation*]

We must manage to control the deficit and administer Government operations more efficiently, if we are to reap the benefits of economic renewal and consolidate those benefits.

We must achieve these goals through a series of comprehensive measures aimed at responding to a broad range of economic and financial needs.

[*English*]

The Bill should, therefore, be viewed in the context of all of the changes and proposals which were announced by the Minister of Finance (Mr. Wilson) in May. As a fiscal initiative, this Bill concentrates heavily on the control of the national debt through a number of revenue-raising measures and reductions in tax expenditures. To achieve more effective

Government management, this Bill implements many of the recommendations of the ministerial task force on program review.

To improve tax fairness, the Bill introduces a comprehensive system of assessments, objections and appeals. It provides protection for taxpayers from collection action with respect to amounts in dispute until the issue has been settled by the courts. The decision to increase taxes was taken after much soul-searching and in light of the very serious economic situation in which we find ourselves as a nation.

The national debt, as we have said many times, is unacceptably large and growing at a dramatic rate. The magnitude of the deficit and debt problem poses serious risks to our ability to achieve economic renewal and sustained economic growth. It is only by tough measures to take control of the deficit that the Government of Canada can avoid a financial and economic morass. Uncontrolled increases in the deficit and the debt would not only frustrate efforts to foster further economic growth but would also jeopardize many existing Government programs which provide services to the public.

Inaction, in light of these facts, would be an abdication of responsibility. The hard decisions and dramatic changes reflected in this Bill show that this Government can and will face its responsibilities.

The deficit affects us all and it threatens us all. Deficit control measures must be shared as broadly as possible if results of the magnitude required are to be achieved. Therefore, effective January 1, 1986, all the *ad valorem* federal sales tax rates will increase by one percentage point. The federal sales tax applies to a broad range of goods purchased by all Canadians and while the impact of this change on individual purchases will be small, the increase will raise federal revenues in 1986 by an estimated $825 million.

This Bill also implements a two cents per litre excise tax which has applied since September 3, 1985, on gasoline, diesel fuel and aviation fuel. This two cent levy will generate $160 million in 1985 and some $930 million in the full year 1986.

In response to the May Budget proposals, Canadians showed that they strongly support deficit reduction and are willing to share in that effort. They are not only willing to participate but have shown their compassion in preferring broad measures to measures which raise anxieties and uncertainties within a financially vulnerable group. Thus, in response to public concern, this Bill contains the provision whereby the broad-based excise tax on gasoline, diesel fuel and aviation fuels will be increased by one cent per litre effective January 1, 1987, to help meet the continuing cost of fully indexing old age pensions. This measure will yield $450 million annually.

● (1115)

This Bill, Mr. Speaker, also rationalizes certain elements of the tax system. Prior to the May Budget, for example, the specific per unit excise levies on alcoholic beverages and tobacco products had been adjusted automatically in line with increases in the Consumer Price Index. This Government believes that increases in such excise levies in accordance with a rigid formula are not appropriate. Therefore, the automatic indexation of these levies is being eliminated. Indexation of these levies would have resulted in a 4 per cent increase effective September 1, 1985. In its place, the levies on spirits, beer, and wine are being increased by 2 per cent effective from the budget date.

[*Translation*]

The slight increase is in response to problems currently being experienced by certain parts of the alcoholic beverage industry. Subsequent increases will be submitted to Parliament from time to time, for consideration.

This Bill also makes it possible to improve the tax base by increasing excise levies on tobacco products. The increase works out to the equivalent of 1 per cent per cigarette, effective from the Budget date. The serious threat to health and the high cost to society of dealing with smoking-related illnesses are reflected in the substantial increases being proposed.

[*English*]

The over-all impact of the measures affecting alcoholic beverages and tobacco products will be to increase federal revenues by $135 million in 1985 and by $245 million in 1986. This Bill also implements a number of technical amendments. For instance, the Bill repeals the constraints on individuals who produce home-brewed beer for non-commercial use by themselves and their acquaintances. Home brewers of beer will now be treated similarly to persons who produce wine for personal consumption.

This Bill includes measures to improve Government effectiveness through better management in line with the first report of the ministerial task force on program review. In its report tabled with the Budget last May, the task force made a number of comments on the commodity tax system. In particular, the task force made the following observation:

> The number of manufactured goods which have been exempted from federal sales tax or which have enjoyed reduced rates of tax has increased. This, in turn, has led to an erosion of the tax base and the need to impose higher tax rates on those remaining goods which are taxable. These exemptions have also created a complex network of boundary problems and inequities. Exemptions of individual goods have led to pressures to make similar goods, or goods of like class, also exempt from tax. Exemptions have also tended, in the absence of sunset provisions, to outlive the purpose for which they were initially granted.

Action is clearly needed to reverse this process of costly tax subsidies and expenditures that distort the normal functioning of the market-place. Even where benefits accrue to intended recipients, commodity tax exemptions have shown themselves to be very inefficient and costly. Often tax relief can be provided to a specific target group only by providing much broader and more general relief than is really desired. This increases the cost and extends relief to many persons who are in little need of Government assistance.

This Bill contains significant steps to counter the problems identified by the task force. Effective July 1, 1985 a range of goods for which exemption from federal sales tax has been provided will again be subject to tax. Goods affected by these measures include candy and confectionaries, soft drinks, pet

food, beauty and health goods and energy conservation material. Changes in the taxation of construction goods manufactured other than at the site of construction are also proposed. These goods will become taxable on their sale price rather than on the cost of materials as has been the case in the past.

Let me repeat, Mr. Speaker, that this is a tough Bill. It raises substantial new revenues by broadening the base of the federal sales tax and increasing the rates of tax. I am sure all Hon. Members recognize that the economic problems facing this country are not easy to solve, and in the Budget the need for economic growth, deficit reduction and job creation were addressed realistically. The measures announced in the Budget should be considered as a whole. The tax increases are balanced with Government expenditure reductions, and the impact of tax increases on the economy are balanced against tax decreases, the freeze on unemployment insurance premiums, the release of existing RHOSP funds into the economy, and major proposals to boost private initiative and productive investment throughout the economy. We faced the reality of deficit reduction and the fact that only strong and sustained policies such as these measures can restore the economic activity which creates satisfying employment for Canadians. This Government has openly asked a wide range of taxpayers to contribute in a fair way. Together, the expenditure cuts and tax changes are an important and fair way of restoring fiscal order to this country.

• (1120)

I said it was a tough Bill but I believe it is also fair. It asks all Canadians to share in the effort to restore the fiscal health of our country. This Bill is an important step in addressing the serious financial deficits we face. Therefore, I ask Hon. Members to give their full support to this Bill and ensure its speedy consideration in this Chamber.

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister certainly toed the Party line this morning when she introduced this Bill for second reading. It is too bad that the Minister has to do the dirty work of the Minister of Finance (Mr. Wilson). We now have confirmation in this morning's newspapers of what we suspected, namely, that the Minister of State for Finance (Mrs. McDougall) was against the bail-out of the Canadian Commercial Bank. Apparently she was overruled by the Minister of Finance and, of course, by the Prime Minister (Mr. Mulroney).

[*Translation*]

I ask you, Mr. Speaker. If the Minister brings the same insights to the Bill before the House today, I wonder whether deep down, she might not be opposed to the Bill. It is clear that this Bill is poorly drafted and unfair and that it will probably have a disastrous and totally negative impact on the Canadian economy.

If the Minister continues to present the point of view of the Minister of Finance, she may end up acting as a scapegoat for the Government and the Minister.

[*English*]

The Minister of State for Finance cannot always count on the revelations before a judicial inquiry to reveal to the Canadian public that she is in fact exercising sound, independent judgment.

[*Translation*]

Personally, Mr. Speaker, I am convinced that the Minister does not support the avalanche of taxes to be levied under this Bill.

[*English*]

Why do I say that, Mr. Speaker? I say it because I am convinced that the Minister is aware that these taxes will have a severe—I repeat, severe—dampening effect on the Canadian economy. They will reduce consumer demand and, as we already know from the most recent reports of Statistics Canada, they will be inflationary.

May I remind the House of the dollar impact of these proposed measures? The numbers I am about to present are based upon an analysis made by the Department of Finance, a document which, you may recall, was leaked on or about the date of the Budget. These taxes are indirect but they will hit hard at Canadian consumers. Looking at the departmental analysis we see that in 1986-87, the total of these taxes will come to something like $2.67 billion. I arrive at that number by totalling the sales tax base broadening, the sales tax rate increase, the tobacco excise tax, the alcohol levy and the energy excise tax. I have deducted the alcohol and tobacco indexation, which is $100 million. I have not deducted the Canadian ownership charge, which will come to approximately $921 million next year, nor the oil export charge. They should not have been deducted as the Government has done in making its presentations because there is no evidence that these reductions will be passed on to consumers at the pump. Indeed, we know that the other sales tax increases can only be borne by consumers.

• (1125)

Again, as we look at the Department's figures, moving to the fiscal year 1990-1991, we see that the total impact will be $4.1 billion. That is only part of the multi-million dollar tax bill which the Minister of Finance handed to us last May.

I would remind the House that the Minister of Finance himself admitted the obvious dampening effect of taxes of this magnitude. During a television interview on March 1, I believe, when questioned about his future Budget, he said that taxes are not the way to go because they will have a dampening effect on the economy. He went on to point out that he thought there was sufficient room on the expenditure side to get at the famous deficit. Apart from this issue of dampening consumer demands and putting inflationary pressure on the economy, there are certain sectors and industries that are especially hard hit by the taxes which the Minister described to us today as being fair.

The Government had almost nine months to prepare that Budget and evaluate the impact that these taxes would have on

various sectors of the economy. Canadians, and certainly members of my caucus if not all Members of the House, cannot understand how the Government spent so much time preparing this Budget without accurately estimating the negative impact it would have on various sectors.

As the Minister knows, many groups made representations in preparation for the Budget. However, nearly all of them were stonewalled. Of course, our elderly finally broke down that stone wall last June when the Government finally backed down on deindexing the old age pension. Of course, as a countermeasure, the Government immediately increased the tax on fuel. However, the fact is that most groups have been stonewalled.

I have seen a copy of letters that have been sent from the office of the Minister of Finance. They are typical form letters, with a few modifications to let the individual groups know at least that the Government is aware of their name and address. However, they all contain the same rhetoric which we heard once more this morning from the Minister of State for Finance. It is the old rhetoric about the twin objective of economic renewal and deficit reduction. Of course, the letters inevitably contain one other comment that was also offered to us this morning by the Minister of State for Finance. They all contain words to the effect, "On balance, the Budget was designed to share the burden fairly among Canadians». What a joke.

Of course, the fairness of the Budget is a main issue. I will only touch upon it very briefly because the question of fairness has been and will be spoken to at some length. The unfairness of the Budget is apparent on its face. Today I essentially want to talk about the impact of this Budget in a macro sense. However, I will simply refute the Minister's comments about fairness this morning by reminding her of the deindexing debate on old age pensions and the current deindexing debate on the—

[*Translation*]

—family allowances. She is probably aware of the representations made yesterday on Parliament Hill by people who are going to be affected in a very negative way by these recommendations and the impact of the measures contained in the Budget.

● (1130)

[*English*]

I remind her also that she is putting forward a massive sales tax increase. The Minister knows as well as anybody else that a tax increase on many of these items hits the low and middle-income people first and hits them the hardest. Sales taxes are, by definition, regressive. When the Minister comes in here and puts a tax on health care products, products essentially used for the most part by the elderly who have the lowest incomes, she knows she is hitting the elderly in their pocket books. She also knows from the report of the National Welfare Council that we have a lot of Canadians living below the poverty line and they are all consumers of these products. Yet she comes in here with a proposal to increase the tax on these products and has the gall to stand up and say that this is fair. Admit that it is not fair and demonstrate to us that if it is not fair it is in some way justified, economically or otherwise. I suggest it is not only unfair but economically it is dumb.

Without spending much more time on the issue of fairness, Mr. Speaker, I am sure that history will record that this is probably the most unfair Budget ever. Of course, the Prime Minister himself has gone on the record with respect to the gaffe made in terms of the deindexation of old age pensions. I hope to see him on the record a number of times more before the year is out admitting to the gaffes that have been made in the other aspects of this Budget, which are equally unfair.

Enough on the issue of fairness. Is this Budget intelligent? Is this Budget a response to the economic requirements of Canada in 1985 as we look at the economic circumstances? I talked about the over-all dampening effect but I want to refer, as I said a moment ago, to certain specific sectors.

[*Translation*]

The Minister is probably aware of the fact that hundreds of small- and medium-sized construction companies are going to lose their profit margins altogether, as a result of the 6 per cent tax on construction materials.

The customary fixed price contracts in this sector are going to be a major problem for many of our construction companies.

The Government totally ignored the very practical and, I must say, not very popular suggestion to introduce this tax gradually, allowing for these fixed price contracts and the usual problems in this sector. However, it seems the Minister was not conscious of the challenges and problems in the industry.

[*English*]

And the tax on fuel—

[*Translation*]

Mr. Speaker, we already know that according to the Tourism Industry Association of Canada, the 4 per cent increase in the price of gas is expected to cause 900,000 fewer U.S. tourists to come to Canada every year, while the resulting loss to our economy will be $135 million and probably 5,235 jobs.

[*English*]

Surely, Mr. Speaker, the Minister in the pre-Budget analysis should have consulted—perhaps the industry was consulted—but should have taken that into account. This short-term measure with a view to deficit reduction has had probably a more than compensating negative impact in terms of lost revenues and lost jobs.

Let me look at the trucking sector for a moment in particular, again with respect to the tax on fuels. I want to demonstrate, Mr. Speaker, and I want to emphasize that this is one example that I have looked at and that I hope the Minister of State for Finance has looked at. Because the cost of commercial transportation fuel must be passed on to someone else, why did the Minister not measure the full impact of what that

would be? Who are those costs going to be passed on to? What is the impact on the competitive position of the Canadian trucking industry? What is the impact on Canadian consumers? Again it appears to me that no homework was done.

Anyone at all familiar with taxation knows that ultimately the buck has to stop somewhere, and when a tax is imposed on a corporation, when a tax is imposed on a trucker, that tax must be passed on in the cost of goods and services or, perhaps, in employees' incomes. It has to be passed on somewhere. Did the Minister of State for Finance or the Minister of Finance take the time to do an analysis of where this tax would actually end up? I suggest they could not have done it. Had they done so, they would never have come forward with this tax on our trucking sector.

The commercial transportation fuel has been exempt from the initial 1.5 cents per litre which was imposed several years ago. Now with this 2 cent increase as of September 1 plus, of course, all the provincial *ad valorem* taxes, we are likely to see a cost of approximately 3 cents a litre being imposed on the commercial fuel consumption in Canada. For inter-city truckers who carry something like three-quarters of all consumer goods and something like 80 per cent of all food products, this translates into almost 3 cents per mile. It does not end there because the transportation fuel will be hit once more at the end of the year with a 1 cent per litre increase plus the sales tax increase. The 1 cent a litre increase is to make up for the retreat from the deindexation proposal on old age pensions.

What are the pass through implications of a tax of this kind? I cite this as only one example, but it is one with which I am sure the Minister is familiar. First, the carrier who has to pay this tax has no choice. The carrier has to find some way of passing through the entire cost. The carrier's capacity to do that is limited somewhat by the economic clout that that carrier has in the particular sector. Obviously some small carriers will probably not be able to pass on the tax as easily as large shippers.

To the extent that it is passed on, to the extent the carrier is able to go back to the shipper of those goods, of those tomatoes, of those products that go on to the shelves of our stores, *les dépanneurs*, in the shopping markets, that is where it is going to add up, right in the pocket of the consumer. It makes it a regressive tax of the worst kind affecting, as I say in the case of inter-city trucking, something like 80 per cent of all goods that are shipped.

It is effectively a tax on distance, Mr. Speaker. It is a direct tax on distance. It is the same as a tax on alcohol or on cigarettes, yet we are applying it on distance. With all the regional difficulty we have in the transportation sector and the efforts we must make to ensure that those sectors benefit from comparable costs, imagine imposing a tax of 3 cents per mile on distance that can only be incorporated into the cost of goods that people in outlying regions must pay. It is outrageous and obviously not thought through.

What are the international implications? First, the Minister knows full well that U.S. truckers already enjoy a substantial advantage over their Canadian counterparts. At the present time they enjoy an advantage of something like 7 to 10 cents per fuel gallon *vis-à-vis* their Canadian competition.

• (1140)

The excise tax which is being imposed by the Minister in Bill C-80 will more than double the disadvantage Canadian truckers already suffer. That, coupled with the other cost factors which are being exacerbated by the policies of the Government, obviously puts Canada's international trucking business very much at risk *vis-à-vis* its U.S. competition. It is a signal to Canadian carriers that to survive in this market they will be better off with a U.S. base.

What does that mean? What does that imply? It implies lost economic opportunity, lost jobs and an increase in jobs and trucking activities south of the border. I am absolutely astonished if the Government intended to create that kind of competitive hardship for Canadian truckers. We see two things—a direct assault on the pocketbooks of consumers, as is the sales tax by including a fuel tax, and it places the Canadian trucking sector, which is already under siege, in a more disadvantaged position than before.

I hope the Minister is paying attention. I say to her that it is not too late to back down. It is not too late to apply a little economic common sense to the tax measures which have been brought before the House for discussion today.

Let me talk very briefly about another sector. The Minister intends to put a tax on health care products. Apart from the issue of fairness to which I referred earlier—the effect on the elderly and those least able to support the cost of health care products at the present time, never mind having an additional tax applied thereto—there is a much greater economic issue. The Government does not think long term. It is strictly interested in the statistical data for next year and perhaps prior to the next election. Has the Government addressed the issue of long-term increasing health costs? When we look at the statistics, we see that from a level of 5.6 per cent of GNP on health care in Canada in 1960, we have moved to 8.44 per cent in 1982, or $22 billion, and we see that trend continuing. I suggest that the way to get at this trend, to make health costs supportable and to reduce the amount of public sector expenditure on health costs in years ahead, is to have better preventive medicine. Fundamental to that is the ability of Canadians to purchase health care products at a reasonable cost. If anything, the cost should be reduced, not increased. It is an example of short-term thinking, placing long-term issues in serious jeopardy.

I suppose I share the belief of many in the House, many in my own riding and elsewhere, that indeed Canadians are prepared to make some sacrifices to get the deficit under control, to get the fiscal framework well defined and in order. However, when this Minister, who has been directly involved in expenditures which may amount to $2 billion to bail out Canadian banks, comes into the House and says, "Our concern is to get the deficit under control", pardon me if I regard that as somewhat of a joke.

This Minister, her colleague in Finance and her other colleagues in Cabinet are squandering billions of dollars, and they come into the House and ask us to accept a tax on health care products. They ask us to accept taxes which will amount to something like $4 billion out of the hands of consumers by 1990-91. They ask us to accept taxes which will take over $2 billion out of the hands of consumers next year. She is effectively telling us that in 1986-87 consumers should pay for the bank bail-out; that is what she is telling us. There will be no deficit reduction under this Government. We have seen approximately $2 billion there. We have yet to know the full cost of the tax ruling in the Gulf acquisition. We started with number of $1 billion. Some have put it as high as $1.5 billion. An interview was given by one of the principals who said that it might be only half a billion. If we assume that the figure will be $1 billion, we are up to $3 billion.

Then the Secretary of State for External Affairs (Mr. Clark) tells us that we will buy a half billion dollar ice-breaker. That is only the beginning. To come into the House and make a speech telling us that the taxes being imposed upon Canadian consumers are designed to get the finances of the country in order has to be one of the best jokes we have heard in this session. The way the Government is going, I am sure we will hear many more. It is pretty difficult for us to reconcile $3.5 billion of money squandered against tax increases which will have a medium and long-term serious impact upon the Canadian economy, a major impact upon consumers, and a major negative, unfair impact upon those consumers at the low end of the income scale.

We know the Budget is unfair. There will be much more said about that by my colleagues. We know that it is economically unsound. We also know from evidence in every jurisdiction that the best economic stimulus one can have, or the best bang for the buck as economists say, is a sales tax cut. Of course the corollary of that is that the worst thing that can be done for consumer demand in terms of dampening any possible strong economic recovery is a major sales tax increase. That is what we have in Bill C-80. It is economically unsound and unfair in every way.

I suggest that the Minister has good grounds to go back to her colleague, the Minister of Finance, and tell him what she really thinks. I hope the judgment which she apparently brought to bear initially in the Canadian Commercial Bank bail-out will prevail in this case. I hope she will exercise that same good judgment, foresight and sense of fairness to Canadian taxpayers. Had her initial decision been accepted, Canadian taxpayers would not have been called upon to fork out up to $2 billion. Just for the benefit of Hon. Members, I might say that there are something like 10 million to 11 million taxpayers in the country. When we are talking about $2 billion, we are talking about close to $200 on average out of the pockets of every taxpayer. I presume I am including all Members of the House and you, Mr. Speaker.

On behalf of the people of Canada, I say to the Minister that she should exercise that good judgment, go back to the Minister of Finance and tell him that the Bill which she has been asked to sponsor on his behalf is wrong. It is wrong for Canada. It is unfair. It is not the remedy which we need today, in October, 1985.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to have an opportunity to say a few words regarding Bill C-80. I remember so vividly in the period leading up to the September election of 1984 that the Conservatives continually talked about the need to simplify the tax system, that it was too complicated and too burdensome. As a matter of fact, the Income Tax Act is a massive document. Referring to the tax experts themselves, I will quote from one of the most recent publications on the news-stands wherein the author said: "A full understanding of the Income Tax Act is impossible. Even for the true tax expert it is impossible".

We have the Excise Tax Act and, when we returned to the House in the fall of 1985, the Government did not say that it was time to simplify that Act. It introduced Bill C-80, which is "only" 125 pages of changes to the Excise Tax Act. We should think about what we are doing for a moment. We are making the income tax system more complicated.

• (1150)

Mr. Blenkarn: Excise tax.

Mr. Riis: We are trying to make the excise tax and the income tax system more complicated, more exact and more precise. We are deleting a few things, adding a few things and adding a few more loopholes. Because of this, we are systematically biasing the tax system of Canada in favour of the sophisticated as opposed to the unsophisticated. We are biasing the tax system in favour of those who can afford to hire tax lawyers or tax accountants. The ordinary Canadian is even now more baffled by what the Government is attempting to do. Let me be clear, Mr. Speaker, because I think this is a very critical point. Bill C-80 makes the tax system of the country even more biased.

The Minister of State for Finance (Mrs. McDougall) made an interesting speech today when she introduced the Bill. She reminded me of Johnny Carson who tells a few jokes at the beginning of his show before he invites his guests to say something. I thought it was rather humorous when the Minister told the people of Canada that the reason we have to add more taxes on to construction materials, cable television, candies and pet foods, gasoline, beer, cigarettes, cigars and a variety of other goods is that we have to get the deficit down. Let us think about that for a moment, Mr. Speaker.

For the last number of weeks, we have been hearing time and time again of the need for bringing a Bill before Parliament that would provide for $875 million as the first instalment in the bail-out of the uninsured depositors of the failed Canadian Commercial Bank and the Northland Bank. That is only the first instalment of the bail-out. In the end, it might amount to $1 billion, which is $1,000 million. It might amount to $2 billion in the end. We are not certain yet. We have to bail out depositors who should never be receiving the full amount of money. The Government is going to bail out

uninsured depositors, whether they be depositors in the Bank of Shanghai, the Bank of Hong Kong or the Bank of America. We will never know. These depositors are simply going to receive their cheques for $1 million, $2 million or $5 million from the taxpayers of Canada. That is a priority of the Government.

The Gulf deal is going to cost the taxpayers perhaps $1 billion for a major tax boondoggle. That is okay. Presumably it is acceptable. I can go on and on about the unbelievable tax boondoggles that apply to those folks who do not pay any income tax at all year after year. I am not talking about poor people, I am talking about people who have annual incomes in the range of $500,000 but are able to use the tax system to pay nothing year after year. You know, Mr. Speaker, because you are an intelligent man, that if these people do not pay any income tax or their fair share of income tax, who is paying more than their fair share? It is the ordinary Canadian citizen who cannot afford a tax lawyer or a tax accountant to do his or her tax planning.

Ordinary people make perhaps $25,000 per year and pay all of the taxes that are owing. There are no loopholes or tax expenditure exemptions for them. They pay through the nose year after year to make up for those folks who do not pay their fair share.

Mr. Orlikow: How are they going to pay more in excise tax?

Mr. Riis: My friend, the Hon. Member for Winnipeg North (Mr. Orlikow), reminds me that on top of all of the giveaways and all of the billions of dollars the Government has shovelled out to people who are undeserving of it, we are asking people to pay an extra few cents for their gasoline.

The Minister has said that this measure is equitable because we are asking everyone to pay more sales tax. Poor people, rich people and middle-income people are all going to pay the same. It sounds equitable. However, a single parent with an annual income of $7,000 and an upper-income earner with an annual income of $400,000 will pay exactly the same tax when they go to the corner grocery store to buy some confectionery items. The poorest people of the country will be paying the same amount of tax as the richest people in the country when they purchase their goods. Is this equitable? Is this fair? Is this an honest approach to the tax system? Of course not.

There is something very insidious about Bill C-80. It results in a significant increase in the taxes on transportation fuel. In the coming year, these taxes will total $930 million. Again this tax on transportation fuel will apply to everyone. However, there are some regions of Canada in which the cost of transportation is of much more significance than it is in other regions. Canada is the second largest country in the world. In central Canada, the distances that are travelled are much shorter than those travelled in western Canada or particularly in northern Canada. This means that the tax on fuel is directly biased against western and northern Canada. In those areas, goods have to be transported over vast distances. We all know that when goods including refrigerators, mining equipment and oil rig equipment are transported over great distances, those costs are ultimately passed along to the consumer. This means that people in western and northern Canada will be paying more for their transportation costs and therefore by definition more for the items that are purchased and make up one's cost of living.

This is not a fair Bill. This is not a fair piece of taxation. It is quite the contrary. I do not know if the Minister really made her case when she defended the 7 per cent tax on construction material. Is this not the Party that said that it would be appropriate to take the taxes on construction materials away in order to provide an incentive for the construction industry and particularly the home construction industry of Canada?

When he was in opposition, I remember hearing my friend, the Hon. Member for Mississauga South (Mr. Blenkarn), rising on occasion after occasion to say that one of the answers to the economic problems of Canada was to encourage the home building sector because that would put a lot of people to work immediately, both directly and indirectly, through all the manufacturing sectors that provide for the housing industry. What does the Government do? It slaps a 7 per cent tax on construction materials. How is that going to assist the housing industry? How is it going to encourage more construction across the country? There may be some way that it will do so, and I would be interested to hear what Hon. Members from the Government side have to say about that.

When we add 7 per cent on to the cost of construction materials, 7 per cent on to the cost of cable and pay television services, 14 per cent on to the cost of alcoholic beverages, 14 per cent on to the cost of tobacco products and 11 per cent on to the cost of other taxable goods, the total package for the coming year will come to about $990 million. That is what it will cost Canadians in extra taxes.

Many people from Kamloops-Shuswap, the riding which I have the honour to represent, have asked me a question. I will raise this question here because I see that the Minister of State for Finance is present and is interested in the comments of Hon. Members. Perhaps I will pass along to her the questions that I have been receiving.

My constituents have told me that they are now struggling to get their businesses back on track, they are struggling to get their small farms or ranches going again or they are simply trying to get their lives together and are struggling to find part-time or temporary employment. They ask how it is that an increase in taxation will help this process. How is it that taking $990 million out of the pockets of Canadians will be of assistance in getting the economy of Kamloops-Shuswap going? It is not clear to me how that will work. As a matter of fact, I do not understand how taking money away from people will assist in generating wealth and economic activity in the regions of Canada.

• (1200)

When one looks at the Bill which is before us one sees two areas which are always hit, that is, tobacco and alcohol. It is a hard area to criticize as a politician. It is difficult for a politician to stand up and say: "We want to reduce the taxes

on alcohol and cigarettes". However, I would like to make a case for the tourist industry. If there is one industry in Canada which makes a great deal of sense when one looks at future possibilities in terms of economic development, it is the tourist industry of Canada. We have a magnificent country which people enjoy visiting. I do not think we have even begun to explore the potential for expanding this industry as a leading industry of the future. Currently, the industry employs about 600,000 Canadians, 60 per cent of whom are women employed in about 50,000 businesses. The industry involves a major factor in terms of foreign exchange for the country. Of course, the industry is suffering very seriously as a result of the recession. It suffers because the gas taxes keep rising and a great many of our American friends think twice about visiting the country because of the high costs of transportation, the high costs of accommodation and the high costs of beverages in our beverage rooms. I do not not want to make a big item out of this point; but when we talk to tourist operators we are told that the prices of drinks in lounges keep going up and up as a result of increased taxes. That is not a factor in terms of increasing the tourism industry. It is quite the contrary. It is a factor which makes the development of that industry very difficult indeed.

I wish to speak for a moment or two about the tax system itself. It is a system which is basically an honour system whereby people are expected to be honest and forthright. They fill out their tax returns to the best of their ability. Unfortunately, now that often requires help from outside advisers because those tax forms are so complex. I remember a previous Minister of Finance standing in his place one day and saying that even he could not fill out his tax return any longer because it was simply too complicated. Apparently, he was a simple man, at least that is what he said, and he needed outside help with his tax return. For the ordinary Canadian citizen it is a complex document, one which we all await to with horror now that we are approaching that time of year again. However, it is a system based on honour. It is based on the assumption that people will be honest and that they will clearly indicate their income and expenses, tally up their deductions and decide on the bottom line if they owe the Government more money, if they have paid adequately or if they can expect a return because of an overpayment.

This honour system is based on the assumption that the system is fair. In other words, you can only expect people to be honest if they sense that the system in which they are operating is an honest one that is not biased in favour of one group, region or industry as opposed to another. I want to say clearly that the people of Canada no longer believe that the tax system is fair. I have no hesitation in making that remark. I do not think anyone would dare stand up and say that the tax system of this country is fair. I have tried to make the point that increasing gasoline taxes is a bias against western and northern Canada where distance is such an important factor in the transportation of goods. In a sense it is a tax on distance. Those who happen to live far away from central Canada are being asked to pay more.

Then, we have a sales tax which is regressive. Regardless of whether someone is rich or poor he pays the same amount of money for a loaf of bread, a bottle of milk or whatever the case may be. Now when we buy Pamper cat food for our pets or seeds for our budgies we have to pay more taxes on that, for gosh sakes. I suggest that that is a very desperate bid indeed. The point is that the tax is regressive. It is punitive to the lower income people. Rich people do not mind paying a couple of cents more for a package of birdseed, for a bottle of milk or for a loaf of bread. However, for the poor people of the country it is a major factor.

Mr. Waddell: Look at the recent report which came out.

Mr. Riis: My hon. friend from Vancouver reminds me of a devastating report which was released earlier this week indicating that, indeed, the rich in Canada are getting richer and that the poor are getting poorer and are becoming more numerous. I believe that there is now something in the neighbourhood of four million who are described by Statistics Canada as having an income which places them in the poverty category. That is a sad comment. It is also a sad comment when one considers that families earning more than $50,000 are actually creating 40 per cent of the wealth of the country. That is just a handful of people when one looks at the entire population. It just points to the fact that the rich are getting richer and the poor are getting poorer. Bill C-80 will simply add to that process because it is unfair legislation. It is an unfair tax levy.

The point I am trying to make is that our tax system is based on an honour system which assumes that the system is honest and fair to everyone. It assumes that it is equitable. It is not. What it means is that people no longer have faith in the Government. It means that they no longer have faith in the tax system. Therefore, the economy is moving underground. More and more transactions are being conducted with cash or through a barter system. For instance, a lawyer will say: "I will do some of your legal work and since you are a dentist you can do the dental work on my children's teeth". Or a plumber will say: "I will fix the plumbing in your rec room and you can come in and do a bit of masonry for me on my fireplace. We will not mention it and there will be no record of this transaction". As a result, no income tax or business tax is paid, as the case may be. How much of this is taking place in Canada today? Does anyone know of instances of this having taken place? Does anyone know of instances of abuse of the tax system? I suspect there is not a person who does not know of such an instance. This presents a serious challenge to the tax system of the country. It is a serious challenge to the country itself since $30 billion, $40 billion or $50 billion going underground annually also goes untaxed. With this unfair tax system it simply means that the Government has to go after those people who are paying the taxes. We know who they are. They are not the large corporations nor the upper income earners. They are Canada's ordinary tax-paying citizens. More and more the tax system has become biased against the average citizen of the country.

When I look through the Bill I notice that as a result of increased sales taxes effective next year the Government plans to raise $990 million out of the pockets of taxpayers. People will say that that money will be well spent because services will be received for it. The point is that there will not be any additional services because the Government is cutting back on traditional services which the people of the country have come to expect.

The Government even tried to cut back on increases to old age pensions. I remember the day the Government came in and said it was about to bail out two banks and that it was giving tax boondoggles to the big oil companies as part of the Western Accord. I believe that will amount to something in the order of $9 billion over the next five years. The Government gives away these vast amounts of money, billions and billions of dollars, and in doing so it has to collect more taxes. Thus, the Government said that it would hold back on increasing senior citizens' pensions. It took the same stand with respect to increasing family allowances. As a result of a massive public outcry, thank goodness, the Minister of Finance (Mr. Wilson) realized he had made a disastrous decision and he forgot about capping the increases on old age pensions to allow pensioners to at least keep up with the cost of living. However, that is not the case with family allowances. The children of Canada will have to pay, if you like, for the giveaways which this Government has made to large oil companies, foreign banks and the like.

Only a 1 per cent increase in the sales tax involves $990 million coming out of the pockets of Canadians. Broadening of the federal sales tax will take another half a billion dollars out of the taxpayers' pockets. Actual tax increases will result in $990 million being paid out of the taxpayers' pockets—basically out of the consumers' pockets, which means that the people living in Kamloops will not have that money to buy some goods or purchase some service. That money will not be circulating time and time again in that community; it will be pulled out down here to Ottawa. I do not see how that move will help small communities across the country, the rural areas or even the large cities. The alcohol and tobacco excise taxes in this coming year will result in $240 million being raised in additional taxes from this sector.

What does it all mean? When one takes into account the sales tax it means that an average household with an income of $15,000 will be paying out $140 more in sales tax. If one's income is in the $20,000 range, it means paying out an extra $282 in taxes. A household which earns $40,000 a year pays about $361 in increased tax burden in the upcoming year. This means that these dollars will not be in circulation in the small communities and regions throughout the country. They will be focused in Ottawa to assist in attempts at deficit reduction, particularly now with the deficit increasing as a result of these massive giveaways.

• (1210)

There is another interesting point with respect to our tax system. There is no question that people do not pay the same tax. Mr. MacEachen, the former Liberal Minister of Finance, brought in a Budget which resulted in a reduction in the rate of tax paid by the upper income earners. He thought that those people in the $200,000 or $300,000 a year income level were paying too much tax, so he dropped the rates down. That lost us hundreds of millions of dollars in uncollected taxes. That is what he left us with.

The new Minister of Finance thought that some people who make money through capital gains should not even be taxed at all. Let the person who is a miner, a logger, a fisherman, an office worker or a teacher be taxed on whatever amount of money he or she makes. If they make $30,000 or $35,000, they should pay a proportionate share of tax, with a minimum amount of loopholes if any. But those people who make money through capital gains should be exempt to a point. That flies directly in the face of the report of the Carter Commission. It looked into the tax system, and at the top of the list of things it said we must do in this country is to recognize that a buck is a buck, that a dollar of income is a dollar of income regardless of how it is earned and that it should be taxed as a dollar. At the top of the list of the Carter Commission was the recommendation that capital gains should be taxed as any other income. When there is no income tax at all up to $500,000 in lifetime capital gains—and we are talking about a very select group of Canadians—then ordinary working Canadians will have to pay, therefore, more tax than they should because someone has to make up the difference.

The Minister of Finance made a speech to the Canadian Tax Foundation on November 28, 1984, wherein he stated, and I quote:

> Our recent figures indicate that the effect of tax incentives has been to reduce the average federal corporate income tax rate from 36 per cent to 15 per cent . . . Particular activities qualify for very high rates of incentives, especially under certain grant programs. When the benefits from special tax incentives are added we are looking, in some cases, at an extraordinary generous level of assistance.

That is nice for the corporate sector. It has had its effective tax rate drop from 36 per cent down to 15 per cent. Was that not a nice gesture, Mr. Speaker? Again, there is a certain group in the business community which is considered as being entitled to a significant drop in the effective tax rate. To the struggling logger or truck driver out there in the regions, this would be interesting news.

The accelerated capital cost allowance allows a business to write off against income depreciation of assets at a faster rate than is actually the case. This cost us back in 1981 about $2 billion. What this does is to give an incentive to a corporation to use capital instead of labour. The Government is saying that because you can write down the cost of your equipment, rather than hire people, you should purchase and install equipment. This incentive should certainly be questioned at the time of the high unemployment we are facing today.

The boondoggle which the previous Government brought in was the scientific research tax credit. That cost us in 1984 about $2 billion, through quick flipping, whereby corporations could sell their research tax credits even though the research was never done. One could go on and on, Mr. Speaker, but it gets depressing after a while. Once we start looking at this tax

Act, all we keep finding are pages and pages of tax exemptions for certain kinds of people and for certain kinds of economic activities.

There is one group of people who is almost always excluded from any kind of tax incentive or loophole, and that is the ordinary Canadian. They are not taken into consideration in the tax Act or in legislation such as Bill C-80 when tax changes are made. We cannot say that loud enough, Mr. Speaker, and we have to say it time and time again until the Government starts to accept responsibility and does something in terms of developing a more equitable tax system.

The Minister of Finance had this to say about the tax system, and I quote:

> As we grapple with the technicalities, the subtleties and the complexities of our tax system, we must never lose sight of the citizens it is ultimately meant to serve. That is what our efforts are all about. The real bottom line is people.

What he did not say is which people he is talking about. What he meant was that certain kinds of people were the beneficiaries of all of these subtleties and complexities of our tax system—not the ordinary Canadian, but a very privileged few in our society and within our business community. It is not the struggling small business person who is being rewarded or encouraged or who is receiving incentives through the tax system. The most tragic example of that was a few years ago when both Shell and the Bank of Montreal used the tax system to pay no income tax at all in spite of significantly large profits.

This is the kind of system which we must recognize is in existence and when the Government stands up and tells it is introducing Bill C-80 today in an effort to bring equity and fairness to the tax system, we must recognize that that is absolute balderdash. We cannot have equity and fairness built into a system when we increase the sales tax which, by definition, is regressive and punishes those people who are least able to afford paying taxes at all.

I would be remiss today if I did not raise one important point about tax discounters. It is the time of the year when we start filling out tax forms. A rather insidious practice has developed over the last number of years and it is growing very rapidly as people realize that the tax system is so complex that they cannot fill out their tax form and must have some help. More importantly, the tax discounters thrive on the victims of oppressive economic times, who include the poorest people in society who are eligible for such items as the refundable child tax credit. A single parent, for example, knows that because of the family's low income and the child tax credit, there will be a refund after the income tax form is filed. Single parents are desperately in need of cash because they are inevitably living below the poverty line. They go to the tax discounters who tell them they will give them cash for the privilege of filling out their tax return and sending it away. In other words, the tax discounters make their money helping those people fill out their tax forms, giving them a portion of what they are entitled to and keeping the rest as a fee for their service. That is a terrible situation, Mr. Speaker.

It is hard to believe that a Government which is seriously interested in equity and fairness would permit such a thing to take place. There are many countries which abandoned this type of practice because they realized it preyed upon those least able to afford paying out a portion of their tax refund. Many Hon. Members have pleaded for an end to this practice, especially the Hon. Member for Winnipeg North, who has repeatedly in the House asked the Minister of Consumer and Corporate Affairs (Mr. Côté) when he is going to move to bring in a Bill to prohibit this exploitive practice, and after hearing time and time again from the Liberal administration that it would be getting around to that sometime, he hears the same thing from this Government. In the meantime this practice grows and victimizes more and more people who can ill afford to pay that kind of price to these tax discounters.

● (1220)

In conclusion, Bill C-80 comes at a very inappropriate time. Canadians are struggling to get on their feet and are doing what they can to encourage economic activity in their own communities. They are working very, very hard and, I might say, going to some extraordinary lengths to ensure that economic prosperity returns for them and their families. It is a very delicate and difficult struggle, yet the Government introduces a Bill which will result in hundreds upon hundreds of millions of dollars being taken from the pockets of those same people. There are increases in sales taxes, gasoline taxes, and confectionery goods taxes. It is a very inappropriate step for the Government to be taking. It is difficult to encourage people to remain optimistic and hopeful when, on the one hand, the Government says we must all sacrifice and then, on the other hand, it brings in a Bill which asks ordinary people to sacrifice even more than they already have.

As for myself and my colleagues in the NDP, we certainly do not support the Bill and we will vote against it. Quite frankly, we have many, many questions about its details. Since this, unfortunately, is an opportunity to talk only about the Bill in principle, we will be looking forward to examining the logic of those clauses which exempt certain kinds of goods from federal sales tax but not others. We will have an opportunity in committee to look at those details, but at this point in time we certainly do not support this Bill.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am both pleased and saddened to participate in this debate on Bill C-80. Saddened, because unfortunately we now have to face the music—the $200 billion deficit which our Liberal predecessors left the country saddled with as a result of their indecent mismanagement. Yet they are the ones who now want us to account for the measures we want to take in an attempt to get Canada back on the right track. Pleased, because I want to support the approach taken in this case by our Minister of State (Finance) (Mrs. McDougall).

What did we say on September 4, 1984? That we would promote national reconciliation, economic renewal and

renewed Canadian internationalism. Mr. Speaker, we must not lose sight of the general rules. Practically every time we advocate new propositions, the Liberals especially have so little foresight that they get lost in details without ever dealing with guiding principles or traditional economic precepts. I happen to know they have competent spokesmen in that field, but for some unknown reason they seem to lose their bearings when they become politicians. We had promised to restore a climate of national reconciliation, and the starting point was the Western Accord which led to a significant economic upsurge in that part of the country. I see the Hon. Member for Calgary South (Mrs. Sparrow) is in the House, and I am sure she would attest to the economic revival of her region since the Western Accord, in contrast with the days when the Liberals never missed a chance to create a wide gap between the interests of the central Government and those of Western Canada.

And then the agreement with Newfoundland was a historic occasion. The Liberals had been dragging their feet for years and years, but we did settle the issue as we had promised during the election campaign before September 4.

Since we came to office a good many Quebecers have seen the futility of the separatist option and took stock of their Canadian heritage. In that respect we have to wonder today whether the proponents of separatism did not stand to further their cause by playing the game of the Liberal Government. The dust settled after our election and separatism is on the wane.

We had also promised economic renewal. We are now beginning to feel the impact of our politicies in this regard. We have seen 340,000 new jobs being created in the last year. Unemployment and interest rates have gone down. Inflation is under control. Inflation rates of 10, 12 or 13 per cent had serious repercussions on the most disadvantaged in our society and on senior citizens in families with very low incomes. At the time, the Liberals did not want to index the social benefits enjoyed by Canadians. However, we are now beating inflation, with rates of around 4 or 4.5 per cent, which means that the most needy among us can have a nearly constant standard of living. There is also a positive picture in the increase of the gross national product which continues to surprise the experts and to surpass the forecasts of economists.

On September 4, 1984, the Canadian public gave us a very formal official and significant mandate asking us to tighten our belts and reduce our budgetary deficit. There are now 211 representatives of Canadian men and women in this House to fulfil this mandate. At the time, we told the Canadian population that it would not be easy because we had inherited a difficult situation and the building was on fire. This fire had been burning since the Liberals had been in power. They left us a deficit of $200 billion. They had forgotten that the role of a Government is to distribute part of the public resources to the most needy. They modernized somewhat too quickly. They decided to distribute public borrowings, not only to the needy, but also to companies, wealthy people and their friends. We saw crown corporations vote themselves extraordinary amounts for their administrators. There was the unfortunate example of the Canada Post Corporation. This corporation, under Liberal administration, has 17 vice-presidents who each have their own car and chauffeur. It is quite a sight to go to the headquarters of the Canada Post Corporation and to see all those cars with chauffeurs. You would think it is a much more important corporation. This shows the mismanagement of the Liberals and how they were able to accumulate a deficit of $200 billion.

They made excessive investments, created a paper empire and left us with only constraints. The Liberals are gone, but we are faced with expenditures of $105 billion. How is this money spent? We spend $25 billion, or 25c. on each dollar, to pay the interests on the borrowings of the Liberals, some of which were distributed among wealthy Canadians and their own friends.

• (1230)

We also spend $45 billion, or another 45c. out of each dollar if we are speaking about a budget of $105 billion, for social welfare programs. The Liberals are now asking us not to increase the revenues of our Government. These $45 billion allocated to social programs represent 57 per cent of the expenditures of the Canadian Government if we exclude interest charges on the debt. Therefore, 57c. on each dollar, or more than half of our revenues, are spent to help the most needy Canadians, out of a total budget of $105 billion. There therefore remains $35 billion which must be distributed among all the other departments and Government programs.

We inherited a technically disastrous situation as concerns Canadian Armed Forces which need to be modernized. However, we must operate within very restrictive budgetary limits.

What have been the effects of this mismanagement by our predecessors? All Canadian men and women lost whatever incentive they might have had. They could gain nothing by being creative as they were being stifled by Government regulations and constraints. Our entrepreneurs, and about 15 per cent of the labour force in a country should be in this category, lost all incentive during the last decades. They have practically disappeared from this country.

Because of the runaway inflation that prevailed under the Liberal administration, our productivity has decreased, and we can no longer sell our products abroad—except for our natural resources because they were always willing to sell our natural resources abroad—we shut ourselves out from external markets.

What are the solutions to the problems we inherited from Liberals? The first one is for Canadian men and women to tighten their belts, an effort that must be made by each and every one of us in Canada.

We have seen a significant example of this belt-tightening exercise when the Prime Minister decided to have his salary reduced by 15 per cent when he came to power. When all Cabinet Ministers in this Government accepted to have their own salaries reduced by 10 per cent as an effort at national restraint. It can be emphasized, Mr. Speaker, that no such effort was ever made or agreed upon by the Opposition Leader or the Leader of the New Democratic Party. They are asking us to make all those efforts, they get them from the people, but they themselves fail to set the example.

To this day, our solutions have brought about results. We have our 340,000 new jobs. Entrepreneur confidence has returned. We are now in the process, through collective efforts, of reviving an economy that was in a most unhealthy state, a state which the Liberals have brought about and which they would have gladly kept going for a few more years to come.

But under the laws of economics it was impossible to go any further, this country could no longer borrow money. Our people, in such a declining state of affairs, could sustain no additional effort. It was therefore essential to create a new climate, and this is what we did. Our goal is to have balanced budgets from year to year, positive cash flows as between revenues and expenditures. This is one of the only means of putting the economy back on its feet. It is imperative that this country regain confidence, that our citizens wake up, and this is the climate we are providing.

Mr. Speaker, reference had also been made to our international openness, from coast to coast, a new economic impetus, an international outlook.

As recently as the day before yesterday, our Prime Minister (Mr. Mulroney), to all intents and purposes, won the day at the meeting of member states of the British Commonwealth. Our Prime Minister asserted himself following his first year of public life and assumed the leadership within the Commonwealth, suggesting at that recent meeting concrete steps for helping to settle the crisis experienced in South Africa.

When reference is made to the international involvement of our country, it should also be pointed out that in New York our Prime Minister yesterday delivered before the world powers one of most straightforward and significant message on disarmement.

Our Minister for International Trade (Mr. Kelleher) is now trying hard to give Canadian within the next 20 years the best record as far as developing our international trade is concerned, opening up the largest and most powerful market in the world, the American market.

Mr. Speaker, for all those reasons, we must amend our legislation to continue to give Canadian men and women a clear indication that we want to carry out our programs and this legislation is merely aimed at giving them what they asked for on September 4. We are giving them a chance to tighten their belt so that after that short term effort, we will benefit from it thanks to a new economic impetus, the welfare of Canadians and the international prestige of Canada.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: Mr. Speaker, it is somewhat absurd that some hon. members should take this opportunity to make an overview of the situation, without dealing in any way with Bill C-80 which is before us today.

They keep saying that the Liberals are responsible for all the problems Canada is facing today, and that they are responsible for all positive aspects, for low rates of interest and inflation, and so on. The fact that they keep saying that is ample proof that they know nothing about the economy. In fact, all experts unanimously agree that the current situation is the results of steps taken by the previous government.

What I should like to know from the Hon. Member for Lévis (Mr. Fontaine) is this: You keep saying that on September 4, 1984, you were elected by the Canadian people to tighten our collective belt. If such is the case, how could you allow over $500 million in tax dollars to disappear in the course of the recent purchase of the Gulf Canada assets, or how could you introduce a legislation currently before the House and calling for $800 million to compensate those investors with more than $60,000 in uninsured deposits? How could you give $2.5 billion to the major oil companies under the so-called agreement which you referred to earlier? And now you dare stand up in the House and say: We have been mandated by the Canadian people to tax basic necessities and health products, and all taxpayers across the board will have to pay because of that odious bill. How can you reconcile being so callous with low and middle income taxpayers on the one hand, and so very generous with those who can easily afford it on the other? I should like to hear what the Hon. Member for Lévis has to say about that.

• (1240)

Mr. Fontaine: I want to thank the Hon. Member for Richmond-Wolfe (Mr. Tardif) for his question and, by the same token, put one to him.

How do you, Liberals, who made up the previous Government, explain those $15 million you gave to CCM, a company that did not make any profits at all? What about the $2 billion you gave to de Havilland and the $1 billion you gave Canadair? What about Maislin and Massey Ferguson? You Liberals threw $3.2 billion down the drain!

An Hon. Member: Maislin in LaSalle—

Mr. Fontaine: So I think you people should explain. I thank you for your question. You also mentioned a tax matter, and you know perfectly well that was settled by the Department of National Revenue. You mentioned $800,000 . . . Out West,

because of your so-called energy policy and the house of cards you set up, people started construction and established companies with very little equity, and because of the economic conditions you created, they got into trouble, and today we have to clean up the mess. So I think you have a lot of explaining to do, not us!

We are here to deal with the problem and that is why today we are asking Canadians . . . Your Leader refused to have you tighten your belts, and so did the Leader of the New Democratic Party. Our Prime Minister tightened his belt, $15,000 worth, 15 per cent of his salary. Tighten your belts first, before you ask us any questions!

Mr. Tardif: I have a supplementary, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Richmond-Wolfe (Mr. Tardif), for a supplementary.

Mr. Tardif: Mr. Speaker, I certainly do not share the views of the Hon. Member for Lévis (Mr. Fontaine), but I would like to inform the Hon. Member that the billions invested by the previous administration have created and safeguarded thousands of jobs.

Mrs. Champagne: Ask the people at Maislin!

Mr. Tardif: And if we add up the millions to which he was referring, I think we should remember that this was over twenty years, and the total amount you gave to those rich Canadians is far more than we apparently "wasted", to borrow your expression, in twenty years.

You did it in six months, and worst of all, you did it at the expense of the average taxpayer, at the expense of Canadian men and women who aren't able to tighten their belts.

You don't seem to realize what it means to lose $10 or $15 per month when people have trouble making both ends meet. You are making them pay for your handouts to the rich friends of the Conservative Party.

Mr. Fontaine: I appreciate that the Hon. Member for Richmond-Wolfe (Mr. Tardif) and I do not see eye to eye, for if he did he would have seen the light and be sitting on this side of the House.

The Hon. Member for Richmond-Wolfe talks about the peculiarities of Canadians. Are you aware of the fact that all Canadians enjoy the right to vote—be they poor or very poor, rich or very rich—and that they are the ones who gave us 211 out of 282 votes here in the House? They gave us an unmistakable mandate to administer and balance our budget, and that is what we are doing now, Mr. Speaker.

Mr. Waddell: Mr. Speaker, I can hardly believe my ears when I listen to a debate between two Quebec Members. The Tories blame the Liberals, and the Liberals blame the Tories. Fortunately the electors of Quebec will have another option on December 2, the NDP of Quebec. I want to say to the Hon. Member that the Liberal Government's National Energy Program was designed to help Quebec consumers. There were problems, but that is the kind of program it was. Here is my question: How much does ordinary gasoline cost?

Mr. Della Noce: The word is "regular".

Mr. Waddell: Regular gas in Lévis.

Mr. Fontaine: Mr. Speaker, I thank the Hon. Member for Vancouver-Kingsway (Mr. Waddell). First I want to congratulate him for speaking in French, it is commendable.

You refer to the Liberals' energy program and its advantages for the Province of Quebec, but you seem to make a distinction between Quebec and Canada as a whole, yet Quebec is a part of the country. Canada stretches from the Atlantic to the Pacific. The economic fallout of our policy concerning the energy program can be felt throughout Canada. As to the current price of a litre of oil, it is now lower than a year ago by today's cost of living standards.

Mrs. Mailly: A comment, Mr. Speaker. I wish to congratulate my hon. friend. Coming from a Member who was not present in the House in 1979 when we were sitting on the Government side, this is quite a good speech. He obviously fully realizes the kind of economic situation we have inherited from the Liberal administration. I had the pleasure and the unforgettable experience to act as assistant to Mr. Crosbie, the then Minister of Finance, when our party was in power, unfortunately, for a very short period in 1979. I must say Mr. Crosbie would be very much interested in the remarks my hon. colleague has just made, because he has clearly indicated what was wrong. It was that enormous debt which was jeopardizing our country making it impossible for many regions, such as Western Canada, to recover and get out of this mess for which the Liberals, who are liberal to a fault, were responsible.

I should like to call the attention of my hon. friend to an article which appeared yesterday in the Ottawa *Citizen*, under the headline:

[*English*]

"The Canadian economy beats U.S.".

[*Translation*]

According to the Royal Bank of Canada—

[*English*]

"The key to optimism" is—

[*Translation*]

The Acting Speaker (Mr. Charest): I must regretfully interrupt the Hon. Member for Gatineau (Mrs. Mailly) in the expression of her objective opinion—

Mrs. Mailly: Mr. Speaker, I was just quoting from an article—

The Acting Speaker (Mr. Charest): The reason I have interrupted the Hon. Member is that the time allocated for

questions and comments is over. Resuming debate. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, Bill C-80 now under consideration is completely useless in my opinion and could have been avoided if this Government had taken a different approach. We are told that this Bill was introduced, as the Hon. Member for Lévis (Mr. Fontaine) has just said, because the Canadian public gave his Government, or at least his party, the mandate to make all Canadians tighten their belts. I think that all Canadian men and women were aware of the fact that, after the worst economic crisis ever in Canada and the other industrialized countries in 1981 and 1982, we would have a serious public debt problem.

My first criticism of this Government would be that it did not take this fact into account during the 1984 electoral campaign. Who made promises representing additional expenditures of $20 billion according to the figures of the present Minister of Justice (Mr. Crosbie)? Those promises were not made by the Liberals, but by the Conservatives themselves. Who promised during the electoral campaing, for instance, to solve the oil problem and especially to do something for the private retailers who do not work for the big oil companies? It was not the party on this side, but the party opposite. Yet, after criticizing the Petro-Canada problem for so many years, what did they do after coming to power? They invested even more money, allowed Petro-Canada to spend even more, and because of this, a refinery in eastern Montreal will close its doors, 450 jobs will disappear, and in addition, all private gasoline retailers in Quebec will be facing even larger cartels than before.

● (1250)

Mr. Speaker, I repeat that this Bill could been avoided if the Government had taken a different course of action. I am aware that the public debt is serious. I am aware that 25 per cent of our expenditures, or 25 cents out of each dollar, are used to pay interest charges on the debt. However, if this is so, why not have worked on this angle?

Why is it, for instance, that the Hon. Member for Lévis (Mr. Fontaine), the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) tell us that we must reduce the deficit? What did they do in the budget? Why do we now have to examine such a piece of legislation? Why will all Canadians have to pay taxes on nonproprietary medicine? Why will Canadians have to pay higher taxes on gasoline? Why will they have to pay taxes on building materials, such as pre-mixed concrete? Why do we have to do this? It is very simple. It is because this Government decided to give money to the multinationals and make the taxpayers pay for it.

It must be emphasized that this is the basic philosophical difference between the Conservatives and my own party.

According to the Conservative philosophy, one should give to the rich and tax medium- and lower-income groups, and keep hoping that within the next 10 or 15 years the rich will be rich enough to spend, and that ultimately they will create jobs for the poor. That, of course, is the story of the horse and the sparrow, as has often been explained. We on this side think that the best way to ensure a distribution of wealth, a more democratic, more liberal way, is to make sure that wealth is distributed more adequately and that the rich pay more, so that we may maintain a better and fairer balance in wealth distribution among all middle-income groups, especially in the less favoured regions, and this involves regional development.

They say they want to tackle the deficit, but what are they doing in the Budget? They did away with the tax on oil multinationals, and this means that by 1990, $8.5 billion will have slipped out of this Government's coffers into those of ten odd oil multinational corporations. I repeat it: $8.5 billion. They decided to do away with the tax on capital gains, and certainly people earning $25,000 and $30,000 a year do not earn enough capital gains to benefit from that deduction offered by the Conservatives. You know something, Mr. Speaker? By 1990, it is nearly $5 billion that will have gone out of the Canadian Government's coffers into those of a mere 4 per cent of Canadian taxpayers who had capital gains over these last years and will now get those tax benefits.

What have we done to that Government? We are told: Middle-income Canadians, tighten your belts! And at the same time, they decide all of a sudden to take close to $1 billion out of the pockets of Canadian taxpayers so that the Government may reimburse nameless depositors, individuals or companies, or foreign banks that had deposited more than $60,000 in the Northland Bank and the Canadian Commercial Bank.

Mr. Speaker, Canadians are asked to tighten their belts. Middle-income and lower-income Canadians are asked to pay a higher sales tax. The Government has enough money to forego potential tax revenues of something like $1 billion—some say it is even more—for the benefit of a couple of shareholders in a company that just bought the Canadian assets of Gulf, which may amount to $1 billion in tax expenditures, and then they say it was just an administrative decision. We read in the papers that the former Deputy Minister of Finance clearly stated that his Minister allowed him to keep from discussing the issue because of the possibility he might work with the Reichmanns, and his Minister was kind enough to look after that matter himself. And we are being asked to believe, today, after the tainted tuna affair and the banks affair that those people speak the truth and only the truth and that neither the Minister of Finance (Mr. Wilson), nor the Prime Minister (Mr. Mulroney), nor the Minister of Energy, Mines and Resources (Mrs. Carney) knew about that administrative decision which handed out $1 billion to a few shareholders of a big company. And also we are asked to pass legislation which will force Canadians to tighten their belts.

Mr. Speaker, nothing much has been said in the House about another issue which was discussed at the same time as Domtar, in the Eastern Townships, an issue which had my colleagues for Richmond-Wolfe (Mr. Tardif) and the member for Granby-Stanstead-Shefford (Mr. Lapierre) working very hard. The Government did not want to give a cent. Finally,

funds which were earmarked for other projects under regional agreements already signed were granted to Domtar, that is $60 million. However, at the same time our angelic Minister of Revenue (Mr. MacKay) who used to bawl out against advance rulings, gave one out for the Reichmanns and another one which may have cost $250 million of lost revenues in the case of Algoma Steel and CPR. You should perhaps look into this other matter.

And, billions are given to multinationals either by way of advance rulings for the purchase of Gulf as well as in the case of Algoma and the CPR or in the case of the banks and I maintain that as a result of this Government's incompetence, we are asked to hand out so much money for the banks. And today, the Hon. Member for Lévis (Mr. Fontaine) and the Minister of State (Finance) had the nerve to come and say, Mr. Speaker, that they have been given the authority to tighten our belts, the belts of people earning $15,000 and $20,000 by increasing the sales tax, by reducing family allowances, by reducing the amount which enables families with average incomes to obtain the child tax credit. And they want us to believe that today, Mr. Speaker.

I think, Mr. Speaker, that there is a limit to trying to stuff people like suitcases. I think that truth must be clearly stated. If we look at the impact the Bill will have by 1990, it all means that this Government is going to take $16 billion more out of the pockets of Canadian taxpayers, and I would rather not go on again about the sales tax, which we all know is going to hurt low income families far more, proportionally, than other Canadians. All this is going to add up to $16 billion. And you know what? The special benefits for oil multinationals, which add up to $8.5 billion, capital gains—$5 billion, the Algoma deal—$200 million, plus one billion dollars' worth of "advance ruling" for Reichmann and one billion dollars in the bank fiasco, do you realize that all this adds up to $16 billion? And the sum total of this whole exercise is, that this Government's deficit will not be reduced by a single cent. In fact, it will increase.

To the Hon. Member for Lévis who says that the Government is doing this to bring down the deficit, I say this: It's like trying to water your garden when you turn on the water but you don't open the nozzle. It won't do much for your garden and it won't do much for the deficit. And the worst part is that all these cash payments and foregone revenues benefit exclusively a certain privileged class, and I am referring to the oil multinationals, the big banks and people with deposits of $60,000 and up. The benefits go to the people who buy a company and manage a tax benefit of one billion dollars.

Mr. Speaker, all this money goes into the hands of... I think if I had two more hands, if I could find two extra hands, I could almost show what these people are like.

Unfortunately, 10 or 11 million Canadian taxpayers are probably going to have to pay the bill. And that is the whole philosophy of this Government. They think they can activate the economy by taking money from those who have less—and I am referring to the middle class and those with very low incomes—to give it to the rich.

S.O. 22

Mr. Speaker, I submit that this economic assumption is wrong, that it will create social problems in Quebec and in Canada, and that it will also create problems for regional development in this country, because in a country like Canada, we cannot expect the market to meet all the needs of our various regions.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, according to the latest figures, every day some 19,800 pounds of priority pollutants are discharged into the Niagara River. Of these, 350 pounds are caught by the recently reopened sewer treatment plant in Niagara Falls, New York. The remaining 19,450 pounds flow unchecked into the river and eventually into Lake Ontario, posing a serious long-term threat to public health. While this goes on, here in Ottawa the Minister of the Environment (Mr. McMillan) remains silent on the clean-up plan he received from the U.S. Environmental Protection Agency.

On Monday the Minister refused to provide facts about the plan proposed by the United States. From his performance, one has to conclude that the Minister prefers to engage in cheap politics rather than deal with the health of millions of Canadians.

There are important questions which need to be answered. First, does the plan set stiff controls on polluting industries for their toxic discharges? Second, how much money, if any, does the plan provide for the incineration of toxic chemicals buried in the four major dumps on the United States side of the river? Third, will funds be given to municipalities for the construction of facilities intended to catch toxic pollutants as they enter sewage plants? Fourth, what is the implementation timetable? Fifth, which are the agreed upon toxic substances to be brought under control?

I call upon the Minister of the Environment to make the U.S. plan public and to seek input from public interest groups—

S.O. 22

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

[*Translation*]

SHIPBUILDING

CONSTRUCTION OF FRIGATES AND REPAIRING OF DESTROYERS—ADJUDICATION OF CONTRACTS

Hon. André Ouellet (Papineau): On June 29, 1983, Mr. Speaker, the Liberal Government had announced the adjudication of major contracts for the building of six frigates as well as the repairing of destroyers and submarines of the Canadian Navy. It had shared these contracts fairly among the various regions and shipyards in this country.

Now that the rules of the game have been changed, the Conservative Government is shying away from its responsibilities in the area of regional development by not forcing the Versatile Vickers Company to fulfil its contractual obligations.

The contract which had been adjudicated to the St. John company provided for two major subcontractors, namely, Paramax Electronics and Versatile. Why would we have insisted at the time on Paramax relocating in Montreal if three of the six frigates were not to be built in the Montreal area?

The decision to callously take away this contract from the Vickers company in Montreal will affect some 500 senior employees who have between 10 and 15 years of service and who have the necessary advanced technology in the area of ship repair and construction.

We are told that 185 employees are already at least 55 years of age, and if this decision—

Mr. Speaker: I must regretfully interrupt the Hon. Member, but the time allocated to him has expired.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

QUEEN CHARLOTTE ISLANDS—FUTURE OF SOUTH MORESBY AREA

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, the people of British Columbia speak with one voice when they address the management of that delicate balance between the preservation of our environment and the survival of our resource industries. No one wants to see that balance upset. Most recently that voice has been loud and clear on a number of controversial conflict areas, including South Moresby, British Columbia. I am pround to report that the voice of the people is now recognized as the voice of reason.

My colleague, the Hon. Minister of the Environment (Mr. McMillan), has had an opportunity to see firsthand the South Moresby area of the Queen Charlotte Islands. After touring the area, the Minister spoke of accommodation and compromise.

The provincial Government also realizes the importance of approaching issues as crucial as the South Moresby issue with a view to seeking a compromise. The announcement last week by B.C. Environment Minister Pelton of his study commission is welcomed by those who reject extremism in either the environmental or the industrial communities.

There is a place for both the development of our resource industries and the preservation of our wilderness environment. Our role is to search for that compromise solution, to listen to the voice of reason, and to maintain the delicate balance.

* * *

TRADE

SUPPORT FOR CANADA-UNITED STATES NEGOTIATIONS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I want to express my whole-hearted support of our Government's efforts in seeking a new trade agreement with the United States.

It is only common sense that we should seek to secure and expand our access to the markets of our largest trading partner. Seventy-six per cent of all Canadian exports go to the United States. This represents approximately three million Canadian jobs and almost 30 per cent of our national income.

At present there are 300 protectionist Bills before the United States Congress. Many of these measures would seriously impair various sectors of the Canadian economy.

In its final report the Macdonald Commission indicated:

> It is imperative that Canada reduce both the uncertainty of access to U.S. markets and the adverse effects that might result from any trade-restrictive measurs.

The commission concluded that Canada would "benefit substantially from a new trade agreement with the United States, particularly from access to the expanded unrestricted market and from economies of scale".

Are members of the Opposition really willing to risk the *status quo*? They should ask a pork farmer in Ontario, or a logger in British Columbia, if he is happy with the *status quo*.

The Government believes in the ability of Canadians to compete and to succeed. A new trade agreement with our largest trading partner will preserve jobs now and create jobs in the future. Let there be no illusions. These negotiations will be long and difficult, but the bottom line is: if we do not get a good deal, there is going to be no deal.

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

EMPLOYMENT

FULL-TIME AND PART-TIME JOB STATISTICS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, unemployment remains the most serious concern of and problem for Canadians. The marginal decline in the unemployment rate to 10.1 per cent glosses over the fact that much of the decline is due to an increase in low-paying, part-time jobs which are replacing unionized, full-time jobs with standard pay and benefits.

The report of Statistics Canada released on October 11 indicated that in September full-time employment decreased by 24,000, with the decline entirely due to lower full-time employment for females, while part-time employment rose by 47,000.

This was confirmed on Monday in a report out of Toronto which appeared in *The Globe and Mail*. It indicated that job openings for full-timers dropped by 24 per cent. According to the Toronto-based Technical Service Council, total employment in Canada increased in the past year largely because of temporary, part-time, and contract positions. In its report on September 24 the OECD forecast little improvement in unemployment in Canada in 1986.

All these facts indicate that the Budget and the employment policies of the Government are not adequate. It is time for the Government to stop patting itself on the back and to re-examine its employment policies in respect of these serious issues.

* * *

APARTHEID

CONDEMNATION BY PRIME MINISTER

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I stand to applaud the statement of condemnation of South African racist policies which was made before the United Nations yesterday by the Prime Minister (Mr. Mulroney).

Some Hon. Members: Hear, hear!

Mr. McCurdy: It reflected the views, I am sure, of all Parties in the House and of the vast majority of Canadians. Its enthusiastic reception by delegates at the UN reflected not only the power of the statement but the expectations created by it.

Canada has assumed the focus of the expectations for change of the Third World that hopes to see western industrial nations, which have heretofore supported South Africa, now effectively join the battle against that regime. Any failure to live up in full measure to what is expected of this new leadership role could lead not only to immeasurable disillusionment with Canada but to increased cynicism about the West's commitment to the values underlying our democracies.

We have promised a tough stand, and we must take that stand. If in six months South Africa has not responded as demanded, we dare not answer with more words, however

eloquent. We must respond with action which goes much further than "a tiny little bit", "a tiny little bit".

* * *

[*Translation*]

THE ECONOMY

IMPACT OF LOW INTEREST RATES

Mr. Gilles Bernier (Beauce): Mr. Speaker, I should like to point out how satisfied the people of the Beauce region and the people of all of Canada are as a result of a decrease in interest rates. From now on, it will be less costly to become a property owner. Farmers, fishermen and small businessmen will see their costs decrease and jobs will be created for the unemployed.

Last Thursday, the Bank of Canada rate reached 8.77 per cent, and this means a 3.6 per cent reduction since the election.

The chartered banks' preferred rate has decreased from 1 to 10 per cent, its lowest level in seven years. Consequently, the interest rates provided under the Small Businesses Loans Act, the Farm Improvements Loans Act and the Fisheries Improvement Loans Act will be reduced.

In more specific terms, this will represent an average saving of $1500 per year on a $50,000 loan.

Payments on 5-year mortgage loans have been reduced 2.5 per cent. In the case of a $50,000 mortgage, this means a saving of more than $5000 in the first 5 years and of around $26,000 over a period of 25 years. The people of the Beauce region appreciate that.

Mr. Speaker, since the election, housing starts have increased by 29 per cent, as a result of lower interest rates. It will give rise to the creation of thousands of jobs in the construction, lumber and furniture industries.

We are creating a very favorable climate. Let the media dwell more often on the good news, and this country will be all the better.

* * *

● (1410)

[*English*]

CANADIAN BROADCASTING CORPORATION

THE FRIENDLY GIANT—LAMENT FOR PROGRAM CANCELLATION

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, the CBC has done it again. It wins and Canada loses. *The Friendly Giant* is dying, and the CBC pulled the trigger.

Talk about an arm's-length relationship; the CBC is so far removed from reality that it cannot tell what is worth keeping any more. Just because Friendly is 66 years old and has been on the air for 26 years is absolutely no reason to write him off.

S.O. 22

Do you recall the expression, Mr. Speaker: "If it works, don't fix it"? Well, here we go again.

The last letter I received regarding Friendly from the CBC President was dated September 12, 1985, and read:

—it may surprise you to know that I share your feelings about Friendly. I, too, think it was valuable and worthwhile, and I can appreciate that its cancellation has created considerable concern.

What is wrong with admitting you made a mistake? We did it in June regarding the Old Age Security pension issue.

We are seeing another nail being driven into the Canadian cultural coffin. Friendly will be no more. Rusty and Jerome are being put to pasture and we cannot even offer them a Senate seat. I tried, goodness knows I tried.

Some Hon. Members: Hear, hear!

* * *

NATIVE ECONOMIC DEVELOPMENT FUND

DISTRIBUTION OF FUNDING

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, all Members of the House should be asking why the Native Economic Development Fund which was set up to assist native business people is distributing its funding so slowly. The whole process is creating frustration among native people awaiting start-up assistance for business ventures and depriving them of their chance to create jobs for the many unemployed native people of Canada.

Why has the NEDP, which is well into its second year of operation and more than one-third of the way through its mandate, distributed less than one-tenth of its funds, only some $20 million of the $345 million allocated?

[*Translation*]

On May 21st last, the Minister of State (Small Businesses) (Mr. Bissonnette) told me in this House that requests for financial assistance were efficiently dealt with as they always are.

[*English*]

If this is so, why are we still hearing reports of delays and applications resting in the Minister's office?

This program must become a priority of the Government if we are to see any improvement in the economic conditions of Canada's native people. I fear that there will be even further delays with the expected major turnover of advisory committee members at the end of this month. There is no excuse for these delays. If the process for reviewing the applications has to be revised, then the Minister of State for Small Businesses (Mr. Bissonnette) should do so. Let's get going.

INTERNATIONAL YEAR OF PEACE

UNITED NATIONS DECLARATION—CANADIAN CONTRIBUTIONS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, in New York City this afternoon the United Nations is going to declare 1986 the International Year of Peace. In the words of the General Assembly, the objective of this international year will be to make an even greater contribution to promoting international peace and security on the basis of the Charter of the United Nations.

Canada can enter this international year encouraged by the way 1985 has already been a year of victories for peace by Canada. First, the Canadian people and Government set the pace for world relief to Ethiopia. Second, our Ambassador for Disarmament was a key player in gaining renewed support for the non-proliferation treaty. Third, the Government made a courageous decision on the issue of the Strategic Defence Initiative. Fourth, the Minister of National Defence (Mr. Nielsen) announced that Canada will join the multinational peacekeeping force in the Sinai. Fifth, Canada hosted the World Conference on Human Rights. Sixth, the Prime Minister (Mr. Mulroney) has given leadership to the Commonwealth and the world in challenging apartheid in South Africa.

The International Year of Peace will involve not only peace-seeking Governments such as our own. Its appeal is also to churches, clubs, lodges and associations, to open up that vast reservoir of support for peace that exists in all our constituencies and neighbourhoods. International years have already raised world consciousness—

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

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—ESTEY COMMISSION HEARINGS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Finance. Every day a little bit of truth about the Government's behaviour regarding the Canadian Commercial Bank affair trickles out. The Estey Commission confirmed that the Prime Minister was directly responsible for the CCB decision. Today we also learned that the Government orchestrated the bail-out knowing that losses were understated. The Prime Minister and the Minister of Finance defended themselves by saying that they relied on the best available information. Does the best available information mean only the information that the Prime Minister wants to hear?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker.

[*Translation*]

REQUEST FOR EXPLANATION OF CANADIAN COMMERCIAL BANK BAIL-OUT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in a matter as serious as this one, I must say I am very surprised. The Minister is not deaf, he understood my question quite clearly, but he obviously does not want to answer. I will try with another question, and maybe he will want to answer that one.

In the tuna affair, the Prime Minister informed the House that he had acted "innocently", as though he knew nothing. In the bank affair, it seems the Prime Minister did not want to know the facts.

I would like to ask the Prime Minister, considering the importance of this matter, what kind of documents the Prime Minister had in front of him when he made the decision to bail out the Canadian Commercial Bank.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has been a member of a Cabinet. He knows that that is a question that cannot be answered in the House. All the information that was needed for this decision was presented to the Prime Minister, and that is all I am able to say.

[*Translation*]

SURVIVAL OF CANADIAN COMMERCIAL BANK

Mr. Raymond Garneau (Laval-des-Rapides): I have a supplementary, Mr. Speaker.

We were informed in the House on several occasions that $255 million was enough to guarantee the survival of the CCB. Yesterday, before the Estey Commission, it transpired that the Inspector himself from the Office of the Inspector General of Banks had said it would take $120 million more, in other words $375 million. Could the Minister of Finance inform the House why he concealed such important information from the House and why he deceived Parliament and the Canadian people?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are going to be different points of view presented before the Estey Commission from time to time over the course of its hearings. The whole purpose of the Estey Commission is to get these different points of view on the record so that Mr. Justice Estey can make a decision. Once he has made his report available to the public, we can then decide where to proceed from there.

Oral Questions

SHAREHOLDERS AND DEPOSITORS—MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. As late as August 9 the Minister was encouraging shareholders and depositors to hang in with the Canadian Commercial Bank by saying unequivocally that the Government's actions in March had ensured the long-term viability of the bank. We now find that the Minister knew in July from at least two sources that the bank would not return to profitability. Will the Minister tell the House why, on August 9, she made statements that she must have known were at variance with the facts?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have answered this question any number of times in the House. I have indicated to the House more than once that this is exactly the kind of information that is going to come before the Commission within its proper context and all the facts will determine the conclusions.

• (1420)

Miss Nicholson: Mr. Speaker, that is not true either because the question of ministerial responsibility is not before the Estey Commission. That question belongs in this House.

Some Hon. Members: Hear, hear!

REQUEST FOR EXPLANATION OF FIGURES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the same Minister. The Government has not been open with the House or with the people of Canada from the start. We were told at the time that $255 million would make the bank viable. We now learn that officials advised on March 24—

Mr. Speaker: Order, please. Perhaps the Hon. Member would like to ask her question, please.

Miss Nicholson: Will the Minister table in this House documents, and will she make a statement on Motions, dealing with the difference between the two figures of $255 million, which we were told at the time, and another $116 million, which we now learn would have been essential to make the bank viable?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not think that we have learned that another $116 million was essential. I think that we have learned is that there are a number of figures from the balance sheet and the support package being placed before the Estey inquiry. All those facts will go into the conclusions which the inquiry will reach.

INFORMATION PROVIDED TO MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. On March 28 in this House the Minister of State for Finance said the following, and I

quote: " . . . a support package in the amount of $255 million would be sufficent to ensure the continuing operation of the Bank." Yesterday we learned from Neville Grant, the man in charge of bank inspections, that on the day before the bail-out decision was announced he had informed the Inspector General of Banks that the CCB was going to lose some $350 million and that a bail-out of that amount would be required for survival. Was the Minister made aware of that information?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will respond to the question in the same way as I responded to the previous question from the Liberal Party. These are questions which are being discussed before the Estey Commission.

Some Hon. Members: Oh, oh!

Mr. Waddell: Are you going to testify there?

Mr. Wilson (Etobicoke Centre): They are matters of opinion before the Estey Commission.

Mr. Waddell: That is a fact.

Mr. Broadbent: I asked a factual question, not opinion.

Mr. Wilson (Etobicoke Centre): That is the whole purpose of the Estey Commission. Once it has assessed all the information before it, we can then decide at that stage where we go on the whole matter.

Mr. Broadbent: Mr. Speaker, I raised a question with wording I chose with care. It was not a matter of opinion; it was a matter of fact.

INQUIRY CONCERNING MINISTER'S KNOWLEDGE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question to the Minister of Finance who has responsibility over the Inspector General of Banks is simply the following. Was he made aware before the decision was made and before it was announced in this House that the CCB would lose $350 million, that, if there was to be a bail-out, a sum of money up to that amount would be required? That is a factual question which the Minister should answer.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me expand a little bit on my first answer, then.

Some Hon. Members: Yes.

Mr. Wilson (Etobicoke Centre): What the Hon. Member has drawn into the preamble to his question are conclusions which he is drawing from statements that were made before the commission yesterday. I will not comment on the conclusions which the Hon. Member draws. The conclusions which the Government and I are waiting for are those from Mr. Justice Estey. That is the basis upon which I should be commenting.

Mr. Broadbent: Mr. Speaker, that is a cop-out if I ever heard one. The Minister was asked a factual question and he should answer a factual question.

Some Hon. Members: Hear, hear!

TIMING OF GOVERNMENT DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have another question which pertains to ministerial responsibility. Also, according to very important testimony which was given, the decision to save the bank was made on Saturday, March 23. We now know regarding the $350 million sum that the inspection which led to that sum was not completed until 24 hours later. Is it the Minister's notion of ministerial responsibility to make a decision first and get the facts later?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I say that the Hon. Member is drawing his own conclusions from statements which are being made in front of the Estey Commission.

Some Hon. Members: No, no.

Mr. Wilson (Etobicoke Centre): With respect, I would prefer to listen to the conclusions drawn by Mr. Justice Estey—

Mr. Waddell: Are you going to testify?

Mr. Broadbent: Ministerial responsibility is here.

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): If the Hon. Member would listen to the answer, I say that it is more important for us all as Members of Parliament to listen to the conclusions drawn by Mr. Justice Estey, based on the range of testimony which will be presented to him during the course of the inquiry, and not piece-by-piece judgments drawn by the Hon. Member.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday the U.S. Trade Secretary William Brock said that Canada must, and I quote: "Put everything on the table in free trade talks . . . including social programs and the Canada-U.S. Auto Pact." On October 2 in the House the Secretary of State for External Affairs said, and I quote: "Canada's social programs are not on the table." Why is the Government allowing President Reagan to dictate the terms of the free trade negotiations to Canada by insisting that everything be placed on the table despite the wishes of Canadians?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the last time I looked, Mr. Brock was not the Secretary of International Trade but the Secretary of Labour in the United States. Perhaps the hon. gentleman might want to update his reference library.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Get your amanuensis to fix the question.

Mr. Nielsen: With respect to the statement of the Secretary of State for External Affairs, he was expressing Government policy, the approach of the Government to discussions with the United States, and that is still the approach unaltered.

Mr. Crosbie: Straight from the heart, Jean.

[*Translation*]

Mr. Chrétien: Mr. Speaker, it is true that the U.S. Secretary changed departments, but the fact remains, he still is a senior member of the U.S. administration.

INQUIRY WHETHER UNEMPLOYMENT INSURANCE, MEDICARE, AND PENSIONS WILL BE SUBJECTS OF NEGOTIATION

Hon. Jean Chrétien (Saint-Maurice): I would like to ask the Deputy Prime Minister whether unemployment insurance, medicare and pensions will be subjects of negotiation with the United States. I want to ask the Deputy Prime Minister: Isn't it time to tell the United States that this country is not for sale and its survival is not negotiable?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am surprised at the question posed by the Hon. Member.

Some Hon. Members: Oh, oh!

Miss MacDonald: Obviously, he has not read the statement of the American Ambassador to Canada who said recently in a television interview: "I would like to put these fears with regard to Canada's social programs to rest". The United States is not without a structure of social support of its own . . . and we have no more interest in asking Canadians to determine such matters for us than you do in having us determine them for Canadians."

Some Hon. Members: Hear, hear!

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK—ESTEY COMMISSION INQUIRY TESTIMONY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance who will know that at the judicial inquiry the Director of Inspections for the office of the Inspector General of Banks said, under oath, that it would cost $350 million to ensure the continued operation of the bank. Was she aware of that information when she made her recommendation to the House?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, once again we are getting into a situation of trying to judge numbers in this House. The proper context for dealing with all of the balance sheet items—

Some Hon. Members: Oh, oh!

An Hon. Member: What are you here for?

Mr. Cassidy: What's a billion, Barbara?

Mrs. McDougall: The proper context for dealing with this type of information is in the Estey inquiry. That is where the final recommendations will be made.

Mr. Broadbent: You are responsible here.

Mrs. McDougall: That is why we established the commission.

MINISTER'S MARCH STATEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, what is $100 million in this case?

In the House on March 28 the Minister of State for Finance said that the support package in the amount of $255 million would be sufficient to ensure the continuing operation of the bank. Under oath the individual who is responsible for inspections for the bank—

• (1430)

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

Mr. Hnatyshyn: No.

Mr. Riis: The question is simply this, Mr. Speaker. Since the Minister obviously had that information at the time, did she therefore intentionally mislead the House when she said that $255 million was adequate?

Some Hon. Members: Order.

Mr. Speaker: Order.

Mr. Broadbent: She won't answer questions that are in order.

Mr. Speaker: I think I know what the questioner is trying to get at, but I think the Hon. Member also knows that our rules do not allow us to do indirectly what cannot be done directly.

[*Translation*]

FINANCE

BUDGETARY CUTBACKS—REDUCTION OF DEFICIT—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a question for the Minister of Finance. The situation is serious enough considering that the Government's and the Minister's integrity is at stake.

In the paper tabled last January, the Government stated that no savings would be used to reduce the deficit. Yesterday, the Minister of Finance admitted for the first time that family allowance cuts would be used to bring down the deficit.

My question to the Minister of Finance is this: Will he tell us which of the two misled the people of Canada and Members of this House?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first of all no one has been misleading the Hon. Member and he will know that if he has been listening to the answers. Second, if the Hon. Member takes a look at the very question he asks, namely, what are the actual expenditures of this Government on social programs, he will find year over year that in fact there is an increase in the social spending of $2 billion.

[*Translation*]

IMPACT ON FAMILY ALLOWANCES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, while the Minister of National Health was junketing to China with his official agent, he forgot about the answer given by the Minister of Finance yesterday.

I am repeating my question to the Minister of Finance who, for the first time, admitted that reductions in the growth rate . . . could the Minister explain why he could not respect his Government's commitment when he decided to use family allowances to reduce the deficit?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, nothing could be clearer than the answer given by my colleague, the Minister of National Health and Welfare. Spending in the social envelope this year is going up by $2 billion.

Mr. Garneau: That's not the question.

Mr. Wilson (Etobicoke Centre): The deficit is going down this year. Surely, the Hon. Member is capable of adding.

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT INQUIRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Deputy Prime Minister and refers to the comments made by Cabinet Secretary Brock who is trying to widen the range of items to be discussed in the free trade talks. Will the Government now clearly confirm the words spoken to this House by the Secretary of State for External Affairs on September 27 that the Auto Pact would not be renegotiated, despite the fact that this Cabinet Secretary in the Untied States has called for putting that crucial piece of trade legislation on the table?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have no difficulty at all in confirming the words of the Secretary of State for External Affairs.

CONSEQUENCES OF CHANGE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I put it to the Government—

Mr. Crosbie: Put it to yourself.

Mr. Broadbent: Watch it.

Mr. Langdon: Is the Government aware that the parts sector and the auto manufacturers estimate that over 10,000 jobs would go down the drain if the Auto Pact is changed? Will the Government see to it that the Auto Pact and its safeguards remain a complete and total sacred trust in these negotiations?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman obviously prepared his supplementary question before he was aware of how I would answer his first question. That answer still stands.

* * *

EMPLOYMENT

CREATION OF JOBS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday the Minister continued to boast about creating 300,000 jobs during the past year.

An Hon. Member: So he should.

Mr. Allmand: When is the Minister going to tell Canadians the whole truth about these statistics, that a large percentage of those jobs—over 30 per cent—are low paying part-time jobs and that that trend is growing? That the wages for these jobs are low paying has been confirmed recently by the Canadian Council on Welfare which states there is a growing number of working poor in Canada. When is the Minister going to tell Canadians the truth about those statistics?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe I did acknowledge the fact that 30 per cent of those jobs were part-time jobs, as I think my colleague, the Minister of Employment and Immigration, acknowledged the other day. But surely the Hon. Member is not saying that 304,000 new jobs during the course of 12 months is not a good record because I believe those same people to whom he referred are saying that it is a very good record, and are encouraging us to achieve more like it.

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I am asking the Minister, and through him, the Government, if he is content with the situation where we are moving at a rapid rate from full-time jobs which are unionized, with standard wages and benefits, to a situation where we are moving to part-time jobs which are low paying, usually not unionized, and without benefits. As the Canadian Council on Welfare showed this week in a report, we are moving toward a situation in which there is a larger number of working poor in this country. Is that what the Minister is satisfied with?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker, of course we are not satisfied, and that is the reason why we have introduced the Canadian Jobs Strategy which will benefit some 400,000 people this year. But more to the point, what is important is that we have introduced training allowances for people who are attending on a part-time basis, primarily women and those who are supporters of single-parent families, so that they have a chance to benefit from training for new employment. That is something which was not even contemplated by the former Government.

* * *

[*Translation*]

TEXTILE INDUSTRY

IMPORTANCE OF INCREASING CANADIAN PRODUCTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. It is prompted by my meeting earlier this week with the Committee for the Survival of the Textile Industry in Sherbrooke.

Does the Minister know that made-in-Canada textiles account for only 43 per cent of the Canadian consumption of textiles, and would it not be fair that as a minimum, the share of Canadian-sourced textiles, those coming from Canadian producers and industries, represent half the Canadian consumption?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I will certainly take the Hon. Member's question as a representation. The suggestion of 50 per cent of the Canadian market being reserved for domestic producers has been mentioned by various other people and, as the Hon. Member may or may not know, I am meeting with industry and union representatives, for example, Tom Bell of Dominion Textile Limited, this afternoon, and we will certainly bring matters to what I believe will be a constructive conclusion for the industry very shortly.

[*Translation*]

REQUEST THAT CANADIAN PRODUCTION HAVE 50 PER CENT SHARE OF MARKET

Mr. Mike Cassidy (Ottawa Centre): I have a supplementary for the same Minister. On behalf of the Mayor of Sherbrooke, of the Municipal Council for the Industry, in Sherbrooke, of the Industrial Board and the workers of Sherbrooke, I ask whether the Government is indeed ready to take the steps needed to guarantee as a minimum a 50 per cent share of the Canadian textile market to Canadian textile workers and manufacturers?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I indicated in my response to the earlier question, we will take the question as a representation. But, frankly, Mr. Speaker, surely the time has come when opposition Members can start acknowledging some things. For example, according to the Construction Association of Canada, spending on manufacturing is going up 19 per cent between now and next year, and in the year after, 20 per cent.

Mr. Broadbent: What's that got to do with the question?

Mr. Stevens: Canadians are going to have the factories in order that they can get back to work, and unemployment is coming down.

* * *

HEALTH

AIDS—REQUEST FOR GOVERNMENT INFORMATION PROGRAM

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Canadians have recently received a great deal of conflicting and often misleading information about AIDS. In order to quell the fears of Canadians and to ensure that accurate information on AIDS is available, will the Government initiate a factual awareness program at the local level in order to inform Canadians about this tragic disease?

• (1440)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is correct, and I think Members of the House generally share her viewpoint. The time available in Question Period does not allow me to get into a full discussion of this issue. However, there has been the appointment of the National Advisory Committee on AIDS, as well as the publication called *AIDS in Canada: What You*

Should Know. Also, there is public information documentation as well as ongoing research. If it is helpful to the House, at the end of Question Period I can table information along these lines.

* * *

EDUCATION

FUNDING OF POST-SECONDARY EDUCATION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Secretary of State who, on Monday, announced the federal Government's new educational policy which washes its hands of any responsibility for the amount or direction of funds going to post-secondary education. How will the Government now ensure Canada's economic and cultural future without taking at least some responsibility for adequate funding so that national objectives for post-secondary education can be met?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, what I said this week was that the Federal Government transfers certain amounts to the provinces which, under our confederative system, are responsible for the allocation of these sums. I never said that I would refuse to co-operate with the provinces, and we are indeed co-operating with them, to try and find mechanisms which would allow the universities, colleges, and other institutions to receive the necessary support, naturally. When we transfer $4.5 billion to the provinces, this is already a meaningful involvement, but when we then obtain guarantees from these provinces, whose jurisdiction we must respect, through mechanisms, discussions and support programs, it is quite obvious—

Mr. Speaker: I regret to inform the Minister that he is now making a speech. Supplementary.

[*English*]

ACCOUNTABILITY OF PROVINCES

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, in addition to cutting $6 billion of anticipated transfer payments, is the Minister saying that his Conservative Government is going to abandon the amendment it passed when in opposition which requires that he see to it that the provinces are held accountable for how they financially support post-secondary education? Or has that now gone by the boards?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, what this Government can promise is that we shall see to it that the amounts transferred under the agreements signed and accepted by your own Government in 1977, namely an unconditional transfer to the provinces, will be paid. The concept of these arrangements is that it is up to the provinces to decide. There have been no cutbacks, as we have repeated many times; the amounts transferred to the provinces will increase. However, once more, we will have the necessary discussion to ensure that the various institutions will receive the money transferred to the provinces.

* * *

[*English*]

ST. LAWRENCE SEAWAY

ANNOUNCED REOPENING OF WELLAND CANAL

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Transport and it concerns the Welland Canal. This morning his officials announced that the Seaway is going to be reopened on November 6. Have those officials determined the cause of the blow-out, and is this going to be a temporary repair of the Seaway wall?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, my understanding is that the cause of the failure has not been precisely determined. I can give the Hon. Member no further information as of right now. I will be meeting with Mr. O'Neil, who is returning to Ottawa this afternoon, and he will be giving me a full briefing on the details of the repairs.

REPAIR WORK

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my understanding from Seaway Authority officials that this is going to be a permanent repair. How can the Minister justify permanently repairing the facility when it is not known what caused the problem in the first place? How can we be assured that this repair job will hold, not only for this year but for years to come?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will be in a better position to respond to that question perhaps tomorrow.

* * *

AGRICULTURE

RED MEAT STABILIZATION PROGRAM INQUIRY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Negotiations have been going on since July regarding a tripartite red meat stabilization program. There are reports that the producers and at least four provinces representing the vast majority of beef and hog production are ready to sign an agreement to be phased in over a three-year period. Can the Minister indicate if he is prepared to sign this agreement and when it will come into effect?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the Hon. Member's interest in a very important subject. The industry has attempted to make some progress on this program for at least 10 years. It might be of

some interest to the Hon. Member to know that this very day Deputy Ministers are meeting here in Ottawa and I would hope that when the meetings are concluded we will have a number of signatures on the agreement. However, there is no question about the fact that we have been prepared to sign, for quite some time.

REQUEST FOR RETROACTIVITY

Mr. Maurice Foster (Algoma): Mr. Speaker, can the Minister indicate whether he is willing to make the program retroactive to the first of the year as requested by Alberta and Ontario?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should know that the Act allows for this program to be retroactive to January 1, 1985. However, we are one of 10 or 11 parties involved. I am not going to dictate the terms concerning retroactivity. That was one of the problems in the past where certain parties tried to dictate. That is not our task. Our task is to co-operate and consult with our partners equally, and I am sure we can come to some agreement which is acceptable to as many parties that join the plan.

* * *

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

REQUEST THAT UNINSURED DEPOSITORS BE CALLED AS COMMITTEE WITNESSES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Chairman of the Legislative Committee concerned with Bill C-79. Since this Bill deals with uninsured depositors, many of whom are charitable and church organizations as well as municipalities, and since many people have questioned their motives, will the Chairman be inviting uninsured depositors as witnesses so they can tell the Committee why they supported the CCB and Northland Banks?

Mr. Blenkarn: That is in order.

Mr. Speaker: Order, please. I think it is in order to ask questions of a committee chairman concerning decisions on matters which the committee has discussed.

Mr. Blenkarn: Which this is.

Mr. Speaker: I might have been willing to allow the question, but that may change my mind.

I think, given the context, I am going to allow the question.

Mr. Scott Fennell (Ontario): Mr. Speaker, the all-Party steering group of the committee had a meeting this morning and the Chairman was requested to obtain written submissions from Canadians directly affected by the current affairs of the CCB and Northland Banks. Indeed, we hope that some group will come forward to express their concerns and explain why they continued to have faith in the regional banks.

Oral Questions

LABOUR CONDITIONS

POTENTIAL LOSS OF JOBS IN SUDBURY AREA

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. At present the Sudbury area is faced with the potential loss of 1,500 jobs at Inco and Falconbridge. This will further exacerbate an unemployment rate which is presently the third highest in Canada. Can the Minister tell this House what she intends to do about this situation?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member will know, I indicated initially that I was not satisfied with the origianl benefits package originally put forward by Inco, and since that time Inco has come back and enriched its benefits package by some 70 per cent. I see that it has extended the date for acceptance of that benefits package to the middle of November, and I am hopeful that there will be sufficient take-up of that benefits package through early retirement, and that it will not be necessary to effect further lay-offs. I am hoping that is what we will see in the Sudbury area.

• (1450)

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, at the danger of repeating my question, which I wouldn't want to do—

Mr. Crosbie: Good man.

Mr. Rodriguez: Mr. Speaker, the Minister has answered a question that I did not ask.

Mr. Crosbie: Well, don't ask it again.

Mr. Rodriguez: We are going to lose 1,500 jobs in the Sudbury basin. Can the Minister tell the House specifically whether there is anything that the Minister is thinking about which can be done for those workers and that community?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can tell the Hon. Member that I have already met with the Ontario Minister of Labour in order that we can jointly explore new ideas for fostering employment opportunities in the Sudbury basin. And as that initiative is developed I would invite the Hon. Member for Nickel Belt and, indeed, the Hon. Membr for Sudbury, to join us in those efforts.

[*Translation*]

SHIPBUILDING

REQUEST THAT MINISTER MEET VERSATILE VICKERS EMPLOYEES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I want to direct a question to the Minister of Supply and Services. Not only does the Government lack of action with regard to the frigate issue threaten the jobs of Vickers workers, but it may very well lead to the shutdown of the Montreal shipyards. I want to ask the Minister if he would be kind enough to spare some time today to meet with the Versatile Vickers workers who are here today and who are anxious to seek solutions likely to prevent the shipyards from closing down?

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I think I should bring to the attention of the Hon. Member that a short time ago I gave an undertaking that I would secure an appropriate legal opinion concerning our right to intervene. I have now received that, and I have read and reread it seven times with a view to determining whether there was any opportunity for us to do anything legally. I can find none. The reason for that is that the authors of the contact, who sit over there, including the Member for Papineau, failed to protect the interests of the Montreal workers.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Speaker: Order, order!

Mr. Hees: Next question.

Mr. Speaker: Order. Does the Member have a supplementary question?

[*Translation*]

DEMAND THAT MINISTER MEET EMPLOYEES PRESENT IN GALLERY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister will have to substantiate his allegations. In the meantime I would ask him to answer a much simpler question: Does he have the nerve and courage to do his job this afternoon and meet with the Vickers workers who want to see him and who are here in the galleries? Yes or no, that is easy enough to answer!

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I have also indicated that the Government is very much concerned with this situation.

Some Hon. Members: Oh, oh!

Mr. McInnes: I have met with union representatives once and have given my undertaking that I will meet with them immediately following this Question Period to bring them up to date on developments.

Some Hon. Members: Hear, hear!

Mr. McInnes: I have today, Mr. Speaker, sent a telegram to the chairman of the board of Vickers because I want to be apprised of its corporate policy with respect not only to the Montreal yard, but all of the Quebec yards.

Mr. Boudria: Did you send it seven times?

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—INFORMATION PROVIDED TO INSPECTOR GENERAL OF BANKS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Finance. I assume that he accepts the doctrine of ministerial responsibility which is the basis of our parliamentary system. I would like to put a factual question to him. Did he know that Mr. Neville Grant told the Inspector General of Banks, on the day before the $225 million bail-out was announced, that the Canadian Commercial Bank was expected to lose $350 million and that a bail-out of that amount was needed? That is a factual question and I would like a factual answer.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer that I have given on two prior occasions in this Question Period still stands.

Mr. Broadbent: You didn't answer.

ESTEY COMMISSION—POSSIBLE APPEARANCE OF MINISTERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my supplementary question is directed to the Minister of Justice who complains he does not get any questions. I want to ask him one in his capacity as Attorney General of Canada.

Mr. Nunziata: Remember, he is not as astute as he should be.

Mr. Waddell: Has the Government ruled out the possibility that some of the Ministers will be testifying before the Estey inquiry?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the hon. gentleman for that question. He must have stayed awake last night thinking it up. Mr. Speaker, with the Opposition which we now have in this Parliament, we rule nothing out.

ENVIRONMENTAL AFFAIRS

ACCIDENT INVOLVING TRUCK CARRYING SODIUM CYANIDE AT YARMOUTH, N.S.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of the Environment and involves a very serious situation in Yarmouth, Nova Scotia, where a truck carrying deadly sodium cyanide has left a road and the RCMP have had to evacuate the residents within a three-mile radius. I understand that officials from Environment Canada are at the scene. Can the Minister inform the House what is taking place there and perhaps of the causes of this particular incident?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, briefly, the accident, which is severe, occurred at 9.30 this morning Nova Scotia time. My Department pressed its top emergency officers into action on the scene. The Nova Scotia Government is the lead Government in this respect, but my own Department is the only one with the equipment and special facilities required to cope with the situation. The Member is correct that evacuations have occurred.

I have just now received the most recent report, having been monitoring the situation all morning. Briefly, the RCMP are on the scene. They have initiated an evacuation of all those residents living within a two-kilometre radius, which radius has been extended to five kilometres in the northern direction to include the village of Wellington. Two schools, two senior citizens' dwellings, and some 2,000 people have been affected. The situation is very much under control. I congratulate the Hon. Member for being on top of it and for his concern.

CAUSE OF ACCIDENT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I, too, thank the Minister for his frankness. Due to the seriousness of the situation, would the Minister consult with his colleagues, the Ministers of Transport and National Health and Welfare, and perhaps tomorrow under Statements by Ministers he could give a comprehensive statement with regard to the causes of this particular accident as well as the possible liability of the transfer company.

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker, I will consider that suggestion very carefully. In the meantime I can tell him that the cause, to the extent that one can explain it with the little information that is available today, is that apparently an ordinary driver, driving a car on the relevant highway, stopped to look at a deer on the highway and backed up into a truck carrying drums containing the offending cyanide. A collision occurred and the truck left the highway. The cyanide is leaking and because of weather conditions it has become damp, compounding the situation.

Petitions

YOUTH

GOVERNMENT'S CONSULTATIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of State for Youth. In my conversations with young people across the country I have found a great deal of evidence that they are concerned that parliamentarians hear their viewpoints on all the issues. They are very much concerned, too, that the Government seems not to be listening to them. The Minister of State has been holding fora across the land. When are we going to see the recommendations that she is going to present to the Government as a result of her consultations in these youth fora?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I would first like to thank my colleague for the question. I have seen that he has met all of 14 young people in Victoria early this week or last week. This very weekend we will be holding our fifth regional forum in Ontario where there will be over 100 young people. Again, it will not only identify the problems that are of concern to them but they will work with us toward solutions.

• (1500)

There will be an important report after the end of the fifth forum and in preparation for a national forum which will be held in 1986.

Mr. Speaker: A very short supplementary question.

Mr. McCurdy: Mr. Speaker, it was not just Victoria. It was Nanaimo, Edmonton, Saskatoon, and a good deal more than 14. Will the Minister of State indicate to the House whether in fact she has made strong representations, as the young people of the country expect, with respect to their concern about the effects on university funding as a result of the transfer payment cuts recommended by the Minister of Finance?

Mr. Speaker: Order. I specifically asked that the Member ask a short supplementary because we have run out of time. I am sorry.

* * *

CLERK OF PETITION'S REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of four, presented by Hon. Members on Wednesday, October 23, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), the Hon. Member for Winnipeg North Centre (Mr. Keeper), the Hon. Member for Vancouver East (Ms. Mitchell) and the petition presented by the Hon. Member for Nickel Belt (Mr. Rodriguez) do not meet the requirements of the Standing Orders as to form.

[*Translation*]

PRIVILEGE

CORRECTION OF STATEMENT RESPECTING GOVERNMENT CONTRACT

Hon. André Ouellet (Papineau): Mr. Speaker, during question period, the Minister of Supply and Services (Mr. McInnes) said here in the House that I was the author of a contract concluded between the Government of Canada and the St. John company.

I think the Minister was seriously mistaken, and I would ask him to withdraw what he said immediately, because I never was the Minister responsible for Supply and Services Canada.

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I think my message was that this Government did not draw up this contract.

Mr. Gauthier: You said Papineau.

Mr. McInnes: It was the Liberal Government that did so, and the Member for Papineau (Mr. Ouellet), who then was the Minister from Quebec, was very much involved in that contract.

Mr. Speaker: It is clear that this is a dispute as to the facts. However, it is not a question of privilege.

Mr. Rossi: Check the "blues".

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, even though the Government House Leader, myself and the NDP House Leader will be having a meeting later this afternoon, which I presume will involve discussions about business of the House, I thought I should ask the Government House Leader formally if he will make a statement on the business of the House today because this is the customary time to do so.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I was trying to keep the meeting this afternoon a secret but since it is now public, I will say that its purpose is to discuss business generally and also to discuss various items of mutual interest and concern to the Parties.

I am quite happy to announce the sequence of business. We have now entered into second reading stage of Bill C-80, an Act to amend the Excise Tax Act and the Excise Act. I propose to carry on with that today and, hopefully, we will make progress.

Tomorrow is the first allotted day of this trimester. If, by chance, we do not complete second reading stage of Bill C-80 today, we will continue to deal with it next Monday, Tuesday and into next week. However, I am confident that we will complete second reading stage of this legislation. Therefore, Bill C-62, an Act respecting employment equity, and Bill C-42, an Act to dissolve Canagrex, will be the back-up Bills to Bill C-80.

As usual, I will keep in touch with the Opposition House Leaders and report to the House if there is any change in the order of business that has been announced.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have one question for the Government House Leader which I believe is important for the record. Could he indicate whether it is still the intention of the Government to proceed with the collective bargaining legislation for the House of Commons employees and if the Government intends to proceed with that before the Christmas break?

Mr. Hnatyshyn: Mr. Speaker, I take that as a representation by the Hon. Member he wants me to introduce that legislation so it can be passed. On the basis that it is a representation of support from the NDP, I am encouraged to bring it forward at an early date.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—NINTH REPORT OF STANDING COMMITTEE

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have the honour to present the ninth report of the Striking Committee in both official languages.

[*Editor's Note: For above-mentioned report, see today's Votes and Proceedings.*]

OFFICIAL LANGUAGES POLICY AND PROGRAMS—GOVERNMENT RESPONSE TO SECOND REPORT OF STANDING JOINT COMMITTEE

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, pursuant to the provisions of Standing Order 70(16), I have the honour to lay upon the table two copies, in both official languages, of the Government's comprehensive response to the second report of the Standing Joint Committee on Official Languages Policy and Program.

FOREIGN INVESTMENT REVIEW AGENCY

TABLING OF ANNUAL REPORT

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, pursuant to the provisions of Standing Order 47(2) I wish to table in both official languages what most Members of the House wanted to see for years. I refer to the final annual report under the Foreign Investment Review Act. That is right, the final report from FIRA.

Some Hon. Members: Hear, hear!

Some Hon. Members: Resign.

Mr. Stevens: The next report in this area of Canadian and non-Canadian investment will cover the activities of Investment Canada, a much more positive approach.

Some Hon. Members: Hear, hear!

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AGRICULTURE

PRAIRIE GRAIN ADVANCE PAYMENTS—STATEMENT OF MINISTER OF AGRICULTURE

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, anyone who has paid much attention to what has been taking place with respect to the weather in western Canada in the past few months will know there have been some very severe problems. They have ranged from very severe drought over the growing season and grasshopper infestation as a result of that drought and high temperatures in the southern part of the provinces, particularly Saskatchewan and Alberta, to large amounts of rainfall and snow since the middle of August. There have been reports of as much as a foot of snow on occasion in the southern parts of Saskatchewan and Manitoba in particular.

Consequently, the amount of harvesting that has been able to be carried out under normal conditions has been very limited. These conditions are rather abnormal, although not unique. The last time we had such conditions was in 1968 and those of us who have been here longer will know that the last time we experienced such conditions previous to 1968 was in 1951.

However, much has changed since 1968. Not only is there much more drying capacity on the Prairies but it is much more efficient in terms of drying and maintaining the quality of grain that goes into the dryer.

A week ago today I had a meeting with grain industry officials in Winnipeg, which involved the grain companies, the Canadian Wheat Board, the Canadian Grain Commission, the grain transportation agencies and the terminal operators at Vancouver and Thunder Bay, to get an assessment of the situation with regard to the harvest including how much grain is still there, how much has been harvested in a tough and damp state and the extent of our drying capacity on the Prairies.

The preliminary results would indicate that if everyone co-operates and makes the use of the drying capacity we have, it appears that we can dry the crop we have in its present condition.

However, the area in which I believe the Government must show some leadership concerns the fact that about two-thirds of the drying capacity we have for handling this crop in the condition in which it is being harvested is on prairie farms. Therefore, anything that we can do as far as the federal Government is concerned to encourage people to dry grain on the farms will be very worth-while. Hence, I have the pleasure to announce today that the federal Government is making available, under the Prairie Grain Advance Payments Act, a $3,000 cash advance.

Some Hon. Members: Hear, hear!

• (1510)

Mr. Mayer: This is a $3,000 interest-free cash advance that is available on top of the interest free cash advances available normally. It is available on wheat, oats and barley, and is to be calculated on the basis of $9 a ton for wheat, $11 a ton for barley and $16 a ton for oats. It is a little larger than the discount shown at elevators that one receives for delivering tough and damp grain. I hope it is an incentive for prairie producers to make the best uses they can in terms of working with neighbours and anybody else who can help in making the best use of drying facilities.

The forms are already printed, Mr. Speaker, and are in the mail this afternoon. Farmers will be able to go to the elevators as soon as the forms arrive, which I expect will be in the next day or so, certainly by the beginning of the week, to apply for the cash advances.

In addition to that, I have put in place a reporting system to keep up-to-date information literally available on a daily basis so as to make sure we do everything we can to co-ordinate the drying capacity we have on the Prairies.

I have a couple of other points. First, there was some concern on the Prairies that the amount of propane necessary for drying is not available. On checking into the matter, I am assured that the propane is in production. The problem is one of distribution. I am also informed that as of now there is a 24 delivery period at the most as far as having energy in the form of propane to dry the grain is concerned.

Second, there is another provision under the Prairie Grain Advance Payments Act. If sufficient harvesting has not been completed by November 15, we will look at the situation very closely and make available additional cash advances for unthrashed grain giving producers an opportunity to complete their harvest.

Some Hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, we have to be thankful for every blessing, and even small blessings like this.

Some Hon. Members: Oh, oh!

Mr. Gormley: We are the Government that gets the job done.

An Hon. Member: What did you ever do?

Mr. Foster: The Minister knows full well that essentially what he is providing here is an interest-free loan of $3,000 until the grain is delivered.

The Minister did not bother mentioning that the Canadian Wheat Board estimated this morning that some 80 per cent to 90 per cent of the grain has been harvested. As I understand the provisions of the Act, this interest-free loan will apply only to the drying of grain. For anything that has already been dried on which money has been spent by literally thousands of prairie farmers, no interest-free loan will be available to them.

We must realize that we are talking about a $2 billion to $3 billion disaster on the Prairies because of last summer's drought. This interest-free loan coming at this stage, with only 10 per cent or 15 per cent of the crop left, clearly will be an advantage and helpful to some producers, but it does not address the major problem, namely the drought.

Clearly the Saskatchewan Wheat Pool and other groups, including the Leader of the Opposition (Mr. Turner), have called on the Government to make available a $50 per seeded acre acreage payment. When the Progressive Conservatives were in opposition with the support of the provincial Premiers in the summer of 1984, they demanded and received a commitment by the Liberal Government of the day that an acreage payment would be made. People in western Canada want to know when the acreage payment for the drought disaster will be made, which disaster has not only put the prairie farmers in dire straights but is also making communities in the West suffer tremendously. Surely this payment should have been announced in August just as it was in 1984. We are well into October, and we want to hear what the Government is going to do in that regard.

We want to know as well why the Minister is not announcing today the final payment on the Western Grain Stabilization Fund. Surely there must be at lest another $100 million or $200 million which is due and payable to the farmers of western Canada. That is what we want to hear. We just do not want to hear about a short-term $3,000 interest-free loan which will benefit some but which will certainly not benefit those farmers who have suffered as a result of the drought last summer. Neither will it benefit those farmers who have already harvested their grain and carried out their drying operations.

We are thankful for small blessings, even if they are extremely small. Some individual producers who still have not been able to harvest their crop will be helped. This measure does not in any way address the major problems facing western Canada today.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to hear that the Minister responsible for the Wheat Board has recognized the need for assistance because of the weather conditions which forced producers to harvest either damp or tough grain.

The $9, $11 and $16 a tonne which the Act allows will be much appreciated by those farmers, particularly those with cash flow problems. The $3,000 maximum is adequate probably for a large number of those who will be doing the drying where most of the tough and damp grain is found.

The Minister is to be congratulated for the early action he has taken. I can only wish his colleague, the Minister of Agriculture (Mr. Wise) felt the same urgency in dealing with drought victims. In other parts of the Prairies, the painful irony over which the Minister exclaims is magnified by his Government's inability to come to grips with the larger and more debilitating disaster of drought.

The producers in the drought area have been waiting since July for Government relief. All they have heard about is the possibility of Government relief, but they have had no assurance and no indication of when or if the relief will come, and if it comes whether it will be enough to be of any value to pay for crop failures.

We are pleased the Minister has taken the action which is allowed him by the Prairie Grain Advance Payment Act and has made the loans for drying grain available.

We hope he will take the same quick action after November 15 for those producers who still have unthrashed grain in the field. Those farmers will have as great a need for the possible one-half payment available to them as do the farmers who have no crop because of drought.

* * *

● (1520)

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES AND CHILD TAX CREDIT

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have the honour to present a petition from the undersigned residents of my federal riding of Montreal-Bourassa, who now avail themselves of their right to present a grievance common to your petitioners, in the certain assurance that Your Honourable House will therefor provide a remedy and that the Government of Canada will reinstate full indexation of family allowances and the child tax credit.

Mr. Speaker, I also have a petition from the undersigned residents of the federal riding of Saint-Michel-Ahuntsic, who now avail themselves of their right to present a grievance common to your petitioners, in the certain assurance that your Honourable House will therefor provide a remedy and that the Government of Canada will reinstate full indexation of family allowances and the child tax credit.

Furthermore, Mr. Speaker, I have the honour of presenting a petition from the undersigned residents of the federal riding of Laprairie, who now avail themselves of their right to present a grievance common to your petitioners, in the certain assurance that your Honourable House will therefor provide a remedy and that the Government of Canada will reinstate full indexation of family allowances and the child tax credit.

Furthermore, Mr. Speaker, I have the honour of presenting a petition from the undersigned residents of the federal riding of Lac-Saint-Jean, who now avail themselves of their right to present a grievance common to your petitioners, in the certain assurance that your Honourable House will therefor provide a remedy and that the Government of Canada will reinstate full indexation of family allowances and the child tax credit.

Furthermore, Mr. Speaker, I have the honour of presenting a petition—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but I think he knows perfectly well that if he has several petitions on the same subject, he may mention that he has petitions from several ridings, name the ridings and table the petitions in the House, but he does not have the right to go through a long list of individual petitions. I think he knows that.

Mr. Rossi: Mr. Speaker, I at least have the right to mention the ridings concerned.

Therefore, Mr. Speaker, I have the honour of presenting a petition from residents of the federal riding of Longueuil, who now avail themselves of the same right.

An Hon. Member: There is a Member for Longueuil.

An Hon. Member: Yes, but he doesn't do much.

An Hon. Member: It doesn't look like it.

Mr. Rossi: Mr. Speaker, that is because the Hon. Member for Longueuil (Mr. Leblanc) doesn't do anything.

Mr. Speaker: Order, please.

Mr. Prud'homme: They asked for it.

Mr. Speaker: Order.

Mr. Prud'homme: There is no Member for Lac-Saint-Jean, but we have one for Gatineau here.

Mr. Speaker: Order! I hope the House realizes it is time for petitions, not politics!

Mr. Rossi: Mr. Speaker, I have a petition from residents of the riding of Montreal-Sainte-Marie, and there is a Member for that riding. They now avail themselves of their rights, Mr. Speaker, and they ask the Government of Canada to—

Mr. Speaker: Order, please. The Hon. Member for Lévis (Mr. Fontaine).

PROTECTION OF ENVIRONMENT REQUESTED AGAINST POLLUTION FROM CHIMNEYS

Mr. Gabriel Fontaine (Lévis): I wish to present a petition on behalf of a number of residents from Saint-Jean-Chrysostome, Saint-Rédempteur and Charny.

Essentially, this petition calls on the Government to protect their environment which is being polluted intolerably by the emanations from the Société Alex Couture's chimneys.

I conclude by saying that 7,284 residents of the city of Charny have signed a similar petition.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCES AND CHILD TAX CREDIT

Mr. Sergio Marchi (York West): Mr. Speaker, I have two petitions to present from my riding of York West. One was collected by Mr. Pio Bertoia and the other one was collected by Mr. Nizio Daneluzzi. Both petitions ask the Government and the Prime Minister (Mr. Mulroney) to restore full indexation to the family allowance and indicate that this regressive budget measure will take away some $55 million.

I have also received a number of petitions in my office from the ridings of Montreal-Mercier, Saint-Jean, Saint-Michel, Montreal-Sainte-Marie and Rosemont, in the Quebec region, as well as from the riding of Victoria in our great Province of British Columbia and from Saint-Hyacinthe. The petitions from outside my riding also petition the Government to restore full indexation to family allowance benefits.

Mr. Speaker: That, may I say, is the correct procedure.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I, too, have a petition from the riding of Parry Sound-Muskoka in Ontario, asking the Government to restore full indexation to the family allowance and child tax credit, and saying that this budget measure will take away $55 million from family benefits by 1987.

I also have petitions from the ridings of London East and London West.

[*Translation*]

Mr. Speaker, on behalf of a number of residents of the federal riding of Terrebonne, in the province of Quebec, I have the honour to present a petition calling on the Government to reinstate full indexation of the family allowances and Child Tax Credit.

I have another petition from residents of the federal riding of Hochelaga-Maisonneuve calling again on the Government to reinstate full indexation of family allowances.

[*English*]

I also have another petition from the riding of Stormont-Dundas in Ontario, asking the House to restore full indexation to the family allowance and child tax credit, and saying that it will take away $55 million from families by 1987.

[*Translation*]

Mr. Speaker, I have also a petition from the federal riding of Bonaventure-Îles-de-la-Madeleine, in the province of Quebec, calling on the Government to reinstate full indexation of family allowances and Child Tax Credit, because these cuts will deprive Canadians of $55 million by 1987.

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am pleased also to table a petition from my riding of Richmond-Wolfe in which the petitioners, notably the members of the Cercle des fermières from the municipality and community of Ham-Nord, deplore again the Government's cruel decision to deindex family allowances.

I have here other petitions in which the petitioners strongly object to such discriminatory action against Canadian families. These petitions are from residents of the federal ridings of Victoria, Brampton-Georgetown, Northumberland, in the province of Ontario, as well as Hochelaga-Maisonneuve, Saint-Hyacinthe, and Saint-Jacques, in the province of Quebec. Each of these petitions has been signed by several dozens of constituents who all deplore the de-indexation of family allowances.

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a petition which was circulated by the Women Against the Federal Budget. They strongly oppose the deindexation of family allowances and call upon the Government to withdraw this proposal as soon as possible.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition on behalf of the residents of the towns of Bancroft, Lindsay, Fenelon Falls, Orillia and Woodville, all members of the Lindsay District Labour Council. They call upon the Government to withdraw the proposal which would see pension income being used as earned income for purposes of the Unemployment Insurance Act.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCES AND CHILD TAX CREDIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have here several petitions, but I am sure you would not like me to table all of them today, so that all my friends may hear about them.

Mr. Speaker, my first petitions are from my own constituency. To spare you, I am going to table most of those which strongly object to the Government's decision to cut the increase in family allowances and which ask the Prime Minister not to reduce his deficit on the backs of Canadian children.

Mr. Speaker, I have another series of petitions from people who are not my constituents but who insist that they be heard and recorded as being against the Conservative Government's proposed family allowances deindexation. These are residents of Regina West and of the riding of La Prairie who have asked me to convey their objections.

I have another petition from residents of the ridings of Joliette and Saint-Hyacinthe-Bagot who are also against the Government's decision.

Finally, Mr. Speaker, a petition from the riding of Montmorency-Orléans, and another one from the riding of Calgary East in Alberta.

Tomorrow I will be pleased to present petitions from Gatineau.

• (1530)

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour today to present a petition from the riding of Saint-Michel-Ahuntsic. Hon. Members know that our colleague from Saint-Michel-Ahuntsic (Mrs. Killens) was involved in an unfortunate accident. On behalf of all Members, I am sure, we wish her a speedy recovery. I make it my duty to present a petition from her riding.

It is my duty as well to present a petition from my riding of Montreal-Saint-Denis.

I also have the honour to present a petition from the ridings of Longueuil and Rosemont. The petitioners urge the Right Hon. the Prime Minister (Mr. Mulroney) to restore full indexation of family allowances and the child tax credit, wondering as they do why the Government can spare $56 million for new uniforms while being unable to come up with $55 million to maintain full indexation.

I must also present a petition—and I do so with pleasure—from residents of the federal riding of Terrebonne who want to exercise their ancient and unchallenged rights to present a similar grievance.

Mr. Speaker, I have the honour to present a petition on behalf of a great many residents of Montreal's Hochelaga-Maisonneuve riding who now want to exercise the same right and who also urge the Prime Minister to restore full indexation of family allowances and the child tax credit.

[*English*]

Mr. Speaker: Order, please. The Hon. Member knows our practices. He is a senior Member of the House. I now invite him to finish using the proper procedure.

[*Translation*]

Mr. Prud'homme: It is the same procedure, Mr. Speaker, and as a senior Member I am only listing the petitions, but since there are so many of them the people who are listening to us will eventually wonder if—

Mr. Speaker: Order, please! The Hon. Member for Kamloops-Shuswap (Mr. Riis).

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I just have one petition to present today from a large number of Canadians who are of the opinion that the family allowance deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by the year 1990 and will fall further and further behind. They are therefore asking the House of Commons and the Government to reinstate full indexation to universal family allowances and rescind the unfair tax increases contained in the last Budget.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I too have one petition signed by a number of women who live and work in the East end of Vancouver. They say that in the opinion of the petitioners, the deindexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, particularly single-parent mothers, and they pray that the House will reinstate full indexation of universal family allowances and rescind the unfair tax increases.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I also have several petitions from residents of the federal constituencies of Gatineau, Cardigan, Malpèque in Prince Edward Island and Trois-Rivières. I also received petitions from the federal constituencies of Saint-Hyacinthe-Bagot, Saint-Michel-Ahuntsic, Montreal-Sainte-Marie, Humboldt-Lake Centre, in Saskatchewan, as well as Victoria-Haliburton, in Ontario.

Mr. Speaker, all those petitions humbly ask the House and the Government of Canada to restore full indexation of family allowances and the child tax credit.

Mr. Speaker: I could perhaps indicate that the procedure followed by the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) is the right one. Very fine. I thank you. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

[*English*]

ASSISTANCE FOR FOOTWEAR INDUSTRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a number of petitions as well. The first one that I have here is signed by 147 people of Glengarry-Prescott-Russell who are workers in the Canadian footwear industry. This petition asks the Government to continue the import quotas for at least five years in order to protect the jobs in the footwear industry.

I have another similar petition and this one is signed by employees of another factory in my riding, Brown Shoe Company's factory. It is signed by 555 people and the total of the signatures on the two petitions is 702 and these people of my riding want assistance for the people working in the footwear industry.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would also like to table a number of petitions. The first one comes from the constituency of Gatineau and has been signed by several dozen people. There are also petitions from the federal constituencies of Saint-Hyacinthe-Bagot, Chicoutimi, Jonquière, Northumberland-Miramichi, in New-Brunswick, Labelle and Kitchener, in Ontario, Saint-Michel-Ahuntsic, La Prairie, Longueuil as well as Hochelaga-Maisonneuve.

The people who signed those petitions are all asking the Government to restore full indexation of family allowances and child tax credit.

* * *

POINT OF ORDER

Mr. Alain Tardif (Richmond-Wolfe): On a point of order.

Mr. Speaker: The Hon. Member for Richmond-Wolfe (Mr. Tardif) on a point of order.

* * *

OFFICIAL RECORD

CORRECTION OF HEADING

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I rose yesterday in this House to speak about the quotas for the shoe industry, and the French version of *Hansard* had the following title:

La nécessité de réduire les quotas.

With your permission, Mr. Speaker, I would like to ask that a correction be made as I was asking exactly the opposite. It should read: "La nécessité de reconduire les quotas".

Mr. Speaker: Am I right to think that the Hon. Member is speaking about the title given to his speech by *Hansard*?

Mr. Tardif: In the preambule to my intervention, *Hansard* printed the following:

La nécessité de réduire les quotas.

In fact, it is the need to—

Mr. Speaker: No. That is not what I asked. Was this in a question reported by *Hansard*, or was it in the title of a statement under Standing Order 22 made by the Hon. Member?

Mr. Tardif: It was in the title.

Mr. Speaker: In the title. Thank you. The Hon. Member knows quite well that he has corrected *Hansard* through the comment he just made. However, I shall also check the title with *Hansard*.

* * *

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING LOTTERIES

Hon. Otto Jelinek (for the Minister of Justice) moved for leave to introduce Bill C-81, an Act to amend the Criminal Code (lotteries).

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, the following questions will be answered today: Nos. 130 and 415.

[*Text*]

EXEMPT STAFF IN MINISTRY FOR SOCIAL DEVELOPMENT

Question No. 130—**Mr. Rodriguez:**

1. From April 1, 1984 to September 17, 1984, what was the amount spent in the departmental office of the Minister for Social Development?

2. Were the budgetary guidelines exceeded and, if so, by what amount?

3. For the same period, how many exempt staff, including those on personal services contracts, were employed by the Minister and what were their names, date of appointment and salary?

Hon. Robert de Cotret (President of the Treasury Board): 1. $326,288. 2. No.

Name	Date of Appointment	Salary Range
Ablett, Joan	10-09-82	up to $36,729
Hill, Alice	04-07-84	" " 36,729
McCurrach, Mary Ellen	14-05-84	350 per week
Dewit, Antoinetta	12-09-83	up to $36,729
Dickson, Jennifer	25-10-82	" " 36,729
Grauer, Cynthia	10-09-82	" " 36,729
Hearn, Christine	10-09-82	" " 36,729
Parkinson, David	19-09-83	" " 36,729
Hendren, Dove	12-09-83	" " 36,729
Hendrickson, Beverly Anne	01-10-82	" " 36,729
Martin, David	12-09-83	" " 36,729
Sauvé, Pauline	10-09-82	" " 42,850
Scott, Florence	14-05-84	350 per week

There were no personal services contracts during the period of April 1, to September 17, 1984. During that period, the above exempt staff were in the employ of the Minister. It should be noted that most of these employees came with the Minister from his previous portfolio; this explains the employment dates which precede the Minister's appointment to MSSD.

RESTORATION OF THE CITADEL AT HALIFAX, N.S.

Question No. 415—**Mr. Robichaud:**

1. Did the Department of the Environment allocate funds for the restoration of the Halifax Citadel and, if so, in what amount?

2. Were such funds cut and, if so (*a*) which groups were consulted before a decision was taken (*b*) was the Minister of State (Tourism) consulted by the Minister of the Environment?

3. (*a*) Will funds be allocated in 1986 for completing the work (*b*) how many persons were working on the site before the work was stopped (*c*) how many persons were laid off following the budget cuts (*d*) will the Department replace the lost jobs?

Hon. Tom McMillan (Minister of the Environment): 1. Yes. For 1985-86, the tenth year of a $29.4 million restoration program at the Citadel, $5.1 million had been allocated.

2. Yes. Further expenditures were deferred on April 1, 1985. (*a*) Senior officials of the Department. (*b*) No.

3. (*a*) No. However, on May 3, the Minister of the Environment and The Friends of the Citadel Society signed a Memorandum of Intention to cost-share further restoration. The Department of the Environment will contribute funds in accordance with the Memorandum in 1986-87 if the Society raises $500,000 or more. (*b*) 73 (49 permanent and 24 term). (*c*) 33 (20 permanent and 13 term). (*d*) Of the 20 permanent employees who were laid off, 19 have been placed in other positions in Parks Canada; nine term employees were rehired for the 1985 summer season.

[*Translation*]

Mr. Kilgour: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: Prior to giving the floor to the Hon. Member for Laval-des-Rapides (Mr. Garneau), may I inform the House that because of the Ministerial statement, consideration of Government Orders will be extended by 12 minutes this day.

[*Translation*]

Consequently, the hour set aside for Private Members' Business will begin at 5:12 p.m.

GOVERNMENT ORDERS

[*Translation*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read a second time and referred to a legislative committee.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, when the debate on Bill C-80 was adjourned for the lunch hour, I was trying to show to this House that the Bill would have been unnecessary if this Government, instead of giving so much money to the multinational corporations, the big corporations, had kept that money in its coffers. It could then have avoided the tax increases in Bill C-80.

On Budget night, I indicated in my comments that what it boiled down to was a shower of taxes.

• (1540)

We can already tell Canadian taxpayers they had better take their umbrellas out, because this Bill is the first in a series. It covers all excise taxes, the tax on drugs, the tax on the sales tax increase, indeed its extension, a whole litany of taxes that were announced in the Budget and which, because of their Government's majority, will become law applying to all Canadian taxpayers.

Mr. Speaker, as I said, this Bill would have been unnecessary because in four or five areas only where the Government has taken action, namely the oil multinationals, the capital gains tax, the $1 billion gift in the Gulf affair to three or four shareholders, and also the problem which resulted from the way the Government assumed its responsibilities in the Northland Bank and the Canadian Commercial Bank affair.

Because of all that, there are almost $16 billion which over the next few years will come out of, or will not go into the

Government's coffers. And only to cover that kind of expenditures, this Bill is forced upon average families, low-income families with its taxes, and we already know what action the Government has taken with respect to family allowances. All that was done to collect revenues in order to give to the rich, to the most affluent in our society.

Mr. Speaker, this legislation will have a serious impact on quite a number of things, as I said, including regional development. We know that in the case of regional development, we can have natural resources, we can have individuals or groups who will step forward, who by developing their sense of responsibilities, their entrepreneurship, will set up businesses, but those businesses in our regions must face very special conditions.

The first, and perhaps the most sensitive is their distance from the markets. Within the context of this legislation, such distances will impose upon those small and medium-sized businesses, and also the larger ones that have settled in our regions, an additional tax burden, to such an extent that the products manufactured in the Gaspé area, in Nova Scotia, in other regions farther away from large consumers' markets such as Toronto and Montreal, we will be burdening those manufacturers, those businesses, with extra costs that will make them less competitive, less able to compete with others located around the larger urban centres.

Mr. Speaker, in the little time I have left, I would simply like to say a few words on the impact of the tax on another sector, that is the tourist industry. We know the tourist industry is an important one. The tax increases, including the one on fuel, will have an impact because it will increase the cost of driving everywhere in Canada. Mention could also be made of the impact of such taxes on the air travelling public, because people do not use cars only. In a bill that covers 120 pages or so, I can tell you that not many Canadians are spared. Everyone is affected, especially the weak because the strong will be able to compensate by using the $500,000 capital gains tax exemption they will be given later; eventually, they will be able to make up for this within a few years. In addition, the reverse deindexing of the income tax tables will hit middle-income Canadians harder than those with a higher income.

Mr. Speaker, I would like to close my comments by saying that the economic philosphy of this Government will have extremely negative results. We have been told that a certain number of jobs have been created recently. Mr. Speaker, I had ministerial responsibilities for some time, not at this Government level, but at another, and I have always found that eight or ten months, one year and sometimes longer could elapse between the date when a budget is brought down and the time when its economic effects are really felt. Because, of course, unless a direct subsidy is paid the next day, it takes some time before the whole system is geared up. This is why I find it curious that Hon. Members opposite, after tabling their Budget on May 23 just imagine that—are already bragging

about all the marvels which the Canadian economy has brought forth since then. Mr. Speaker, it takes a lot of gall to speak that way.

You certainly remember, Mr. Speaker, that in December I think, interest rates started to go up again. We directed questions to the Minister of Finance (Mr. Wilson). What did he answer then? He answered that it was due to the international forces, to the American policy, that Canada could not isolate itself. This in effect was what he said. Today, mind you, that interest rates are coming down, it is no longer because of the Americans. He goes around bragging, suggesting that they are responsible for that. At one point they will have to decide on which side of their mouth they will be speaking, that when things go wrong but perhaps that is their policy—when things go wrong, then they blame others, but when things are going fine, then they take the credit.

We see that same thing with regard to the inflation side. The Hon. Member for Lévis (Mr. Fontaine) sang a great song, but he knows very well that this was not due to the action of this Government, quite the opposite. This Government's actions led the other way, because a certain increase in the consumer price index was blamed on the Budget's impact.

Mr. Speaker, my time having expired, I will now conclude and I am sorry because I would have a lot more to say. But I can tell you now that my colleagues and I certainly will not support this Bill.

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

Mrs. Mailly: Mr. Speaker, I would like to comment on the last remark of the Hon. Member for Laval-des-Rapides (Mr. Garneau) who accused us of patting ourselves on the back because we take full credit for the economic recovery. I would like to refer to an article in yesterday's *Citizen*, and I quote in English:

[*English*]

Canadian Economy Beats U.S.—

The Canadian economy moved out of the shadow of its U.S. counterpart this year and will continue to outshine it in terms of expansion both in 1986 and 1987—

The key to this optimism is an expected increase in business investment—

The recovery in business spending is the No. 1 reason why we think the Canadian economy relative to the U.S. economy is going to look better—

And the economic growth should be spread more evenly across the country than has been the case in the last two years, when Quebec and Ontario experienced sharp rebounds from the recession while the western and eastern provinces lagged behind.

[*Translation*]

Mr. Speaker, it goes to show that the remarks of my colleague about our taking credit—undeservedly, he claims—are irrelevant because we are talking about the year 1986-87, not 1984-85 when it could have been said that we were reaping the benefits of measures implemented before we arrived on the scene.

Secondly, the article stresses the fact that we now have a little more elbow room, which was not the case when the Minister of Finance (Mr. Wilson) was forced to realize that, his efforts notwithstanding, he could not operate entirely free of the American economy. So it is quite obvious that since we have been administering the country as a Government—except perhaps during the first six months when we had to make do with measures adopted by the previous administration—the way we manage the country has brought positive results with respect to both inflation—for which we can take credit—and the lower unemployment rate.

I would like to ask him a question about something he said in his remarks. I do not recall the exact figure but I think he said our Budget contained an $8.5 billion handout to the oil multinationals. I would like to ask him whether he is referring to the Budget measures which will reduce or eliminate the petroleum and gas revenue tax which, as it happened, created such a mess in western Canada and brought the petroleum industry to a standstill, the very sector on which we were relying to create new jobs.

Then he went on to complain about the reduction in the capital gains tax, so would he be prepared to tell the House that this measure will be phased in over a six-year period, that it will be a boon to small- and medium-sized businesses because, when they are faced with cash flow problems, they will at least be able to take advantage of this measure and make profitable investments?

In addition, could he tell us—

An Hon. Member: Oh, oh!

Mrs. Mailly: Listen, you held the floor for twenty minutes, I certainly can . . . I have the right . . . besides he mentioned the fact that—

• (1550)

The Acting Speaker (Mr. Charest): Order, please. I will not prevent the Hon. Member for Gatineau from carrying on the debate, but in all fairness, the 10-minute period of questions and comments becomes a matter of discretion as to what is a comment or a speech. Each time, it is a case in point—

Mrs. Mailly: Mr. Speaker—

The Acting Speaker (Mr. Charest): One moment please, a case in point. I wish to point out that you have asked several questions from the Hon. Member for Laval-des-Rapides (Mr. Garneau). There will be three or four minutes left for the anwers. Now, to be fair, that is not long enough for answering all your questions.

Mrs. Mailly: One single question, Mr. Speaker.

The Acting Speaker (Mr. Charest): So, one single short question. I will allow you to ask it, but—

Mrs. Mailly: Mr. Speaker, I thank you for your guidance. My last question is as follows: Would the Hon. Member remind the House that when the previous Liberal Government bought Petrofina, the transaction did cost almost $1 billion to the Treasury and the funds were exported to Belgium whereas we allowed by law the Reichmann brothers to purchase Gulf Canada, which will remain Canadian, and this will cost half less in unearned revenue to the Canadian Treasury and, in addition, this will crease jobs in Canada rather than—

The Acting Speaker (Mr. Charest): Order. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Speaker, I would ask the Hon. Member for Gatineau (Mrs. Mailly) to tell the people at Gulf in Montreal this is going to create jobs, just when they are fighting tooth and nail to survive and will be laid off on December 31. That is the kind of Christmas present they will get from this Government.

Mr. Speaker, the Hon. Member asked me where I got my figures. I got them from papers prepared by the Department of Finance which indicate that by 1990, eliminating the PGRT is going to cost the Canadian Government nearly $8.5 billion in revenue lost. These are papers I released myself, because the Government did not want to give them to us. Not one Minister has contradicted this.

Regarding the surtax on capital gains, you say that small companies with cash flow problems could invest to benefit from the elimination of this tax, but where are they going to get the money to invest if they have liquidity problems?

Finally, about the economy in general. I was not trying to say that one Government was good in every respect and the other Government bad. That was not what I was trying to do. What I said—

Some Hon. Members: Oh, oh!

Mr. Garneau: You can shout all you like, but what I was trying to say is that when interest rates went up under the present Conservative Minister of Finance (Mr. Wilson), he said it all depended on the Americans. And what I want to say is that if interest rates go down, they should stick to that line.

As for the Americans, do you know why interest rates went down? They went down because at the international level, they held—

[*English*]

Do Hon. Members opposite know why interest rates went down? It is because a decision has been taken by a number of countries and because of the value of the U.S. dollar, and the Canadian Government was not even invited to participate in this meeting. Do not tell me now that if the interest rates in Canada are going down it is because of the actions of the Minister of Finance (Mr. Wilson). That is completely foolish. You cannot win on both sides.

[*Translation*]

Therefore, Mr. Speaker, it is obviously technically impossible that the facts to which the Hon. Member for Gatineau was referring when reading that article be the result of the Budget brought down last May 23. It is impossible because an economy takes longer than that to react.

What I am trying to say is that a 4.5 per cent rate of economic growth in 1984 and a real growth in the GNP must produce certain results. As we know, the rate of growth was 3.5 per cent in 1985, but this is simply a continuation of the same tendency.

What we are trying to tell you however, is that, during the next five or six years, you will try to take $16 billion from the pockets of Canadian taxpayers, as shown in the forecast up to 1990 which was published by the Department of Finance. You are going to take nearly $16 billion out of the pockets of Canadian taxpayers in excise tax alone. Since your party is in power and since you are supposed to believe that individual initiative must be the motor of the economy, what effect do you think the fact of taking away such a considerable purchasing power from the middle classes, which are those who pay the most, at least in total, and the poorer classes, will have on consumer demand?

I also wanted to point out that you are taking away additional growth factors from an economy which had already been on the uprise since 1984 or late 1983. Within two years, you could have boasted of creating more jobs if you had taken a different attitude.

I believe, Mr. Speaker, that the economic studies published by a department in their own Government—I think it was the Department of Transport—show the unfavourable effects of a massive tax increase on consumer demand and economic growth. The same thing is true of *Econometra*, which published a document showing the unfavourable effects of such a bill.

That is why I am surprised at the reaction of the Hon. Member for Gatineau (Mrs. Mailly). She is repeating certain things, but I do not think that she really knows what is going on. It is incredible that she should say that the capital gains tax exemptions will provide opportunities for small businesses now facing cash flow problems.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

[*English*]

Mr. Waddell: Mr. Speaker, we all make a point of listening to all Hon. Members of the House but I must say that we especially listen to the Hon. Member for Laval-des-Rapides (Mr. Garneau) as a former Finance Minister in Quebec and as an Hon. Member who makes a lot of good sense. I would like

to ask the Hon. Member where he got the figure of $8 billion because I believe that was the most important figure mentioned in his speech. I believe he mentioned $8 billion was a result of the loss of revenue to the federal Government because the Government gave up, as I understand what the Hon. Member said, the Petroleum Gas Revenue Tax. I think the Hon. Member used a figure of $8 billion. I wonder if he could give us a more exact figure and tell the House where he got the figure.

Mr. Garneau: Mr. Speaker, it is very clear. I made that figure public a few days after the Budget. It is from a secret document which was leaked and I had a copy of it. Finally, later on, it was confirmed by the Government and by a senior official in the Department of Finance as a document which had been prepared by the Department. It states that in 1985-86 the Government will lose $124 million; in 1986-87, $920 million and in the last—

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. Questions and comments are now over. Debate. The Hon. Parliamentary Secretary to Minister of Finance (Mr. Lanthier).

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this Bill implements budget proposals relating to the federal excise and sales taxes and the excise duty as announced by the Minister of Finance in his Budget of May 23 last, which incidentally followed upon the financial statement and primary adjustment that took place earlier in November.

Our economic recovery, Mr. Speaker, therefore originates both in the financial adjustment of November and in the progressive provisions contained in the last budget.

This Bill, Mr. Speaker, is indeed not just an income generating instrument. Most of its provisions deal instead with legal matters in order to improve the efficiency and effectiveness of our tax system and clearly define the rights and duties of taxpayers, not to mention the fact that we also made a point to clearly enshrine in this legislation the tax collection process as well as an appeal mechanism for taxpayers. Until now, there has been no provision in the Excise Tax Act to establish the direct assessment of a taxpayer in terms of sales or excise taxes. There was no provision for a possible limited use of an appeal procedure, a so-called independent arbitration procedure, if the taxpayer disagreed with Revenue Canada.

● (1600)

This Bill provides a complete assessment and appeal system which is based on if not directly lifted from the new income tax system. We have included in that system the principle of non-payment of appealed taxes, a provision similar to what is found in the Income Tax Act, namely the basic principle that no Canadian citizen should be condemned until he has been tried.

Appeals can be lodged either through the grievance procedure or the assessment system. The Minister of National Revenue can also refer to the courts any matter arising out of the provisions of the Act. The first appeal procedure provides a three-step process for refund applications. The Minister will then have to consider with all due dispatch the notice of objection and establish whether a refund is payable, and send to the person objecting a notice of decision. Under the present legislation, the Minister shall pay the amount owing and as the case may be, specify on the notice of decision the reasons for rejecting the objection.

The appeals procedure may also be used as a result of a new power given to the Minister of National Revenue to determine the official tax assessments. These assessments will generally be made on the basis of a check of the files and registers of the taxpayer if his overall assessment is limited to the four years of operation prior to the assessment notice. Only in cases of obstruction, fraud and blatant misrepresentations will there be exceptions to that procedure.

Taxpayers will also have the opportunity to discuss in an informal way the conclusions of the auditor with representatives of Revenue Canada before an assessment is made. This is an important step, even in an official appeal mechanism, because experience has shown that many differences can be settled out of court at this preliminary stage. If taxpayers wish to have other informal discussions, they will also have the opportunity to give up the prescription period for assessments on any matter. This mechanism could also be used when an immediate audit would cause specific difficulties to the taxpayer.

The Canadian taxpayer will be able to oppose an assessment he finds unreasonable or a decision on a refund application he finds questionable, by producing a notice of objection within 90 days after receiving the assessment or decision. An independent appeals division already exists at Revenue Canada, Customs and Excise, to advise the Minister on the validity of objections. After that preliminary study, the Minister will have to give a justified notice of appropriate decision.

This Bill will give the Canadian taxpayer the right to be heard by the Minister himself when the latter objects to an assessment or a refund application, and to be clearly informed of the reason why the Minister thinks the objecting taxpayer owes taxes or has no right to a refund. The new mechanism increases the rights of the taxpayer under this new legislation. For example, the Canadian taxpayer can appeal the decision of the Minister within 90 days to the Tariff Board or the Federal Court Trial Division.

The legislation will give the Tariff Board new powers similar to those of the Tax Court of Canada. It will enable the Tariff Board to hear most cases dealing with objections to assessments and it will even permit it to take direct corrective action if necessary.

The new mechanism recommended today will make it possible to refer appeals concerning the decisions of the Tariff Board to the Trial Division of the Federal Court. However, if the Minister appeals a decision of the Tariff Board to the Federal Court and if the amount involved does not exceed $10,000, the Minister will have to pay the expenses incurred by the taxpayer to defend himself in appeal, whatever decision is made. Mr. Speaker, this is a progressive measure because at the present time, the Canadian taxpayer, even the smallest, and even the middle taxpayer since the claim is $10,000, will see his expenses reduced, because court costs will be borne directly by the Minister himself. Appeals brought before the Federal Appeal Court and the Supreme Court of Canada will be subject to the usual proceedings of these courts.

In some instances, the people the most affected by the Minister's decision to assess the taxes due or to reject a refund application are not directly the taxpayers but rather their customers. In fact, the number of tax exemptions will depend on the use of the goods intended by the buyer for his personal purposes. Sellers usually sell goods at an adjusted price to those customers who are entitled to a tax exemption. Subsequently, sellers do not pay the sales tax or even ask for a tax refund if the tax has already been paid.

This legislation recognizes the unique position of the buyer in those particular instances. When the Minister assesses the seller or rejects a refund application on a sale for which the buyer has asked a tax exemption, we are proposing to allow the buyer ot oppose or appeal that decision. Thus, that buyer will be able to make a proper claim for tax purposes and get any refund due. However, those provisions only apply if the seller has yielded his rights to the purchaser or given them up either by prescription or willingly.

This new and equitable system of assessment and reasonable appeal will meet the concerns of many taxpayers who feel disadvantaged and actually follows up the wishes of several task forces from the business community. Its coming introduction is already welcome by all Canadian tax lawyers. However, we are very pleased and we are also waiting for the Opposition Members' congratulations with the fact that the vast majority of Canadian taxpayers will never have to resort to that complex appeal system. We have an excellent indirect tax system and a commendable record of self-assessment of taxpayers and compliance with the existing law.

However, that system is certainly not perfect and some existing provisions require drastic changes for fairness and rationalization purposes. For instance, the present progressive legislation introduces additional changes as regards the refund provisions of the Excise Tax Act.

For several years, the existing Act has allowed taxpayers to claim a sales tax refund over the last four years following the date when the refund becomes payable as far as routine and regular operations are concerned, and within a year for refunds that proceed from a legal or departmental interpretation of existing tax legislation.

This dual system proved difficult and costly to implement, and this indescribable mess of unecessary red tape is a source of confusion for the business community.

The changes brought about in this Bill will replace the old provisions with a new system whereby all similar claims arising from transactions subsequent to May 24, 1985, shall be filed within two years following the transaction whatever the circumstances may be. Refund claims arising from transactions previous to May 24, 1985, will still be processed under the current system.

The Bill now before the House also contains provisions to modify other provisions of the Excise Tax Act. Although the number of taxpayers concerned is low, these significant changes are important as they demonstrate to the Canadian people that their rights are fully protected both against dishonest or shrewd taxpayers and against overzealous public servants in quest of rewards. For example, if a taxpayer requested from a customer the payment of a higher sales tax than is required by law, he would be compelled under this Bill to hand over to the Treasury the amount of tax levied in excess thus precluding the taxpayer from taking undue advantage, as my friends in the legal profession would say, from a situation where he is acting as a collector of a tax that does not exist.

The new legislation also contains measures relating to investigation procedures and enforcement of rulings that are similar to the proposed changes to the Income Tax Act. The authority to seize documents in the course of an audit or inspection will be replaced by a provision allowing such documents to be copied as well as the use of the copies as primary evidence in judicial proceedings. Mr. Speaker, this is a much needed update of a part of our judicial system that had become well-nigh obsolete. It is high time that during a preliminary investigation, business people or a company or industry should not be prevented from attending to their business just because they do not have certain papers which are being kept somewhere or being used as evidence in the courts or have been seized or even impounded.

As a result of another proposal, requests for information addressed by Revenue Canada to a third party regarding transactions of unidentified taxpayers will be subject to the same legal, requirements that have now been included in the Income Tax Act. In other words, Canadian citizens must be protected against all undue interference with their private lives.

Similarly, the administrative provisions of the Excise Act have recently been subjected to a strict and thorough review, and as a result, this legislation will also inject a more reasonable attitude into procedures being used by Government, that faceless monster, in its dealings with the average citizen.

We want it to be easier for Canadian manufacturers to comply with the present legislation. Revenue Canada has therefore been authorized to approve, on a case-by-case basis, the use of non-standard techniques and equipment to measure the alcohol content of spirits for the purpose of determining the excise levies payable. At this point, I may remind the House that there are people who are particularly sensitive to this measure, especially in the riding of LaSalle which has a major distillery and breweries which were hampered by the outmoded measuring procedures imposed by a legalistic bureaucracy.

I join my constituents in welcoming these new measures.

Further changes concern cases where manufacturers may recover the excise tax paid on beer and tobacco products when these are destroyed because they are unfit for human consumption. The changes are not spectacular in themselves but will have a major impact on the general public and especially on the industries directly concerned. What they will not do is stimulate economic renewal or significantly reduce the deficit!

However, the people directly concerned by this legislation are saying that at last they have a Government that is fair and up-to-date. In addition, these changes will consolidate the basis of our national taxation system.

Were there no such determining factors and standardized procedures, the assessment system would not operate efficiently, in other words it would operate haphazardly and inequitably, much like the previous administration did.

Mr. Speaker, we are proud to support the Bill now before the House and to assert that our Government is as much concerned about the scope of the tax system as it is about the taxation process, for at long last we will have a modern, simplified and fair system from which all Canadians will benefit.

● (1610)

Mr. Tardif: Mr. Speaker, my colleague from LaSalle (Mr. Lanthier) kept repeating that this Bill is a regular cornucopia of benefits for low and middle income taxpayers.

Shortly before the Hon. Member began his remarks, my colleague from Laval-des-Rapides (Mr. Garneau) in his presentation proved beyond the shadow of a doubt that the measure before the House will siphon $15 billion from the pockets of low and middle income Canadians, and that those $15 billion will be handed over to 1,000 to 1,500 businessmen. How can anyone claim, pretend or affirm that this Bill is a godsend for low and middle income Canadian taxpayers?

Mr. Lanthier: Mr. Speaker, someone objected to my reading a prepared text, but at least it proves that I can read. I doubt whether my colleague opposite even took the time to read the Bill. There are two ways to deal with it.

This morning the Minister dealt mostly with measures related to the Excise Tax Act. Today I chose to talk about the way taxes are collected, which is an important aspect of this Bill. Paying taxes is painful enough as it is, Mr. Speaker, but it is made even worse when businessmen have to cope with red tape which thwarts them at every turn. The way taxes are collected is what irks most people, not whether they are going up or down.

Mr. Speaker, that is why I talked about a modern, fair and simplified tax collection system. If the Members opposite had listened a bit more closely to small businessmen, they would know that the major problem is bureaucratic red tape. It is not the tax itself. This is certainly a burden, but it is necessary. What I wanted to examine more particularly in the comments I addressed to you, Mr. Speaker, was the procedure itself. I believe that it is quite refreshing that, instead of going over the same old song about the just society with which the previous Government tried to con the Canadian population, we, the members of the Progressive Conservative Government, want to establish an equitable society based on natural justice and simplified procedures rather than on the complexities of legalistic considerations. That is the first comment I wanted to make.

Second, Mr. Speaker, I should remind the Members opposite that this Bill contains four elements. First, in agreement with the recommendations of the Nielsen taskforce, the Bill proposes to extend the base of the sales tax, to make the sales tax fairer for businesses, to make it more competitive, so that everyone will be treated equally instead of there being preferential or accidental treatment in certain cases as happened in the past.

Second, the Bill implements some of the strategic plans of the Government to reduce the deficit by increasing certain taxes. Naturally it does!

Third, the Bill fulfils the electoral promises that automatic indexing of the taxes on alcohol and tobacco would be eliminated. The indexing of taxes on alcohol and tobacco—I can see that you are smiling, Mr. Speaker, because I know that there is also a large distillery in your constituency, which means that you were yourself faced with this problem of tax indexing. The taxes have finally been brought back to a reasonable basis as everything will be taxed proportionately. What was the idea of taxing on the basis of one gallon of pure alcohol? This retrograde and certainly regressive formula was tolerated until September 4 of last year. Our consultations with the private sector showed that these changes would be reasonable. We are not afraid to innovate in this field and to say that it is not because the alcohol had been taxed that way since 1921 that we must continue to do the same.

The fourth objective of this Bill was to simplify the assessment and appeal system and make them fair and equitable.

Mr. Speaker, after being in business for a long time, I know that it is unpleasant to have a tax system in which the taxpayer

is viewed as a gangster and is treated like a criminal from the start. He was supposed to pay his money and the Government would give him a refund if it felt like it.

What we now want is an arbitration system. Everyone is on the same footing, including the Government in relation to the taxpayer.

If the Opposition has not yet understood the importance of this provision, it has missed a good opportunity to learn something. I would refer the Member opposite to the legislation if they want to see how up-to-date our proposals are.

● (1620)

Mr. Tardif: Mr. Speaker, if my colleague for LaSalle (Mr. Lanthier) can read, I submit to him he cannot answer without reading from his notes, because he is not giving a straight answer to the question. I understand from his statement, and I am even willing to accept and admit that where paperwork is concerned there may be some slight improvements, this I will recognize, but I must add, Mr. Speaker, and this is the point of my question, when they are using taxes to take additional money from the pockets of people earning between $10,000 and $20,000, whether they do it on pink or blue paper, what hurts is the amount they will be taking, however they go about it.

Somebody in private enterprise who is highly paid, $100,000 or more, perhaps will look at the way it is being assessed, claimed or asked for, but I will remind my colleague for LaSalle that for someone earning $15,000, $16,000 or $17,000, the way it is done has little meaning, what is important is its costs, and how, and so I will come back to the point of my main question: How do you reconcile the fact that you take $15 billion from the pockets of small- and medium-income Canadians and you redistribute that money to a few thousand Canadians who are very well off, and in a position to contribute their share to the situation that now prevails in Canada?

Mr. Lanthier: Mr. Speaker, the major objective of the last Budget was to put Canadians back to work. That tax balance let us say, that is referred to here, was not the objective. Our objective is not to balance the Budget immediately with an additional tax. We have seen that it certainly will help the Budget, but this is not the measure that will balance the Budget, and to prove that we still have a deficit. The objective is to stop that deficit from growing. Our objective is not to cover the growth of the deficit by collecting more taxes in order to apply that to the deficit; our objective is to put people back to work, and we have succeeded, quite apart from such comments. The decrease in the unemployment rate, the fact that inflation is being controlled, the strength of our dollar, lower interest rates, all that directly results from the assessment made of Government by Canadians on September 4, 1984, a memorable date, and then our response. We did not wait for the Budget date.

The major measures for putting the economy back on course started on September 4, 1984, and were confirmed by our direct actions in November. The Budget came to finalize those measures last November. So, when Members say it is the decline—it takes six months at least before we have a decline, six months for sure, look at those six months which followed November, that decline in interest rates was already beginning to be felt, so was the decline in the unemployment rate. You can rest assured—we were told: Come and see us in a year from now. Well, this is a date for six months from now, Mr. Speaker. At that moment, we will have it both ways; we will have the month of November, which will be in full swing, as well as our Budget measures which already are beginning to show very clear signs, because our recovery fares better than in the United States.

We will not compare with the United States now; we are not putting the blame on the United States anymore; there is no mention of the United States, they are our first clients, but I can assure you that our economy is now sound, Mr. Speaker, and this is due simply to our Budget measures and our measures to reduce that unfortunate deficit we have inherited from you. It is now under control, as I can assure all Canadians.

[*English*]

The Acting Speaker (Mr. Redway): The time for questions and comments has now expired.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, today we are debating a package dealing with some of the economic and financial details contained in the Budget proposals of the Minister of Finance (Mr. Wilson) in May of this year. In the months before the election, the Conservatives promised Canadians that if they were elected they would maintain and indeed improve the services which were provided to Canadians, create tens of thousands of jobs and at the same time cut the deficit of the federal Government which they maintained was higher than we could afford.

Once they were elected they quickly realized that it was impossible to fulfil their promise to provide and improve services while cutting the deficit at the same time unless there was great improvement in economic growth in this country. Instead, we have seen a series of proposals to cut services, including such programs as the old age pension which the Prime Minister (Mr. Mulroney) promised was a sacred trust and would not be reduced. The Government only backed down from cutting back in this area when it saw the unanimous opposition from senior citizens and their families.

Another proposal on which the Government intends to act is the deindexing of the family allowance. It is also proposing cuts in services and programs for such things as forestry, scientific research and national parks. The Government has realized, now that it is in office, that it is not possible to maintain services while cutting the deficit at the same time when there is close to 1.5 million unemployed.

One of the major criticisms made by people such as economists and taxpayers, who are knowledgeable in the field, is that cutting back on the real income of Canadians will limit the opportunity to improve the economy and therefore bring in higher revenues. Arthur Donner, a business consultant and economist, said in a recent article comparing what is happening in Canada with the Government's proposals and what has happened in the United States:

> The Canadian budget, on the contrary, accepts the fiscal restraint goal which Reagan preaches, but does not practice.

Although President Reagan has talked about cutting the deficit, the fact is that in the eight years he will have served as President of the United States the deficit will be double what it was in the 200 years before he took office. When President Reagan took office, the deficit was $1 trillion. It will be $2 trillion when he retires. This is what Arthur Donner said about the Government's proposals:

> —the extensive consumer tax hikes and the program expenditure reductions will do little to improve economic growth in Canada. If anything, the budget will probably slightly retard economic growth.

While the Government is proud that there has been a 3.5 per cent increase in the GNP and that unemployment has gone down slightly, it ignores the fact that the number of people working full time has decreased and the increase in employment is due to people who are working part time, most of whom earn relatively low wages.

If the disposable income of Canadian citizens is reduced they simply will not have the money to purchase the goods and services they require. Yet, the Budget proposals and this Bill which will increase a whole series of excise taxes will reduce the purchasing power of Canadians, particularly low and middle income Canadians who save very little of their income. Many middle and low income Canadians spend most of their disposable income.

● (1630)

This Budget and this excise tax proposal, as part of the over-all budgetary proposal, is to make big savings and to give more income to people in higher income brackets, precisely those who do not spend all their disposable income.

It is our belief that if we want to get the economy moving better than it has moved, you have to increase people's disposable incomes. For 10 years, former Liberal Governments and the present Tory Government have followed austerity policies believing that was necessary in order to keep the deficit down as low as possible. It is our belief the Government deficit is not the problem, that attempts to cut the deficit will worsen unemployment and will increase the deficit.

It is obvious now that the business community, which believed the Government would make massive reductions in the deficit, is realizing that even this Government cannot make those massive reductions in the deficit, and the business community is becoming increasingly dissatisfied with the Government for that reason. I do not have the time to quote, Mr. Speaker, but any number of representatives of the Canadian Manufacturers Association and Chambers of Commerce have called on the Government to reduce the deficit by $5 billion, $6 billion or $7 billion rather than by the smaller amount which has been done.

We believe if we want to deal with the deficit that it is time to look at the whole tax system. We say that tax reform is long overdue. The tax burden on the poor and middle-income earners should be reduced both on the grounds of savings and on the grounds, as I have indicated, of stimulating economic demand. We say that social policy expenditures produce jobs and, therefore, should be recognized for their positive contribution to economic activity. We say the attempted reduction, which this Government is making, will only result in a serious erosion of this country's social fabric and in an increase in unemployment insurance and welfare costs.

Let me give some facts and figures to show the fundamental differences between the thinking of Members of the New Democratic Party and Members of the Government. Having seen how radically we differ on tackling this fundamental budget problem of creating employment, I want to outline where the Budget stimulus did go. It went to the friends of the Government in the business community.

Let me summarize how this was done in the Budget and what happened to those who do not have links to the corporate sector. The big winners in 1986-87 will be the corporations with a tax decrease of $540 million. The wealthy, people with incomes over $50,000 a year, will get a tax decrease of $600 million through the capital gains exemption of $500,000. Oil companies will save $920 million through the phase-out of the Petroleum and Gas Revenue Tax. High-income earners, who can afford to invest in programs such as RRSPs, will gain $1,000 in tax breaks in 1986.

Who are the losers, Mr. Speaker? Individuals who will see tax increases of over $1 billion. Families earning under $40,000 a year will have tax increases of $490 million through changes in the federal income tax system, increasing the amount they will have to pay. Because of the increase in the excise tax on gasoline and oil all users of transportation will see increases of $930 million. This is happening at the same time that we see a continuing and we say a completely unfair decline in corporate taxes, taxes which should be helping to pay for the services Canadians receive.

I remind Members of the news we got a couple of weeks ago that in the purchase of Gulf Canada by Olympia & York, avoidance of close to $1 billion in corporate taxes was made possible. According to information which we now have, that is just one illustration of many cases which have and can occur because of defects in the corporate tax structure.

What we have seen in the last 30 or more years is a dramatic shift in the way in which taxes are collected. In 1950 the balance of income taxes paid to the federal Government was roughly equal between individual and corporate taxes. By 1960, the balance was 58 per cent paid by individuals and only 42 per cent by corporations. By 1970 the balance was 64 per cent paid by individuals and 36 per cent paid by corporations. By 1980 the balance was even greater, 70 per cent of taxes came from individuals and 30 per cent from corporations.

Since 1983 budget forecasts have predicted further shifts in the tax burden toward individuals and away from corporations, in spite of the fact that individual incomes have either been shrinking below the rate of inflation or barely keeping pace, while corporate profits have been rising. This Budget projects that personal incomes will rise by only 19.7 per cent between 1984 and 1986 while corporate profits will grow by over 49 per cent. Taxes on individuals are projected to go up by over $1 billion in 1986 and to drop by over $500 million for corporations.

I think I have proved that while individuals are paying more and more, those better able to pay are paying less and less. We know, for example, for the 1983 tax year that 1,020 people with incomes over $100,000 paid no income tax, an increase of 33 per cent in those who paid no income tax in 1982. There has been no hurry on the part of the Minister of Finance to plug those kinds of loopholes, despite the fact that during the election campaign the Prime Minister agreed those loopholes should be plugged and that all Canadians should pay a fair share of the taxes required to finance the services which the Government provides.

Let me deal for a few moments with the particular Bill before us now, which proposes sharp increases in sales taxes paid by Canadians. The National Council of Welfare in its May 1985 report called "Giving and Taking: The May 1985 Budget and the Poor" said this about the increase in sales tax:

> Sales taxes are regressive, which means they take up a larger proportion of the income of low income consumers. The Budget will add hundreds of dollars in federal sales tax increases for most Canadians. Poor people—welfare recipients, the working poor, low income pensioners—obviously can least afford them. The Canadian Council on Social Development has estimated that sales tax, gasoline, alcohol and cigarette tax hikes will amount to increases of $140 for a $15,000 couple with two children in 1990, $282 for the same couple with $20,000 and $361 for a couple with $40,000.

They also pointed out that for the fourth year in a row, poverty has increased in Canada. The number of men, women and children living on low incomes, has now risen over four million. That is almost 18 per cent of the population. The number of children under 16 years of age living on low incomes has risen steadily each year. It is now estimated to be 1.2 million, or one child in five is poor. Fifty per cent of single-parent families, most of which are headed by women, are living in poverty. That situation is a disgrace in a country as wealthy as Canada. Newspapers from one end of the country to the other have reported in some considerable detail the kinds of situations which exist.

● (1640)

I have talked on other occasions about the City of Winnipeg and the sharp increase in the number of people who depend upon charity and voluntary organizations for food baskets. Let me put on the record just a couple of illustrations from other cities. The following was reported in *The Globe and Mail* about a week ago:

> In the past few months, the four-year old Edmonton Food Bank, which has served as a model for many similar organizations in Canada and Europe, has provided free food for about 30,000 of the city's 650,000 citizens.

It went on to quote some actual cases. For example, a single 38-year old Edmonton mother of two teenage children earning $585 per month from part-time work in a cafeteria was ineligible for partial assistance from the Alberta Social Services Ministry because she earned more than $549 per month. She has to depend upon charity. She has to go to the Edmonton Food Bank. Also a story in *The Toronto Star* quoted the head of the Metro Salvation Army, Mr. Bobbitt, as saying:

> Up to 600 new cases a month of people needing food and help, people who have never before been to social agencies—
>
> At the Scott Mission—traditionally, a soup kitchen for transients—the numbers of families seeking food soared by 33 per cent from 1982 to 1985—

It went on to indicate:

> One small Bloor-Christie area food depot that mostly sees single street drifters and roomers feeds 1,200 people a month and expects to feed 1,500 by winter.

It may come as a shock to the Minister of Finance who told Hon. Members of the House yesterday that the way to help the poor was to find them jobs, that the majority of low-income people and families in Canada already have jobs. Their jobs pay so little that they have to depend upon charity to supplement their income to meet their needs. It is a disgrace. It indicates that the system is breaking down. After all the new programs which have been implemented in the last 30 years, people now have to depend upon charities.

We say that taxing the poor and the sick is not the way of a caring or compassionate Government. That is what the Government is doing, in addition to hurting those least able to fend for themselves, when it presents this Bill. It goes far beyond abstractions about the deficit; it is very real in every day life where each nickel is counted before any purchase is made.

The Government has brought in this Bill. We think it is wrong. It hits people who can least afford to pay the increased costs proposed in it. We intend to vote against it and to oppose it here in the House and outside.

Mr. Blenkarn: Mr. Speaker, I was wondering whether the Hon. Member had an opportunity to analyse the Government's statement of financial operations for the period in this fiscal year ending July. If he has, he will note that at the present time, despite a reduction in expenditures in almost every Department, except those Departments involved in the statutory payments of pensions to individuals, payments for post-secondary education or something of that nature, the Government's expenditure or deficit is up by $200 million strictly because of the interest on the public debt. At one point the interest on the public debt was $3 billion in four months. Is the Hon. Member suggesting that we should continue to borrow more and more money? Is he suggesting that it is good fiscal policy to take 63 cnets out of every $1 spent in taxes and then to borrow the other 37 cents? Would he have us borrow more? Would he have us increase the debt and increase the interest expense? Does he have any definit suggestions as to how we can come to grips with this problem?

Mr. Orlikow: It is my belief—and that belief is shared by many people, economists and other experts in the field of financial administration—that the deficit we face is not caused

by overspending. The deficit is caused by the fact that we have, according to official figures, one and a quarter million people who are unemployed. There are probably another 300,000 or 400,000 who are uncounted because they have given up and are not even trying to look for work. If that 1.5 million people were working, they would be earning income and paying income taxes. They would be making purchases for which they are not able to pay now. On these purchases there would be a collection of federal and provincial sales taxes. Instead of being producers and earners contributing to the financial welfare of the country, they are recipients. Instead of paying income tax, which would be a plus in terms of the financial affairs of the Government, they are drawing unemployment insurance. We are paying billions of dollars in unemployment insurance for people not to work. I want to say that I am completely opposed to the cut-backs in the system of unemployment insurance benefits which the Government is implementing. When these people run out of unemployment insurance benefits, they go on welfare. Instead of helping to finance the revenue of the Government of Canada, they are in fact costing the Government of Canada money.

It makes a great deal of sense to us to put people to work, to have 4 per cent unemployment as we had for many years after World War II instead of double-digit unemployment of 10 per cent, 11 per cent or 12 per cent. In its budgetary papers and economic projections, the Government continues to predict that unemployment will remain at 10 per cent or more for the next few years.

Mr. Blenkarn: Mr. Speaker, obviously the Hon. Member has not been looking at the current projections of the Economic Council of Canada, for exemple, which indicate that unemployment will continue to fall as long as the policies we are putting forward are carried out. The Hon. Member will know that over 300,000 people joined the workforce as new contributors to our society over the past year. Also he will know that the figures remain horribly wrong and difficult. That is not a result of substantial cut-backs, because there have not been substantial cut-backs.

I ask the Hon. Member to analyse the figures. When we are debating budgetary matters, certainly tax matters, it is important that Hon. Members understand the financial affairs of the Government. In Employment and Immigration alone, the expenditures by the Government for the first four months of the year are up $70 million. That is a substantial increase in helping people to cope with retraining and that kind of thing. We are on that track. Surely the Hon. Member must realize that we cannot forever borrow and borrow and continue to run a budgetary deficit for which it is doubtful we can find the financing to support.

● (1650)

Mr. Orlikow: Mr. Speaker, I can agree with the Hon. Member that we cannot go on forever. However, it is not only Governments which are running deficits. The debts of individuals in Canada, because of their ability to buy homes with mortgages and because of their ability to buy appliances on credit, has grown even faster than government deficits. We can take a look at what is happening in the United States.

As I indicated in my speech, in the eight years that President Reagan will have served as President of the United States, the American deficit will have doubled from the amount of debt created in almost 200 years of American history. In Great Britain, the Thatcher Government did exactly what this Government seems to want to do. There is now an unemployment rate of over 13 per cent in Great Britain, the highest percentage of unemployment that has existed there since the Great Depression.

Cutting the deficit by cutting services will not solve the problem. We need to help people who need the help most and we need to get a tax system which collects from the large corporations and high-income earners their fair share of taxes. That is what we are not doing at the present time.

Mr. Blenkarn: Mr. Speaker, I am literally amazed by the Hon. Member who is a member of the political Party that supported the former Government for 16 years while the deficit went from $17 billion to nearly $200 billion. If that is evidence that spending beyond our capacity to earn and our ability to tax creates prosperity, I would like to know why we inherited an unemployment rate of 11.6 per cent. The answer is that the former policies do not work and cannot work. We have to use more sensible policies and that is what we are doing. I am surprised that the Hon. Member does not recognize that and I am surprised that he does not get rid of his old ideas and support the Government and its policies.

Mr. Orlikow: Mr. Speaker, the Hon. Member ought to look at the record of other Governments. He would see that every provincial Government in this country, whether it be Conservative, Liberal, NDP or Social Credit, runs at a substantial deficit. If this Government follows through with its intention to cut back on the increases in post-secondary education, health services and welfare funding and takes the $2 billion which it is proposing to take from the provinces for those shared cost programs, we will see very substantial increases in the deficits of the provincial Governments. Trying to deal with the deficit by cutting back on services and holding the line has not worked either.

The Acting Speaker (Mr. Charest): Before giving the Hon. Member the floor, I have to take care of a matter of housekeeping.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Copyright (a) Introduction of legislation. (b) Arts funding; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Niagara River pollution (a) United States clean-up plan. (b) Contents of plan; the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano)—Corporations-Take-over of Montreal East company (a) Economic impact. (b) Situation in Montreal East—Government position.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Alan Redway (York East): Mr. Speaker, I am very pleased to have this opportunity to speak in connection with Bill C-80, a Bill to amend the Excise Tax Act. As all Hon. Members and all Canadians know, this is one of a number of Bills which is being presented in order to implement the Budget that was put forward by the Minister of Finance (Mr. Wilson) on May 23. This particular Bill is one that deals almost exclusively with tax increases. That is no secret to anyone. There are about four different types of tax increases included in the Bill.

The first tax increase included in the Bill broadens the base of federal sales taxes to include a great many more items. It is interesting to note that at the present time, only about 30 per cent of all commodities in Canada are subject to federal sales tax. The Government, in its wisdom, has considered it to be unfair that only 30 per cent of commodities should be subject to federal sales tax so it is increasing that base to cover a great many more items.

The second tax increase contained in the Bill deals with the federal sales tax itself which is to rise by 1 per cent on January 1, 1986. That means that things like construction materials and cable and pay-TV will be subject to something like a 7 per cent federal sales tax. The sales taxes on alcohol and tobacco products will rise to 14 per cent and the taxes on all other items will rise to 11 per cent.

The third area of tax increase included in this Bill deals with the tax on gasoline. On September 3, as we know, gasoline prices increased by two cents per litre. That was as a result of the tax increase announced in the Budget and being implemented by this particular Bill. On January 1, 1987, not 1986, there will be a further one-cent increase per litre in the price of gasoline as a result of the provisions of this Bill.

Finally, there will be an end under this Bill to the automatic indexing in the increase in taxes on alcohol and tobacco. The increase will be limited to 2 per cent over-all on alcohol and 25 cents per package of 25 cigarettes. This is one of those Bills which is not always welcome to Members of the House and it is certainly one that is not exactly viewed with wild glee and enthusiasm by the people of Canada. None of us like tax increases but all of us are realistic. Certainly Canadians are as realistic as any people in the world.

Canadians realize that we have problems in this country. They realize that we have unique problems at this time which include not only an enormous deficit but high unemployment as well. Somehow we have to deal with both of those issues at the same time. That is really what the Budget of May 23 was all about. It was an effort to put people back to work and create jobs while at the same time try to keep the deficit under control and not let it climb sky high. That, then, is what this Bill is all about. It is one part of the budget legislation package which tries to do those two things. They seem to be very opposite and not to have any relation to one another.

• (1700)

Hon. Members will recall that in September of 1984 when the Government took office unemployment was running at about 11 per cent. I suppose it is down somewhat from that figure right across the country. However, it is down in some places more than it is in others. In my constituency in Metropolitan Toronto unemployment is down to 8 per cent or 9 per cent. However, in other parts of the country it is up substantially above that. It is in the 15 per cent to 20 per cent range in British Columbia, Alberta, Quebec and Newfoundland. So there was a substantial problem which had to be dealt with when the Government came to office in respect of unemployment. That is what the Budget was agreed to do, as was the Western Accord and the Atlantic Accord.

These measures were geared to try to create some jobs in order to put people back to work and to do what the Hon. Member for Winnipeg North (Mr. Orlikow) referred to when he spoke about putting people back to work to generate some tax dollars to help pay down the deficit. That cannot be done by waving a magic wand. It cannot be done by just wishing or dreaming. Something positive has to be done. The Government did something positive when it introduced the Western Accord and the Atlantic Accord. Those were measures geared to help the areas which were experiencing extreme unemployment.

In the Budget of May 23 there were measures dealing with pension funds which can now be used for investment in small

business. Measures such as training programs were introduced, as was the capital gains tax exemption measure, which is a measure members of the Opposition deride. However, all of those measures, along with the two accords, were aimed at creating jobs. Frankly, that is what they have been doing. We have seen evidence of that over the last year. We can see it in the statistics which come out each month. We see that there are more and more jobs which have been created. We know that that is something in the order of 304,000 new jobs which have been created in the last year since September 4.

At the same time as trying to deal with the unemployment problem, the Budget was also aimed at trying to deal with the problem of the deficit. Hon. Members know as well as I that this year we will have an annual deficit of something in the order of $35 billion. Canada has an accumulated deficit of something in the order of $200 billion—an enormous amount of money. This year, 1985, the Government has tried to restrain its own expenditures as much as it possibly can. However, it started off with a $100 billion deficit left by the former Government. Against that amount there was only approximately $65 billion coming in as revenues from all sources, so there was a deficit of something in the order of $35 billion in the last year of the former Government. We are continuing on with a similar situation this year, in spite of the restraints in expenditures, and because certain measures are indexed and must increase, such as Old Age Security payments and the guaranteed income supplement. Those programs are indexed to the rate of inflation and have to increase whether the Government wants to increase them or not. Thus, Government expenditures continue to climb.

The measures contained in the Bill which is before us will assist to keep the deficit situation somewhat under control. They will not solve the problem. No one suggests we will eliminate the deficit altogether; but these moves will help to retard the growth in the deficit. In fact, if we add all these increased revenues up, that is, the increase in the sales tax base and the sales tax itself, the increase with respect to the gasoline tax and the taxes on alcohol and tobacco, there will be something in the order of $2.5 billion in extra revenues in 1986. That amount should grow to approximately $3 billion in 1987. That remains just a small part of the $35 billion annual deficit.

No one wants to pay extra taxes and everyone would be very happy not to have to do it. However, Canadians are realistic. They realize that if they earn $70 a week they cannot go out and spend $105 a week, unless they go and borrow the difference. If they go and borrow the money then they will have to pay interest so that next week their expenditures will have to increase. There is no way around the situation, whether the Opposition wants to face the facts or not. If they do not face the facts then they are not facing the facts of life in this country. The people of Canada face those facts. They know and understand those sorts of problems.

Members of the Opposition have referred to three or four concerns which they have. They feel that there are great problems with the Budget and with this Bill. For one thing they have said that they feel the whole tax system is inequitable and that this Bill adds to that inequity. As I have said, that is only one part of the Budget. There are other parts which help to make the whole tax system a lot more equitable. There is the minimum tax which is about to be introduced shortly. There is to be a surtax on large income earners. People who earn more than $40,000 a year will have to pay a surtax this year and for several years into the future. The same applies to large corporations. There is a surtax on large corporations. There is a surtax on banks. We are eliminating various tax shelters with respect to yachts, recreation vehicles and hotels. We are also eliminating income splitting. All of this will help to make the tax system more fair. Certainly, the Budget deals with those concerns.

There was another concern expressed by the Opposition having to do with the dampening effects on the economy which this Bill would have. That, too, is not correct, and we have heard that from the Opposition before. We heard it after the November 8 economic statement. We heard the Opposition say that these moves would eliminate 50,000 jobs in the country. After the Budget was tabled we heard the Opposition saying it would eliminate thousands and thousands of jobs. What has happened? From September 4 of last year until now there has been a growth in jobs to the tune of 304,000.

Some Hon. Members: Hear, hear!

Mr. Redway: In addition to that, interest rates have fallen by 3 per cent.

Some Hon. Members: Hear, hear!

Mr. Redway: The Gross National Product has increased by 4.19 per cent.

Some Hon. Members: Hear, hear!

Mr. Redway: All of this in spite of the gloom and doom which is being preached by the Opposition, something which they have preached since the first day this session of Parliament convened last November. These results indicate that the Budget as a total package is on the right track. It will reduce unemployment and help to get the deficit under control.

My friends in the Opposition have also referred to the question of the money being spent to rescue the banks. They have expressed grave concerns about money being spent to rescue these banks. It is certainly true that some of that money will go to corporations and other banks. However, a great deal of it will go to pension funds and credit unions. There are thousands of people in the country who are dependent upon those pension funds for their pensions and there are thousands more who depend upon their savings which they have deposited in credit unions. The credit unions and pension funds do not have the option of sheltering themselves under a $60,000 insurance limit. They have millions of dollars to invest and they have to place it somewhere. Obviously, that amount will be over the $60,000 limit. The people who have their money in those funds do not have any control over where the money is placed. However, they will certainly be affected if they lose

their money. That will impact on their pensions and those who have savings in credit unions. All these moves indicate that the Government is doing a good job in trying to help people in the country and in trying to help solve all of the problems.

In conclusion I would like to reiterate that this Bill is not one which will be overwhelmingly popular with people. However, the people of Canada are realistic. Notwithstanding the fact that they understand this Bill will increase the tax load on them, they know that we have to do this if we are to solve the two major problems of the country. First, we must put people back to work. Second, we must get our deficit under control.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please! It being 5.12 p.m., the House will now proceed to consideration of Private Members' Business as listened on today's Order Paper.

● (1710)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

CANADIAN BROADCASTING CORPORATION

SUGGESTED REBROADCASTING OF HOUSE OF COMMONS PROCEEDINGS

Mr. Don Boudria (Glengarry-Prescott-Russell) moved:

That, in the opinion of this House, the government should consider the advisability of recommending to the Canadian Broadcasting Corporation the feasibility of rebroadcasting the daily proceedings of the House of Commons *in toto* during the evening hours.

He said: First of all, Mr. Speaker, I would like to thank the Hon. Member for Ottawa-Vanier (Mr. Gauthier) for supporting my motion, something for which I am most grateful to him. It is very important for the House to understand the meaning of this motion, to wit, that the Government and the Canadian Broadcasting Corporation should consider the advisability of rebroadcasting during the evenings hours the daily proceedings of the House of Commons. I want to make it clear that the House does not intend, in my view, to issue instructions or orders to the CBC, but is simply asking it to cooperate with the Government of Canada in that feasibility study for the ultimate purpose of rebroadcasting during the evening hours the daily proceedings of the House of Commons.

Mr. Speaker, it was on February 10, 1977, that the House of Commons decided to broadcast its daily proceedings, so that on October 17 of that year, a number of communities started watching these proceedings on their television sets.

[*English*]

The first community to receive the televised proceedings of the House of Commons was the City of Ottawa, and after that the City of Toronto. By the end of one year, there were 80 cable

operators throughout this country televising the proceedings of the House of Commons so that the people of Canada could in fact see what was going on in the House of Commons and understand how this country is directed.

There are now 450 different cable operators across the country who are televising the proceedings of the House of Commons. In the constituency which I represent the town of Rockland is now able to see the proceedings in the House of Commons live every day and I am told by my constituents that they are quite pleased that this service is now available to them. I could be partisan and say that they are not pleased in seeing the Government, but they are pleased to see the House of Commons in action. However, this is not a partisan motion and I will skip that portion at this time.

Something of which we should all be aware is that although the proceedings of the House of Commons are watched by approximately 100,000 people every week, there is a much larger number of people who watch the repeat of Question Period at six o'clock p.m. or 6.15 o'clock p.m. every day and an even larger number of people, for instance, who live in the Province of Ontario, watch the rebroadcast of Question Period at 11.15 o'clock p.m. on TV Ontario.

A very interesting statistic has come to my attention. The audience watching Question Period and the proceedings of the House of Commons is largely composed of senior citizens according to a study conducted by the Library of Parliament. This is, of course, very understandable because at the time of day when Parliament is in session, most people are out working in order to earn a living and, of course, cannot be at home to watch the televised proceedings.

[*Translation*]

Mr. Speaker, we know also that the rating in the afternoon is approximately 10 per cent for adult viewers and that in the evening, depending on the hour, it varies between 30 or 40 per cent, which means that we could, by rebroadcasting the daily proceedings of the House of Commons during the evening hours, make it possible for a much greater number of Canadians to watch Parliament at work.

[*English*]

When the House begins the day at 11 o'clock a.m., it is 12.30 o'clock in Newfoundland and eight o'clock a.m. in Vancouver. Of course, at those times of the day very few people are home to watch the televised proceedings of the House of Commons. If we were to repeat the televised proceedings of the House of Commons in the evening, commencing at a time somewhere around 6.30 o'clock p.m. Ottawa time—which would be eight o'clock p.m. in Newfoundland and 3.30 o'clock p.m. in Vancouver—needless to say the number of people who could view the televised proceedings of the House of Commons would be far greater. Another interesting fact which has been noted in some reports is the fact that if the House proceedings were televised in a retransmission at a later time in the day, the proceedings could be indexed. In other words, it could be known at the beginning what topics were discussed that day because of the fact that it would be a retransmission. The

second time around, the people doing such an index could have put together a list of topics which were discussed in the House on that particular day. This would be most convenient for students and other groups who could then use the information in their activities. It would also, of course, be most beneficial for Canadians who are interested in a specific issue. We all recognize that it is very difficult for us to inform the public as to any particular issue being deliberated in the House of Commons on any particular day. This problem is caused in part by the fact that the House agenda is often changed at the last minute by the Government House Leader—most times, of course, with the agreement of the Opposition House Leaders—but the agenda is not always fixed. Therefore it is very difficult for us to inform our constituents of what issues will be debated in the House on a particular day.

I want to allow a large number of Hon. Members, if possible, to speak on this issue, so I will make my remarks rather brief. I just want to draw to your attention, Mr. Speaker, an article written by Pierre Ménard in the *Canadian Parliamentary Review,* Autumn 1985 edition, entitled "Parliament and Television". I would just like to quote one paragraph in the article, which states as follows:

> Many different topics and issues are covered every sitting day, each with its own interested public. The spontaneous nature of the live proceedings makes it difficult to predict when a particular issue is to come up. Few interest groups and individuals can monitor proceedings all day long to determine what is said on a subject of special concern to them.

I indicated that earlier in my remarks, Mr. Speaker.

> Once the House has adjourned for the day, however, an accurate viewer guide to the replay becomes available. If 20 topics are raised one day, 20 publics can be advised when to tune in for debate on their own areas of concern. Canadians would, first of all, be home to watch and secondly, they would have prior knowledge as to what subjects were coming up and at what specific time. Viewers could record portions of special interest to them.
>
> Teachers who use the Parliamentary Network as a teaching aid could do so much more effectively. More schools might begin to use such a valuable resource. Though Parliament Hill is one of the best known sights in Canada, far less is known of the process that takes place inside.

● (1720)

[*Translation*]

I therefore ask, Mr. Speaker, that Members from all political parties represented in the House support the motion which I have moved today, calling on the House to show again in the evening the broadcasting of the daily proceedings of the House of Commons, which already cost a significant amount, something like $3 million a year and, for a pittance more, and some even argue that the costs would be almost the same, to make it available for a greater number of Canadians, who would then have the opportunity to watch Hon. Members defending their interests.

[*English*]

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I welcome this opportunity to offer some thoughts on the matter before us today, particularly because the broadcasting of parliamentary business makes such a positive contribution to the Canadian political process, indeed to Canadian identity. However, while any attempt to improve television coverage of parliamentary proceedings is certainly worth while, I have some doubts about the motion before us. The motion proposes that the Government should consider the advisability of recommending to the CBC the feasibility of rebroadcasting the daily proceedings of the House of Commons. It might be helpful to outline how the CBC provides national distribution of its parliamentary service and the role it plays in doing so.

The House of Commons broadcast service, which comes under your direct responsibility, Mr. Speaker, as you well know, provides the video and audio signals to any broadcaster who wishes to distribute them. The CBC is licensed by the Canadian Radio-Television and Telecommunications Commission to carry on a network operation for the distribution of these proceedings. The CBC's parliamentary television network takes the signals, packages them and uplinks them for satellite distribution to cable companies across Canada in both official languages. Cable operators may then receive and carry the service at their own discretion. The CBC does not have an exclusive licence to distribute these proceedings, but it is the only national distributor at this time. In doing so, it provides a valuable service to Canadians and contributes immeasurably to fulfilling the objectives set out for the CBC in the Broadcasting Act.

The fundamental questions raised by this motion are: Do Canadians want the additional service? Would they watch it if they had it? I believe that before we advise the Government to extend this service it would make sense to ask Canadians if they want it. Broadcasting parliamentary procedures at present costs Canadians $2.5 million to $3 million per year. Most of us would agree that money spent on familiarizing Canadians with their Government is money well spent. Broadcasting Parliament's procedures give Canadians an opportunity to better understand their Government and how it operates. As today's article in *The Gazette* notes, these broadcasts reach literally thousands if not millions of people across Canada and the continent. For the past eight years this service has served an important function in educating and informing Canadians on their Government. However, before we undertake an extension of the service, I believe we must be absolutely certain that it is wanted. As elected representatives we must ensure that tax dollars are spent wisely and with the public interest in mind. This holds true for the CBC as it does for other Crown corporations. Let me point to an example which illustrates the need for proper management of tax dollars consistent with the wishes of Canadians.

As many Members may be aware, the CBC is planning to build a new broadcast centre in Metropolitan Toronto. When plans for the new building were prepared CBC officials selected a site in downtown Toronto and proceeded to estimate construction costs. In March of this year the City of Scarborough made a proposal to the CBC for construction of this centre in Scarborough which could save Canadian taxpayers over $90 million. The CBC resisted this proposal and has continued to insist that the centre must be located in downtown Toronto. Fortunately, the persistent efforts of members

of Scarborough Council, Scarborough Development officials and Members of Parliament from Scarborough have focused public attention on this issue and called into question the selection of this downtown site. I raise this question to point out to Members the importance of analysing motions like this which ask the Government to extend services which Canadians may not want and cannot afford.

Before we extend this service perhaps we should better inform Canadians of the existing service which is available. I am sure Members from all sides are continually informing their constituents as to when parliamentary proceedings are broadcast in their area. The simple fact is that many Canadians are not even aware that they can watch these proceedings. Many of those who do want to tune in are forced to purchase a converter to do so. With all due respect to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), I think the motion itself is not the ideal mechanism for tendering our suggestion for enhancing television coverage of the House of Commons. Still, there is no reason why we as parliamentarians cannot approach the proper forum in the proper manner to present our suggestions for enhancing either the signal provided by the House of Commons broadcasting service, or the CBC's own parliamentary television network which packages and distributes that signal. That opportunity will occur when we discuss the recommendations made by the Special Committee on Reform of the House of Commons. Indeed, in its report that committee suggested that the distribution of the House of Commons broadcast service might be improved, and mentioned that one idea might be to repeat the proceedings at a time when the potential audience is larger.

In conclusion, Mr. Speaker, while I support the objective behind the motion, I cannot agree with the mechanism it seems to propose for reaching that objective and I cannot, therefore, offer my support for the motion. Furthermore, the appropriate procedure will be available shortly when the Government and Opposition Parties discuss the special committee's recommendations on the broadcast service, and that discussion will generate additional ideas for consideration.

• (1730)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I welcome this opportunity to take part in the debate and to congratulate my colleague from Glengarry-Prescott-Russell (Mr. Boudria) on his motion to re-broadcast the proceedings of the House after the end of the day's sitting and thus make it possible for more Canadians to see and hear the proceedings for themselves and realize how important the parliamentary process is to our daily lives. It is a positive and constructive proposal, because it would allow a greater number of Canadians to see the Parliament of Canada at work and watch their elected representatives discussing important questions in the House.

I also think it is constructive, because the motion is not asking the Government to do all this right away. It is asking the Government to consider the feasibility of such a proposal, and I am thinking for instance of the cost of such a project. I am told the cost will be minimal. I have been informed that one person would be able to take care of rebroadcasting, because Channel 16, which is used for broadcasting and redistribution of the signal, is the channel that announces in the evening: See you tomorrow, when Parliament sits again and we will have the necessary information for you.

I think it would be positive and constructive to consider the feasibility of this proposal, in order to find out what the real cost would be and whether more than one person would be needed. I think it is probably positive as far as cost is concerned because I think we may find to our surprise that the proposal would not be all that costly or a drag on the Budget, and I think it could also be constructive in that more Canadians would know what is going on.

Mr. Speaker, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) spoke to us about the time when we started broadcasting the proceedings of the House. I was there, and when I look around in the House, I feel a little older than the average Member because I was here in February 1977, when the decision was made, and I was also here in October 1977, when we started broadcasting the debates of the House of Commons. I must admit that at the time, the lights and atmosphere and all that made everything a bit strange for many of us and many Members and Ministers at the time felt that the decision had been a bit hasty and that we might have quite a few problems.

I must say today how pleased I am to note that this idea of broadcasting the proceedings of this House has enabled Canadians to be better informed about parliamentary activities, more especially, Government activities, the motions discussed and the general items related to our proceedings. Mr. Speaker, I for one think it is important to extend the broadcast of parliamentary debates if only for the average worker who is not at home in the daytime and cannot watch television. A construction worker or an office employee cannot watch television unless they have a special interest.

I wanted to deal with this because in my constituency of Ottawa-Vanier—I will be a little more parochial—there are many public servants who are highly interested in parliamentary activities, because this is part of their daily life. They work for the Government, they know what is going on and would like very much to watch and hear our parliamentary debates. It is not always easy to do so in the daytime, but in the evening they would appreciate hearing from the Minister concerning a projet in which they are closely involved or the Member of the Opposition making a positive criticism of private Members' initiatives. Therefore, to allow a more extensive understanding and perhaps to inform Canadians, I think that the motion of the Hon. Member for Glengarry-Prescott-Russell has a positive thrust.

Before coming in today, I figured out that I have made some 120 interventions, speeches, or whatever, since November last. I have spoken about various matters and I am well aware that people in my constituency watch our proceedings. Those who tell us their opinions and their views are generally retired people who say: "I will tell my son or my daughter to watch what goes on in the House of Commons because it is important and I think that he or she will be interested."

It would therefore be very nice for us to be able to tell them: "The proceedings of the House of Commons will be retransmitted this evening at 7 or 7:30 and you will be able to see the Minister, the Prime Minister or the Members of Parliament speak about the bill which is of concern to you.

Mr. Speaker, I would like to conclude by congratulating the Hon. Member for Glengarry-Prescott-Russell on his initiative. I think that we could go even further and include the committees. I think that we could talk about broadcasting the committee proceedings. I think that in line with the new Standing Orders and the Parliamentary Reform, we will have to find a system whereby the Canadian public will be able to watch on their TV set these proceedings. I think also that the idea of widening the Canadian audience has some merit.

As to what this initiative could cost, Mr. Speaker, I do not think we should try for the time being to assess it in dollars and cents. I think it would be worthwhile, as suggested by the Hon. Member, that we consider the possibility of rebroadcasting our proceedings for the benefit of the people who want to watch them.

I feel that a pilot-project in the area of the national capital could be useful, and I know a great many people in my riding who would like to take part in such an experiment. A pilot-project would not cost much, but might help achieve the Hon. Member's purpose. As I said, we could also consider extending this idea to committees.

Mr. Speaker, I congratulate again the Hon. Member for Glengarry-Prescott-Russell. I think his is a positive and constructive initiative.

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the motion before us this evening is basically to consider the desirability of rebroadcasting House proceedings. The motion, naturally, is framed in a much more wishy-washy, shilly-shallying fashion as is our wont here in the House. It reads:

> That, in the opinion of this House, the government should consider the advisability of recommending to the Canadian Broadcasting Corporation the feasibility of rebroadcasting the daily proceedings of the House of Commons *in toto* during the evening hours.

Translated, that means that it is a good idea to repeat the broadcasting of House proceedings in the evening. Of course, there are many pros and cons on this issue, but I think, on balance, it is a good idea. We know that roughly 100,000 people watch the proceedings as they are currently broadcast across the country. I have no doubt that there are many more people who would like to watch them but are simply not available during the daytime hours. For some people perhaps it is the only commercial-free broadcasting available, so there are many incentives for watching apart from an interest in parliamentary affairs.

People are entitled to know what is going on in Parliament. People are politically interested and if they want to be involved, naturally it is extremely helpful for them to see what Parliament is debating. Any measure which will make this more possible is positive. Canada is an enormous country and it is very rare for people to come to Ottawa. We would welcome having more people, more school children and more citizens groups coming to see us and meet with us directly. However, that simply is not feasible for large numbers of people so we have to depend very much on the message of Parliament getting out over the airwaves. In so far as this would increase access to our parliamentary debates, it is a highly desirable idea. Certainly the more that people watch Parliament, the more we might expect Parliamentarians to respond to criticisms which I, and I dare say other Members of Parliament, receive from people who are already watching the proceedings and who are rather disturbed at the air of frivolity which often prevails in the House. If increasing the hours of exposure and the telling of the truth, as it really is, to the people of Canada would result in a more serious atmosphere and a more considered deliberation, that would be a very good thing. If the boys' club atmosphere—I am not being sexist but simply accurate—with the "boys will be boys" attitude that largely contributes to the low atmosphere of the House with the catcalling and so on that often happens could be improved as a result of more people watching, I am very much in favour of it.

• (1740)

There are some legal questions involved because this is not our channel but the Canadian Broadcasting Corporation's. It may not want to proceed along these lines. There is also the question of whether the time should be used to show committee hearings which is an issue which will be considered. Perhaps there will be some competition between the House itself and committee hearings. Certainly important matters are discussed at committee and it would be advisable to televise committee hearings as well. Therefore, it will be necessary to provide a balance of what is shown on the channel.

We must also address the issue of how we make use of scarce channel space and ask what use we should make of this available exposure. The CBC wants a second channel for regular programming of a somewhat different nature that it may control entirely. However, until it can include women in programming on an equal basis with men I would not want the CBC to have another channel on which it can treat women as second-class citizens.

If anyone is entitled to spare channel space in our broadcasting system it is the women of Canada. While the private networks do not do enough to cover women's issues and events,

the CBC, which is funded with our money, is the worst offender. I have already given statistics with respect to the dire under-representation of women. For instance, only 5 per cent of experts appearing on CBC shows are women. I suggest that women should be given more consideration which considering the good use of this second channel. However, this would not be a progressive move because I believe all Members of the House would prefer to see women and men treated equally on CBC's main channel. They should be equal members in broadcasting as they are equal members in Canadian society.

Women have had to lobby a very unsympathetic palaeoanderthal male management at the CBC. The President of the Corporation recently used the parliamentary channel to put forward his case about what he would like to do with this channel. If he would use this parliamentary channel to tout the CBC, I wonder if he should not be according the women of Canada the same opportunity to put forward their case for the use of what available broadcasting space exists on the airwaves, satellite and cable.

I regret that we are unable to deal with a number of other important broadcasting questions which I am sure are of concern to those dealing with this more immediate question and narrow interest. A number of these very urgent matters include Canadian content which is grossly inadequate in its availability to the private networks and the CBC. A high priority would be to obtain a commitment from private broadcasting to commission and broadcast Canadian programming. In my opinion, a high priority would be to eliminate or phase down commercials on the CBC, particularly with respect to drama programs so that we may have high quality public broadcasting.

Another matter of concern to Members of the House is the treatment of employees within the Corporation and indeed throughout the broadcasting system. With respect to the CBC, I receive many complaints from female employees who are discriminated against as well as male employees who do not have the full opportunity to use their talents. For example, their proposals for cost-cutting efficiency measures are not treated seriously by CBC management. These are issues which we may deal with in a broader broadcasting context.

Let me mention one particular matter which was brought to my attention. It concerns a very serious complaint about private broadcasting which was raised by NABET this summer. There are a number of employees in Newfoundland who are on strike for a first contract. There is a notion that broadcasting is an important and glamorous indsutry which treats its employees well. While it is an important industry, CHUM station in Newfoundland has the lowest media wages in Canada. The average wages for employees there is $11,700 which is below the poverty line for a family in that area. This shameful treatment of people in that industry not only requires attention by the broadcasting industry, but in labour legislation and other areas that are not the subject before us today.

I believe the motion before us today is very sensible and I generally support it. Before we make any proposals to increase services, we should have an idea of the costs. I suspect that the additional costs of repeat broadcasts would be very minimal because they are already being borne for the existing videotaping of the proceedings. However, we would have to consider those costs as well.

I think the more important problem involves the available space and how it should be used. Since the motion before us proposes that these matters be considered, I would support it and ask for the consideration of these matters in the hope that a wise decision will be made to increase the exposure of the House and provide Canadians with a greater opportunity to see what is happening here as we try to resolve the practical problems before us in a reasonable fashion.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in rising to address this motion by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), I want to go on record as favouring the greatest possible exposure of Parliament's daily proceedings by the people who sent us here. This is a very important matter for debate, not only for Your Honour and for those of us who sit in the House of Commons, but for the countless thousands, indeed tens of thousands of Canadians who are watching the proceedings of Parliament at this very moment across six time zones in this country alone. Yes, you and I are being watched by approximately 100,000 Canadians right now. Heaven knows how many viewers we have beyond our borders through the miracle of satellite delivery.

One point that I want to make is that you are the custodian of the parliamentary TV service as long as the House of Commons is sitting. These cameras belong to us. They are an integral part of our proceedings. Therefore, through you, I would like to say to the people of British Columbia and the Yukon: If you are picking us up at this moment, it is the middle of the afternoon. They are waiting for the kids to come home from school or waiting for the next appointment in the office or possibly waiting for the next soap opera.

In Newfoundland and Labrador, where the time is now approaching 7.20 p.m., you probably had dinner and are waiting like everyone else for what will be a very crucial game in the World Series.

[*Translation*]

If you are struggling through traffic on your way home, here, in central Canada, at this time of night, 5.50 p.m., forget it . . . You are not listening to us at the moment.

If you are safely home, or unfortunately still at work, or else in hospital or in a retirement home and that you are watching us or listening to us, you are among the tens of thousands of Canadians who are addicted to this television service.

• (1750)

[*English*]

The point I am trying to make and I think other Members have already drawn it to the attention of the House is that there are convenient and highly inconvenient times for addicts of the CBC parliamentary network to watch their elected

representatives in action. There is also a demonstrable need for the enhancement of coverage of proceedings in this House of Commons, especially when—and I say this to my colleagues—a much larger audience might be able to tune in.

One of my long time friends and one of yours, Mr. Speaker, as you view this debate is Mr. John Warren, the host of the English language parliamentary broadcasts.

[*Translation*]

I am sorry, I have never met the host of the CBC French service, Mr. Gilles de Lalonde, but on behalf of all French Canadians, Mr. Speaker, I would like to congratulate him for his commentary and his rapport with the viewers of this service.

[*English*]

Both of these gentlemen directly and indirectly have pointed out to me that more than 100 letters are received each week by the CBC on this parliamentary service. Among those letters are letters from places like Franklin College, Franklin, Indiana; Albany, New York; Portland, Oregon; Sir Thomas Moore Comprehensive School in Hamilton, the University of Saskatchewan and dozens and dozens of others all seeking information to demonstrate the interest and the use that is being made of our parliamentary service for international educational purposes. In other words, we are at this moment a reasonably hot item and one clearly in demand by people across Canada and beyond our borders.

I must say that while I have the utmost admiration for and confidence in the CBC parliamentary television network, I am expressing a certain personal desire to see the House of Commons service extended, but I must caution you, Sir, and those who are looking in that I have no authority as an individual Member of Parliament or a Parliamentary Secretary to initiate any moves or recommendations on my own. What I think is the useful aspect of the debate raised by the Hon. Member for Glengarry-Prescott-Russell is that we are putting this issue into the open before the Corporation for its consideration and before other members of the Government apparatus to achieve the full potential of this unique broadcast vehicle. That tremendous potential, that increasing public awareness of parliament among viewers across the country makes imperative, in my view, the need to consider ways of making use of the down time of the parliamentary service.

I am a little hesitant about providing full support for the motion we are debating today. The principle of bringing Parliament to the people via television, as I have said and as other Members have said, is sound. We have debated many ways of putting that principle into practice on a number of occasions, both in committees and here in the House. However, the question at the time when the TV and radio broadcasting committee was deliberating the implementation of broadcasting in the House was how do we indeed commit that principle to practice. The motion before us raises a similar question.

Now that we have a service and now that there seems to be widespread agreement in this House that efforts ought to be made to enhance the service, what is the best way to increase an understanding of parliamentary procedures and traditions through the parliamentary broadcasting service?

As you are no doubt aware, Mr. Speaker, many suggestions have been put forward over the last few years for enhancing the television coverage of Parliament. Many of these suggestions involve expanding the House of Commons service, that is, the feed provided by the House to the CBC and other broadcasters to provide regular coverage of standing committee meetings. The Government is in favour of a couple of key recommendations made by the special committee on the reform of the House of Commons with respect to televising committee proceedings and will undertake consultations with Opposition Parties to seek an agreement on implementation.

The special committee specifically recommends that:

> Fuller use be made of the parliamentary service.

The Government supports this recommendation in principle and the Government House Leader, the Hon. Member for Saskatoon West (Mr. Hnatyshyn) has stated here in the House that he will consult with all Parties on its implementation. For its part, the CBC has confirmed its interest in enhancing the coverage provided by its parliamentary television network.

My sources in the Corporation tell me that the CBC is getting so much mail requesting brochures on the parliamentary system that it has run out of them. The word is that the CBC is gently requesting viewers to ease up on letters asking for brochures.

Nothing is final yet on the matter. There are no doubt many more suggestions to be made during the upcoming discussions. This debate is part of those suggestions. That is why I commend the Hon. Member's initiative in bringing this matter before the House of Commons for discussion. However, I think it is reasonable to assume that an expansion in the television coverage of Parliament by the House of Commons service, by the CBC or by both is not very far off.

The motion does not recognize your office, Mr. Speaker, as the proper authority for the House of Commons television service. As we are well aware, any modification is the Speaker's responsibility, and the motion does not explicitly refer to your role.

While I realize that the way the CBC uses the feed provided by the House of Commons service is its own decision, I would think it would be your office or the television and radio broadcast committee which ought to offer any suggestions to the CBC about modifying the way the Corporation's parliamentary television network packages or distributes that feed. Perhaps the motion presumes this, but it does not say so explicitly. For that reason, I am reluctant to support it.

I think if we believe in an arms length relationship with the Canadian Broadcasting Corporation, it would not be in this way that we should be laying hands on the CBC and telling the CBC how to use its service. It is within your jurisdiction, Sir, through appropriate consultations that this might be done.

As a participating addict and admirer of the CBC parliamentary television network, I want to see something done about a system which sits there unused except when the House of Commons is in session. There are decisions which have to be made in conjunction with the McGrath Committee on Reform of the House of Commons; in conjunction with the Minister of Communications; in conjunction with the Special Task Force on Broadcasting, and in conjunction with you, the viewer, if I may say through you, Mr. Speaker. As individual Members of Parliament, we should be hearing from the people who really admire this service and who want to see it expanded, enhanced and extended.

We have ways of making use of this hugely expensive electronic instrument of Parliament. We MPs own and operate all the broadcasting facilities within these buildings. We must, in my view, take advantage of those installations and decide how we wish to put the parliamentary television network—

[*Translation*]

—in both official languages—

[*English*]

—to further use for the public good.

• (1800)

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, it is a privilege for me to be able to discuss here in the House the motion presented by my colleague, the Hon. Member for Glengarry-Prescott-Russell, which says:

That, in the opinion of this House, the government should consider the advisability of recommending to the Canadian Broadcasting Corporation the feasibility of rebroadcasting the daily proceedings of the House of Commons *in toto* during the evening hours.

I understand and share in my colleague's desire to make the noble institution we represent better known to the public. In that regard, television is the perfect media to make Canadians familiar with the works of Parliament.

I confess, Mr. Speaker, that the motion puzzles me somewhat, because the action it calls for would, in my opinion, create an emabarrassing precedent if it were fully implemented.

Our colleague wants the Government to consider recommending to the CBC that changes be made in the services it provides, a matter which comes under CBC internal management. Under the provisions of the Financial Administration Act, the CBC is a proprietary corporation and as such is solely responsible for internal management and day-to-day administration.

It is therefore up to the CBC to decide which programs are to be aired, and were the Government to act as suggested by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) it would run the risk of opening a debate on the autonomy of the corporation. Such a debate would undoubtedly cloud the issue, for our main objective is to make viewers even more interested and convince Canadians that they ought to take a more active role in the political process of their country.

I believe that to really grasp the question at issue, the role played by the CBC in providing this service has to be further explained. As you know, Mr. Speaker, the broadcasting of parliamentary proceedings comes directly under your jurisdiction. CBC has obtained from the Canadian Radio-television and Telecommunications Commission a licence to establish a French and English parliamentary television networks broadcasting every day the House is sitting a direct coverage of its proceedings.

This coverage is supplemented with explanatory comments provided by CBC's own announcers. Those programs are then conveyed by satellite to the affiliated Canadian cable companies.

Statistics show that in early 1985, parliamentary broadcasts were shown by 188 cable companies. These cable operators could reach 66 per cent of Canadian homes and were effectively received by 50 per cent of all households.

Those figures, Mr. Speaker, show the popularity of this service and encourage us to do even better.

The question at issue now, Mr. Speaker, is this: what are the best ways to attain our goal which is, and I will remind you of it, to make Canadian people more aware of parliamentary life?

This question leads me to discuss the mechanism proposed in the motion put forward by the Hon. Member for Prescott-Glengarry-Russell, that is rebroadcasting the daily proceedings of the House of Commons *in toto* during the evening hours.

As you know, the Special Committee on Reform of the House of Commons, chaired by the Hon. Member from St. John's East (Mr. McGrath), has devoted a chapter, Chapter 9 of the report released last June, to the question of televising the House.

What makes the value of any debate is the relevance and variety of suggestions made. I say that, Mr. Speaker, because the motion before us calls for a definite action, the chosing of a mode of rebroadcasting.

• (1805)

I would not want anyone to believe that I am trying to downgrade that solution. Rebroadcasting during the evening hours would certainly give a larger proportion of the population the opportunity to watch the proceedings. At the present time, Question Period is the most popular part of the broadcast. Given the fact that it is already rebroadcasted at the end of the daily proceedings of the House, I wonder, and reasonably so I believe, if rebroadcasting *in toto* is the best or only means of improving that service. Would it not be better to increase the variety of parliamentary activities being broadcasted, as suggested by the report?

The Committee recommends, for instance, that Committee proceedings be televised as well. This report, Mr. Speaker, contains proposals that would make the committees much more dynamic. Televising committee meetings would give Canadians a chance to familiarize themselves with this other important aspect of parliamentary life.

Also, the Committee mentions that the broadcast network is not as dynamic or imaginative as it could be. Would rebroadcasting of the proceedings change anything in this regard?

Could it be that better explanations of House proceedings, the broadcasting of conferences, some phone-in programs on public affairs, as the Committee suggests, would make Canadians more interested in the political life?

Would it be a good solution for the future future of our network to take for a model the American network *C-Span*, which televises 24 hours a day the congressmen's proceedings and those of the House and Senate committees? We would then televise the House and the Senate committees meetings and have public affairs programs.

Should we open the network to programs produced outside of Parliament, namely reports on seminars and conferences.

You are aware, Mr. Speaker, that cable distributors play an equally important part in the provision of this service.

The Acting Speaker (Mr. Charest): Order. The time allotted for Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

COPYRIGHT—INTRODUCTION OF LEGISLATION. (B) ARTS FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the question I would like to address this evening relates to copyright. There has been a report of the subcommittee on copyright revision which included a charter of rights for creators. In my opinion, it is an excellent document. It contains 137 recommendations and almost all of them are very good.

Artists have waited a very long time to have greater recognition of their economic and moral rights of copyright. Of course, even a very good set of recommendations is not going to have any impact until legislation is prepared and brought forward. We had an indication from the Government that we could expect legislation in February. I very much hope that it will be put before us in February because this is a matter of very great importance to artists.

Artists have been patient long enough. Many of them live below the poverty line. I do not wish to exaggerate the impact that new rights of copyright will have on their incomes but certainly it will have a positive impact. It is about time that artists got this additional support.

Some of the changes proposed are housekeeping changes because this Act has not been revised in any significant way in more than 60 years. There is some recognition of new rights and these are important new rights. They include the exhibition right, a new right in choreography, full rights in musical compositions, a right to edition, new recognition of performers' rights, a new category of audio-visual works and the right to computer input. there is also the recommendation regarding a right to rental which will mean new income for people who are losing money through lost royalties to rental. There is the recommendation of payment for public use by other means not through copyright. That is certainly a recommendation we hope will not only be accepted but better funded and put into action promptly.

• (1810)

[*Translation*]

We proposed a clarification and an extension of moral rights. The work is to a large extent the expression of the personality of its author. The present Act does not protect these rights. Furthermore, in the French text, it is rather a privilege than a right.

Consequently, the Sub-committee recommends that the new Act fully recognize that moral rights are as important as economic rights. All the recourse provided for violations of an economic right should be applicable to violations of a moral right. It can be stressed here that a large increase in available sentences in courts for violations, fines up to one million dollars, instead of the present fines of approximately $200, has been recommended.

[*English*]

The principle of compulsory licensing was reviewed by the committee, an obnoxious principle and one which we have managed to avoid with some small exceptions. There is one exception with which I am not entirely in agreement. We have almost entirely gotten rid of this notion.

One important part of our work was to close the loopholes with respect to the exceptions, which meant that artists became involuntary donors of their time. It is quite proper for artists to give of their time for charitable purposes, but surely this should be on a voluntary basis and they should receive a tax receipt for it, as do other Canadians. Artists groups persuasively argued against these exemptions. We went along with them with the sole exception of the case of the production of materials for the handicapped. We were certainly in agreement with the principle that access has to be provided. We also agreed that there should be some payment, although it would be a very trivial one. We expect that public agencies which

support this work should make up for those payments and that artists should not have to be involuntary donors of their time. We are certainly in favour of handicapped persons having prompt access to materials under copyright.

[*Translation*]

I did not agree with the majority report in three areas. As far as employers' and employees' rights are concerned, I am on the side of employees. The majority report favours the employers. With regard to home recordings, I have a different proposal to make, which is better, I think. It is obvious that home recordings deprive their creators of income from copyright. Instead of buying a cassette or a record, people make recordings. A tax on tapes, cassettes and VCRs can be directed to creators, not to collective management companies. This is a way to compensate the artists for lost income caused by this new technology of home recording. Unfortunately, if we proceed through copyright, most revenues, up to 90 per cent, will be exported abroad, mainly to the United States. The problem of export of revenues is the reason why I object to the recognition of the right to broadcast.

A certain form of recognition is fair and necessary. Yet, it would be irresponsible to give new rights resulting in enormous losses of scarce revenues.

[*English*]

Canadians might wonder why a resident of Windsor should have to pay for local rebroadcasting rights for which the Detroit citizen does not have to pay. Because the American corporations ABC, NBC, CBS and the Hollywood majors have asked for it, that is no reason why we should be making Canadians pay for something their neighbours across the border do not have to pay for.

• (1815)

Finally, I would like to point out that we have to look at the costs in copyright. We want to see new rights but when we have had $100 million in reduced budgets for the Arts community, I would be very reluctant to see a new exportation of scarce resources outside the country. One of my questions is can we have a firm guarantee that there will be a restoration of these cuts before we contemplate more exporting of these scarce resources to the United States?

A copyright is a means to an end. We must consider the needs of the whole cultural community. We must consider funding to the CBC, Canada Council and so on, and deal with the copyright question in that broader context.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, it seems like old home week talking about copyright revision with the Hon. Member for Broadview-Greenwood (Ms. McDonald), to whom I would like to pay public tribute for the very significant contribution she made to the subcommittee on the revision of copyright. Even though she did agree with the majority of the recommendations, she did not agree with every Hon. Member of the Committee on certain points. Both of us worked long and hard on the copyright committee. It was a formidable challenge to, in effect, rewirte the "Bible" on copyright and change a law which is more than 60 years old. Indeed, it is downright ancient.

The Hon. Member has raised two questions. The first question concerns the time at which the legislation will be introduced. I can assure the Hon. Member that legislation is now being prepared and will be introduced as soon as possible. As the Hon. Member knows, the subcommittee worked for 10 months on copyright revision. We heard 111 witnesses, considered over 300 written submissions and attended many lively meetings over the summer months to discuss the many different issues. After all this work, all members of the subcommittee share the Hon. Member's concern that legislation be introduced quickly. As Parliamentary Secretary to the Minister of Communications, I am hopeful that the Bill will be drafted so that it can soon be enacted into law. I am told that some drafting work is already under way and I will continue to urge that it be completed with dispatch.

The Hon. Member's second question associates the cut-backs in arts funding with the subcommittee recommendations aimed at providing new copyright protection for creators. With respect, one has nothing to do with the other. The cut-backs in arts funding was part of a broad Government policy to reduce expenditures. The arts, like other groups, were required to bear a portion of that burden. On the other hand, the subcommittee recommendations to provide new copyright protection would benefit the arts community. In fact, I am informed that the reaction of creators to the report has been most favourable.

The outflow of royalties problem to which the Hon. Member refers, and which was part of her minority report, is not at all what it may appear to be. There are three reasons for this. First, much of the new copyright protection recommended by the subcommittee would be reciprocal. Canadians would have to receive protection abroad before non-Canadians would be protected in Canada. Protection abroad would create an inflow of royalties which would help offset any outflow.

Second, the Hon. Member has shared in the subcommittee's recommendations to provide some new protection which will cause an outflow. Yet others she has not agreed to. I do not see this as being particularly consistent. Although the Hon. Member has reasons for her position, other Hon. Members of the subcommittee did not agree with that reasoning. The majority has consistently recommended that creators be protected when their works are being used without their consent or without payment.

Finally, the subcommittee is convinced that protection for creative work, which is so justly deserved, should not be denied to Canadian creators because it would cause an outflow of royalties. It has been repeatedly pointed out by witnesses that it only takes a few—and I think probably more than a few—Brian Adams and Margaret Atwoods to turn the negative outflow into a positive inflow. Copyright protection is essential to ensure that Canadian creators can continue their work.

I am proud of the subcommittee's hard work and long hours on our new charter of rights for creators. I repeat to my hon. friend that I want to see legislation before this House based on

all of our 137 recommendations at the earliest possible moment.

● (1820)

ENVIRONMENTAL AFFAIRS—NIAGARA RIVER POLLUTION—UNITED STATES CLEAN-UP PLAN. (B) CONTENTS OF PLAN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, you may recall that last October the Niagara River Toxic Committee filed its report with the Canadian and American Governments. The Canadian Government has not yet responded to the findings of that committee which contained some alarming results. For example, some 3,000 pounds of priority pollutants, that is, acids, metals, PCBs, pesticides, et cetera, end up in the Niagara River daily. Over the winter Environment Canada carried out further studies and raised that estimate to some 19,800 pounds. Yet the Minister of the Environment (Mr. McMillan) still does not respond to the earlier report or the new data.

The Minister met with the head of the U.S. Environmental Protection Agency in Washington in May and returned to Canada saying, as recorded in Hansard on p. 4765:

—that planning for the Niagara River clean-up is being accelerated.

Remember the word "clean-up".

On October 17 a plan was presented by the EPA to the Minister of the Environment here in Ottawa. Canadians have not seen that plan. In fact, the Minister told the press that he did not know if we could get to see it at all. That is rather curious considering that the EPA in Washington considers this plan to be a public working document. Therefore, the question arises, why will the Minister not come clean with Canadians and tell us what is in the plan? Why should we order a copy from the EPA south of the border? Why is the matter shrouded as a big secret?

There are important questions on the minds of everyone concerned with this matter. The health and drinking water of some 6 million people, 4.5 million of them Canadians, is at stake. Does the plan set stiff controls on the polluting industries when they discharge toxic substances? How much money, if any, does the plan provide for the excavation and incineration of the toxic chemicals buried in the sites? Are funds envisaged by the EPA for municipalities on the U.S. side to catch the toxic pollutants as they enter the sewage plants? What is the timetable for implementation so that municipalities will know how long they can rely on present water supplies and whether they will have to turn to alternatives? It is also important to know the agreed upon toxic substances which should be brought under control other than phosphorus.

These are the reasons why we call on the Minister to make this plan known. It is hard to understand why the plan is public south of the border and not north of the border. Canadians have the right to know. It is important that this matter be managed properly and so far the Minister has not done his homework. He has contradicted himself in and outside this House on the matter of the plan. He is urging the Opposition to study the plan before making statements, but then outside the House he says to the press that he does not know whether he will release the plan. He has mismanaged this very serious issue.

● (1825)

I hope that the Parliamentary Secretary will answer these questions, and perhaps do the job that the Minister has not done so far by coming clean with Canadians and providing knowledge on these major points. To facilitate his task I will summarize the points for him. They are: a timetable, the money attached to it by the Environmental Protection Agency in Washington, and the details as to whether they will proceed with the excavation and incineration at the land-fill sites. There are, as you know, 61 sites on the U.S. side of the river.

Time does not permit me to go over the names of the companies and municipalities that are the most significant contributors of priority pollutants, but among them are the Buffalo Sewer Authority Waterworks Treatment Plant, the Niagara Falls New York Waterworks Treatment Plant, the Bethlehem Steel Corporation, the Niagara Mohawk Power Corporation in New York, Atlas Steels in Ontario, Olin Corporation in New York, Spaulding Fibre Company in New York State, the Town of Tonawanda Waterworks Treatment Plant in New York, the Town of Amherst Waterworks Treatment Plant in New York, and the Donner-Hanna Coke Joint Venture, also in the State of New York.

We want to have answers because, as I mentioned, this is becoming a very serious health matter in the long term. It can still be managed, but it needs prompt action on the part of the Government. The report I am referring to came out in October, 1984. One year has gone by. Why does the Government not reply to the content of this report? Why is it now taking an open stance to let Canadians, provincial Governments, and municipalities know where the matter stands at the present time?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in response to the questions posed and the clarification asked for by the Hon. Member for Davenport (Mr. Caccia), I want to agree entirely with him about the serious nature of this problem and to indicate that the Government is fully aware, as are many Canadians, of the serious threat that this situation poses to millions of Canadians and Americans. In fact, it has been a progressive threat over the last number of years and it is high time that constructive action is undertaken and completed by governments on both sides of the border.

The facts, some of which have been elucidated by the Member for Davenport, are well known, they are established. We know that there are 61 dump sites on the American side and 5 on the Canadian side. Eighty-nine per cent of the contribution to the waste in the river is by the Americans and 11 per cent is by Canadians. Those things are established and we have no argument with that.

The Member has asked several specific questions and I would like to respond to those as well as I can in the time I

have available. He asked why the report has not been released. I can tell him that the report on one document, the Niagara River Toxic Commission document, is in fact prepared for release. Our position has always been that we wanted to get the response of the Government of Ontario and the Government of the United States before releasing our report. We have been ready to release that report for some time now and it will be out, probably within the next week or two.

Mr. Caccia: You are blaming it on the Government of Ontario now, is that what you are saying?

Mr. Gurbin: Not at all. I indicated that our position was and has been that we would hold our official response until such time as we receive the official responses of the Government of Ontario and the Government of the United States.

With regard to the second report, the action plan that was presented by Mr. Thomas to the Minister last week, it has been identified by the Minister. I do not think there was any conflict of confusion in his response. In fact, I think it was quite capably handled. We are considering this as a working document. If the Member wants to write to Washington for a report and it is released, that is his prerogative. Our position is that this is a working document. We have organized a meeting for November 8 between the principal parties which are Canada, the United States, the State of New York and the Government of Ontario. At that time all parties will sit down to work on this document and initiate the changes that we feel appropriate.

• (1830)

The Member also asked—

Mr. Caccia: It is public knowledge south of the border.

Mr. Gurbin: If the Hon. Member wants me to answer the question in the time I have available, he will have to listen rather than interrupt.

With respect to money, I can tell the Member that at least $1 billion so far has been spent by the Americans. I presume that he is concerned about the Americans. While Mr. Thomas was in Canada he stated privately and publicly that hundreds of millions of dollars in additional funds will be required and available when necessary. The exact amount is not the issue. The issue is to take real action to clean up the river. The bottom line is to eliminate the pollutants that are causing the problems. We have admitted that this will require a large amount of money. The Americans have admitted that as well and they are prepared to pay those amounts.

The Hon. Member has indicated that he is unhappy about a number of steps taken by the Government and the Minister. The plan we have received is not final. We have an opportunity to make it as complete and precise as possible in regard to the important matters before us. We are encouraged by our progress so far, although we realize more work needs to be done. The Americans will readily admit that as well.

The Hon. Member for Davenport might be encouraged by a comment from his leader in Ontario who indicates that although different technical approaches can be taken, he was encouraged by the vigour shown my Mr. Thomas and is confident that progress can be made.

[*Translation*]

CORPORATIONS—TAKEOVER OF MONTREAL EAST COMPANY—(A) ECONOMIC IMPACT. (B) SITUATION IN MONTREAL EAST—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question concerns the closing down of S.Q.D. Technologie de Ville d'Anjou, in the riding of Saint-Léonard-Anjou, and the fact that on November 23, 250 jobs will be lost, adding to the already long list of jobs lost in Montreal East, which is getting longer every day, Mr. Speaker.

In my question to the Minister of Consumer and Corporate Affairs (Mr. Côté) last Tuesday, I mentioned that this operation is rather strange since the only competitor in Quebec manufacturing suspension systems for trucks and automobiles has been taken over with a specific view to closing it down. And I asked the Minister how we allow competition to be eliminated in this and all other sectors? This is a very dangerous process indeed, Mr. Speaker, and we are moving towards a monopoly system which, of course, goes against our free enterprise system.

I want to know why the Minister did not take action. Does he intend to do anything and could we act before November 23 to prevent the loss of those 250 jobs which would create a very unfortunate situation in an area where poverty is ever-increasing?

My supplementary was also directed to the Minister of Regional Industrial Expansion (Mr. Stevens) and concerned the fact that aside from competition, Mr. Speaker, that company is being taken over by a group of foreign investors. I was wondering whether we could have prevented that transaction if the Foreign Investment Review Agency were still in force . . . and now, nothing can be done through Investment Canada. As a matter of fact, I did ask the Minister of Industrial Regional Development to do something about it. Unfortunately, Mr. Speaker, he told me that the mandate of Investment Canada was not to allow foreigners to take over plants in order to close them down. But that did happen, so I am asking him if this is government policy. Is the Minister going to do something about this? Could these 200 jobs possibly be saved? I am expecting a positive answer tonight, not for my own sake, but for those 200 jobs in Ville d'Anjou which are so important for the people of that community.

• (1835)

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr.

Speaker, first let me provide some background information. The Marmon group of companies will be puchasing the assets of the Montreal automotive spring plant of SKD Technologies Inc. after it closes in November. Marmon is not purchasing SKD Technologies Inc. I understand that there was no potential purchaser of the spring plant as an operating company. The Marmon group plans to move the plant machinery to its new plant in Cambridge, Ontario, which will create new employment for scores of people. I would also note that the Marmon group already operates two spring plants in Montreal and that there are ten other manufacturers of automotive springs in Canada. In other words, Marmon is not acquiring its only competitor.

Mr. Gagliano: In Quebec?

Mr. Domm: Within the Department of Consumer and Corporate Affairs, the Director of Investigation and Research who administers the Combines Investigation Act has reviewed this acquisition and concluded that it did not give him reason to believe that a violation of the merger section of the Act would occur. In other words, the Government is not allowing competition to be eliminated in this sector.

Let me talk about jobs for a moment. This Government is actively promoting the creation of jobs. As the Minister of Regional Industrial Expansion (Mr. Stevens) assured the Hon. Member the other day, the objective of Investment Canada is the creation of new jobs in Canada through foreign investment. It is not to encourage non-Canadians to buy businesses in Canada with a view to closing them and creating unemployment.

I can only stress the statement of the Minister of Regional Industrial Expansion when he pointed out to the Hon. Member that jobs have been created at a rate of 25,000 a month. With the co-operation of the Hon. Members of the Opposition, we will strive to increase that rate in the days and months that lie ahead.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.38 p.m.

HOUSE OF COMMONS

Friday, October 25, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

SOCIAL SECURITY

INQUIRY IF CERTAIN BUDGETARY CUTBACKS WILL SERVE TO REDUCE DEFICIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, on October 23, the Minister of Finance (Mr. Wilson) officially announced that the Prime Minister (Mr. Mulroney) and the Conservative Government had misled Canadians when the Government tabled its consultation paper on child and elderly benefits, a paper that was tabled in January by the Minister of National Health and Welfare (Mr. Epp) and which says clearly on page 6, and I quote: "Any savings which may result from program changes will not be applied to a reduction of the deficit."

Mr. Speaker, on October 23, 1985, in answer to a question, the Minister of Finance (Mr. Wilson) stated the following, as reported in *Hansard* of that day, and I quote: "The reason behind the decision to reduce the growth rate of the family allowance is the deficit, Mr. Speaker."

Mr. Speaker, it is obvious that despite thousands of signatures expressing the support of people from all Conservative ridings, despite the demonstration held by mothers with children on Parliament Hill, the Prime Minister, the Minister of Finance and all Conservative Members would rather take $22 from every mother with two children and spend it on changing the colour of our military uniforms.

The Prime Minister, the Minister of Finance and the Minister of social injustice, with the co-operation and support of all female Progressive Conservative Members, would rather take away—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member, but his time has expired. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

[*English*]

EXTERNAL AFFAIRS

COSTA RICA—ARREST OF CANADIAN CITIZEN

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, Mr. Wayne McCannon, a Canadian citizen from British Columbia, is being held in Costa Rica on bail awaiting extradition to Guatemala within the next few days. The reason for his arrest is that he stopped payment on a cheque to a hotel in Guatemala City where he had arranged accommodation for a number of travellers. When the hotel's standards were found to be completely unacceptable, he stopped payment on a cheque to cover the costs of the accommodation, but agreed to meet with representatives of the hotel in neighbouring Costa Rica to arrange a satisfactory settlement. When he arrived in Costa Rica, he was arrested and thrown into jail for 120 days. He is presently out on bail under constant surveillance and forced to remain in Costa Rica.

He soon will be extradited to Guatemala where he, and others, believe he will face certain death once confined in a Guatemalan jail. All this is over a disputed cheque for $8,500.

I urge the Secretary of State for External Affairs (Mr. Clark) to intervene with the utmost haste to assist this Canadian citizen who will face the harshest of repercussions if action is not taken immediately.

* * *

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR REGIONAL EQUITY IN RECRUITMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, one of the most sought after careers for young men and women, especially in western and northern Canada, is in joining the Royal Canadian Mounted Police. However, the RCMP recruiting policy, which seems to be a hangover from the previous regime, deliberately discriminates against English-speaking Canadians and, as a consequence, against westerners and northerners.

Most members of the Force are stationed in the contract provinces, and surely there ought to be a rough relationship between the number of members serving in a particular province or territory and the number of recruits being accepted from that jurisdiction. This is manifestly not the case.

In the Northwest Territories where the RCMP are held in such high esteem, there has not been a single recruit accepted for over five years despite a "G" Division strength of about 280 members. Employment equity seems to be a very popular

concept these days, so let us change the present policy and have geographical equity in the hiring practices of the RCMP.

* * *

RESEARCH AND DEVELOPMENT

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL'S RECOMMENDATIONS

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, the federal Government has a stated objective of increasing Canadian effort in research and development. Innovative technology is one of the focal points for the Government's trust to create jobs and to remain competitive in the technological world of tomorrow.

In order to achieve this goal, extended funding must be channelled into advanced research and training for scientists and engineers. The Natural Sciences and Engineering Research Council, our country's major research funding body, calls in its second five-year plan for a $1.4 billion increase to meet the critical need for improved research infrastructure and to increase the universities' capacity to produce adequate numbers of highly trained scientists and engineers. Without such action, Canada will fall further behind competing nations, and the economic consequences will be far reaching.

The Government must give careful consideration to the NSERC recommendations. Desirability of adopting the plan appears to be unquestionable. There is an urgent need for an immediate and sustained action to provide the stability necessary for the effective management of the Council's programs.

This investment should be viewed as a long-term investment into national effort to revitalize the economy and as a means of laying the foundation for our future achievements in science and technology. I strongly urge the Government to approve NSERC's second five-year plan.

* * *

[*Translation*]

SMALL BUSINESS

COURAGE AND TENACITY OF CANADIAN ENTREPRENEURS

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, during National Small Business Week, I would like to talk about the courage and perseverance of our Canadian business people. In fair weather or foul, they are always there, and thanks to them, millions of Canadians have jobs today. The Conservative Government consulted with business people at the beginning of its mandate, but after one year, no concrete and direct action has been taken by the Government. This is what the situation looks like:

Business people, their families and associates may not take advantage of tax shelters created by registered retirement savings plans to invest in their own businesses; $500,000 in capital gains tax exemption for everyone over five years, with no attempt to channel investment of these gains to small—and medium-sized businesses; not a word about the Federal Business Development Bank; the Small Businesses Loans Act has been amended to tighten up access and make it less flexible.

The Progressive Conservative Government's only positive action has been to adopt legislation simplifying tax measures applying to small businesses, something which had already been proposed in the Lalonde Budget. In a survey, the Canadian Federation of Independent Businesses indicated that 57 per cent of its members did not intend to invest in new businesses. This lack of confidence is caused by the attitude of the Minister of State (Small Businesses) (Mr. Bissonnette) and the lack of leadership shown by the Prime Minister (Mr. Mulroney).

* * *

• (1110)

[*English*]

HOUSE OF COMMONS

"MADE IN U.S.A." PEACE TOWER REPLICAS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, as you are aware, there have been discussions in our country about free trade, unemployment rates, and so on. Well, an interesting thing happened this morning. My constituency assistant, Michele Bellin, from Yorkton, came down to Ottawa. She wanted to buy a little gift for her husband Dale before she went back. She went to the House of Commons gift shop to buy something which is really Canadian and symbolizes the House of Commons. She picked up a little tie tack with a symbol of the House of Commons' Peace Tower. She thought that was a great symbol of Canada, made in this country. It happens that she picked up a box, it is a little blue box, sort of a Tory blue colour, and she looked inside the box and saw: "Made in the U.S.A.".

I think that is really symbolic of what is wrong with much of this country. Here is a symbol of the House of Commons, a symbol of this country, sold in the House of Commons' gift shop, yet it is made in the United States.

I think the time has come when we should get our act together, at least here in the House of Commons.

* * *

[*Translation*]

THE ECONOMY

FUTURE OUTLOOK

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, every indicator points to sustained economic growth in Canada over the coming years, as evidenced by the findings of the twenty-second Economic Council of Canada annual review and the Royal Bank of Canada forecasts.

Mr. Speaker, our Government was committed to put Canadians back to work and pave the way for strong economic growth spurred by, among other factors, declining interest rates, lower unemployment levels, renewed confidence and a smaller deficit. On the basis of the Royal Bank's forecasts, our economy should expand by 3 per cent in 1986 and 3.4 per cent in 1987. The unemployment rate is expected to go down from an average of 11.1 per cent in 1985 to 10.3 per cent in 1986 and 9.8 per cent in 1987, while inflation should remain stable at about 4 per cent.

Mr. Speaker, that is the promising outlook for all Canadian men and women who put their faith in the Government's future challenges to our society, the driving force behind the current flood of major investments by private industry.

* * *

EXTERNAL AFFAIRS

EXCELLENT WORK OF PRIME MINISTER AT COMMONWEALTH CONFERENCE AND UNITED NATIONS

Mr. Gabriel Fontaine (Lévis): Today, Mr. Speaker, I want to say on behalf of all Quebecers and all Canadians how proud we are of the outstanding performance of our Prime Minister (Mr. Mulroney) at the Commonwealth meeting and before the United Nations.

After only one year as the head of Government, our Prime Minister stood out among statesmen as a result of his dynamic stand at the Commonwealth conference where he prevented a break-up and created a consensus leading to a compromise readily endorsed by all participants.

In a similar vein, the Prime Minister of Canada made a strong disarmament appeal to the major powers before the United Nations General Assembly in New York City. Representatives of all countries unanimously expressed their satisfaction, gratitude and solidarity to the head of the Canadian Government.

Once again Canada has shown it fully deserves international credibility.

He did all of us proud, Members of Parliament as well as Canadian men and women.

* * *

[*English*]

THE MINISTRY

STATEMENT ATTRIBUTED TO MINISTER OF JUSTICE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, this is the second in a continuing sequel concerning the astuteness of the Minister of Justice (Mr. Crosbie). In a Canadian Press Report of Monday, October 21, the Minister of Justice is quoted as having said that he had not been politically astute when he said that the Prime Minister's staff were not politically astute. It was very astute of the Minister of Justice to say that he had not been astute when he accused the Prime Minister's staff of not being astute. This implied that Brian the Wonderful, who appointed his staff to start with, had not been astute himself. I do not know, but we can speculate, and I would suggest to all Conservative Cabinet Ministers not to speculate out loud, as to whether the staff of the Prime Minister's Office is astute.

The question now facing Canadians is which Tory is less astute, the one with the staff which is not astute, the one who appointed them, or the Cabinet Minister who was not astute enough to keep his mouth shut in the first place. Tune in at the same time next week, Mr. Speaker, for more in the continuing astuteness of the Minister of Justice. This has been a Crosbie production.

• (1115)

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—MINISTER'S MEETING WITH BANK OFFICIAL

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. On August 9, the same day that the Minister wrote to a shareholder expressing confidence in the long-term viability of the Canadian Commercial Bank, the Minister of Finance was meeting in Toronto with the Chief Executive Officer of that bank who told him that the bank's capital would be depleted by year end. Did the Minister of Finance inform the Minister of State of this meeting before her letter was sent?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have said, time after time, in response to questions about this poor preferred shareholder and his letter of August 9, that all the facts will come forth in the inquiry, and I am looking forward to the Hon. Member getting those facts.

Miss Nicholson: Mr. Speaker, truth and accuracy in this House do matter.

Some Hon. Members: Hear, hear!

MINISTER'S RESPONSIBILITY

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister said one thing in a letter, and apparently something else happened at the same time. The Minister of State, who opposed the bail-out, has been defending it. When will the Minister of Finance take up his responsibilities and tell us what happened at that meeting?

Hon. Michael Wilson (Minister of Finance): Which meeting is the Hon. Member referring to?

Miss Nicholson: The meeting on August 9 with the Inspector General of Banks and the Chief Executive Officer of the Canadian Commercial Bank who stated that, in view of the loan losses, the bank's capital would be depleted at year end.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I was on holiday on August 9.

Mr. Nunziata: You, too?

Mr. Foster: You mean you were out to lunch.

* * *

FISHERIES

FISHERIES IMPROVEMENT LOANS—REPORTED FORECLOSURES BY BANKS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister in his current capacity as the Acting Minister of Fisheries and Oceans. Fishermen on both coasts supposedly had fisheries improvement loans guaranteed by the federal Government under federal legislation. If the Minister is on top of the situation he will know that fishermen on both coasts are now being foreclosed upon by major chartered banks on the grounds, according to the banks, that the loans are not guaranteed and that the fund did not cover specific loans, loan by loan. Gear is being seized and equipment is being taken from the fishermen. What is the Acting Minister of Fisheries and Oceans going to do about this?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, I heard the same rumours that the right hon. gentleman heard this morning and I have caused immediate inquiries to be made in the Department. Until I know whether there is a problem, there is not much that I can do about answering his specific question. If there is a problem, I will certainly do something about it.

PASSAGE OF AMENDING LEGISLATION IN JUNE

Right Hon. John N. Turner (Leader of the Opposition): They are not rumours, Mr. Speaker. We have copies of letters from hundreds of fishermen on both coasts and copies of letters from the banks. At the same time as the Fisheries Improvement Loan Act was before Parliament for revision in June the Government had apparently secretly informed the banks that the funds had expired and that loans would no longer be guaranteed. At the same time the fishermen of the country, on both the British Columbia and Atlantic coasts, were under the impression that the loans would continue to be guaranteed. Would the Acting Minister of Fisheries and Oceans clarify what the situation was in June? Was Parliament misled when that legislation was before the House?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, a moment ago I told the right hon. gentleman that I had caused immediate inquiries to be made. I have the initial results of those inquiries now. He will be pleased to know that the advice I have received from officials is that the Government is not taking any collection action. The Government has reached the limit to which it guarantees loans for the period 1977-80. I am informed that this limit is set by a formula. Once the limit is reached and the cost guarantee ceases to be in effect, it is up to the banks to take what action they see fit.

● (1120)

FUND REPLENISHMENT

Right Hon. John N. Turner (Leader of the Opposition): The point is that the banks are foreclosing on the fishermen and the banks were telling the fishermen that those loans were guaranteed at the time when the fund had already been exhausted. The Government was telling the banks but not the fishermen.

Will the Deputy Prime Minister introduce a Bill immediately to replenish the fund, as should have been done in June when the legislation was before the House and when loans were still being granted to fishermen under the guise of their being guaranteed?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, the right hon. gentleman has reached certain conclusions which may or may not prove to be the fact. If they are the fact, then we will consider his very worth-while suggestion.

* * *

HEALTH

REPORT ON PRIVATIZATION OF HEALTH CARE SYSTEM

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday Canadians learned the details of the report commissioned by the Minister of National Health and Welfare on the privatization of Canada's health care system. Will the Deputy Prime Minister advise the House whether or not the Government agrees with the findings of this study, namely, that the Canadian health care system is sound and that privatization would pose a threat to the system?

If the Government does not agree with that, does that explain why it refused to release the report and only did so when forced to do so under the provisions of the Access to Information Act?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the Hon. Members knows, the Minister of National Health and Welfare is not here. It is a matter falling within his jurisdiction. I will take notice of the question and see to it that the Minister of Health contacts the Hon. Member.

TASK FORCE CHAIRMAN

Mr. Neil Young (Beaches): Mr. Speaker, as the Deputy Prime Minister knows, he has commissioned a study into the whole health care system. Will he tell us how any findings as a result of this task force could be believed when it is being chaired by a Mr. Garry Chatfield, who is the president of Hospital Management and Development Ltd., a component of the Extendicare Corporation, who obviously has a vested interest in this plan?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the hon. gentleman knows, these study teams have been working over the past year on a whole range of programs, over a thousand of them government-wide. Other members of this particular private sector and public sector study team include Mr. Dennis Kealey of Health Services Directorate of Health and Welfare Canada; Dr. Bryce Taylor of Sports Administration Certificate Program from York University; the Assistant Deputy Minister of the Policy Development Division of the Department of Hospitals and Medical Care in Edmonton, Alberta; Mr. Hearn, the Deputy Minister of Health of Newfoundland, and I could go on. There is a good public sector/private sector mix there, a mode that we have been following throughout the program review process.

GOVERNMENT POSITION

Mr. Neil Young (Beaches): Mr. Speaker, it seems to me that when an individual from Extendicare is in a high position such as this, there is a definite conflict of interest. I want to say to the Deputy Prime Minister that over the last several years there have been numerous studies into Canada's health care system and each one has indicated that the health care system is fine. How many reports does the Government need before it finally finds one that supports its medieval view that the health care system should be privatized?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, if the hon. gentleman will reflect on his own words for a moment, he will know that he is very unfair in levelling that accusation. This particular study team is involved in a study of government programs applying to health, education, and sports.

There have been other study teams that have also looked at programs having a relevancy not only to health but to every government Department. That is a management exercise. None of the recommendations that come back from that study team is government policy. They are the flow of opinions from a mixed private sector/public sector study team who are looking into the whole, broad range of programs in Government.

● (1125)

FISHERIES

FISHERIES IMPROVEMENT LOANS—GOVERNMENT GUARANTEES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, this question of the fishery improvement loans is not a new question to the Government of Canada. In July the then Minister of Fisheries wrote to a fishermen. He named the bank and said:

"The Bank . . . as a result of its heavy losses, has reached its full entitlement for reimbursement by the federal Government on fisheries improvement loans for the period in which your loan was registered and, therefore, we can no longer be responsible for your debt."

My question is for the Deputy Prime Minister. Is it the policy of the Government to back in and give guarantees to people with lots of money in the bank, but to back away from a written guarantee given to a primary producer?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Not at all, Mr. Speaker. The hon. gentleman may not yet have noticed, but that kind of process was changed on September 4 last year.

APPOINTMENT OF NEW MINISTER

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in a letter from a fisherman to me, the fisherman wrote:

The bank manager advises me they too were unaware of any such limitation—

By the Government of Canada. He continued:

Maybe if you could contact the Minister of Fisheries as soon as possible something could be done right away.

I am contacting not the Minister of Fisheries but the Acting Minister of Fisheries. In his position as Deputy Prime Minister, when will we see a Minister of Fisheries so that I can respond to my constituents?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, as Acting Minister of Fisheries I have had no difficulty in dealing with problems that have been forwarded to me by Members of this House, and others. I am rather surprised that the Hon. Member has not performed his responsibilities and forwarded that particular problem to me. I now have notice of it and I will deal with it.

With respect to the second part of the Hon. Member's question, he knows, or should know, that that has to do with a Prime Ministerial prerogative. When announcements are to be made, they will be made known in due course.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CONGRESSIONAL PROTECTIONIST MEASURES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Secretary of State for External

Affairs. Before the United States concluded a free trade agreement with Israel, it required that all unfair trade practice laws between the two countries would remain in effect.

Since the Gibbons Bill obviously aimed at the Canadian lumber export industry has now passed the subcommittee stage in the U.S. House, why is the American Government stalling with the required 60 days' notice to Congress before trade negotiations can begin, while protectionist measures snowball against Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no stalling by the United States administration. A very clear commitment on the part of the United States administration was given by the President to the Prime Minister at Québec that if there is a major assault upon Canadian interests, as would be the case with the lumber question, there will be a veto.

CANADIAN POSITION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the Minister knows that if there is a two-thirds majority the presidential veto can be overridden.

Why is our Government refusing to lay out firm preconditions for trade negotiations while the United States proceeds with actions that will cripple our exports before negotiations even begin?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will know, if he wants to be true to the truth, that the passage of the Gibbons Bill yesterday was by a much smaller majority than had been expected, and is not veto proof, to respond to the question raised by the Hon. Member.

The question on lumber imports was raised personally last night by the Prime Minister with President Reagan. I will be discussing the question again with Secretary Schultz on Monday when we meet in Calgary. We intend to take every action that is open to us to protect the Canadian lumber industry. One of the reasons we want to take a look at the possibility of a trading arrangement with the United States is precisely to protect the security and the jobs of those 60,000 Canadians in the lumber industry whose jobs are threatened now because the present system does not work well enough.

* * *

NATIONAL REVENUE

NEWFOUNDLAND FISHERMEN—COLLECTION OF BACK TAXES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the fishery industry is in big trouble because we have a Minister who is Acting Minister of everything and master of nothing.

• (1130)

The Government recognized the disastrous condition of the Newfoundland fishery a few weeks ago by participating in a $105 million bail-out of the biggest company in that business in Newfoundland, Fishery Products International. This morning the Minister of National Revenue introduced a brand new, completely different approach to fishermen.

I ask the Minister of National Revenue, rather than the Master of Nothing, why is it that the Government of Canada instituted a policy today to lift the ceiling on the collection of back taxes from fishermen through the garnishee of wages, above the reasonable, human, and sensitive 25 per cent established by the previous administration? How can it do that at a time when the Government has to put 105 million bucks into saving that company?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I am delighted that my hon. friend opposite gives me an opportunity to dispel a very erroneous impression which apparently has been created in the media and in other sources. He knows, as do all other Newfoundland MPs who were extensively consulted, as were the union and other interested persons in his province, that this action, this administrative change by the Department of National Revenue, was designed to promote equity and the ability to pay rather than emphasize the concept of garnishee.

Mr. Deputy Speaker: Supplementary question.

Mr. Tobin: Mr. Speaker, the Minister ought to know that the two individuals who consulted Newfoundland MPs did not really consult us; they came and told us, and we told them that they were crazy. One is retiring from the Newfoundland Civil Service this month, and the other is retiring from the federal Public Service in a few weeks. They have sense enough to run from a disastrous, insensitive, stupid policy—

Mr. Deputy Speaker: May I ask the Hon. Member to ask his question, please?

Mr. Tobin: In light of the disaster which we have had this year, in light of the fact that the Minister of Employment and Immigration has no help for fishermen this year, in light of the fact that that company requires $105 million, where—

Some Hon. Members: Order, order!

Mr. Deputy Speaker: The Hon. Member for Churchill.

Mr. Tobin: They are only the fishermen of Newfoundland!

ABILITY TO PAY TAXES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also directed to the Minister of National Revenue. How can he claim that they have the ability to pay when he will be taking over 25 per cent of the income of some of those fishing families? How can they possibly have the ability to pay?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I would have thought that my friend opposite would have known better than to ask such a fallacious question. He indicated that we would take more than 25 per cent of the income of fishermen. That is not necessarily true, at all. The fishermen of Newfoundland were put in a certain category by the former Liberal Minister of Revenue. I am sure he did it with all best intentions. All Members from that province were consulted, as were other people.

Mr. Tobin: But we did not agree.

Mr. MacKay: I assure the House and my hon. friend opposite that I will personally, as will my Department, exercise great sensitivity to the problems of Newfoundland fishermen who are, as are other fishermen—

Mr. Tobin: You are out of the fat and into the fire, Elmer.

Mr. MacKay: —caught in an unfortunate position because of the cyclical nature of their profession.

DEPARTMENT'S TREATMENT OF FISHERMEN

Mr. Rod Murphy (Churchill): Mr. Speaker, the Department of National Revenue is not known for treating Canadians with compassion. How can fishermen feel confident when the ceiling which protected them has been removed? Right now they have no protection. How can the Minister expect those fishermen to feel very confident with that kind of response?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, perhaps the Hon. Member has forgotten that it was our Government which brought in the Taxpayers' Bill of Rights and brought in a whole new approach to treating taxpayers with equity and consulting with them.

Some Hon. Members: Hear, hear!

Mr. MacKay: Again I repeat for the Hon. Member and the House that there will be no insensitive or Draconian action taken. The fishermen of Newfoundland will be put on the same basis as all other fishermen. Their ability to pay and their personal circumstances will be carefully examined. If there are any instances of unfairness or Draconian measures, I invite the Hon. Member and other Members to let me know, because we will not put up with it.

* * *

AGRICULTURE

MARITIME FARMERS COUNCIL—FEED COST EQUALIZATION PROPOSAL

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the feed cost equalization program requested by the Maritime Farmers Council. As the Minister knows, it is an important agricultural and regional development initiative. The request was made of the Minister over a year ago. Would he indicate to the House why farmers in the maritime provinces have to wait so long before any action is taken on a resquest which will affect the lives of farmers and producers in the maritime region? Why this inordinate delay?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the Hon. Member's question and his interest in the subject. I have received numerous representations from Atlantic Canada agri-food organizations. I can only assure him that I fully understand and appreciate the difficulty in which they find themselves. I want to assure him that the program and the suggestions they have made are actively under consideration.

REQUEST FOR GOVERNMENT DECISION

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I say with sincerity to the Minister that that was not an answer. Farmers in the maritime provinces have been waiting since February of this year for an answer. Last March the Minister promised that he would get back to them soon, and in the subsequent months he has not provided an answer. Would he pleased tell the House and farmers in the maritime provinces when they can expect an affirmative answer to a very important regional development issue in those provinces? Why this delay?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. member would take the time to check the record he would see that the agricultural industry, not only in Atlantic Canada but across the country, was totally and completely ignored by the previous Government.

Mr. Dingwall: Don't mislead the House.

Mr. Wise: I want the Hon. Member to take the time to check the record.

Mr. Dingwall: It was your own Members.

Mr. Wise: The record will show that we have not ignored the agricultural industry anywhere in Canada.

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EXTERNAL AFFAIRS

ADMISSION OF CANADIAN REPAIR TECHNICIANS TO UNITED STATES

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The United States has closed its borders to personnel of Canadian companies who install or service products sold by Canadian companies in the U.S. after August 29, 1985. This problem is of great concern to high-technology companies in my riding, and to all manufacturers. Can the Minister tell the House what progress the Government is making in having this impediment removed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the United States Department of Justice is appealing the decision of a California District Court which dealt with the matter only in so far as applications before August 28 were concerned. I understand that that appeal will be heard sometime within the next several days.

In addition to those U.S. court processes, our Ambassador in Washington has raised the matter on several occasions with a range of Ministers in the Government of the United States. It is my intention to raise the matter with Secretary Shultz when I meet with him in Calgary on Monday.

* * *

AGRICULTURE

PRAIRIE FARMERS' DROUGHT LOSSES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. He has been the Minister of Agriculture and his Government has been in power now for more than a year, yet farmers in the southern Prairies have been awaiting an answer to their problems with drought and grasshoppers since August, when the Hon. Member for Assiniboia was put in charge of recommendations to the Prime Minister in order to speed up the process.

Since the Minister of Agriculture said that the delays in taking action were somehow related to the wet weather which followed the drought, could he tell us how that improves the financial prospects of farmers in the drought zone? Or was he intimating that the Hon. Member for Assiniboia had been given extra instructions to come up with a payment program for farmers who suffered losses due to extremely bad weather?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not certain whether I fully understand what information the Hon. Member is seeking. As one who understands some of the problems associated with the agricultural industry, he might have more appreciation for the difficulties we have encountered, for the very reasons which we mentioned. However, I can assure him that we are much closer to a final decision in respect of Phase II. At the same time as reaching a decision on that phase, we are attempting to build into that aspect of the program more long-term, permanent measures to cope with recurring disastrous situations.

ROLE OF PROVINCES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, has the fact that the provinces have not declared the area a disaster area in any way inhibited the Government from taking action? Or are the allegations circulating out in the country simply allegations and in fact have nothing to do with the slow reaction time of the Government? Does the Minister need the provinces to declare it a disaster area before he can act?

• (1140)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am glad that the Hon. Member added that last comment because it makes it much simpler for me to answer. The answer would be no.

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ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—UNITED STATES CLEAN-UP PLAN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. It has to do with the clean-up plan for the Niagara River presented by the U.S. Environmental Protection Agency to him. It is a plan that could affect the health of Canadians for generations to come. The Minister makes confusing and conflicting statements inside and outside the House of Commons. Municipalities are becoming nervous and so are non-government groups.

Mr. Clark (Yellowhead): Question, question.

Mr. Caccia: The public wants to know how toxic pollutants will be disposed of, when the clean-up will start, and what kind of funds have been allocated by the U.S. Environmental Protection Agency. Will the Minister answer these questions today in the House?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member who posed the question has been making a big point inside and outside the House to the effect that I refuse to release what is a U.S. document which was given to me, in confidence, for my contribution before it is finalized and released by the U.S. Government. It is not my document to release. Having said that, I can reassure him and, through him, the people on whose behalf he purports to be asking the question, that my officials will be linking arms with those of the Governments of Ontario, New York State and the U.S. at a meeting on November 8 to discuss the working document with a view to finalizing it for an early release to the public. The document will be released by the U.S. Government, not by the Canadian Government, because it is not our document.

TOXIC CHEMICAL DUMP SITES

Hon. Chas. L. Caccia (Davenport): It may not be our document but it affects the health of 4.5 million Canadians and the Minister had better learn to give some immediacy to this important matter. I cannot believe that he would take such a detached, cool, and indifferent attitude. He has to give leadership and to tell this House, for instance, whether on November 8—

Mr. Hnatyshyn: Order, order.

Mr. Caccia: You shut up over there.

Mr. Clark (Yellowhead): Shameful. Look at Turner smiling.

An Hon. Member: Go ahead. Go ahead.

Mr. Caccia: —he would defend the long-term interests of Canadians in health and water by demanding the incineration of toxic chemicals in the dump sites along the Niagara River. Will he do that?

An Hon. Member: Yes or no?

Mr. Crosbie: Time you woke up, Caccia. Where were you all these years?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, no one on this side of the House needs to take a back seat to the Hon. Member in the moral outrage that we feel toward those who pollute our rivers from which Canadians derive their drinking water. He accuses me of bringing coolness to the debate. I suggest to him that he might be well advised to bring an element of coolness to the debate himself because, if he did so, he would recognize that this Government has done more in 12 months of being in office—

Some Hon. Members: Oh, oh!

Mr. McMillan: —than the previous Government did in 12 years.

Mr. Gray (Windsor West): You never answered the question.

* * *

FARM CREDIT CORPORATION

MORATORIUM ON FORECLOSURES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Agriculture. Rock bottom crop prices and high interest rates were going to force the Farm Credit Corporation to close down 670 farms this fall, so the Minister moved to put a moratorium on FCC foreclosures. But my question to the Minister is this: what will this moratorium lead to, how long will it last, and will he extend it to non-FCC loans as well?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the recognition and, I gather, the support for my decision in the early part of September to place a moratorium on FCC foreclosures. I indicated at the time that it would be in place indefinitely and I also indicated that at the same time we instructed a study of the role and mandate of the Farm Credit Corporation. This is the first time that such a study has been done for the last 25 years. I now have those recommendations, they are being evaluated, and I would expect in the not too distant future we will be making some decisions with respect to appropriate further measures that might well be taken to help alleviate this very, very difficult situation in which many Canadian farmers find themselves.

REVIEW BOARDS INQUIRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, there is a tremendous urgency about this problem. I have thousands of signatures here that demonstrate the concern. There are perhaps 50,000 farmers who, according to FCC figures, are facing severe financial distress.

Will the Minister act now on the results of the Grey-Bruce study and establish a system of judicial review boards with power to hear cases and implement settlements to help these 50,000 farmers? Otherwise they will be chased off the land and we will lose the agricultural production that is so crucial to the future of the country.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, there is no question about the fact, and I have said it in this House and across the country and to the many agri-food organizations that I meet day in and day out, that it certainly is a recognition of this Government that the financial situation in the primary sector of the agricultural industry is indeed a very difficult one, perhaps one of the toughest we have been through in the last 50 years.

I do think the Hon. Member's figure of some 50,000 farmers who are facing immediate foreclosure or bankruptcy is somewhat exaggerated. As I indicated to him, we still have in place across the country the Farm Credit review boards. They are acting in a voluntary capacity and they are doing an excellent job. One of the recommendations that I am looking at is something in the nature of what the Hon. Member is suggesting.

* * *

[*Translation*]

SHIPBUILDING

PRODUCTION OF EQUIPMENT FOR FRIGATES—JOB CREATION IN MONTREAL

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

In this morning's *Le Devoir*, we read the following headline: "Paramax Inc. ahead of schedule in production of equipment for Canadian frigates". The company will employ 500 hi-tech workers. The impact on the employment rate is expected to be very positive in the Montreal area.

Could the Minister inform the House whether his department intends to take steps to accelerate the process of getting these jobs for the people of Montreal?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker—

Some Hon. Members: Good morning.

Mr. Nunziata: Sorry we woke you up.

Mr. Stevens: Good morning. Mr. Speaker, those are the kinds of positive questions that the Canadian public wants to hear more of.

Some Hon. Members: Hear, hear!

Mr. Deans: In the meantime could someone tell him what he was asked?

Mr. Stevens: I think that the fact that Paramax are opening up this new research facility in Montreal and giving work to 500 people in that area is something that should be commended. The fact that they are using $11 million of their own money with respect to this development, I think speaks that much more in favour of the project. In short, instead of the doom and gloom that pour out of that other side, this is Canada in action. Jobs for Canadians!

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AGRICULTURE

DAIRY POLICY—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question is also directed to the Minister of Agriculture.

Quebec dairy producers are very concerned, because they are still waiting for the long-term dairy policy they have been promised any number of times. In fact, a decision was to be announced on August 1. It is now October 25, and your Department has yet to announce its dairy policy.

Could the Minister inform the House what the reasons are behind the delay in announcing the Government's intentions in this respect.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am interested in the Hon. Member's question and also his observation with reference to a delay. I want to assure him that there certainly has not been a delay, there is no question about that. No commitment was made to make any announcement on the long-term dairy policy—

Mr. Nunziata: Yes, there was. You promised a committee.

Mr. Wise: —on August 1. They are confused; they don't understand it. What was required and what we did on August 1 was announce a price increase. There was no commitment to announce a long-term dairy policy then, or on September 1, September 15, or November 1.

• (1150)

The Hon. Member should know that I appointed two very capable individuals to carry out a study and to consult with everyone in the industry. I will be receiving the report of the two individuals, Mr. Everett Biggs and Mr. Benoît Lavigne, since they have consulted widely across the country with all sectors of the industry.

Some Hon. Members: Order.

Mr. Wise: I will be receiving that report—

Some Hon. Members: Order.

Mr. Wise: I will be receiving that report in perhaps about two weeks' time. I am sure Hon. Members will recognize that I will need another two or three weeks to study the ramifications of the report—

Mr. Deputy Speaker: We thank the Minister for his answer.

[*Translation*]

REQUEST FOR MINISTERIAL COMMITMENT

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my supplementary is directed to the same Minister. Could the Minister make a firm commitment before the House that the dairy policy will be a long-term one and that it will not include any cutbacks whatsoever, as you promised time and time again during the last election campaign?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the dairy farmers of Canada have been asking for a long-term dairy policy for the past eight years. The previous Government refused to give it to them. However, we will be—

Mr. Foster: What are you going to give them?

Mr. Wise: I cannot give any deadline. I am always reluctant to do that. I want to go through the proper course of action. I want to take the time to consult with all people in the industry. It is obvious that we are nearing completion of that process. In good faith, I would expect that I would be in a position—I hope I will be in a position—prior to the end of the year to announce what the long-term dairy policy will be.

* * *

PETRO-CANADA

AUDITING CONTRACT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last week I raised with her colleague, the Minister of Finance, the question of why the PetroCan contract for auditing its books had been suddenly switched by an Order in Council to a Chicago-run company called Arthur Andersen & Co., which is the largest auditing firm in the world. I have a list in my hand of the names of 20 partners of the Arthur Andersen firm who have given at least $1,000 each to the Conservative Party in the last year.

Some Hon. Members: Shame!

Mr. Nystrom: Will the Minister tell the house whether or not the real reason for switching this contract to a Chicago run company is because at least 20 partners of that company threw at least $1,000 each into the Conservative Party? Is this the real reason why they got the contract?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the answer is no.

AWARDING OF CONTRACT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in that case can the Mihnister tell the House and explain to the House why, to the best of my knowledge, none of the other eight big auditing companies in the country were asked for a formal proposition or a formal bid on that particular contract? Why was there not any tender? Is not the real reason that these people threw money into the Conservative Party?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member should be aware that we reject out of hand his sleazy suggestion that political contributions were a factor in this matter. As the Hon. Member well knows, firms of chartered accountants give money to all sorts of Parties, just as his Party receives contributions from labour interests.

Mr. Deans: We don't give them contracts.

Miss Carney: I can add, as the Hon. Member should know, Section 141(i) of the amended Financial Administration Act sets out that the Governor in Council and the appropriate Minister, after consulting with the board of directors of a Crown corporation, make the recommendation. Petro-Canada's board of directors reviewed a number of firms, including the firm of Arthur Andersen which has offices in a number of Canadian cities such as Toronto, Ottawa, and Calgary, and recommended Arthur Andersen & Co. The incumbent, Peat Marwick Mitchell & Co., have had that account for 10 years.

* * *

[*Translation*]

SHIPBUILDING

REQUEST THAT GOVERNMENT PERMIT VICKERS TO BID UNDER MULTISHIP-SIX PROGRAM

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the Minister of Supply and Services.

When the Vickers workers left Parliament Hill yesterday they were disappointed because the Minister had not given them any assurance that the Government would intervene to prevent lay-offs.

The Montreal shipyards do not even have the option of tendering under the Multiship-six program because department officials claim that Montreal icing conditions prevent Vickers from undertaking repair work in wintertime.

I want to ask the Minister whether he would be prepared to reverse the decision of his officials and allow Vickers to submit tenders under the Multiship-six program, keeping in mind the fact that Vickers has been doing year-round repair work for the past ten years.

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I was at the meeting referred to by the Hon. Member. I received the very distinct impression that the workers, after being apprised of all the elements, were very satisfied on my undertaking to do everything we could to accommodate their situation. Specifically, with respect to the question, there has been no change in policy precluding the Montreal shipyards from bidding on the multiple ship contracts. The only prohibition is that if the work is to be done during the winter, and if the Seaway is frozen, then the ships will not be able to get there. If the work is to be done in the summer, then they have the option to bid on that work.

[*Translation*]

REQUEST FOR PROMPT DECISIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if the Minister is having second thoughts, and well he might, can he assure us that the Government will step in before workers are laid off, which means in the immediate future? Lay-off notices will be issued as early as at the end of the year and, unless something is done before next March, none of the 500 shipyards workers will have a job.

Will the decisions be made in time? That is what I want to ask the Minister.

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I repeat, the Government is reviewing all potential alternatives to accommodate the situation which is a matter of concern to us and everyone in the east end of Montreal. I gave an undertaking that I would keep the workers apprised. We are meeting with the Chairman of Vickers within the next two weeks. I undertook to report back to the workers, and I will do that.

* * *

[*Translation*]

TEXTILE INDUSTRY

IMPORTANCE OF SAVING JOBS IN QUEBEC

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

Mr. Speaker, the committees to safeguard jobs in Saint-Jean-sur-Richelieu and Valleyfield submitted a petition with 40,000 signatures to the Minister yesterday, but were not informed by the Minister when he intends to announce measures to protect the textile industry and the jobs affected in these two towns.

Has the Minister received the final report of the Textile and Clothing Commission on the subject, and when does the Government intend to announce its new policy to save jobs in Canada's textile industry?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, you will recall that the Hon. Member asked a similar question yesterday when I informed him that I was to meet yesterday afternoon with representatives from the group, including union leaders, management personnel, and mayors of towns. I did meet with them. I think that we had a meaningful discussion at which time they gave us their viewpoints. I think they understand the difficulty. This is the decision of a private company. I did meet with Tom Bell of Dominion Textile. We have discussed the over-all health of the industry. I want to assure the Hon. Member and the House that the Government certainly intends to come out with a policy which will ensure that there will be a viable textile and clothing industry in Canada.

[*Translation*]

INQUIRY WHEN NEW POLICY WILL BE ANNOUNCED

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister aware of the fact that 800 employees, whose jobs are at stake and who are affected by the shutdowns announced by Domtex in Saint-Jean-sur-Richelieu and Valleyfield, that these employees feel as though they were being held hostage by the company, which may be intending to leave Canada, and are there going to be any changes in our textile policy? How much longer is the Government going to penalize these employees, whose jobs are at stake, and when exactly are you going to announce your new policy for the textile industry?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, when the Hon. Member says that we were aware, of course we were aware. We were aware long before he started to show an interest in this question. He is simply playing catch-up and trying to make a few political points on something which, frankly, is a serious situation. We are working with industry and union leaders to ensure that there is a proper solution which will overcome some of the unemployment which is developing in the industry.

APARTHEID

COMMONWEALTH COMMUNIQUÉ

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. I would like to welcome the Minister back from the Commonwealth Heads of Government Conference.

Some Hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Does the Minister feel that the compromise communiqué issued concerning sanctions against South Africa is a strong enough signal from the Commonwealth to break down immediately apartheid in South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member who has taken a consistent interest in this question. I think that the consensus achieved at Nassau at the Commonwealth Conference was particularly remarkable, given the divisions which existed prior to the convening of that meeting. I think it maintained the steady pressure against apartheid which Canada wants to see maintained. I should say, Mr. Speaker, that I believe all Canadians can take pride in the pivotal and essential role which was played in achieving that consensus by the Prime Minister of Canada.

• (1200)

Some Hon. Members: Hear, hear!

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AGRICULTURE

SITUATION IN POTATO INDUSTRY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. He knows that the potato farmers in New Brunswick and Prince Edward Island are facing the worst year in their history due to the service charge and inspection fees which were imposed by the Government, and due as well to prices which are running at half of the production costs.

Is the Minister willing to make a commitment today to institute a potato purchase program under the Agricultural Products Act to assist these producers? And is he willing to withdraw the inspection fees which he has imposed this year for the first time in history?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the observations of the Hon. Member with respect to the increased inspection fees are somewhat exaggerated because the Hon. Member will know that I personally negotiated with just about all of the commodity groups and we reached mutually satisfactory increase levels. Of course, these increases will be phased in gradually, as they should be.

I know the Hon. Member does not exaggerate the very tight situation he describes in the potato industry, not only in the

Atlantic area but elsewhere across the country, and we do have existing programs, the stabilization program, which I can consider. We also have the purchase program under the Agricultural Products Board. I am quite prepared to consider both of those options, but, of course, with a word of caution that we have extremely limited financial resources.

* * *

[*Translation*]

CLERK OF PETITIONS' REPORTS

Mr. Deputy Speaker: I have the honour to inform the House that all petitions except one, presented by Hon. Members on Thursday, October 24, 1985, meet the requirements of the Standing Orders as to form.

[*English*]

The petition presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) does not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

INCORRECT DESIGNATION OF MINISTER DURING QUESTION PERIOD

Mr. Deputy Speaker: I have a notice of a point of order from the Hon. Member for Trinity (Miss Nicholson).

Miss Aideen Nicholson (Trinity): Mr. Speaker, in my question today I referred to a meeting on August 9. The details of the meeting are in a document filed before the Estey Commission. From the context, I had assumed it was the Minister of Finance (Mr. Wilson). It now appears that it must have been another Minister. I regret that the Minister of State (Finance) (Mrs. McDougall) has left because it would have helped if she had made a statement on motions to clarify this.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

EQUALITY RIGHTS UNDER THE CANADIAN CHARTER OF RIGHTS AND FREEDOMS—PRESENTATION OF FIRST REPORT OF SUBCOMMITTEE

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I have the honour of tabling, in both official languages, the first report of the Subcommittee on Equality Rights under the Canadian Charter of Rights and Freedoms.

[*English*]

Pursuant to Standing Order 70, Article 16, our Committee on Equality Rights requests a comprehensive response to this report within 120 days.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

[*Translation*]

Mr. Deputy Speaker: Order. The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

* * *

POINT OF ORDER

OFFICIAL LANGUAGES POLICY AND PROGRAMS—GOVERNMENT RESPONSE TO SECOND REPORT OF STANDING JOINT COMMITTEE—CONCORDANCE OF THE TWO VERSIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I wish to raise a point of order, further to the tabling yesterday by the Deputy Prime Minister of the Government Response to the Second Report of the Standing Joint Committee on Official Languages Policy and Programs.

I wish to inform the House and the Chair that after carefully reading the French and English versions, I would like to point out to the Chair that the Response does not read the same in French as it does in English.

I simply want to bring to the Government's attention that the French text contains a reference to a federal-provincial conference that we do not find in the English text. Various programs are mentioned, Mr. Speaker, and I do not know whether it is a poor translation or whether someone edited the document, but I would like to ask the Secretary of State or someone else to read both the English and French versions very carefully so that we will know which is the official and which the unofficial version.

Mr. Deputy Speaker: Order. The Secretary of State, on the same point of order.

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I just want to say that we will check the contents and make sure both texts are in agreement.

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES AND CHILD TAX CREDIT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would like to present a few petitions this morning.

A group of constituents from the ridings of Edmonton-Strathcona and Edmonton North have asked me to present a petition on their behalf, stating that in its latest Budget, the Government decided to reduce indexation of family allowances and the child tax credit, that this measure provides assistance

that is indispensable to families with children, and that therefore the federal Government should change its decision.

I also have a similar petition from the riding of Etobicoke-Lakeshore, in Ontario.

I have one from the electoral riding of Langelier in Quebec, Mr. Speaker.

Still in the same vein, another one from the riding of Bellechasse, also in Quebec.

Mr. Speaker, I also have a petition from the Quebec riding of Montreal-Sainte-Marie.

This one comes from the riding of Rosemont, Mr. Speaker, and the electors of that region are also asking for the same thing in their petition.

Mr. Speaker, I have this petition from the federal electoral riding of Shefford.

And then this one from the electoral riding of Saint-Hyacinthe-Bagot whereby the petitioners are asking for the same thing, Mr. Speaker, a reversal of the Government's decision concerning family allowances.

There is one from the federal riding of Rimouski in Quebec.

One from the riding of Westmorland-Kent, which is very ably represented in the House, as you would know, Mr. Speaker.

One from Quebec's federal riding of Saint-Hyacinthe-Bagot. I wonder whether there is a Member to represent that riding. There must be one.

One from the electoral riding of Gatineau, Mr. Speaker. Again the petitioners of that riding express a similar wish.

And this one from the federal riding of Rosemont.

A petition from the riding of Hochelaga-Maisonneuve in Quebec.

I also have a petition from the riding of Quebec East.

Mr. Speaker, this one comes from the riding of Saint-Michel-Ahuntsic in Quebec.

On their behalf, all those people from various ridings have asked me to present these petitions concerning family allowances.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I too have a number of petitions from the Province of Quebec, namely, the ridings of Drummond, Shefford, Saint-Michel-Ahuntsic, Montréal-Sainte-Marie, Rosemont, Joliette, Rimouski and Richelieu. These petitions and the petitioners who signed them are urging and praying that the Government, and particularly the Prime Minister (Mr. Mulroney), will maintain the promise made during the last federal election campaign, namely, the sacred trust which would protect the full indexation of family allowances because it is a regressive measure which takes away some $55 million from the families who can least afford it.

WATER SUPPLY SYSTEM IN NEWFOUNDLAND COMMUNITIES

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have the honour to present a petition signed by many residents of the communities of Grand Falls, Windsor and Bishop's Falls in central Newfoundland. These communities have a very serious health problem with their water supply system. They are calling upon Parliament to encourage the Government of Canada to come up with a solution to this very serious health problem in the water supply system as soon as possible.

FULL INDEXATION OF FAMILY ALLOWANCES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from the part of southern Ontario in which I grew up, around Welland and Dunnville, Ontario. It is from senior citizens who are joining with others across this country to ask that the Government reinstate full indexation of the universal family allowance, as it did with pensions, and rescind unfair tax increases which are hurting families.

• (1210)

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to present a petition from a group of Quebec City women with whom I met earlier this week. These women decry the injustice of ever dimishing family allowances through deindexation, and they ask for the restoration of full indexation and the repeal of unfair tax increases.

Mr. Speaker, I also have two petitions from my constituents of Ottawa Centre—

[*English*]

They are asking, since children are everyone's responsibility, that all parents receive Government assistance. They also strongly oppose the budget proposals to reduce the cost of living protection for family allowances and demand that this proposal be withdrawn as soon as possible.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of constituents of mine, along with other residents of Winnipeg, who call upon the Government to withdraw the deindexation of family allowances. They point out that this will not only cost the poorest Canadian families, but also middle-income Canadians.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition signed by a large number of residents of the beautifyl City of Prince Albert, Saskatchewan. They call upon the Government and the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour and pleasure to present a petition signed by many residents of the City of Toronto who complain that the Government has

broken its promise by reducing the family allowance through deindexation, and they request this Parliament to ensure that the Government will restore full indexation of the family allowance and also cancel its plans for other taxes that hurt low-income people.

PARITY PRICES FOR AGRICULTURAL PRODUCTS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have the pleasure to present a petition signed by more than 1,000 people. They stress, first, the urgency of the farm crisis, the great financial squeeze affecting many farmers, and they argue for hearings across this country on the principle of parity pricing through the Standing Committee on Agriculture.

This is signed by people from right across Essex county, as well as from the following towns and communities across Ontario: Simcoe, Lucknow, Wingham, Mount Hope, Durham, Goderich, Kincardine, Chatham, Brantford, Forest, New Liskeard, Thedford, Cayuga, Chesley, Port Elgin, Arkona, Blenheim, parts of Middlesex County, Ailsa Craig, Petrolia, Wiarton and Owen Sound. They all stress the urgency of this crisis which requires a response.

EFFECTS OF U.S. LEGISLATION ON FOREST INDUSTRY

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the privilege to present a petition signed by a large proportion of the residents of Hudson and Sioux Lookout, Ontario, in my riding. These communities are heavily dependent upon the forest industry. They call upon the Government to get going and take some action to dissuade the United States Congress from passing into law the Gibbon's natural resources subsidy Bill which would indeed cost thousands of jobs in Canada's great forest industry.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. F. Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, the following question will be answered today: No. 421.

[*Text*]

INCREASE OF ADMISSION FEES

Question No. 421—**Mr. Robichaud:**

1. Did the government increase admission fees to national parks by 300 per cent and, if so (*a*) what tourist groups or associations were consulted before the decision was announced (*b*) by what amount?

2. How many persons visited national parks in New Brunswick in (i) 1983 (ii) 1984?

3. Will the government change its decision to the increased fees and, if not, for what reason?

Supply

Hon. Tom McMillan (Minister of the Environment): 1. No. The annual admission fee for national parks has not been increased. However, in most national parks the other types of admission fees such as daily and chartered bus have been increased by 200 per cent. (*a*) N/A; (*b*) N/A.

2. (i) 1,214,687; (ii) 1,220,958.

3. A complete review of all national parks fees across Canada to assess their impact and suitability given the particular circumstances of each park is presently underway.

[*English*]

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

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

Mr. Boudria: Mr. Speaker, I have had a series of questions on the Order Paper, some dating back as far as last March, concerning the cost of that singing duet in Quebec City referred to as the Shamrock Summit. Is the Government so terribly ashamed of that fiasco that it does not wish to answer these questions? If that is not the case, will the Parliamentary Secretary undertake to answer those questions at the next sitting day of the House of Commons?

Mr. Oberle: Mr. Speaker, I can tell the Hon. Member that the Parliamentary Secretary normally responsible for answering these questions is especially sensitive to those profound questions the Hon. Member places on the Order Paper. I am prepared to read out the record of the Government in this area, but I am reluctant to do so because today is an Opposition Day and I understand that the Right Hon. Leader of the Opposition (Mr. Turner) has an urgent farm speech to make. I would not wish to take up the time of the House to report that in this Thirty-second Parliament—I can go on if you wish, but I can tell the Hon. Member that his intervention will be brought to the attention of the responsible Minister and the Parliamentary Secretary.

Mr. Deputy Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—PLIGHT OF AGRICULTURAL COMMUNITY

Right Hon. John N. Turner (Leader of the Opposition) moved:

That this House regrets that the Government has refused to recognize the serious crisis facing the farm family in Canada and condemns the Government

for its inadequate response to the problems of Canadian farmers, including a severe cost-price squeeze and debt burden, fierce predatory international competition and natural disasters, which have combined to place Canada's agricultural community in jeopardy.

He said: Mr. Speaker, we are bringing this motion to the attention of the House and the people of Canada because we are concerned with the crisis affecting Canadian agriculture and the family farm. This crisis has been rendered even more serious over the past few months because of natural disasters, particularly in western Canada. We want to draw this to the attention of the Government and the Minister of Agriculture (Mr. Wise), as well as the Canadian people, in order to heighten the consciousness of the average Canadian concerning the precariousness of the position of the average Canadian farm family today. We want to show what this situation means for the country as a whole if we do not do something about it in the short term, immediately, as well as over the long term.

Over the summer and autumn I had the opportunity of travelling to many rural constituencies in British Columbia, Alberta, Saskatchewan, and particularly in Ontario and Nova Scotia. Three or four weeks ago I was in southern Saskatchewan speaking to the people who lived in that area of the province where the drought has been most severe. On the morning of September 23, I met with the mayors, reeves and councillors of all municipal organizations within 50 or 60 miles of the Town of Assiniboia. I was later in Laflèche, Gravelbourg and, of course, later that evening in Moose Jaw. The next morning in Regina I presented on behalf of the Liberal Party of Canada, a 10-point program which we forwarded to the Minister, as well as bringing it to the attention of the Canadian people, concerning what needed to be done to meet a very grave problem. Because of this growing crisis I have also asked the Hon. Member for Algoma (Mr. Foster), this Party's agricultural critic, to head a task force made up of three other Liberal Members who will call upon the expertise across western Canada this autumn, and then move into Atlantic Canada, Ontario and Quebec early in the spring, to meet with farm families, producer groups and provincial organizations in order to get firsthand the feeling of these people who live on and derive their livelihood from the land, regarding the response they want from this Parliament and demand from the Minister of Agriculture.

● (1220)

I can say quite frankly to the Minister that the farmers are not impressed with what the federal Government is doing; nor are they very happy with what their provincial Governments are doing. I am now talking particularly about western Canada. The mayors, reeves and councillors whom I met in Assiniboia were disillusioned and disgusted with the response they were receiving from their provincial and federal counterparts. They are concerned that attention is not being paid to their problems by the people of Canada of Canada through their Government.

I know it is true that the Conservative Government fulfilled a few of the pledges it made to the Canadian farmer during the election. The most important commitment that it fulfilled, the capital gains tax exemption, affects the transmission of farm land from one owner to another. That may be helpful to farmers who want to get out of farming, but it is certainly not helpful to farmers who want to stay in farming and live on the land, and it is certainly not helpful to the young men and women who have no forbears who had lived on the land and who want to make farming their career.

Western farmers, particularly in the southern parts of Manitoba, Saskatchewan and Alberta, have now faced a second consecutive year of drought. More than that, the farms have been ravaged by grasshoppers. I would like to try to focus the attention of the country on the situation and, hopefully, to elicit a response from the Minister that will go some way to meeting the crisis. As I said in Regina, the Minister can take the credit for the 10-point program which we outlined there because it has gone beyond the political manoeuvers which are sometimes played in the House of Commons.

The problem, of course, runs deeper than drought and the vagaries of the weather. Some farmers in Saskatchewan, Alberta and Manitoba have now suffered five or six successive crop failures, but the general crisis affects farmers from coast ot coast. It goes far beyond the so-called marginal farmer or the farmer who may be a bad manager. It touches many farmers who should be strong, viable operators but who now find themselves up against the wall, largely through no fault of their own. Some studies suggest that as many as one-third of our farmers are now in serious financial difficulty. Speaking in human and social terms, what is even more important is the fundamental unit of Canadian agriculture which has given a great deal of stability to this country since the time of the homesteader. The Canadian family farm is in deep, deep trouble.

The impact does not stop at the farm gate. The rural municipalities of western Canada are dependent upon the farm community and are in trouble as well. Their tax bases are eroding. Equipment dealers, car dealers and suppliers are in trouble. The situation is contagious, it is escalating, and it needs and immediate response from the Government.

There is also a human problem. Emotional stress is being placed on farmers. They are used to the usual problems of the weather and the vagaries of the international markets and have understood that it is a life that demands independence, integrity and self-reliance. The average farmer can take that, but he cannot take the combination of problems that is making it absolutely impossible to stay on the land. It is provoking problems with self-confidence, the family, and the ability of the farmer to persuade his children to take over the farm and carry it on as a family livelihood.

There are four factors to the problem. I mentioned the weather first. We have had a drought in southern Saskatchewan, Alberta and Manitoba for two successive years. We have had the grasshoppers. The Government says that it has been studying the problems, but it should have taken action months ago to come to grips with it. Yesterday the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) invoked the provisions of the Prairie Grain Advance Payments

Act to give interest-free loans of up to $3,000. That is a good piece of legislation and it was proper for the Minister to invoke the provision which was designed for years like these. However, in terms of the current crisis it is an almost meaningless gesture. Producers in the North who have wet grain will suffer financially because of the reduced quality of that grain. What may have been a number one crop a month ago will end up as "utility". Producers in the south, victims of the drought, are still waiting. It was not helpful when the Canadian Government remitted its share of support for cattle producers in Saskatchewan only to have the Government of Saskatchewan pocket the money instead of giving it directly to the farmers. The farmers feel outraged by the whole performance.

In addition to the natural disasters, the farmer faces a serious cost price squeeze. Prices for his products have been going down. With the advance payment on August 1, initial grain prices were reduced. Commodity prices have not kept pace with the input costs of fertilizer and fuel. In the Prince Albert Charter presented by the Prime Minister (Mr. Mulroney) during the last election the Government promised to reduce the price of farm fuel by 20 cents per gallon. When one considers the rebates that are going to expire, the increase in the price of gasoline which occurred September 1 and the next increase which will take place January 1, one sees that instead of getting a reduction of 20 cents per gallon on the price of gasoline, the farmer will pay an increase of 23 cents per gallon. For the average Saskatchewan farmer that will mean an additional fuel bill of $700 per year. He cannot take that right now. Things are bad enough without adding that increase to his input costs.

The Prime Minister talked a lot about agriculture during the election campaign, but he has not said much about it since and he has not paid much attention to the problem.

[*Translation*]

Obviously the Government did not do anything to help farmers cope with soaring production costs and decreasing income. Quite the contrary! The Government made matters worse by raising taxes on farm fuel and lowering wheat prices.

And then the third problem: farmers are faced with massive indebtedness. Particularly during the years 1980, 1981 and 1982 the Government and the banks convinced them that they should expand their acreage and buy more machinery. Well they did expand their acreage and buy more machinery, but then interest rates went up and eventually the value of their land fell so that they are now in a situation such that their loan security is worth very little indeed.

The number of farm bankruptcies has skyrocketed in recent years and land values are slumping. We are running the risk of losing a whole generation of young farmers and, should that ever happen, there will be no turning back. Where are the agri-bonds promised by the Government? What about lower interest loans?

[*English*]

It is clear, Mr. Speaker, that the Government has not fulfilled its commitment in terms of long-term financing vehicles for the farmer. It is true that the Minister placed a moratorium on Farm Credit Corporation foreclosures. That saved a few farmers in the short term by preventing immediate foreclosures. However, interest keeps piling up on top of the principal and the equity of the farmer keeps shrinking.

The fourth problem faced by farmers is the predatory pricing and the fierce international competition for our major grains. The Minister knows that some of our former best customers are now our competitors. The Minister knows that we do not yet have a renewal of the International Grains Agreement. The Minister knows that the United States Department of Agriculture is throwing tonnes of grain on international markets in order to try to solve its own problems. This dumping of surplus grains onto international markets is affecting world grain prices.

Speaking of the United States, the Canadian farmer wonders what the Government is talking about when it says it intends to move toward a free trade agreement with the United States. The Canadian farmer wants to know what that will do to marketing boards, subsidies and the Canadian Wheat Board. We know that the Americans have never liked the Canadian Wheat Board and the way in which we have successfully centralized and orchestrated our international marketing. Farmers in western Canada know that the initial payments for grain made by the Canadian Wheat Board are considered to be subsidies and subject to countervail by the United States. Canadian farmers want to know if they are on the table in these negotiations, but the Canadian Government will not tell us. It is keeping its hand very close. The Minister for International Trade (Mr. Kelleher) told Canadians in Nova Scotia that we should not show our poker hand while we are negotiating. I have told the Minister for International Trade that we are all on the same side and we do not want to see the Government's hand, but we want to know what the game is, as do Canadian farmers.

Some Hon. Members: Hear, hear!

• (1230)

Mr. Turner (Vancouver Quadra): I am saying to the Minister quite categorically that we do not believe that Canadian agriculture ought to be part of a free trade arrangement across the board. Not only will it not work, it will make the farmers of this country absolutely vulnerable to that type of competition.

On September 24 in Regina, I outlined a program which I believe will go a long way toward alleviating the crisis of the family farm. Some of the action to solve the crisis will cost some money, but compared to the huge human cost that is at stake, I believe it is money worth spending.

I do not believe that the average Canadian living in a large city or even a small town understands the depth and gravity of this crisis. I do not believe that the people of Toronto, Vancou-

ver, Montreal or Halifax understand what is happening out there and if this debate can contribute to heightening the consciousness of Canadians generally about the real problem on the farm, then I think it is useful.

Unless something is done, the family farm as we know it will disappear. Despite harsh weather and a shorter growing season combined with the problem of remoteness from markets, the efficiency of our Canadian farmers and the Canadian farm family has enabled us to compete successfully with every other country in the world, including the United States.

Agriculture has become the most productive industry in this country. Our farmers are able to compete world-wide against state-owned operations in the Soviet Union and corporate farms elsewhere, and this is because the motivation, solidity, morale and cohesion of the Canadian family farm has made it the most productive element in world agriculture. That is what is at stake here.

The Saskatchewan Wheat Pool predicts that Saskatchewan farmers will earn less than an average of $5,000 each this year. Farm income in Saskatchewan will be down 33 per cent from last year, not even taking into account the full impact of the drought and difficulty in harvesting because of the rain and snow in northern Saskatchewan. The Minister is aware that grain inventories are at their lowest level in 30 years, prices are down and quotas are low. It is estimated that the combination of the drought, poor crops and difficulty of harvesting as a result of the rain and snow will cost western farmers about $2 billion this year. Western grain stabilization and crop insurance are good programs but not nearly enough to meet this current situation.

The Government and the Minister must face the crisis caused by the drought which has forced many farms to turn to welfare and food banks for assistance. I know that the Minister is listening carefully, but what we are dealing with here is not just an economic problem. We are dealing with a human problem and a way of life.

I urge the Govenrment to devise some short-term measures. We have proposed an acreage payment of $50 per seeded acre. It has a maximum because it is pro-rated to the amount taken off in harvest and because of the seeded aspect of the program. We have asked the Government to review its taxation of fuel and remove the excise tax from fuel for the purposes of the family farm. We believe the Government should create an agency for moratoriums and rescheduling farm debts, not with the power to write off debt but to reschedule it.

We have asked the federal Government to work with the provinces toward a joint disaster fund operation that is able to respond more quickly than it does now. We suggest that the Government review the problem of soil erosion, hydrology and irrigation. The Government should consider the possibility of immediate negotiations with the provinces to set up an agricultural relief disaster fund.

The Government should review the Income Tax Act. Currently, farmers are forced to sell off much of their herd due to what is happening, yet the definition of "herd" under the Income Tax Act is not flexible enough to allow that to be done without immediate recapture of depreciation. The Minister knows what I am talking about.

These are steps which can be taken in the short term, but in the long term the Minister must review the whole infrastructure of agriculture. If the Government does not respond soon, we will have a different kind of country because the rural communities will be different.

The Minister is now dealing with the hopes, the morale, the stability and efficiency of those in Canada who moved across the Prairies and those frontiers with the courage and resiliency of the homesteaders that have given this country a special character. That is the essence of this debate. It is not simply about "a sector of our economy". It is about a fundamental way of life. The Minister ought to recognize that. He ought to get out there personally and talk to the farmers the way I have talked to the farmers.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): He has talked to farmers far more than you have. He is always out there.

Mr. Turner (Vancouver Quadra): I have made it my business to educate myself about the problems of Canadian farmers.

An Hon. Member: You should have done that a couple of years ago.

Mr. Turner (Vancouver Quadra): In fact, the Minister of Finance (Mr. Wilson) is part of the problem. He commissioned a study in his Department. The bureaucrats in the Department of Finance have never really understood agriculture in this country. He produced a booklet in which the Canadian farmers were ridiculed from coast to coast, saying that the Canadian farmers are the most prosperous group in our country—

Mr. Wilson (Etobicoke Centre): That is a total distortion.

Mr. Turner (Vancouver Quadra): That is exactly what the document says. I say to the Minister of Agriculture that he should bring the Minister of Finance out there with him because he needs the education more than any other Member in the House. I am delighted that he intervened because I want to tell the Minister of Agriculture that he needs help in dealing with that Minister and his officials because they really do not understand the problem. They have always rejected preferential rates for the farmer in terms of subsidy. They really do not understand the Farm Credit Corporation and if the Minister needs some help, we on this side of the House will be glad to help him educate the Minister of Finance who really does not understand the issue.

Until the Minister of Finance intervened we were having a reasonable dialogue and conversation. I can see that the Minister of Agriculture was agreeing with most of what I was saying and that he understood the problem. This issue goes beyond the type of political tomfoolery of the Minister of

Finance. I am glad that he is here to listen because he needs to be educated more than anyone else in the House of Commons.

Mr. Hovdebo: Mr. Speaker, I must compliment the Leader of the Opposition on his defence of the prairie farmer. However, I want him to comment on his reference to preferential rates because neither the Minister nor the Government can be blamed for the loss of those preferential rates. The blame for the loss of those preferential rates must be laid at the door of the Liberal Party.

Will he tell us if his Party would return to a preferential statutory rate for the movement of grain in western Canada?

Mr. Turner (Vancouver Quadra): What statutory rate is he talking about? Is it the transportation rate or the credit rate?

Mr. Hovdebo: I am talking about the preferential rate for the movement of grain, the Crow rate.

Mr. Turner (Vancouver Quadra): Of course, that Crow rate, under the terms of the legislation, is up for review and I understand that the Minister of Transport (Mr. Mazankowski) is considering it carefully. He has to reconcile divergent interests in the country. I think that question ought to be put to him.

Mr. Oberle: Does the Right Hon. Leader of the Opposition have any indication of what a $50 an acre payment would cost the federal Treasury? Does he intend to have the provinces share in such a program on the customary fifty-fifty basis? If that is the case, I applaud the right hon. gentleman for the initiative he has taken and the attention he has paid to the issue, which is as grave as he describes it. It is a serious matter of concern to all of us. He did not get into the Peace River country of British Columbia. I suppose he assumes I am looking after that.

● (1240)

Mr. Gauthier: Give him an hour.

Mr. Oberle: I would like to know from the right hon. gentleman whether he had any opportunity to use his channels through the provincial Government in British Columbia to ascertain whether the province would come to an agreement on an acreage payment, similar to the agreement reached on cattle and the initiatives taken by the Government in that area.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Hon. Member knows that I have been up in his country, which I enjoy. I have been there twice in the last 12 months, but I have always missed him. I apologize because he was welcome at the very successful meetings we have had because he would have added a little colour to those meetings.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Although I have known the Premier of British Columbia for over 30 years, I doubt whether my pipeline to him is as clear and well flushed as the Hon. Member's.

Mr. Oberle: That is debatable.

Mr. Turner (Vancouver Quadra): Mr. Speaker, if this were an open-ended program, the maximum cost would be somewhere around half a billion dollars. The program I have proposed is not open-ended.

As I said during the course of my remarks, the pay-outs would be restricted to a maximum number of seeded areas. This avoids the problem of farmers with large farms getting huge amounts of money. It is also pro-rated to the crop harvested. The amount, I believe, would be a reasonable amount against the huge dimensions of the problem I have described.

Every major farm organization in western Canada supports the idea of acreage payments. Under the former Government, my Government, there is a precedent in the payments we have made to the producers in northeast Saskatchewan as a result of flooding. The Minister has a precedent there if he wishes.

As to the level of sharing, I suggested in Regina that it be two-thirds federal and one-third provincial. We want to make sure that that two-thirds really gets to the farmer. When the Government of Canada advanced payments to the cattle producers in Saskatchewan, they did not get to the cattle producer at all. The Province of Saskatchewan through its Treasurer pocketed the money.

Mr. Hopkins: Mr. Speaker, farming is still a big business and is a business, not just another way of life as this Government is treating it. Historically speaking, agriculture has been and still is one of the key staple parts of the Canadian economy. Liberal Governments, contrary to answers given in Question Period today, have done a great deal in subsidizing Canadian agriculture and helping that sector out when in need.

Could the Right Hon. Leader of the Opposition (Mr. Turner) expand a little more on the income tax policies and relief that he would extend to the farm community? Second, could he expand on the immediate policies he has in mind for financial assistance? Third, if he were Prime Minister, would he buckle under the European Economic Community in the same way the Government and its Minister of Agriculture (Mr. Wise) has today instead of supporting the farm community in Canada?

If he has any time after that, will the Right Hon. Leader of the Opposition elaborate in his intelligent way on the hog and beef producer markets and the helpful hints and policies he has for them today? The Government obviously needs help badly.

Mr. Turner (Vancouver Quadra): Mr. Speaker, it is a relief to get an intelligent comment.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): In response to the pork issue, despite this new partnership which the Government of Canada is envisaging with the United States in terms of trade, our pork producers are being hit by the Americans who are

using their Department of Health in a phoney way and crippling our pork industry.

On the matter of taxation—

Mr. Wilson (Etobicoke Centre): What would you do about it, John?

Mr. Turner (Vancouver Quadra): It would not take much to do better.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Hon. Member wants to know about amendments to the Income Tax Act. What we are talking about here is a sell-off of cattle. Ranchers are now being forced to sell off large portions of their herds as a result of feed shortages and the high feed costs resulting from the drought.

The way the Income Tax Act and the definition of a herd is currently framed it would provoke premature recapture of depreciation, and the producer is taxed on the extraordinary income received from the sale, the result being that, having to pay the tax, he is unable to buy a replacement herd. We suggest the Income Tax Act be amended to set up an escrow fund giving the farmer a prolonged period of time in order to re-establish the herd without calling into play the recapture provisions of the Income Tax Act.

The Hon. Member put to me the question of what I would do about European beef. The new Canadian federal Government has just opened the doors to European beef and thrown our western producers—

Mr. King: How much did you allow in?

Mr. Turner (Vancouver Quadra): The current federal Government has quadrupled the imports from Europe. That is what has happened.

Mr. King: Mr. Speaker, I have a comment on the speech by the right hon. gentleman and then I would like to ask a question.

Ms. Copps: Hey, Mr. Speaker. No questions and comments.

Mr. King: I do not disagree with his analysis of the problems in agriculture: I just think it is rather cynical to bring them up at this time when he is Leader of the Opposition. The condition existed when he was in the other capacity as Prime Minister of Canada.

Some Hon. Members: Oh, oh!

Mr. King: This is not a new phenomenon. It is a situation that has existed. How can the Right Hon. Leader of the Opposition (Mr. Turner) account for a situation that existed in the Okanagan for two years with the knowledge of the former Minister of Agriculture? The fruit growers of the Okanagan were asking for stabilization payments, to which they were entitled. They were refused by the Government of the day, led by the hon. gentleman. It was not until a change in Government and the present Minister of Agriculture (Mr. Wise) came to the Okanagan that the stabilization payment was granted, and that was after two years of stonewalling by the Liberal administration.

Why was there no favourable response to the concerns of the farmers in British Columbia in the Okanagan Valley with respect to action instituted by his Government against their organization and which has since been resolved amicably? If the Leader of the Opposition wishes to have any credibility, he should at least explain why his Government did not act when it had the opportunity to protect the farmers whom I represent in the Okanagan Valley.

Mr. Deputy Speaker: Unfortunately the time allotted for questions and comments has terminated. Resuming debate.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. The Hon. Member just put some questions to my Leader. With unanimous consent, I think he has the right to answer the questions to try to put this matter in perspective. I think we overstepped the 10 minutes.

Mr. Deputy Speaker: Is there unanimous consent for the Right Hon. Leader of the Opposition to answer the Hon. Member's questions?

Some Hon. Members: Agreed.

• (1250)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am aware of the situation which the Hon. Member is attempting to describe. The Minister of Agriculture should do anything he can to widen that stabilization net. He is trying to obtain the consent of the provinces to do it now. We expect him to take a little more initiative. When we are talking about stabilization, we ought to cross a couple of mountain ranges as well and look at stabilization for the sugar-beet industry in southern Alberta. I can tell the Hon. Member that we never blew $1 billion on a bank, money which could have well gone to Canadian farmers.

Some Hon. Members: Hear, hear!

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the opportunity to make a few comments, and I know I have about 20 minutes in which to do so. I did not utilize an opportunity to put questions to the Right Hon. Leader of the Opposition (Mr. Turner) so that other Hon. Members could question him. However, I want to do something which perhaps I do not always do. It might or might not be appropriate to do so on this particular occasion. I want to thank the Right Hon. Leader of the Opposition for bringing this matter to the floor of the House of Commons and for the tone and rationale of many of his statements. Of course, I completely and totally reject any detrimental or negative reference to the Minister of Finance (Mr. Wilson). He was completely and totally inaccurate in that respect, and he knows it. I wanted to set the record straight.

I am glad the Right Hon. Leader of the Opposition utilized at least a small portion of his time this summer to travel the country, to get to the grass roots level and to visit particularly the drought area in western Canada. He should not believe that he was the only person there. In the last four months or five months, I have made a half dozen trips to western Canada and indeed to other parts of the country. I had the opportunity to visit the drought area with many of my colleagues, particularly with the Hon. Member for Assiniboia (Mr. Gustafson) who led the task force. In any event, I recognize the tone of his remarks today. Certainly his comments have improved compared with the position and the tack which he took the last time we discussed the matter in the House. I recognize the tone, the tack and the approach which he used on this occasion.

However, I think it is important to set the record straight. The Right Hon. Leader of the Opposition indicated that the Government had fulfilled a few of its election campaign commitments. That is very misleading, and I utilize this opportunity to remind him that when we went to the country, we made 16 very clear commitments to the agri-food industry. To this point in time we have fulfilled 13 of those 16 commitments.

Mr. Turner (Vancouver Quadra): That is not our calculation.

Mr. Wise: I think that is a pretty good record. It will stand the test of time. When campaign commitments are made, normally the are made for the mandate of a Government, that is, at least for four years. We are only into our thirteenth month, and I believe our record is good. Also he indicated that there had been some delay and that we had neglected our responsibilities with regard to the drought in western Canada. That is completely inaccurate. A year ago we were quick off the mark, shortly after being sworn into office. I travelled to western Canada with a number of my cabinet colleagues. We provided a $16 million drought payment at that time. Subsequent to that, within weeks, we delivered another $13 million or $15 million to deal with excess water in western Canada.

Unfortunately the drought recurred this year, and again we accepted our responsibilities. We appointed a working committee. I went out there, I walked the area and I visited the area. As the Leader of the Opposition will know, we have delivered some $48 million on phase one of that program. That is not neglect; that is acceptance of responsibility.

We will be coming forward with phase two. We are a Government which believes in consultation with our provincial colleagues. We do not want to act unilaterally. We also believe in consultation with the industry people. This is the process through which we are going now to satisfy ourselves that whatever is available in phase two will meet with the general approval of the provinces and the general acceptance of producers. There is no delay at all. We just want to be satisfied that whatever we bring forward will be in the best interest of western farmers.

Also the Leader of the Opposition touched upon the need for some ongoing, existing mechanism or plan between the federal Government and the provinces to take care of disastrous situations. I agree with him on that. We are doing everything possible. At the time of the announcement of phase two, we hope to be in a position at least to signal what we think should be done. I am not talking out of school in respect of what can be and should be done. We all know the importance of the crop insurance program. It has done an excellent job over the years, but it has to be changed, perhaps not drastically. It must be enhanced, changed and revised. Provision must be built into that crop insurance program which will provide an option for individuals in high-risk areas. It is not only true in western Canada, but in northern Ontario and elsewhere in the country, that the existing system does not allow for an option to buy additional coverage. Until such time as revisions have been made to the crop insurance program to include those options, we will always be faced with *ad hoc* payments.

I see that the Right Hon. Leader of the Opposition is present in the Chamber. I do not know what is his schedule this afternoon, so I will raise this matter with him how. It appears that the Opposition Party is attempting to lay all the blame on the doorstep of the Government. I think the message which he wanted to send across the country was that he was divorcing himself and the previous Government from any blame for the situation in which we find ourselves now. I do not think he will be very successful in doing that, to be perfectly honest. Most of the difficulties which we are experiencing today did not happen in the last 13 months. Rather, they began to happen as a result of developments in the early 1970s when we were not in office. Some of the messages of so-called experts impacted very detrimentally upon Canadian agriculture and other industries in the last three years of four years. Unfortunately they will be with us for time to come. During that period of time many of the studies with regard to what Governments, banks and industry people should be doing in the next decade—and I am taking it back to 1970—indicated that as far as the agri-food industry was concerned there was every indication that there would be a great deal of stability in interest rates.

Mr. Deputy Speaker: I regret to interrup the Hon. Minister, but it being one o'clock p.m., I do not leave the chair until two o'clock p.m.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at one o'clock the Hon. Minister of Agriculture had the floor.

Mr. Wise: Thank you, Mr. Speaker. As we broke at one o'clock I think I had covered some of the areas and some of the questions raised by the Right Hon. Leader of the Opposition and had tried to correct the record and describe the factual situations. I dealt with the election campaign commitments

and dealt, I think quite adequately, with this Government's very positive, prompt and responsible handling of the western Canadian drought situation.

When we broke at one o'clock I was making some comments that would again set the record straight with reference to the impression that, intentionally or otherwise, the Right Hon. Leader of the Opposition was attempting to leave, to lay all the blame for the difficulties that we have in the agri-food industry at this particular time totally and completely on the doorstep of this Government, when in fact that is not the case. I think we have acted responsibly for the last 13 months. We have passed more agricultural legislation in this House in the last eight months that we were sitting than the previous Government did in the previous eight years. We have taken well over 100 initiatives totalling nearly $2 billion. They are on the public record for people to examine, and no doubt other speakers on both sides of the House will utilize that list to make some further comments.

I want to make the observation that back in the early 1970s—and I need not remind the House that we were not in government at that time—the experts in the agri-food industry were meeting here in Canada, in North America and other locations throughout the world. They were doing some predictions and some crystal ball gazing as to what the future of the agri-food industry would be.

Collectively they came to the conclusion, looking ahead into the late 1970s and through the 1980s and perhaps beyond, that certain situations were going to exist. Collectively they came to the conclusion that interest rates would remain stable, and of course they were wrong. They indicated that energy prices would remain stable, and they were wrong again. They indicated that in-farm input costs would remain stable, and time has indicated of course that they were wrong in that observation as well. They indicated that during the late 1970s and on through the 1980s farm commodity prices would reach an all-time high. We all know that commodity prices have seldom, if ever, been much lower than they are at the moment. They also indicated that, as far as the North American and the international supply of food commodities was concerned, we would be going through probably a decade or a decade and a half of commodity and food shortages. Indeed, they have been wrong on that count as well because we are going through a time here in Canada and throughout the North American continent and in some of the major food producing countries of the world when we are not in a decade of shortages but rather in a decade of surpluses. Although we have certain market mechanisms which do help to establish better commodity prices, it is still difficult. Most are dealt with on the supply and demand principle.

So previous Governments were involved in these observations and they were involved in supporting these conclusions. They were also involved, particularly the federal Government, and there are many examples with respect to that. I do not have anything against my predecessor. I have known him for a long time. However, if there is any question in anyone's mind and they want to go back and read his speeches they will see that in those speeches he indicated these would be great times, that input costs would remain stable and that commodity prices would be high. On behalf of the Government he was urging people to increase investment and to expand production. He said that there would be great things in store for those people who did.

• (1410)

I want to make those observations because part of the recommendation was supported quite enthusiastically—not quietly but quite openly and publicly—during that period of time with respect to what conditions would be like during the late 1970s and 1980s. Unfortunately, some very inaccurate and unfortunate messages were sent out to the agri-food industry by the previous Government during that period of time. This has resulted in some very serious situations for a large number of Canadian farmers.

Another comment made by the Right Hon. Leader of the Opposition was quite unfair. If he knew the facts he probably would not have made the comment. He made some reference to the action the Government has taken with respect to imports of heavily subsidized EEC beef. I was rather startled by his comment. I believe he said that we were responsible for tripling or quadrupling EEC beef imports into the country, or something of that nature. That is just not the case. I would like to take the hon. gentleman back and remind him that his Government did nothing, and he was Prime Minister at the time when, in fact, no action whatsoever was taken. As a result of no action being taken, beef imports from the EEC countries flowed into Canada to the extent of some 50 million pounds. The year prior there was about 13 million pounds imported into the country, while two years prior to that time the level of imports was at about one million pounds. If there was any irresponsibility it certainly was not on the part of this Government but rather on the part of the previous Government during a time in which the Right Hon. Leader of the Opposition was Prime Minister of the country. No action was taken at all, and that is a fact.

We indicated that if we were elected we would invoke meat import legislation. We were elected and we invoked that legislation. We invoked it on December 21, a year ago, and negotiated a settlement with the EEC so that this year a maximum of 23 million pounds of heavily subsidized beef will be imported into the country. That is an amount less than half of what was shipped into the country last year. That is not a case of turning our backs on the beef industry but rather of accepting our responsibilities and providing some leadership and some control on these imports.

I have seen other comments, not by the Leader of the Official Opposition, but comments reported in the farm press across the country to the effect that beef, in excess of some 300 million pounds, will be imported into the country. That is complete nonsense and it is completely inaccurate. We said that we would invoke the law and we did. We negotiated a settlement with the EEC with respect to 23 million pounds as compared to 50 million pounds last year. Had we not invoked

the law and had we followed the course of action set down by the previous Government, instead of allowing 23 million pounds of EEC beef into the country, in view of the huge amounts in storage in those countries, the import levels could have reached 80 million, 90 million, or perhaps even 100 million pounds this year.

Not only did the previous Government not take any action but it did not provide any help or assistance to the Canadian beef industry. As a consequence, it went through an anti-dumping course and, unfortunately, it was not successful. We have assisted the Canadian beef industry this year and, in fact, within the last few days the anti-dumping group have decided that the Canadian cattlemen do have a case and that the investigation will go forward. I wish to set the record straight in that regard as well.

I notice, Mr. Speaker, you are indicating that I should bring my remarks to a close. I have not started to use any of my prepared text and I am prepared not to. However, there are two or three other areas upon which I would like to touch. One would be with respect to the bilateral trade agreement.

Mr. Deputy Speaker: Is there unanimous consent to allow the Minister to conclude his speech?

Mr. Foster: Just for a couple of minutes.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed that the Minister shall have a few more minutes.

Mr. Wise: Thank you, Mr. Speaker. I wish to express my appreciation to my colleagues. I do not want to misuse the additional time which has been given me. However, I do think it is important for me to touch on at least two other subjects, although I might not spend a great deal of time with respect to one because it was raised by a member of the Opposition earlier today during Question Period. I was asked a question with respect to the long-term dairy policy, and perhaps I will leave the matter there. I would like to remind Hon. Members to check *Hansard* with regard to my answer given to the Hon. Member who is present in the House today.

The other subject I wish to touch upon is a subject of great interest both in the House and across the country with respect to the interest that the agricultural industry has concerning the possible upcoming talks and possible upcoming negotiations with respect to the comprehensive trade negotiations between the two countries. We know the sensitivity which exists with respect to this issue.

I believe our first reaction is to draw back and perhaps to take the position that we should not have agriculture on the table if, indeed, we ever sit around a table. We have not reached that stage yet. We must recognize the fact that about 50 per cent of total farm income comes from export sales. If one looks at the agricultural trade between the two countries one will see that last year we exported to the U.S. somewhere in the vicinity of $2 billion worth of agricultural goods. I think it is absolutely important that we do not turn our backs on an opportunity but, rather, we should attempt to utilize an opportunity to secure access to that very important market.

For example, Hon. Members know of the problems we have had with respect to the hog industry between Canada and the U.S. which took place last year. If we did not have access to the U.S. market the Canadian hog industry would probably shrink by about one-third. I do not think we can afford that. Although I have not prepared an accurate calculation on this subject, I believe that if we did not have access to the U.S. market with respect to the movement of beef cattle in the country the Canadian beef industry would probably shrink by about one-half or two-thirds.

● (1420)

So I believe it is absolutely essential in the long run. We should remove the emotion from the issue and look at it from an economic point of view as an opportunity to achieve access to that market. I really do not think we have any choice but to try to negotiate a square deal, a better deal, for Canadian agriculture.

What I think we should also try to achieve is some agreement whereby we could remove some of these border irritants which we have encountered day in and day out with a wide variety of commodity groups. When we examine the mechanism which exists on this side of the border as compared to that which exists on the south side of the border, we end up the loser every time. We have to agree on some type of formula, program or mechanism we can put in place on both sides of the border because we are always going to be under pressure to use it from time to time and there will be legitimate reasons for doing so in the short-term interests of our own producers. I believe that that aspect of the discussions and negotiations is important for that reason alone.

I know there is a great deal of sensitivity about the matter, and I share that feeling, but I am also satisfied that we are going to have ample input, along with the industry and the provinces, and the mechanisms which will be in place will ensure that adequate consultation will take place. Unless someone knows something at this point of time that I do not, I believe we have only signalled our intent. I know there is an intent on behalf of the President of the United States to do likewise. However, I do not believe an official decision has been taken on behalf of the United States with reference to continuation of the talks and possible negotiations.

I will conclude my remarks at this time by saying that I appreciate the Opposition providing us with an opportunity to talk about some of the very serious problems which exist in the industry today. Again, I would like to compliment the Right Hon. Leader of the Opposition for the tone he set in his remarks. I am sorry I do not have the time to talk about some of the many things we have accomplished in the last 13 months, but I am sure that will be done by others of my colleagues who will participate in the debate today. I welcome this opportunity to set the record straight on a number of comments made by the Right Hon. Leader of the Opposition and I appreciated the opportunity, I believe for the first time,

to just say a word or two about the bilateral trade negotiations which may take place between the two countries as they relate to the agri-food industry.

[*Translation*]

Mr. Tardif: Mr. Speaker, Mr. Minister, when I asked you before lunch, during Oral Question Period, why no dairy policy had been announced on August 1 or during the first week of August, you pointed out that there never had been any commitment to that effect, and now I am getting out the proceedings of the Committee on Justice and Legal Affairs, where I was present when you made that commitment.

That being said, you made a brief reference to the question of the dairy policy. Perhaps you will allow me to draw a parallel with another question you dealt with, namely pork production.

You will probably remember that during the last election campaign, the Hon. Member for Joliette (Mr. La Salle) formally promised $13 million, putting his signature on a cheque, a payment pork producers were fully entitled to receive.

The Government decided not to pay this amount, giving as an excuse the threat of retaliation by the Americans and that it might be prejudicial to our market in the United States.

This brings me to the following question, since I am drawing a parallel between the situation in the pork industry and our dairy producers. According to your reasoning and your way of thinking, can we expect radical cutbacks in the Government's dairy policy, considering the fact that you seem to be in favour of a more open agricultural policy vis-à-vis the United States, and also considering what you did about the $13 million for pork producers?

[*English*]

Mr. Wise: Mr. Speaker, the Hon. Member makes some mention of the exchange we had during Question Period and refers to the August 1 date. That date is the date which in previous years was set by the existing Government. At that time it made the announcement of what could be in place for the next 12 months. It has been done continuously on an *ad hoc* basis for about the last 10 years. The dairy farmers of Canada and the dairy industry want a long-term dairy policy. The Hon. Member knows that. The industry made that representation to the previous Government year in and year out and received no action. The August 1 date was always the time in which the announcement was made of what the policy would be for the next 12 months. We do not want to follow that course of action. We want to be in a position as soon as possible to deliver the 14th of the 16 election campaign commitments we made. We said we would deliver, not on an *ad hoc* basis or on a 12-month by 12-month basis, but we will signal the dairy farmers of Canada and the dairy industry that there will be a long-term dairy policy—"long-term" meaning five years. We want to say to them that this is what the policy is going to be and it will be in place for five years.

We made an announcement on August 16. We were a couple of weeks late because there were some sort of technical problems involved which I think most people understand, but we accepted our responsibilities. We are carrying on in the same way, using the same formula, and we made the announcement on August 16—which should have been made, admittedly, on August 1—and in addition to that, I have appointed Everett Biggs and Benoit Lavigne who have consulted widely across the country. They have talked to all the provinces because the provinces are involved in the national plan. They talked to all the supervisory bodies because they are part of the plan, and to all the milk marketing boards in the provinces because they are signatories to the plan as well. We have to talk to all the people in the industry and to the Canadian consumers. This long, lengthy but necessary process has been completed and, as I indicated to the Hon. Member, I expect to receive that report within a couple of weeks. I hope to have a further couple of weeks at least—and I think the Hon. Member would agree that I need a couple of weeks—to assess the recommendations. Having assessed the recommendations, I will then make recommendations to Cabinet. I told the Hon. Member during Question Period that I thought a reasonable timetable would be a date prior to the first of the year.

There is not going to be any price increase in any case during that period of time so no one will suffer or be hurt by any increase at all. What we want to do is to deliver the long-term dairy policy.

I am surprised that the Hon. Member would bring up the question again—particularly in view of events which have taken place since August, 1984. What he has said certainly justifies the action we took. We were advising caution throughout September and November when the Hon. Member was putting pressure on us to send more money out. Sure, we can put $13 million into Quebec, but if we make a payment to one province, we have to pay them all under that program. It would have meant another payment from the federal Government of about $30 million, not $13 million. Had we paid that, then the U.S. countervailing duty on us would have been obviously much higher.

• (1430)

Mr. Benjamin: They put it on anyway.

Mr. Wise: Yes, you are right. However, how was it put on? It was not just *ad hoc*. There again we are losing under their system, but the calculation was made by the U.S. International Trade Commission based on the amount of stabilization and subsidy payments which flow from two levels of Government to the industry.

I appreciate the interest the Hon. Member has in dairy policy, but I am somewhat surprised that he would raise that old question again.

Mr. Althouse: Mr. Speaker, the Minister talked about the new trade discussions with the U.S. This is one of the first times we have had an opportunity to discuss this with him.

Has he had discussions with the Minister for International Trade (Mr. Kelleher) as to the process of the negotiations over agriculture? Will the total package of agricultural products from either side of the border be placed on the table? It is extremely important that we look at the total agricultural package on either side. They have consistently had a trade surplus with us because of our inability to produce certain fruits and vegetables. They are also a bigger market, which makes it important for the whole package to be placed on the table. When we get into commodity-by-commodity negotiations we are always at a disadvantage at a ratio of about 11 to one, which is also the relative ratio of the two economies. Will he point out that the U.S. already has far and away the largest advantage in trade and that we should begin our negotiations there rather than on the old system of commodity-by-commodity where we always end up losing?

Mr. Wise: Mr. Speaker, I want to be perfectly frank, open and honest in the discussions regarding the bilateral trade negotiations as they relate to the agricultural industry, both here in the House and across the country. However, I ask the Hon. Member to appreciate my difficulty at this point because the major spokesmen for the Government will be the Secretary of State for External Affairs (Mr. Clark) and the Minister of International Trade (Mr. Kelleher). However, if you examine my earlier remarks, you will see that I said I was satisfied with the mechanism and the process. If these talks take place, there will be ample opportunity for consultation with input from the provinces and industry. I do not think I can say much more than that at this point in time.

I indicated that we get into problems from time to time in talking in generalities regarding the agricultural industry. A lot of people across the country think they can make certain statements which will apply to every commodity in the agricultural industry. That could not be farther from the truth. There is as much difference between some food commodities as there is between food commodities and a car or truck. Therefore, we must be cautious and ensure that all of these factors are taken into consideration. The Hon. Member mentioned the difference in scale and he is absolutely correct. We must never lose sight of the fact that the U.S. producer has many advantages, too many to list here. In fact, it would perhaps be an interesting subject for some debate someday in this House. However, it is obvious that they can take 10 per cent of their production and displace 100 per cent of our market. We can take 100 per cent of our production and displace only 10 per cent of theirs.

Mr. Benjamin: That has always been the case. We have always known that.

Mr. Wise: That is right. The other thing we should be aware of as well is that there are always many fingers pointed in this direction saying that we subsidize our agricultural commodities highly. I think what the Hon. Member was getting at was that if you take all their programs into consideration, and I have seen studies which have been examined and cross-examined and still stand up, that one might well conclude their financial support to their industry could run as high as 30 per cent compared to ours at about 12 per cent. These are the things we have to be very, very much aware of and never lose sight of. This Government is interested in making a better deal for Canadian agriculture by ensuring access to that huge market and eliminating some of these border irritants which exist and which are extremely disruptive, particularly to this industry.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it is a pleasure to participate in this debate. Debates on agricultural issues raised by the Opposition happen only about two times a year and this is the first opposition debate on the Order Paper this fall.

I would like to begin by making a very brief comment on the Minister's presentation which produced a lot of the information we have normally been used to getting from the Minister. We heard one admission which I think is new and which I hope is taken notice of by the Prime Minister (Mr. Mulroney) and some other Cabinet Ministers as well. The Minister said, I think for the first time in this House at least, that the main problem in agriculture is not that of finding ways of supplying markets, it is that we are in a period of market surpluses. He pointed out that this is a world-wide phenomenon, something we in this Party have recognized for some time. However, he took the opportunity to apply a little political rhetoric to the Official Opposition in saying that it had not recognized it yet. To be fair, if it has not, it is because that recognition has only come slowly through the farm sector. The policy our Party has put forward over the past number of years has taken account of that, and I will get to that a bit later.

If we go back to the last election campaign, which was only 16 or 18 months ago, we saw the Ministers' Leader, now the Prime Minister, tell us in Prince Albert that if he was elected, western Canadians could look forward to increasing their export markets by 30 per cent. When the press turned to the Member for Assiniboia (Mr. Gustafson) who was at that time chief adviser to the then Leader of the Opposition and is now the Parliamentary Secretary to the Prime Minister, they found he was only slightly more conservative, if I can use that word. He said he thought perhaps 25 per cent in the first year would be more reasonable. Well, reality is beginning to set in and at last the Minister of Agriculture (Mr. Wise) has pointed out with some accuracy that the reality is that there are world market surpluses for agricultural products.

● (1440)

Our former chief customer for wheat, Great Britain, is now one of our competitors. Through the European Economic Community it is now a net exporter of wheat. India, which used to be considered a basket case as far as the production of food is concerned, has had the ability for the last two or three years to export. It is reported to have about a million tonnes of wheat for export this year. While China has over a billion mouths to feed, it has become self-sufficient, even in grains. It is not exporting this year, but could do so if it chose to. It chooses, instead, to build up a surplus at home. The only major market left for Canadian wheat is the Pacific side of Russia,

the only place that does not produce enough wheat internally to provide for its own food needs. They find it cheaper and more efficient to buy the grain they require from our ports in Prince Rupert and Vancouver and transport it by water to Vladivostok. That is about the only export market that still exists for Canadian grains at the moment. That has changed the whole equation that we use when considering the marketing of grains.

The Minister mentioned that we are used to exporting about 50 per cent of our production and consuming the other 50 per cent at home. The new reality is that we consume 60 per cent domestically and find outside markets for 40 per cent. Having reached that point, I reiterate the policy on agriculture that the NDP has worked out over the past decade, that is, that perhaps it is time to concentrate on the domestic market while continuing to work very hard on the other markets. Perhaps we should look at the domestic market with more hardheaded business sense in an attempt to utilize it to meet the income requirements of farmers in a better way than we have been doing.

We have basically been permitting the world market, which is a very cut-throat situation to begin with, to set the price levels. We then back off with the transportation costs and arrive at a domestic price that Canadian consumers will pay. As a result of the transportation differential, it is usually less than the foreign price. Through this method of pricing, Canadian consumers have been getting an extremely good deal.

There are only a few commodities on which the pricing situation has been reversed. Parliament has given farmers in the dairy and feather industries the authority to establish domestic prices that are fair to consumers as well as to farmers. Under those pricing arrangements, which they file each year with the National Farm Products Marketing Council, they have the right to recover a fair return on their investment equivalent to the national average industrial wage. This is fair and allows the producers of those commodities the hope of surviving in the current economic times. Producers who are paid world market prices, accepting the fluctuations which go with that situation, now have virtually no demand for their products and are facing great financial hardships.

One of the best financial assessments of the Government's first year in office was written in a very succinct fashion by one of the Government's own agencies, the Farm Credit Corporation. In the Farm Credit Corporation's quick business analysis of the Government's first year in office it points out that farm asset values declined by 12 per cent in the past year, outstanding farm debt increased by an additional two per cent, and gross farm sales declined by 5 per cent. This does not sound like a growing agricultural sector. It does not sound like the Government has been doing very much to improve the situation.

In fact, if you do similar analyses for previous years, you will see that there was only a 5 per cent or 6 per cent decline in farm asset values in 1984 and that debt increased at about the same level, but that farm sales had at least increased a little bit. While I will admit that the problem has built up over time, the Government, with all the best intentions in the world, has been unable to stop the rapid decline in the fortunes of Canadian farmers despite all the attention it says it has paid to agriculture.

When looking at the long list of things which the Minister says he has done for agriculture I find some very creative accounting.

Mr. Benjamin: You mean cooking the books.

Mr. Althouse: Yes, what my friend, the Member for Regina West (Mr. Benjamin), says is probably true. The Government says that it has given almost $2 billion worth of aid to agriculture in its first year in office. The numbers are all here. One of the bigger aid packages is $520 million paid through the Canadian crop insurance scheme which has been in place for years. That money would have been paid regardless of which Government was in power or whether any Government was in power. An interim payment of $450 million through the Western Grain Stabilization Act was made. Payments of about that amount will be made again this year. Without government interference they would have been made this November rather than last May and June, but the amount would have been the same. The change in the legislation expedited the payments but did not change the amount. That money would have been pumped into the pockets of Canadian farmers regardless of which Government had been in power or, indeed, whether any Government had been in power. If we had been in the midst of an election, that money would still have been automatically paid out.

I hasten to add that both of those programs are paid for, at least in part, with the money of farmers. One-third of the funds paid out through the Grain Stabilization Act are raised through premiums paid by farmers. Fifty per cent of the money paid out in crop insurance is raised through farmers' premiums. Included on the Minister's list is the announcement of the final payments on the three Wheat Board grains. There is no Government money involved in that. It is simply a matter of finalizing the annual sales, closing the books, and paying the surplus back to the farmers who produced the grain. Those are the kinds of things included on this great list.

However, the production of great lists will do nothing to attack the real problem. Again, I must congratulate the Minister for finally recognizing that we are faced with a market of surpluses. Apparently, his officials have not recognized this because the White Paper which he presented to the Ministers of Agriculture in St. John's, I believe, followed the opinion that there are may hungry people to be fed and a world market to be filled. His officials have not yet come to the conclusion arrived at by the Minister.

● (1450)

In the time I have remaining I would like to outline how I believe we could deal with the reality of this market of surpluses. I believe that we should give priority to the remaining 60 per cent of the domestic market which should be ours to

fill first. Farmers should be allowed to structure marketing institutions that will take advantage of local domestic markets and let them set prices in those markets which will give the farmer full cost recovery. Since the weather, disease and other factors make it very difficult for farmers to produce the precise amount of commodity to fit the market, the surplus amount of product should be sold in international competition through powerful marketing agencies like the Canadian Wheat Board. These agencies would act wholly in the interest of the original producers of the product and return any surplus funds from the market, pro-rated to the original producer of the goods so that the full benefit of that marketing and sales activity will accrue to the local community and to the farmers who produced the commodity. This is the only way to face up the current farm crisis and ensure that agricultural development can take place and continue in this country. One only needs to look across the border to see that the farm crisis there is even worse than in this country.

Mr. Wise: So is their financial situation.

Mr. Althouse: Their financial situation is worse than that being faced by Canadian farmers because their marketing situation has not been as carefully monitored. Furthermore, I believe the main reason for that difference lies in those institutions which I just mentioned. The marketing ability of the Canadian Wheat Board and the Canadian Dairy Commission to act on behalf of farmers in obtaining fair prices, as well as the ability of various chicken and egg boards in this country, have made it possible for at least some farmers to maintain something close to production costs, viability and parity with the rest of the country. Without such institutions and the recognition which the Minister is now prepared to make, there is no ability for Canadian farmers to survive in the current economic climate.

Canada has a relatively large agricultural sector given the size of its economy and therefore it does not feel disposed to make the kind of subsidy payments to keep agriculture viable as we normally see in the European Economic Community, the United States and other industrialized countries like Japan. Our small population means that we can produce a consistent surplus of commodities. Our tax base is relatively small compared with that of those countries with large numbers of very wealthy people. Therefore, we should allow the farmers to look after themselves, as our agriculture policy suggests. They should be given the marketing power they require in the form of marketing institutions like the Wheat Board and the Dairy Commission and they should be allowed to adjust to the reality of the market-place both domestically and internationally.

I attempted to provide such an opportunity earlier in this session of Parliament when the National Farm Products Marketing Agencies Act was broadened to permit tobacco growers to do just that. At that time I moved an amendment that would have permitted all producers of fruits, vegetables, grains and livestock to have the same privileges. However, the Government intervened and refused to allow that to happen. I regret that it took such action because I believe that self-help for farmers is the only way they will have a chance to survive in this very difficult economic climate. It is the only solution that will allow farmers to obtain the income they need to remain viable.

In closing, I am pleased that we had this opportunity to discuss agriculture this afternoon. I urge the Government to face up to the new analyses that the Minister has offered us today which is a radical departure from the position of his Party and his Government. I hope he has some luck and success in selling his arguments to his Cabinet colleagues, particularly in persuading the Member for Assiniboia and the Prime Minister who were convinced some 16 or 18 months ago that the agricultural industry was viable and that it would only require harder work in order to sell the products that would solve the problems of Canadian farmers.

At least the Minister has recognized that that is not the case. I hope he will confirm that by introducing the necessary amendments to the National Farm Products Marketing Agencies Act so that other producers in this country besides those in the chicken, egg and dairy industries will also enjoy self-reliance.

Mr. Wise: Mr. Speaker, in my opening remarks earlier today, following the initial speech by the Right Hon. Leader of the Opposition, I took what might be considered an unusual step and utilized the opportunity to congratulate the Leader of the Opposition for the tone of his speech. I think it is only proper and appropriate, after listening to the agriculture spokesperson for the Opposition, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), that I also utilize this opportunity to extend, on behalf of the Agriculture Ministry as well, the same complimentary remarks about the manner in which he has made his presentation in the House today.

Mr. Foster: Mr. Speaker, I thought that the Minister would perhaps go into a longer dissertation.

I was very interested in the comments of the Hon. Member for Humboldt-Lake Centre (Mr. Althouse). He made a number of observations about the speech of the Minister of Agriculture (Mr. Wise). I was especially fascinated by the comments of the Minister of Agriculture when he agreed completely with the Minister of Finance (Mr. Wilson) and rejected the suggestions made by the Leader of the Official Opposition.

This surprises me because I believe that 90 per cent of the problem experienced by the Minister of Agriculture is in obtaining recognition, support and assistance from the Minister of Finance. The document entitled *Taxation Issues in Agriculture* which was before the Finance, Trade and Economic Affairs Committee earlier this year clearly put the Government's position on the line. According to the view of the Minister of Finance in his White Paper, farmers earn twice as much as other Canadians, only pay a quarter as much in income tax and other taxes, and are eight times as well off as other Canadians. I am sure that that comment by the Minister of Finance has been rejected by all farmers. I am sure the

Minister of Agriculture might want to choose his words more carefully.

• (1500)

Along with the Hon. Member for Humboldt-Lake Centre I was interested in the comments of the Minister of Agriculture with regard to free trade. He seems to be supporting the concept that, yes, our marketing boards are important in Canada whether in the dairy industry, the feather industry or with regard to the Wheat Board but the Minister is not prepared to take them off the table in the free trade negotiations. I understand his thinking in that regard, but I reject it completely. It seems to me that if you are going to enter into negotiations with the United States, you cannot go in naively and say "Well, we will put everything on the table and there will be no problems."

Mr. Benjamin: That is what the Liberals did.

Mr. Foster: It appears that you have to think that the American system of marketing and assistance to agriculture is better. I reject that. I think our system in many of those administered commodities is much better. Even if we wanted to go to the American system I do not think that we have treasuries rich enough here to support a system like that.

I would be interested in the thoughts of the Hon. Member for Humboldt-Lake Centre, although he has pretty well set them out on the table already. To be prepared to adopt the American system of subsidies and surpluses and the American system of agriculture would be something quite impossible for our Government to take on even if it were as good which, in my opinion, it is not.

Mr. Althouse: Mr. Speaker, I do not think I can give full justification in the time I have to the complexities of the question posed.

Mr. Benjamin: What was the question?

Some Hon. Members: Oh, oh!

Mr. Althouse: If we are going to our trade talks with the United States with child-like wide-open eyes thinking that this would be a way of maintaining free trade in agricultural goods, we are probably fooling ourselves to no end. There has not been true and absolute free trade in many agricultural goods, certainly in my lifetime.

In my reading and understanding of economic history, that has been the case with only a few commodities at any one time. In reality, most of the large developed countries have internal agricultural policies which serve to protect supplies. They make certain they come very close to being self-sufficient in food, a situation brought about, in part, because of European experience with war. Countries like to be as self-sufficient as possible in the event of a blockage during war. That policy came from the last century and with two major wars in this century, countries feel it is still a good policy and they pursue it. Similarly do the Japanese. They try to produce as much within Japan, regardless of cost, as possible. That has not necessarily been the reason for the U.S. producing the kind of agricultural output it has. The U.S.A. happens to be a relatively new economy situated in a very good agricultural area, in terms of land base, climate, technology and the training the population has. Americans are able to produce very well. They have at the same time used extra funds from their industrial base to assist agriculture in farm and rural life in a way that is subsidized at least three times per capita as in Canada. American farmers will not give up their far greater subsidies. Therefore, when we go into negotiations, we have to go in with our eyes wide open. We have to realize the U.S. is a much bigger country. Our negotiating position and economic clout is only about one-tenth of the U.S.

As long as we go on recognizing those things, we may come back with some honour and ability to survive as farmers in Canada. If Government negotiators ignore that, Canada's farmers will be very ill-served indeed.

Mr. Benjamin: Mr. Speaker, I have two questions for my colleague. I did not get a chance to ask the Minister of Agriculture (Mr. Wise) so I will attempt to ask him indirectly; first, on the experience of Canadian livestock producers in particular, but others as well. On a number of occasions in the last two or three decades we thought we had understandings or agreements on the amount of cattle, hogs, calves and dressed beef that we could send to the United States. As soon as the Americans started hurting, they closed the border. That has happened on three or four occasions since 1970.

Will the Hon. Member comment on the fact that unless we have a specific commodity, volume and price agreement that that situation will continue to happen? If we think we can blast our way into a market R.B. Bennett style we are deluding ourselves that the American livestock producer will hold still for that.

Second, my colleague commented on the matter of free trade. He said that we are trying to keep all of our eggs in one basket when we could be negotiating deals with countries such as Mexico and those in Central America. We could provide them with pure-bred cattle, breeding and red meats in exchange for their fruit and vegetable production rather than relying on the high cost imports from the United States in the middle of winter.

Mr. Althouse: Mr. Speaker, I will try to be brief because I notice you are getting a little edgy about the time. I do not have all of the instances of times when our relatively free trade agreement with the United States on red meat went awry. Probably the most noticeable ones had to do with our free trade hog component of the red meat understanding. In 1976 we were not producing all of the hogs required in Canada and we were not meeting our own domestic consumption. At one point for a year in that period in the middle 1970s, 14 per cent of our pork had to come from the United States.

As far as the Americans were concerned, we were a very small market. This past year the shoe switched to the other foot, so to speak. We were exporting relatively heavy exports of pork to the United States. We got to the point where

Canadian pork made up about 2 per cent of the American market. The Americans moved very quickly with a countervail and cut us off. They have much faster, better and more efficient mechanisms for cutting off trade than we have.

• (1510)

As to the second question about trade agreements which tend to tie us to one country "*à la* R. B. Bennett", as the Hon. Member said, there are some parallels. R. B. Bennett wanted a similar agreement with the British in the 1930s. The British did not seem to be very interested, but he kept pursuing it pretty well throughout his mandate. The Government has decided that the object of its affection will be Ronald Reagan and the Americans. Ronald Reagan may be willing, but the American Congress does not seem to be terribly willing. As the Minister explained, we will probably see Canada going to these discussions, if they in fact amount to something. However, rather than tying ourselves to a firm bilateral agreement with exclusivity clauses, we would be much better off going the GATT route, keeping our options open and selling to a wide range of countries. We know from past experience that countries which appear to be good markets dry up. For example, the British seemed to be the main market of the 1930s, and they buy virtually no agricultural products from us now. In fact, they have become our competitors. Tying ourselves to one market is not the answer; keeping our options open is much better.

Mr. Maurice Foster (Algoma): Mr. Speaker, the motion before the House today in the name of the Right Hon. Leader of the Opposition (Mr. Turner) reads as follows:

That this House regrets that the Government has refused to recognize the serious crisis facing the farm family in Canada and condemns the Government for its inadequate response to the problems of Canadian farmers, including a severe cost-price squeeze and debt burden, fierce predatory international competition and natural disasters, which have combined to place Canada's agricultural community in jeopardy.

He placed this motion before the House on our first Opposition Day because we are very concerned with the serious crisis facing Canadian agriculture.

We only have to look at the most recent report of the Farm Credit Corporation which suggested that 23 per cent of Canadian farmers are in serious financial difficulty. That is a frightening statistic. We only have about 170,000 farmers, and some 39,000 or 23 per cent of them are in serious financial difficulty. Another 11 per cent are in moderate to severe financial difficulty. If we look at that group of 39,000 farmers, we see that they spend an average of 10 years to 12 years in agriculture. They are really our youngest farmers, but they are also our most technologically advanced. They are our most efficient producers and our most productive farmers and, according to the statistics of the FCC, produce about half the food in Canada. They have a debt burden of something like $17 billion. The possibility of these young farmers losing their farms is frightening, disturbing and concerning. Will they be unable to survive? Will they be unable to have the opportunity to live a good life on the farm and to make a tremendous contribution to our country and to our export sales in years to come? Also it is very disturbing, as we look at the agricultural economies of Canada and of the world, to see the prices of commodities, the price prospects for grain and the prospects for cash crops. For example, we see farmers in southwestern Ontario growing soybeans and corn. They will not even get back their cost of production unless the Government provides stabilization. If we look at the long-term prospects for red meat, hogs and pork, it is a very disturbing situation which requires the resolve and determination of every Member of the House of Commons, especially those in the Government. It has to be placed on a higher plane of commitment or given a higher priority.

If we look at the international climate for farm commodity prices and at what is going on in the world at large, we see large trading blocs like the United States with huge, massive surpluses. They are able to commit $2 billion worth of grain for a bonus program. They are able to demand and receive a larger share of world markets. We want to know whether the Government is prepared to hang with our farmers and see them survive in the fierce, predatory international climate of commodity pricing.

If we look at the EEC, several years ago it was a customer for 25 million tons of wheat. Today it markets about that much on the world scene and subsidizes sales abroad. To round out the fierce competition in international trade, we have only to look at the 23.5 million pounds of EEC beef, subsidized up to 48 cents per pound, which is coming into Canada this year, or at the hog countervail by the United States of 5.3 cents per pound which will be harmful to our hog producers. We should compare those aspects with the almost blasé, *laissez-faire*, easy-going attitude of the Government that it will consider it, that it is sympathetic, but that it has not got around to making any decision or taking any action. These are the things which concern us in the Opposition and concern farmers right across the country.

Another reason for the motion being before the House at the present time is that the Right Hon. Leader of the Opposition is a man of his word. In September, he had an opportunity to visit the drought areas of southern Saskatchewan, to meet with community leaders there and to view the devastation due to the drought. In July, I had an opportunity to visit some farms in that area, to talk with many producers and to see the devastation as well. I saw hundreds of acres with no crops. After having an opportunity to meet with community leaders and producers, my Leader suggested to the Government a number of worth-while initiatives which it could take. Although the Minister spoke eloquently this afternoon, we are concerned that he was unable to respond to many of the recommendations of our Leader. Since I was in Saskatchewan, in the prairie areas, since the Leader of the Opposition was there and made these recommendations, people want to know whether the Government will respond to these suggestions. I will mention some of them in detail in a few moments.

• (1520)

I think this is instructive because the people know of the 338 promises that were made by the Government and of the dozens and dozens that have been broken or have not been responded to since the election of over a year ago. They have seen the House of Commons spend a great deal of time this fall debating a bail-out of $1 billion or $2 billion for banks because of the carelessness of the Government in dealing with that issue last March. They have seen PetroCan spending $1 billion to set up additional gas stations. They have seen a billion dollar tax ruling to benefit one big industrial family in Toronto. What they want to know is why can the Government not respond to this industry, which is critical to Canada, not only in terms of those several hundred farmers but to the entire economy and to the rural life of our country.

In the recommendations which were made by the Leader of the Opposition he recommended that there be immediate action on an acreage payment for drought. He suggested $50 per seeded acre, which has been recommended by the Saskatchewan Wheat Pool. He recommended an income tax adjustment related to farmers who have to sell off their herd and want to be able to go back into the industry without having their revenues destroyed by income tax. He recommended a permanent long-term disaster relief mechanism in conjunction with the provinces. He recommended a debt review agency to reschedule debt and also provide long-term preferential interest rates for farmers. A sales tax exemption for farm fuels was promised by the Government in the last election campaign. It instituted a program last November in the economic statement but most of that elimination of excise tax was removed between May 1, when the exemption to the petroleum compensation charge was lifted because that charge was removed, and September 1 when a new excise tax of 9 cents a gallon or 2 cents a litre was imposed.

The Leader of the Opposition recommended that there be a public inquiry into the cost of chemicals and pesticides about which there was a great deal of concern. The Senate has done some work on that but there is a need for an impartial inquiry in that regard.

The Minister did respond to the question of what will happen to our marketing agencies and our support programs with free trade. I still have not seen an ironclad commitment that these will not be bargained away and I do not suppose that we are going to get such a commitment. Of course that adds to the uncertainty and concern that Canadian agriculture feels today.

I think in the debt crisis there is a very great concern in areas all the way across the country but particularly in areas like the Bruce Peninsula where hundreds of farmers have lost their farms in the last couple of years. The Government promised an agri-bond program. An agri-bond program was recommended by the Finance, Trade and Economic Affairs Committee, a program which would assist the farmers to—

Mr. Dick: What year?

Mr. Foster: In 1985. It was chaired by the Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Dick: It was also recommended when you people were in Government but you did not do anything about it.

Mr. Foster: It was an excellent recommendation with the majority of the people on that committee from the Government side providing a write-down of interest to 8 per cent, up to $300,000, which was a five-year program. There was no response. I think that the Minister is very glib, very reassuring in what he has to say. However, when one reads the Budget one sees that there is only input cost increases and while there was a provision generally available to all Canadians and to farmers for capital gains exemption which helps farmers get out of farming, it does not help them stay in farming. There were increased input costs through the sales tax, through an excise tax, through removal of exemption of the petroleum compensation charge, and when one reads all the solid evidence, the Estimates, the Budget, these documents that show where decisions are made by the Government. There is no decision to give additional support or encouragement to agriculture. There is no decision on Section 38 because the Finance, Trade and Economic Affairs Committee studied that matter and put down a recommendation. In the Estimates the Farm Credit Corporation budget was reduced by almost $400 million this year. The estimates of the Department of Agriculture—

Mr. Wise: Increased.

Mr. Foster: There will be $50 million removed from it. As well, the Department of Agriculture will be deindexed and that will cost another $10 million to $15 million. We do not even know where that $50 million and $15 million is going to come from. Is it going to come out of the dairy program? Is it going to come out of agricultural support programs? Is it going to come out of transportation or is it going to come out of research? There is a pretty firm commitment by the Government to greater research in agriculture and yet there appears to be no certainty or commitment by the Minister yet where he is going to remove that $50 million.

I was impressed with the Government's support to the oil industry. There was a reduction in taxes within three or four years of $2.4 billion and an increase in the value of reserve by $800 million. I was not impressed that there was that kind of commitment to agriculture. I am sure the Minister wants, and I hope that he will get, that kind of commitment from the Government because I think we are going to go through a very difficult time for the next couple of years. I think that Canadians want to see agriculture get the kind of commitment which other sectors of the economy, notably the petroleum industry, received in that Budget.

The Minister after his review placed a moratorium on 670 Farm Credit Corporation foreclosures which are in the pipeline now. There will probably be more by December 1 because that is when most of the payments come due. I am interested to know whether the Minister will be adopting a program like

the agri-bond program recommended in the Finance, Trade and Economic Affairs Committee Reports to assist a good portion of the young farmers who are facing serious financial difficulty.

I was reassured as much as is possible by the Minister's words today that the potato industry is going to get his support and that there will be a potato purchasing program put in place under the Agricultural Products Act, because we have literally hundreds of producers in the Maritimes especially, although much of the industry is suffering in Manitoba and other places as well. These producers receive something in the order of 2.5 cents a pound, which is slightly less or more, perhaps, than half the cost of production. They can surely not survive indefinitely. I have recommended to him that he remove the inspection fee or place a moratorium on it, at least for this year or, perhaps, even indefinitely, which would be a more popular move. I am told that a person operating a 600-acre farm will pay inspection fees in the order of $6,000.

• (1530)

Mr. Wise: That is inaccurate.

Mr. Foster: That seems like a great deal of expense for an industry in which one receives about half of one's production costs.

While the Minister has soothing words, I think the industry is looking for decisions and actions. I suppose it is unfortunate from the Government's point of view that many of these actions will cost money. However, when one looks at the depth of the problem from the farmer's viewpoint, when one looks at the impact on rural Canada and the long-term interests with respect to Canada both domestically and internationally, I think the type of commitment which was given to other sectors of the economy should be given to the agricultural sector. We are certainly looking at an emergency debt situation and crisis in the short run. We are looking at a cost-price squeeze which the Government can help in certain ways over a longer period of time. We are looking at a fierce situation in terms of the international market. We want to see the Government respond in a positive way to the recommendations made by the Leader of the Official Opposition a few weeks ago and those which he repeated here in the House today, as well as the recommendations coming forward from agricultural groups in the country. This industry is just too important to be receiving only soothing words. It requires a total commitment by the Government and the people of the country at large so that we can see it survive and prosper as a family farm type of industry and not be changed to the type of industry which we see in the United States and some other countries.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Minister of Agriculture (Mr. Wise).

Mr. Wise: Mr. Speaker, I have a couple of observations and questions to ask of the Hon. Member for Algoma (Mr. Foster). The Hon. Member speaks about soothing words. He should be an expert on soothing words since during the time his Party was in power that was all it delivered to the agriculture industry.

I would ask Hon. Members to consider the farm finance situation. If the Hon. Member examines the record he will recognize that there was only one single action taken by the previous Government to address that problem. I am speaking of the special farm assistance legislation which lowered interest rates by 4 percentage points on a very selective basis to about 2,100 clients of the FCC. When my Party assumed office we moved interest rate conversion legislation which lowered interest rates across the board to all FCC clients who held loans and mortgages with interest rates at 16.75 per cent. We brought them all down 4 percentage points to the benefit of 5,600 clients. That was an $80 million commitment to the agricultural industry. That is not an action which fills the definition of soothing words. That is an action in terms of dollars.

In addition to the introduction of the interest rate conversion measure we put into place appeal boards across the country. We also introduced the shared risk mortgage program and, in addition, we lowered interest rates five times. Interest rates are now at the lowest point they have ever been in the FCC since 1979. Those are not simply soothing words but actions which have required the expenditure of dollars.

During the same period of time the previous Government saw interest rates increase by about nine percentage points to 20 per cent or 24 per cent. That is what happened when no action whatsoever was taken by the previous Government. Those were extremely devastating events which took place and which seriously impact the agricultural industry today.

I wish to ask the Hon. Member whether he realizes that for every percentage point increase in the general interest rate in the country there is a cost to the Canadian farmer of $140 million. Has the Hon. Member not observed that since my Party has taken office there has been a three percentage point decline in general interest rates in the country? Does he not know that for each percentage point of decrease there is a saving of $140 million to the Canadian farmer? During the time the previous Government held office, and because it took no action and allowed interest rates to increase from 10 per cent to 24 per cent, there was a direct cost to Canadian farmers to the tune of $1.4 billion. What did the Hon. Member's Government do? It had nothing but soothing words. We have taken action.

Some Hon. Members: Hear, hear!

Mr. Foster: Mr. Speaker, that was a beautiful intervention by the Minister of Agriculture (Mr. Wise).

Mr. Wise: It was fact.

Mr. Foster: He knows that the reason he was able to carry out that flip with respect to interest rates was because the previous Liberal Government had left $600 million worth of funds in the Farm Credit portfolio. Rather than costing his Government $80 million, which, of course, is a total canard, it

really cost nothing. All the Government had to do was exchange one level of interest rate for another.

I would point out to the Minister that there were some 5,600 farmers who were eligible for that program. They had to sign an incredible document stating that they were on the way to the poor-house and they were going broke. If they did not sign the document they would not receive anything. If the Minister would come clean he would admit that there were 6,800 farmers holding farm mortgages at 13.5 per cent or 14 per cent who at the same time received nothing. I think we have to take what he says with a grain of salt.

If we look at the Tory promises we will see that they promised that the Government would allow the Farm Credit Corporation to offer agri-bonds to farmers in order to have access to reasonably priced funds. The Standing Committee on Finance, Trade and Economic Affairs held hearings on this matter at which people from across the country were heard. The committee recommended an agri-bond program with an 8 per cent interest rate up to $300,000 in order to write down all the high interest rate loans for a period of five years. I did not see any action in the Government's Budget in that regard. As a matter of fact, if one looks at the Estimates for the Department of Agriculture with respect to the Farm Credit Corporation one will see that the Estimates decrease from $494 million to $90 million. That is not something which took place last fall; it is something which took place in February when the Estimates came down. If we look at the budget of the Department of Agriculture we will see that it has been cut by $50 million. We see that increases over the next several years will be restrained due to the deindexation of departmental budgets which will just cost more money.

I would say that the difficulties are growing greater and that the number of farmers in serious financial difficulty has increased by some 5 per cent from last summer to this. That is from about 33,000 farmers to 39,000 farmers. The Departmental estimates of the Farm Credit Corporation suggest that those accounts which were past due at August 1 have increased to $236 million. Last year it was $165 million. It is estimated that by January 1,1986, the number of farmers who will not be able to make their payments to the Farm Credit Corporation will increase and overdue payments will amount to $300 million. That is an increase of $190 million from last year.

● (1540)

We hear the Minister talking, but we do not see very much action. There was not very much action in the Budget or in the Estimates. Last July 10 the Minister put out a statement that he was going to put in place a pre-arbitration tribunal system attached to the Bankruptcy Act. Since then there have just been studies. I put a motion before the House calling upon the Government to implement some action in that regard. Many groups like the National Farmers Union and others are recommending some action.

There was a Bill in the House of Commons in June, 1984, before the election campaign. It was not a case where the Government had to go and find a new Bill, it just had to come forward with the legislation which was already there.

A question was put to the Minister of Consumer and Corporate Affairs (Mr. Côté) this week. He replied that the committee was still studying the issue and that we may get a Bill in January or later on. It is very indefinite when there is going to be some action taken. We can compare this inaction with the promises which were made in the election campaign. Promise No. 14 was that the Government would allocate the necessary funding to assist producers in refinancing their loans at current prevailing interest rates. But where are the 6,800 farmers who were left last January with interest rates at over 13.5 per cent? Their loans were not financed down to 9 per cent or 10 per cent. What happened to the recommendation which was made by the Committee on Finance, Trade and Economic Affairs? The majority of Members on that committee were Government Members. They knew what needed to be done. But there has really been no action taken by the Government on that recommendation made by their own private Members.

Mr. Benjamin: Mr. Speaker, I have a question for the Hon. Member for Algoma (Mr. Foster). In listening to the Minister of Agriculture (Mr. Wise) and to the Hon. Member for Algoma, I was reminded of a story of the farmer who was on a train. When he went to the washroom there was a sign above the toilet which said: "Do not flush in town". The farmer said: "Oh, sure, do it to the farmers again".

A year and a half ago the Conservatives were making the same kind of speech the Hon. Member for Algoma made today. As year and a half ago members of the Liberal Party were making the same kind of speeches the Conservatives are making today. I would like to ask the Hon. Member for Algoma, with all of his complaints, if he can assure us, on behalf of the Liberal Party, that it has now changed its mind and will admit that it was wrong. Who was it that got rid of the Crow rate and increased costs for producers in western Canada, with the supine acquiescence of the Tories? Who was it that abandoned thousands of miles of branch lines and increased the cost for producers? Who was it that sat quietly by while the United States colsed the borders on us on cattle, hogs and number of other commodities? Who was it that started the user-pay principle which hurt agricultural producers all over this country? Who was it that tried to get rid of the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act? This all resulted in falling agricultural prices and falling farm net income. Can the Hon. Member now say that his Party has now changed its mind and admits it was wrong, and that the Tories were right in what they said while the Liberals were in power? Can he just tell us that?

Mr. Foster: Mr. Speaker, it is obvious that the Hon. Member for Regina West (Mr. Benjamin) who is a long time friend and member of the most illustrious class of 1968, obviously dreams of the possibility of his Party being able to be the Government of this country but he is not likely to see that happen. I want to assure the Hon. Member that if the

Government would adopt some of the recommendations made by the Right Hon. Leader of the Opposition which were put to the Government today, it would prove it recognized, for instance, the seriousness of the western drought situation which occurred this past summer. If the Government would implement an acreage payment system at $50 per seeded acre, in co-operation with the provincial Governments, that would be very beneficial to western agriculture.

Someone on the Government side made the suggestion to the Right Hon. Leader of the Opposition that this is going to be a very expensive program, and, yes, it could be, but we should look at the magnitude of the situation which has occurred in western Canada. It is estimated that there was at least $2 billion in lost profits because of the drought alone. The damp, wet harvest also reduced grain production and will reduce the value of crops. In those cases, that kind of a payment, I am sure the Hon. member for Regina West would appreciate, would be very useful.

There should be a permanent disaster relief mechanism in place to assist in the kind of disaster which has happened to the farmers this year. There needs to be long-term action on water storage, water conservation and irrigation which will put on a firm basis the agricultural industry in western Canada. I am sure that the Hon. Member for Regina West would certainly want to applaud and support in any way possible those and other recommendations of the Right Hon. Leader of the Opposition.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have an opportunity to participate in this debate today for a number of reasons. Of course, the first reason has to be that agriculture is a very fundamental part of the economy of my constituency. It provides a livelihood and opportunity for many people in my area. In fact, it is a major influence on all of us in Canada. The second reason I wanted to speak in the debate today is because of the motion which is before us. I would just like to read the motion, if I may:

That this House regrets that the Government has refused to recognize the serious crisis facing the farm family in Canada and condemns the Government for its inadequate response to the problems of Canadian farmers, including a severe cost-price squeeze and debt burden, fierce predatory international competition and natural disasters, which have combined to place Canada's agricultural community in jeopardy.

That is quite a motion, Mr. Speaker, but I will tell you what really makes it incredible. It is the Party which has put this motion before the House. I was elected to Parliament in 1980 so I was able to watch the previous administration and perceive how it dealt with agricultural concerns, problems and frustrations. Today those same people put forward a motion condemning our Government for not paying attention to these problems and not acting upon them. All one has to do is look at the two records to see that the people who are doing the criticizing today really have no grounds, basis or reason for putting forward any of that criticism. I can remember sitting in this House and watching the Minister with the green hat making all sorts of statements, all sorts of flowery speeches, but not once that I can recall did he really respond to the gut needs of people in the Peace River country. I remember questioning him about problems we had in Peace River, whether it was drought or some other weather condition, and his response was: Check it out with the province. He was not interested. Yet these very same people turn around and have the audacity to put forward this kind of motion. In spite of that I have to say that I have found this debate quite interesting and the speeches information and thoughtful. That is a real compliment to Members of this House and in many ways to the Minister of Agriculture (Mr. Wise). He set the tone.

● (1550)

I want to talk for a few moments now about this new Government. It is important that I talk about it from the viewpoint of a western Canadian, particularly as the Member of Parliament representing the Peace country. This new Government has meant many significant things to us. The first thing which comes to mind is that for the first time in a long time we feel we are represented at the Cabinet table. Time and time again in the past our concerns, worries and frustrations were never heard. Why? Because the Liberals did not have anyone from western Canada to stand up and speak for us. That is not the case today. We have several Members from western Canada sitting at that Cabinet table demonstrating concern about the problems we are faced with in western Canada. At the same time they very much influence the direction Canada is taking. I could not help but notice an article in *Quorum* which I thought really spoke to this fact. Some of you may remember Mordecai Richler's statement regarding the City of Edmonton. Western Canadians were very offended by what one Member said because what they felt was happening was now that the Liberals are in Opposition they are free to come forward with all sorts of platitudes and nice statements but when they were in Government they totally ignored us. The title of the article was: "Shame on Sheila". It said, among other things:

If she feels compelled to apologize to us, why doesn't she express her profound regret for her Party's unabashed attempt to loot Alberta with the National Energy Policy?

That is the kind of thing which has made western Canadians furious. We find it particularly offensive when Liberals come forward with this kind of motion today criticizing a Government which is looking at the problems facing our farmers and is already taking action and considering further action.

I now want to talk briefly about the Ministers who deal with agriculture in this Government. The first thing we have to remember is that those Ministers were handed one heck of a mess in the shape of our agricultural economy. It has suffered from neglect, severe weather conditions, and all sorts of other things. Of course, the biggest thing it suffered from was the inaction of the previous Government. What I found really impressive was that the Minister of Agriculture listens. That is important. In my first four or five years in this House when I sat on the Opposition side I never felt that the Minister of Agriculture listened to me, let alone my constituents. However, the new Minister of Agriculture is listening and responding, and anyone who wants to seriously sit down and look at it will know that the Minister has listened and his track record

bears that out. Another Minister is the Minister of Transport (Mr. Mazankowski). His work affects the commodity and agricultural industries and, again, I find that he is a listener. We have a serious problem in our area with the number of places which do not have rail service. As a result, some of our farmers are trucking their products 50, 60 or 120 miles to the rail head. I have had a hearing with the Minister of Transport about this issue an I am confident we will have a program which will show the Minister is interested and concerned about this problem. I am confident that in the next little while we are going to see some action.

The third Minister I want to mention is, of course, the Minister responsible for the Wheat Board (Mr. Mayer). Several times since the election I have had to go to him with problems which in some cases were unique to the Peace country, and in other cases not necessarily so. However, what really impressed me is that each time he was aware of the problem, understood it, and immediately sat down with me and tried to work out some kind of solution to meet the real needs of farmers in that region. Those three men have really been of great assistance and help to us and I think their actions give the lie to the motion which has been put before the House today.

I want to pause for a few moments now and talk about the drought in the Peace country this spring. During the summer, as soon as the House adjourned, I immediately started to travel throughout my riding. I went to as many of the agricultural areas and communities as I possibly could. I averaged some three or four meetings a day with farmers. It became very obvious that we were facing a crisis in that part of the world. Conditions were spotty; some parts of the region had reasonable crops, others had none at all. Often enough those divisions ran right down a fence line or quarter line. It was a very serious problem. What was even more frightening was that for parts of my region this is the third and fourth year that they have suffered some sort of weather problem. Whether it be drought, rain or snow, something has always prevented farmers in my area from harvesting good crops. I have to admit that, after travelling around my riding, I ended with somewhat the same kind of feeling which many of my farmers had, one of panic and desperation because the situation was so serious. What I found impressive, though, was that when I got on the phone to the Minister of Agriculture and said we have a problem out here, it was not long before we saw him out there personally looking at the problem our farmers were facing. He was out looking at the farms, the crops, looking at what the grasshoppers and drought had done. He was there and he was concerned. What did he do when he got back? The first thing he did was to ask the Hon. Member for Assiniboia (Mr. Gustafson) to form a task force to have a good look at the problem. I have had the privilege of working very closely with that Hon. Member because I was later asked to join that same task force. I can tell you that he went out there, looked at the problem, studied it, listened to the farmers, taken what he heard and put it together in a package which can be worked with, and that is the kind of message which was delivered to the Minister of Agriculture. The approach has been very tenacious and sensitive. That is important because so many of our farmers have felt for so long that they have not had a sympathetic ear here in Ottawa. They have not had someone who understood the problem or cared about them. The Hon. Member for Assiniboia is a farmer himself, he talked to these people, listened to their concerns, and I think that in itself gave a number of our farmers some confidence.

As the house knows, one of the first things to come out of that task force was the announcement dealing with help for our cattle producers. Of course, that help has been significant. Now, of course, we have had a slightly different problem come up and that is why I want to talk for a few moments now about the harvest. I have to admit that it has been kind of a frustrating experience for me this year to be talking in the spring and summer about a drought and then do a complete turn and start talking about snow and rain and cold conditions. However, that is what has happened in the Peace country. We have gone from one extreme to the other. What little bit of crop we had cannot now be harvested. We are faced with a situation where farmers cannot harvest the crop that does exist. That creates problems for not only our farmers, it also makes it very difficult for the task force to get a handle on the extent of the damage. When I am asked what kind of crops we ended up with in the Peace Country I cannot say. How can you give figures when the crop cannot be harvested because of the snow and rain? We have some very serious problems. My confidence comes from watching the Minister of Agriculture over the last year. I know that he is listening and that we will not be ignored. The task force has been doing its work and I am very confident in the announcement that I know will be forthcoming in the near future. It will respond to the needs of farmers. It will consider the conditions they are faced with and it will not be the hollow rhetoric that we got before from the Minister with the green hat and some of his colleagues.

• (1600)

I want to touch on the record of my Government because it has certainly made agriculture a priority. Agriculture has become an important priority on the table of the Government. We are trying to solve a number of the very serious problems that exist today. I would first like to discuss briefly the abolition of the capital gains tax. This morning in the opening of his remarks the Leader of the Opposition (Mr. Turner) seemed to pooh-pooh that. He said it is great if you are getting out of agriculture but it does not do much good for the people who want to stay on the farm. However, as I understand it, the average age of farmers in Canada now is 55. In other words, there are a large number of farmers who want to retire and sell much of their farms to the younger generation. Therefore, this is a very significant program because it will allow those individuals the opportunity to retire and put some money in their savings accounts to provide for retirement, which opportunity was not available to them until now. For the Leader of the Opposition to pooh-pooh that provision shows that he has obviously not been paying attention to the real concerns of farmers.

The other action that I think is important is the removal of the federal sales tax on farm fuels. I would have been in favour of not having that last tax apply, as I think many people would have been. However, the fact is that we were able to carry out our election promise of rebating that tax. As a result, farmers in my riding today are not paying the full federal sales tax on farm fuels. That is important because every bit of assistance that we can provide is significant.

The actions of the Farm Credit Corporation are demonstrative of the differences between the two Governments. Prior to the last election I received a phone call from a farmer who was stuck with a 16.75 per cent interest rate on a loan. He was desperate because that loan was getting him in real trouble. The interest was depleting his operating capital. As a result, he was in a very difficult situation. He called me and I phoned the then Minister of Agriculture, the one with the green hat, and expressed the problem to him and asked for some assistance. Even at election time, when I thought the Liberal Minister would have been sensitive, all I got was a deaf ear. I must say that I was able to phone that farmer a little while later and say that the new Government had listened to him and we could now get the interest rate down. That farmer is a happy man. That is the kind of thing that the Minister of Agriculture has done. The shared-risk mortgage program is extremely important because that shared risk means that farmers now have some assurance that they will not be hit with the high interest rates they were nailed with by the previous administration.

There is also the moratorium. The other day I had one of my best days this year when I was able to call one of the farmers in my riding who was going to be foreclosed by the FCC. I was able to tell him that the Minister had called a moratorium, that I had checked into it and that it applied to him. That man is now trying to put his farming business back together and I think that he will succeed because the Government listened and recognized his problems. In spite of what the previous Liberal Government did, that farmer now has a second chance. We do have a track record, Mr. Speaker, which I think demonstrates that we are indeed interested in agriculture, indeed concerned about farmers, and are indeed going to meet the needs that they have today.

The way in which we have expanded the appeal process for farmers through the Farm Finance Review Board is of benefit to them. The Western Grain Stabilization Act is a favourite of mine as well. I remember a short while ago when the Liberals made an amendment to allow one payment. The funds were finally delivered right around election time. This Government has amended the Act to allow those payments to be made at any time. Since this Government has come into power there have been payments made in the spring and the fall that have really been of benefit to farmers. There are many things on the Government's record that demonstrate its interest, concern and action.

The other day I happened to look at a list of some of the things that the Minister of Agriculture has done. In fact, I have it with me here today. I found it interesting that he has had 122 accomplishments in the short period of time that he has been in Government. Dividing that by the number of months that he has been the Minister of Agriculture, we find that he has made a major decision which positively affects our farmers on an average of 10 times per month. If we consider that there is an average of 20 working days in each month, we find that every second day the Minister of Agriculture has made a major announcement which very much affects our farmers. After all of that we face the type of motion made by the Liberals who did none of those positive things in all the years they were in power.

I see that I am running out of time, Mr. Speaker, so I will conclude my remarks very quickly. I would like to spend the rest of the afternoon just reading from the list of accomplishments of the Government. I could go on for two on for two or three hours doing that.

Some Hon. Members: Hear, hear!

Mr. Cooper: The future of agriculture is very tenuous at this point, Mr. Speaker. It is a difficult situation which we on this side are certainly not ignoring. We are not saying that in the first year in which we have been in Government we have been able to solve those problems. We are not saying that we have accomplished everything we wanted to do. We are saying that we are listening to input from farmers so that we can act on it. The Government has done a lot, Mr. Speaker. As a Member representing an agricultural community, I am proud of the Minister of Agriculture, the Minister of Transport and the Minister responsible for the Canadian Wheat Board because in the short time that those gentlemen have been in Government they have done so much more than the Liberals ever did. I think that they deserve to be applauded rather than criticized through a phoney motion such as the one which is before us today.

Mr. Foster: Mr. Speaker, I think the Hon. Member has done an admirable job of apple-polishing with his Minister, but I do not think he will convince anyone that the Government has any great commitment to agriculture. Since the Government did not put any money into the Farm Credit Corporation to lower interest rates, since it cut the budget of the Department of Agriculture by $50 million and deindexed it so that it will lose another $15 million a year, one really has to take what the Hon. Member said with a grain of salt. He told us how wonderful it is to be able to go to the Ministers of Agriculture and Transport, but he is really not getting very much. That is the problem. He speaks of the soothing noises and so on. He talked about one farmer who had, I think, a 14.5 per cent interest rate on a loan who had it reduced to 12.75 per cent. If that farmer is in the cash crop or red meat industry, can he really cope with a 12.75 per cent interest rate on a loan? As I pointed out to the Minister of Agriculture (Mr. Wise), the reason he was able to do the flip on loans above 14 per cent down to 12.75 per cent was that the previous Liberal Government had some $575 million in the FCC budget so that flip could take place.

● (1610)

I would like to see him do it today because the Department of Agriculture reduced the Farm Credit Corporation's estimates from $494 million last year to some $90 million this year. If the farmer in the Hon. Member's constituency had a 13.5 per cent or 14 per cent loan he would not have been able to offer that. He certainly cannot offer it today and the only reason he was able to get that assistance in the previous fiscal year was that the Liberal Government provided a large enough estimate to make such a flip possible.

I was interested to hear the Member say that the former Minister of Agriculture had no interest in agriculture. I have heard much criticism from the Tory Members about Eugene Whelan but I have never heard anyone, any place say that Eugene Whelan was not interested in agriculture. I think that no one worked harder, as a Member of Parliament from 1962 to 1984 or was more committed to the interests of agriculture in this country than the Hon. Eugene Whelan. I believe everyone on all sides of the House would agree with that.

The Hon. Member talked about the Farm Finances Review Board. The Hon. Member for Bruce-Grey (Mr. Gurbin) is here today and he was very instrumental in appointing the chairman of the pilot project. I certainly want to commend the people from the Ontario Federation of Agriculture and other commodity groups who took part in that project. I know some of them and I am aware of the great amount of effort they put into that pilot project.

However, after talking to people who served on the Farm Finance Review Committee, I was disturbed to hear them say that the main problem was that the Farm Credit Corporation was not willing to write down any of their loans to farmers. They said that they were stymied without the Minister's support. Although the Minister is supportive to the extent of providing some funding to set it up, he certainly was not willing to make the commitment to change the policy or regulations of the FCC to make it work.

Although the Minister has imposed a moratorium on FCC loan foreclosures, I have not seen anything that has taken place in that regard, apart from his announcement in early July that he would set up a pre-foreclosure arbiration procedure. The Minister is conducting another review of the Farm Credit Corporation policies. A rather extensive review was conducted last February and March in which we made recommendations about the farm debt crisis. Members from all sides in that committee worked very hard to recommend a series of assistance measures for farmers facing foreclosure or bankruptcy. We waited all spring for the Budget—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member.

Mr. Cooper: Mr. Speaker, I notice that the Hon. Member has used about eight of the ten minutes in which I would have a chance to respond to his comment. The implication of what he said is how can the Government do anything if it has not put in more money.

If the Member will consider what we have done he will see that we are getting much more for our money than his Government ever did. Who was it that was able to cut interest rates on farm credit loans? Who was able to abolish the capital gains? Who established the shared risk mortgage? Who has contributed to the Canadian economy in such a way that we have seen interest rates decrease to record lows today? We have been able to get the bang for the buck. The Minister of Agriculture and the Government have succeeded in making the best possible use of our resources. We should be proud of that record.

The Hon. Member talked about the former Minister of Agriculture and said he worked very hard. I will not deny that. I do not know what his work habits were and he may well have worked very hard. However, I think he must be measured by what he accomplished. From the point of view of what I saw him do for the Peace country, he may as well have saved his time and not bothered coming to work because it did not accomplish anything. If the Hon. Member was honest, he would admit that he is doing nothing more than nit-picking the Government because even he must be impressed with the record of our accomplishments.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I must say that it is remarkable to hear a speech like that given by an Hon. Member from the Peace River country. Perhaps it makes the case for exchange visits throughut our country. I could certainly lead the Hon. Member into the pleasant countryside of Essex County and introduce him to a few poeple who would do nothing but nit-pick about the record of the Government.

This past summer we had a meeting in Essex County to look at the record of the Government for its first year and specifically at the Budget which had been brought down by the Government in May. That hall was filled with farmers who had voted Conservative and had in fact elected the first Conservative Member of Parliament from Essex County—the Essex-Kent constituency—in 25 years. There was one word stated in that hall to describe the Budget. That word was "betrayal". Those people did not whisper that word, they did not simply speak it, they shouted it. They felt that they had been betrayed on virtually every topic which led them to vote Conservative that previous September. Whether it was gas tax, support for the Department of Agriculture, whether it was a serious moratorium on farm credit, new sources of finance through agri-bonds or all those things that had led them to vote Conservative, their judgment was betrayal.

These were not people who had voted for me. They were not people to whom I felt I must listen with the special sympathy that one saves for people who were your original supporters, these were people who voted Conservative because, frankly, they believed the Prime Minister (Mr. Mulroney). I must say that they no longer believe him. They believed in a Conservative Government. I must say that they no longer believe it. They believed in the Conservative promises and that, above all, they believe no longer.

They expressed a sense of urgency which can be heard across the country. It is a sense of urgency to which the kind of partisan pot shots across the floor of the House this afternoon do not give justice. It is an urgency that cuts across partly lines and escapes partisan debate. It is an urgency that looks at the very real statistics and an urgency that sees around us in rural constituencies the human cost and the human loss, not just the kinds of losses involved if people have to accept lower wages or have their pensions decreased, but losses that represent farms slipping out of the hands of families who have held them for generations, farms which represented something very central to the whole life of people. How can one possibly bring that urgency to the House of Commons late on a Friday afternoon? Partly one can talk about the statistics and how gloomy they are.

● (1620)

The Farm Credit Corporation has just produced a paper which indicates that farm asset values have declined in this past year, a single year, by 12 per cent. The same Farm Credit Corporation paper demonstrates that no less than 34 per cent of Canada's farmers are facing financial stress. The analysis, to continue quoting from this paper, suggests that in Canada as well as in the United States the farm finance situation has become worse over the past 18 months. It says that this deterioration will likely continue, given current forecasts of farm prices and high international stocks of grain and livestock.

The Farm Credit Corporation itself says that payments in arrears have climbed by almost 50 per cent in the 1984-85 fiscal year up to $160 million. Let us take a look at the value of farm land, which has been the one saving grace for most farm families. We have heard farm families say, "We have a tough time making a go of it because of cash flows each year, but, my goodness, we are accumulating an asset that is growing in value." This past year farm land right across Canada has dropped in value. In Alberta, the province about which the last speaker spoke with tremendous praise for Government policy, farm prices are down by 5 per cent to 10 per cent. In southern Saskatchewan, prices have fallen 30 per cent to 35 per cent in drought-stricken areas. British Columbia has a 5 per cent to 10 per cent decrease. Even in parts of Ontario which started to see a small increase in farm prices in the early part of the year, the situation has reversed and the price of farm land is once again well below what it was at the start of the year. These decreases have taken place at a time when the general economic circumstances of the country have been getting better. The Conservatives have brought this fact before us this afternoon suggesting that it does them credit. However, it is just the reverse in the farm community, Mr. Speaker. The economy has been getting better. Interest rates in general have gone down by three percentage points. Yet, despite the fact that things in general are getting better, the situation in the farm community is getting worse. That demonstrates as clearly as you could possibly want this Government's failure to do what needs to be done in the farm sector.

If we were facing a situation of desperation in the rest of the economy and the farm sector was getting its lumps too, the Minister could rise and say "I have a tough situation to face", but things have been getting significantly better regarding outside circumstances which the Minister cannot control while the situation on the farm has gotten worse.

I shall not fall into the trap of saying that this is all the fault of 13 months of Conservative Government because this is a crisis situation which has been building up since 1981-1982. It owes as much to the past failures of the Liberal Government that came before—

Mr. Della Noce: Right.

Mr. Langdon: —as to the failures of this Government. This Government was elected on promises to change and on promises to improve. It was elected on specific promises to deal directly with the farm credit crisis.

This morning I asked the Minister about the farm credit crisis. I asked him whether he was prepared to do something about other than FCC loans. I asked him whether he would put a moratorium on them. I asked him whether he was prepared to put in place a system of judicial review of the debt situation of farmers. The Minister to his credit replied with some quite positive responses to those suggestions. He told me, and I hope I quote reasonably correctly, that action would be forthcoming of the kind I have been arguing for over the past 13 months since my election, but the Minister has been in office for 13 months. The farm crisis situation existed when he reached his office. It has got worse over the period that he has been in power, and he has no excuse when he gets up today and says action is forthcoming. Action should have taken place already.

We should have in place, at the very least, the kind of thing which the Conservative Governmention Saskatchewan has put into effect, a moratorium on farm debt and a system of review of each farm situation where debt looks likely to kick farmers off the land. At the very least, that should have been put into effect.

In May the report came from the Grey Bruce study. It very clearly recommended action at once to set up farm debt review boards. Again, I have talked personally to the Minister about this. He has expressed his sympathy, and he has expressed how favourably inclined he is to do something in this area, but he has not done it. I do not think it is because he does not want to. I think it is because his Government has priorities that are not people priorities. His Government has shown that on a weekend back in March it would move to help the Canadian Commercial Bank. In a week it moved to get $875 million into the hands of depositors of the Northland Bank and the CCB .Farmers carry the can in this Government as they have in virtually every Government since Confederation.

● (1630)

It was not fair in the last Government. It is not fair in the present Government. I ask back-benchers in this regime to join with us in the kind of push which we are continually making to

make the Government listen to the promises enunciated by the Prime Minister before the election; to work with us to make the Government at least as sensitive to the plight of farmers as the Conservative Government in Saskatchewan; to work with us to make the Minister's voice heard more powerfully against those representatives of Bay Street like the Minister of Finance (Mr. Wilson) and against those representatives of big business who frankly do not care about the small family farm; to fight with us in an attempt to get the Government to put into real priority what it put into verbal rhetoric when it sought the votes of farmers. If the Government does not act, constituencies and townships in all of Ontario that voted Conservative overwhelmingly just 13 months ago, will soon see hitting their territory the rural revolt which is so evident in my constituency. Within the last month and a half the National Farmers Union in Essex County has exploded into new life. Over 400 family members have signed up within the last 60 days. That thrust is sweeping across Ontario.

The petition which I presented to the House this morning was organized by that group of concerned farmers in Essex County. They have reached out across the Province of Ontario to all the cities, towns and communities that I enunciated when I presented my petition. They signed up thousands of people to protest the betrayal which the Government is seen as bringing to the rual parts of Ontario.

There is a threefold message that farmers are bringing to us. First, judicial debt review boards must be established to protect Canadian farmers. Second, they require urgent moves to try to get parity pricing for farm products. This is not something which is easy to do. It will require careful analysis. The House unanimously presented a Bill to the Standing Committee on Agriculture last April to explore that idea, and the Bill has sat there; nothing further has happened on it. The farmers in my county and the farmers with whom they talk right across Ontario are fed up. They want action and to be able to express their commitment to better prices for farm production. They do not want charity. They want fairness in the prices they receive. Finally, they want the trade strategy which the Government is trying to pursue with the United States to be turned into a trade strategy to protect Canadian farmers rather than leave them open to unfair competition from the United States. They feel—and I think they are absolutely right in saying it—that throwing ourselves completely open to the United States, with farm support levels there being much higher than here in Canada, will leave the Canadian farmer once more the victim of economic policy instead of its beneficiary. They want a trade strategy which gives us a fair shake in U.S. markets and gives us a chance to sell our products there without, each time we make a little progress, seeing that market swept away by unfair trade institutions in the United States.

I finish my remarks with a warning. The Opposition will continue to move motions asking for urgent action. However, if the Government fails to provide such action, it will reap its reward in the next election with a disastrous loss of constituencies right across Ontario, right across western Canada and I believe right across Quebec. We expect that the fight being made in the House of Commons on behalf of Canadian farmers will lead to us being the spokespeople for farmers after the next election. We will be the people fighting for fairness for them. We will be the people fighting against the betrayal not only of the present Government but of the past Liberal Government, a betrayal which is badly hurting the future of our farm community.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am very pleased with this opportunity to express my views on the motion presented by our Leader.

First of all, Mr. Speaker, I shall, if I may, take advantage of this opportunity to correct the question I put to the Minister of Agriculture (Mr. Wise), where I said that he stated before the Committee on Justice and Legal Affairs that the dairy policy would be released at the beginning of August. This should have been the Committee on Agriculture.

I shall now get back to the motion before the House. Mr. Speaker, it is truly amazing that every time a question is debated in this Chamber, no matter what the subject is or what opinion is being expressed or what the debate is about, we hear endlessly repeated: Listen, interest rates have dropped sharply, thanks to our efforts and our energetic policies. Inflation has stabilized, thanks to the measures we introduced.

And when the debate focusses on less joyous aspects and on very serious problems and situations, the blame and the responsibility are supposed to lie with the previous administration.

Yesterday, in this very same Chamber, we heard someone who, I think, is a real expert, inform us that it takes at least two years after the Budget is brought down before it can have any effect on unemployment or interest rates. This means that the present Government which has been in power for only thirteen months and which keeps saying, which keeps setting itself up as the initiator of all that is good and blaming us for what goes wrong—

I was surprised to hear the Minister of Agriculture (Mr. Wise) say earlier: Listen, after thirteen months in power, we have kept and acted on twelve promises out of fourteen. In his assessment, only two promises had not been kept.

● (1640)

A little later, his colleague mentioned that the Minister of Agriculture (Mr. Wise) had 122 achievements to his credit, and all that in thirteen months. That is what this Government and its Ministers are telling us, that is what they would have us believe, Mr. Speaker. To me, all this is absolutely apalling and light-years removed from reality. To make my point, and to do so as eloquently and as incisively as possible, I would like to make use of what I feel best represents the interests of farmers, and especially in Quebec. I am, of course, referring to

La terre de chez nous, which in its August 22 edition happened to publish an article under the heading: "The conservatives: A balance sheet", in three columns with three sub-headings: "What they promised, what they say they did, and what the UPA has to say about it". I will have an opportunity to get back to this later on and people will realize that the achievements are a lot less spectacular than Hon. Members on the other side would have us believe, at least as far as Quebec is concerned.

The best way to illustrate rapidly the current agricultural situation in Quebec is to quote or read a series of headlines. I will spare you the details, but as a rule the articles are faithfully summed up in headlines, the kind of newspaper headlines we saw last summer and during the month of September, still current fare, as a matter of fact. They go like this: "Industrial milk industry in full crisis", "Milk producers fed up with cutbacks", and "Bill C-25 rejected in Quebec". Yet we are told the Bill was rushed right through in late June, that it is just the kind of measure we need, a measure which has won unanimous praise and which will have a positive impact on the agrifood sector.

After reading and discussing it with the people who are directly concerned in Quebec one can see why they consider this measure, this initiative as being a classic insult to the Quebec farming community. Here are more: "Milk producers warn Wise he might find summer's end rather warm and stormy"—referring of course to the dairy policy—"Centralized system to be operational by September 17", "Pork Producers' Federation to sue federal Government", "Ottawa and systematic hypocrisy", "Most centralizing federal legislation ever", "Minister Garon decries Ottawa's future plans for Canadian agriculture"—he is Quebec's Minister of Agriculture—"Ottawa fails to keep promise", "New dairy policy announcement delayed until November".

This afternoon the Minister told us there is no way he can unveil it before early next year.

There are Members of Parliament from Quebec in this House, but unfortunately, very few of them are here this afternoon to take part it the discussion on the major issue of agriculture. "Quebec not invited to take part in the discussions", "Quebec farmers claim they have been betrayed", "Quebec farmers will have a tough year", "Quebec more worried than ever about the Canadian agricultural policy", "The UPA up in arms", "What an injustice—The producers appeal to the Prime Minister", "Dairy producers want more support from Ottawa for the price of industrial milk", "An abundance of subsidies for Western farmers and nothing at all for Quebec", and finally, "Producers are angry". All these titles have appeared in the most popular and best-known newspaper, one which is read by thousands of Quebec farmers. That is what the people involved, those who live with this problem, think about your achievements after 13 months in power.

One after the other, the major concerns and the main commitments made by the party opposite have gone by the wayside. Each time I have had the opportunity to speak about agriculture in this House, I have always referred to the solemn commitment made by someone whom I believed responsible, the Hon. Member for Joliette (Mr. La Salle). He promised that pork producers would receive $13 million and sheep farmers $450,000 but after waiting for months, these producers finally learned that they would never receive this money.

This was a major concern for Quebec farm producers. Another issue which was just as important was the dairy policy, about which the Members opposite said: We shall give you what you want, namely a long-term dairy policy without any cutbacks, and we shall guarantee that production costs are accounted for more reasonably and more equitably. We are now at the end of October and we are still waiting for this policy.

There was also the issue of the Farm Credit Corporation, about which all kinds of proposals and suggestions had been made. There was a reference a little while ago to bonds and to the fact that the farmers should have benefits and rates that would allow them to look at the future with some optimism. What has been done in this regard? The rates went down a few points, which benefited a few hundred farmers and producers.

There was also some concern about Bill C-155, through which the previous Government had agreed that the payments would be made to the railroads. I am speaking about the Crow's Nest rates. Once again, Members of this Government travelled throughout Quebec and used every forum available to say that this would not be changed and that the status quo would be maintained. Yet, a report has now been tabled which recommends not only that the payments not be made to the railroads, but that they be made to the farmers and producers directly. What is even more surprising is that, contrary to the previous report in which Mr. Gilson said that the money should be paid over a certain period, the most recent report, the Hall report, says that the subsidy should be paid directly to the wheat growers. This would result in absolutely incredible losses for Eastern producers, especially those in Quebec. And this is what your Government has accomplished. I am trying to be as fair and as objective as possible, in order to try and identify, among the 12 commitments referred to earlier by the Minister and the 122 apparent achievements mentioned by his colleague, something that could have been of benefit to, or could have had spinoffs for Quebec. Unfortunately, I do not see anything. I can identify practically nothing.

The Progressive Conservatives tell us, when faced with the facts, and by the way I would remind you that these are not my facts, not political facts gathered by Alain Tardif, Member of Parliament for Richmond-Wolfe. They are the facts as stated by the chief mouthpiece of all those involved in the

agri-food sector in Quebec, all those who speak on behalf of those producers, that is *La terre de chez nous*. What are we told with respect to the results of 13 months of Government? We were told on September 4: "We have been given a clear mandate by the people of Canada." On September 4, Canadians told us: "We trust you, go ahead!" And they give a rough interpretation of that mandate. They even suggested earlier this week that such a mandate gave them the power on the one hand to liberally distribute billions of dollars to a few multinationals and on the other hand to take that money from the pockets of small-and medium-income consumers, small-and medium-income Canadians, small-and medium-income taxpayers.

Those facts that you are spreading around, that you keep repeating, they also are true in the case of the agri-food sector. And to return to what I was referring to, the article in *La terre de chez nous* of August 22nd, I quote the following:

Conservatives—an assessment. What they promised.

To my knowledge, your party's official spokesman in Quebec, was the Hon. Member for Joliette (Mr. LaSalle). And what I am quoting is actually the full and word-for-word text of the commitments made by Mr. LaSalle at that time, at a meeting held in Longueuil on August 22nd, before a gathering of over 300 people.

Mr. La Salle said, and I quote:

In order to live, one has to eat, and we have realized that.

Mr. La Salle promised that his party would only establish a stabization insurance program after getting Quebec's agreement. I do not have to answer that question, you know as well as I do. You passed that legislation, relying on your vast majority, although all those concerned in Quebec, without exception, would have absolutely nothing to do with that most incredible Bill.

The Hon. Member for Joliette made commitments, as I said, concerning the $13 million. He also made formal commitments regarding a number of measures, namely the long-term dairy policy. And they summarize the commitments made by the Hon. Member for Joliette, what they say they did, and to make an assessment, here is what they say, with reference to the month of August, and I quote:

Early in the month, in the Beauce area, on the occasion of the opening of the 17th Regional Exhibition, Conservative MP Gilles Bernier issued a release entitled "No sooner said than done". The Progressive Conservative Government is fulfilling its commitments to farmers.

Now the Hon. Member for Beauce (Mr. Bernier) has spoken in exactly the same terms as the Minister a few moments ago and he said that 14 out of 16 commitments had been implemented in connection with a series of lesser measures. This has enabled me to learn a number of things. However, I will tell you what the UPA thinks of those lesser measures disclosed by the Hon. Member for Beauce and I will quote Mr. Proulx, the director primary responsible for the UPA:

Among the things done by the Tories, the important ones are the real stakes, where the future of agriculture will be determined. They can very well give us 200 trinklets, but if you are unable to—

• (1650)

—what difference does it make? This is what Mr. Proulx is saying after this Government has been in power for a year.

Mr. Proulx says: "Trinklets, that is what you have given us. And what does farming in Quebec need? Concrete responses to serious problems.

Considering that my time is running out, I would like to point out immediately that problems dealing with farming in Quebec have not only remained unsettled but have been dragging on and unfortunately we do not see any possibility of solving them. That is for the past. But I am also concerned about the future, for it looks just as bad. During his remarks, the Minister indicated that he was considering with much interest the possible opening up of our market, adding that free trade between Canada and the United States was an interesting concept, given the fact that we export for several dozens of million dollars of goods to the United States.

The Minister is taking for granted that the elimination of trade barriers between Canada and the United States would open new markets for our farm exports. I find his attitude both disturbing and dangerous. And as evidence of this danger which is hanging over our heads, I should like to use the example of the hog production which the Minister of Agriculture himself used a few months ago. He then said: Listen, we cannot give you the $13 million, because if we did, we would face reprisals from the United States. Then, the dairy policy which is the envy of some 10, 20, or 30 countries throughout the world is subsidized.

On the basis of an argument such as the one put forward by the Minister of Agriculture, I am afraid that the announcement of the dairy policy which the Government was supposed to make last August and which has been postponed until early next year will include cuts in the subsidies currently being paid to dairy producers, because the Government feels that these cuts are necessary if we want to be able to export our farm production to the U.S. markets which it is so interested in and which are huge indeed.

Yet, I can tell you, based on consultations which I have had with people that are knowledgeable in this field, that abolishing trade barriers would be extremely risky, and the experts I met last summer told me that we would soon witness the failures of several thousands small businesses involved in egg, hog and milk production. I can hardly believe that this is the road the Minister of Agriculture is tempted to follow.

To conclude, let me tell you this: You have been elected with a very clear mandate. Deliver the goods as promised to those

who trusted you and who are now expecting results, and rightly so.

[*English*]

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Algoma (Mr. Foster).

Mr. Foster: Mr. Speaker, I wish to congratulate the Hon. Member for Richmond-Wolfe (Mr. Tardif). He really outlined in graphic detail the impact of the Government's lack of determination and commitment on agriculture, especially with respect to his home province, Quebec. I would like to ask the Hon. Member for a couple of clarifications.

In listening to the Hon. Member I thought I heard him mention that the Minister of Public Works (Mr. La Salle) actually signed a cheque for $13 million to the hog producers of Quebec and then reneged. Can the Hon. Member tell me if that is the case or not?

Yesterday in the House the Minister of Agriculture (Mr. Wise) said that Ministers of Agriculture of four producing provinces, I believe, and he were considering a red meat stabilization program with respect to hogs and beef. I am interested to know what the impact would be on agriculture in Quebec if that province were not able to participate in the program.

Will the Hon. Member comment on the $50 million cutback in the budget of the Department of Agriculture if those funds are to be taken out of the dairy subsidy? What impact would that have on the Province of Quebec?

[*Translation*]

Mr. Deputy Speaker: The Hon. member for Richmond-Wolfe for a quick answer.

Mr. Tardif: Thank you very much, Mr. Speaker. First of all, I should like the House to know that my colleague the Hon. Member for Saint-Denis (Mr. Prud'homme) also wanted to take part in this debate, but will be unable to rise because it is already very late. I now come to the question.

The major concern or one of the major concerns was that, in the short term, hog producers wanted to get the $13 million they were entitled to in view of the very bad marked situation. Indeed, they had been deprived of that amount by the previous administration, and on that side of the House a firm, irrevocable and unequivocal commitment had been made to pay that amount of $13 million; Mr. La Salle went as faras putting his signature on a symbolic check which has never been honoured, and the producers are still waiting for those $13 million.

Mr. Deputy Speaker: Order, please. It being 5 o'clock p.m., it is my duty to inform the House that proceedings on the motion are expired in accordance with Standing Order 63(11).

Accordingly, this House stands adjourned until Monday at 11 o'clock a.m. pursuant to Standing Order 3(1).

At 5 p.m. the House adjourned.